



annual report

for the period from
1 August 2024 – 31 July 2025

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01 STATEMENT BY THE COMPANY MANAGEMENT

Dear shareholders and business partners, ladies and gentlemen,

the past year has shown that our company's ability to face challenges stands on solid foundations. It is the result of thorough preparation, responsibility, and investments made with regard to the needs of Slovakia. Therefore, we can consider it a successful year, despite the demanding geopolitical and economic situation.

SPP – distribúcia, a. s. is the largest gas distributor in Slovakia. Our 1.5 million delivery points consist of households, large consumers, manufacturing companies, and smaller businesses – all those for whom gas is an essential part of the energy mix. We take pride in the fact that our network delivered uninterrupted supplies throughout the year, standing resilient against geopolitical challenges, weather fluctuations, and market uncertainties. At the same time, we maintained solid financial performance – a particularly important achievement in today's uncertain environment.

In the past year, the natural gas transit from the Russian Federation through Ukraine was ceased. Thanks to thorough preparation, our distribution network absorbed this historic change seamlessly, without any impact on our customers. Technical adjustments to the Belža emergency interconnection and the unwavering commitment of the Slovak Gas Dispatching, which we operate, played a key role in securing stable gas flows.

As a regulated gas distributor, we are legally obliged to meet the national supply security standard for households. Once again, our storage facilities were filled to ensure that in the event of an extraordinary disruption, Slovak households would be guaranteed access to natural gas for 30 days.

We firmly believe in the future of gas in Slovakia. It holds an irreplaceable position in the domestic energy landscape. It is the most accessible low-emission fuel, and a crucial partner in the decarbonization of industry, energy, and households. Alongside nuclear energy, the European Union recognises gas as the optimal transitional fuel. Slovakia enjoys a strategic advantage in this regard, being the second most gasified country in Europe.

Our responsibility to maintain the gas distribution network is therefore paramount. Safe and reliable operation, with minimal environmental impact, was supported by consistent execution of our maintenance and investment plan. Year-on-year, we increased investments in network renewal and operational reliability by 11%. We also reduced the average time to eliminate leaks by four days, down to 12 days, and significantly decreased the proportion of leaks lasting longer than 30 days. Our network is already certified for the distribution of biomethane and hydrogen blends with natural gas.

Over the past financial year, we advanced several projects preparing our network for the hydrogen distribution. The Eastgate Hydrogen Valley initiative has the potential to make a significant contribution to decarbonising industry in eastern Slovakia. In the coming months, we will launch a hydrogen testing facility – a dedicated testing facility for the distribution and utilization of pure hydrogen and hydrogen-gas blends.

In addition, we connected a second biomethane plant in Veľké Bierovce to the network, and by next year, Slovakia could host ten to twelve biomethane plants within the distribution network. The Renewable Gas Registry, operated exclusively by SPP – distribúcia, also confirmed its relevance. As the only official tool for issuing, transferring, and redeeming guarantees of origin for biomethane in Slovakia, the register has, in just two years, issued guarantees exceeding 100 GWh and tripled its account holders to the current 34.

Natural gas continues to be the key energy source for heating and cooking in almost two-thirds of Slovak households, thanks to its affordability, accessibility, and cleaner combustion. While individual gas heating represents less than 7% of Slovakia's total emissions, we see scope for further improvement. By replacing outdated gas boilers with modern condensing boilers, households can reduce both emissions and energy costs. To support

this transition, we provide subsidies of up to €600 for boiler replacement, available to households, municipalities, organizations, and businesses. Gas also has a role in new-built family homes of energy class A0 when combined with technologies such as photovoltaics, solar collectors, or fireplaces. We therefore introduced comprehensive low-emission housing solutions, offering discounts of up to 66% compared to market prices.

Modern energy systems depend on reliable data and technology. That is why we are pushing ahead with digitalization across all key areas. Smart gas meters are being deployed, while our GAS Meter Readings mobile app makes self-reading of consumption easier than ever. With more than 170,000 active users, it is already the most popular self-reading method in the D1 customer category.

Employee safety remains our top priority. We are proud to report 365 days without a serious workplace injury. As an employer, we uphold fairness and responsibility, confirmed by positive results in our internal employee satisfaction and engagement survey.

Our results are the outcome of the dedication of our employees, the trust of our customers, the cooperation of our partners, and the support of our shareholders. To all of them, we extend our sincere thanks. Together, we will continue to ensure that Slovakia's gas distribution network remains reliable, safe, and ready for the future. Comprehensive details of our financial year are available in the submitted Annual Report, which for the first time also includes a dedicated Sustainability Report.

Ing. František Čupr, MBA

JUDr. Adrián Kucek

Ing. Martin Hollý

Company profile

SPP – distribúcia, a. s. is the owner and operator of a gas distribution network extending 33,351 kilometres, ensuring the supply of natural gas to more than 1.5 million delivery points across the Slovak Republic. The volume accounts for about 98% of the total natural gas volume distributed in the country for more than 94% of the population with access to natural gas.

Reliable operation of such an extensive gas distribution network requires a high level of professionalism, continuous development and consistent monitoring of the condition of pipelines and gas facilities. Our objective is to ensure the distribution of natural gas that is technically safe, reliable for customers, and economically efficient.

We consider a continuous natural gas supply as one of the strategic pillars for energy security of Slovakia, therefore, we pay increased attention to it. We consistently comply with all quality standards and regulatory requirements. SPP – distribúcia is a responsible guarantor of a strategic gas supply for household customers. The company also performs dispatching control and monitoring of the gas distribution system, including its physical balancing.

SPP – distribúcia actively supports the development of an open gas environment through its activities and strives to be a stable and efficient provider of professional services for 30 distribution network users as well as natural gas customers of all categories. The company places emphasis on transparent and non-discriminatory business activities. It strives to continuously improve the provided services, which is reflected in the growing options for electronic access to key services.

Priority business areas for SPP – distribúcia include the sale of distribution capacity, connections to the gas distribution network, active promotion of the use of natural gas as a comfortable, economical and low-emission fuel, development activities, and the operation and maintenance of gas facilities. The company successfully optimizes the process set ups and increases the efficiency of the operating activities resulting from its position as an independent operator on the Slovak gas market.

The provision of safety for the extensive gas distribution network and its operation is preceded by safety

of people in their own workplaces, which remains the company's priority.

SPP – distribúcia perceives the environmental dimension of its activities. In relation to climate change and the resulting global efforts to reduce greenhouse gas emissions, the company strives to create the most favourable regulatory, legislative and technical environment supporting the largest possible implementation of renewable gases (biomethane, hydrogen) into the gas infrastructure of the Slovak Republic. Part of this effort is also the attempt to set up adequate support from public funds.

The biomethane plant in Jelšava was the first in Slovakia to start the production of biomethane and its injection into the distribution network. In the last period, we have registered an increased interest of applicants for connection of future biomethane plants to the distribution network, as evidenced by the connection of a second biomethane station in Veľké Bierovce in April 2025. Since June 2023, we have been the founder and operator of the national Renewable Gas Registry, responsible for issuing, recording, redeeming, and recognising guarantees of origin for renewable gases in the Slovak Republic, in accordance with Act No. 309/2009 Coll. on the promotion of renewable energy sources and high-efficiency cogeneration, as amended. It is a key instrument to enable trade flows of renewable gases through Europe's gas infrastructure. The launch of the registry contributes to the decarbonization of the gas sector and guarantees of origin will find application in a variety of industries.

In an effort to contribute to tackling climate change, the company, following the example of developed countries, plans to use the pipeline network in the near future to distribute mixtures of renewable gases together with natural gas. Based on successful testing, in the first half of 2024, the company

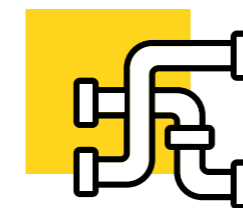
was able to certify the network to distribute a natural gas mixture with a 10% share of hydrogen in the local network and a 5% share of hydrogen in the high-pressure pipelines. In the past financial year, SPP – distribúcia continued to advance the potential of hydrogen and its applications in Slovakia. The company is part of Slovakia's first hydrogen valley project, Eastgate H2V. We are also participating

in the international ElevateCEE initiative, aimed at developing the hydrogen economy in Central Europe and decarbonising the region's largest greenhouse gas emitters. In addition, we are actively preparing the launch of our own hydrogen testing facility, which will provide conditions for testing the distribution and practical use of natural gas and hydrogen blends.



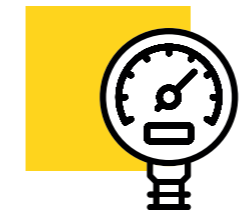
VOLUME OF GAS DISTRIBUTED THROUGH OUR NETWORK IN SR

98%



TOTAL LENGTH OF THE DISTRIBUTION NETWORK (km)

33,351



NUMBER OF DELIVERY POINTS THROUGHOUT SR

1.5+ mil.



Board of directors as at 31 July 2025



Ing. František Čupr, MBA

Chairman of the Board of Directors

František Čupr graduated from the Faculty of Business and Economy of Mendel Agricultural and Forestry University Brno with an MBA in 2006. He then worked for seven years at Jihomoravská energetika, a. s., in Brno in various managerial positions, including Deputy Director of the Sales Division and Strategy Director. In 2005, he started to work for the J&T Investment Group, dealing with energy projects.

In the same year, he founded a company trading in electricity and natural gas, EP Energy Trading, a. s. (former United Energy Trading, a. s.), where he executed the function of Chairman of the Board of Directors and CEO until 2012. In the period from 2006 to 2010, he was a member of the Supervisory Board of Pražská energetika, a. s. From 2009 to 2013, he operated as a member of the Supervisory Board of Pražská teplárenská, a. s. In 2013, he became Chairman of the Board of Directors of Stredoslovenská distribučná, a. s. Since 24 January 2013, he has held the position of Chairman of the Board of Directors of SPP – distribúcia, a. s. He has also assumed ultimate responsibility for ESG. The implementation of ESG activities is delegated by the Board of Directors to the executive management in line with the relevant areas, while the Board oversees the entire process and evaluates key decisions in this field. All relevant ESG impacts, risks, and opportunities are monitored through an internal management system with regular reporting to the Board of Directors.



JUDr. Adrián Kucek

Vice-Chairman of the Board of Directors

Adrián Kucek graduated from the Faculty of Law of the Comenius University in Bratislava, where in 2005 he obtained the degree of JUDr. After graduation he passed the bar exam in the Slovak Bar Association. Since 2009, he has been acting as Executive Director and Attorney at Kucek & Partners, s.r.o. In 2021 he became Chairman of the Disciplinary Board of the Slovak Bar Association.

Since January 2023 he has held the position of Legal Adviser at the Public Procurement Office. In July 2024, he was appointed by the President of the Slovak Republic as a member of the Judicial Council. He has been Vice-Chairman of the Board of Directors of SPP – distribúcia, a. s. since 20 December 2023.



Ing. František Urbaník

Member of the Board of Directors

František Urbaník graduated from the Faculty of Electrical Engineering of the Brno University of Technology. He obtained his PhD at the VŠB - Technical University of Ostrava, Faculty of Mining and Geology. He started his professional career at Vlárské strojírny, s. p. in 1991 as Chief Power-Supply Director. In the period from 1993 – 1995, he was employed with IMC, s. r. o. as system engineer. In 1995 he co-founded AISE,

s. r. o., where he worked as a system engineer and marketer. He executed projects of measurement and control implementation, reduction in energy intensity of industrial enterprises and applied development of data collection and distribution methods. In 1997, he became the Executive Officer and Director of this company, where he still works. In the period from 1997 to 2008 he was also a manager of ENBI, s. r. o., where, in addition to energy studies and audits, he participated in the projects of EPC, M&C of Johnson Controls, AISYS, ERIS, and SIEMENS systems, and in the application of TEDOM and Caterpillar cogeneration units; till 1999, he also held the position of Executive Officer of the company. In January 2017, he became a member of the Board of Directors of SES BOHEMIA ENGINEERING, a. s. Since 26 May 2017, he has been a member of the Board of Directors of SPP – distribúcia, a. s.



Mgr. Ing. Marek Štrpka

Member of the Board of Directors

Marek Štrpka graduated from the Faculty of Commerce of the University of Economics in Bratislava and the Faculty of Law of Comenius University in Bratislava. He started his professional career in 1996 in the St. Nicolaus Group, holding various managerial positions for eight years. In 2003 he started to work for the AGROFERT Group, first holding the position of financial director and member of the Board of Directors

of Duslo, a. s., and from 2008 as the CEO and Vice-Chairman of the Board of Directors of this company. At the same time, he operated as Chairman of the Supervisory Board of the Association of Chemical and Pharmaceutical Industry SR, Member of the Board of Directors of the Slovak Agriculture and Food Chamber, member of Klub 500. Since 2013, he has been the CEO of Stredoslovenská distribučná, a. s. Since 11 November 2015, he has been a member of the Board of Directors of SPP – distribúcia, a. s.



Ing. Pavol Mertus

Member of the Board of Directors

In 1987, Pavol Mertus graduated from the Faculty of Mining of the Technical University in Košice and subsequently, he completed his postgraduate studies in economics and management of mining industry. Until 1991, he worked as mine inspector at the Mining Office in Bratislava. In the period from 1992 to 1994, he acted as an adviser to the Prime Minister of the Slovak Republic. From 1994 to 1999

he held the position of General Director of the State Environmental Fund of the Slovak Republic and was a member of the Supervisory Board of Všeobecná úverová banka. In the period from 1999 to 2003, he held the position of Business and Economic Director of Pozagas, a. s., where he was responsible for economic management and business matters of the company. From 2003 to 2005, he acted as an adviser to the Board of Directors and a member of the Supervisory Board of FIN-energy, a. s., Bratislava, where he was in charge of energy and gas projects. In the period from 2008 to 2016, he acted as General Director and Executive Officer of ČKD – Slovensko, a member of the ČKD Group Praha, in charge of the complete operation of the company acting in the energy and gas industries, in the area of technology. Since 2007, he has been a member of statutory and supervisory bodies of companies within the SSE Holding, a.s., Žilina. He currently holds the position of Chairman of the Supervisory Board of SSE Holding, a.s. Since 2 January 2017, he has been a member of the Board of Directors of SPP – distribúcia, a. s.

Top management as at 31 July 2025



Ing. Martin Hollý

General Director

Martin Hollý graduated from the Faculty of Commerce at the University of Economics in Bratislava with a specialization in foreign trade. He also studied at the Universidad de Granada in Spain. After graduating, he first worked for several years as Senior Auditor and Consultant at Arthur Andersen. In 2003 he took up the position of Director of the Economic Department in NAFTA a.s., where he significantly contributed

to the restructuring of the company. In the period from 2008 to 2012, he was General Director of NAFTA, a. s., as well as a member of statutory bodies in POZAGAS a. s. In October 2012 he moved to SPP – distribúcia, a. s., within the SPP Group, where he has held the position of General Director since 1 December 2012.



Ing. Roman Filipoiu, MBA

Head of the Economics and Regulatory Division

Roman Filipoiu completed his Financial Management studies at the Faculty of Business Management at the University of Economics in Bratislava. Later on, he obtained his MBA at Oxford University in Great Britain. After graduating, he started working as an Auditor and Consultant in Deloitte, where he participated in audits of several major banks, financial institutions, and media companies in Slovakia. He started working in the energy sector after joining NAFTA a. s. in 2007. He was responsible for controlling, price regulation, and later also for accounting, procurement, and finance. In the same period, he also worked as Chairman of the Supervisory Board in Karotáž a cementace s. r. o. and Naftárska leasingová spoločnosť a. s. Since April 2009, he has been Head of the Economics and Regulatory Division for SPP – distribúcia, a. s. At the same time, he operates as Chairman of the Supervisory Board in SPP – distribúcia Servis, s. r. o., and member of the Supervisory Board in Plynárenská metrológia, s. r. o.



Ing. Marián Sanitra

Head of the Network Operation and Asset Management Division

He graduated from the Faculty of Metallurgy at the Technical University in Košice. He later studied gas engineering at the Faculty of Mechanical Engineering at the University of Transport and Communications in Žilina. He worked at ZSNP in Žiar nad Hronom – Rudné bane Banská Bystrica as a maintenance foreman. In 1991, he joined Slovenský plynárenský priemysel, OZ Zvolen as head of the district gas centre in Banská Bystrica. From 1998 to 2003, he held the position of Deputy Director for operations and distribution at this branch. From 2004, he held the position of Director of RC Operations and Maintenance North, later as head of the Operations and Maintenance Strategy Department. From 2011, he worked at SPP – distribúcia, a. s. as head of the Operations Department and Deputy Director of the section. From 2013 to February 2025, he was the Managing Director of Plynárenská metrológia, s. r. o. On 1 March 2025, he became the Director of the Network Operations and Asset Management Division at SPP – distribúcia, a. s.



Ing. Miroslav Horváth

Head of the Maintenance and Metering Division

After graduating from the Faculty of Mechanical Engineering at the University of Žilina, specializing in gas engineering, he started working for Slovenský plynárenský priemysel, š.p., as Technician of Gasification in 1999. He worked in several positions and in July 2004 he became Head of the Local Unit in Prievidza. After the legal unbundling in 2007, he joined SPP – distribúcia, a. s., in the post of Head of the Regional Centre East in Košice. Since 2009, he has worked as Head of the maintenance department in the Maintenance and Metering Division and subsequently as Deputy to the Section Head. On 1 July 2013 he was appointed Head of the Maintenance and Metering Division for SPP – distribúcia, a. s.



Ing. Marek Paál

Head of the Distribution Services Division

Marek Paál, specialising in the gas industry, completed his studies at the Faculty of Mechanical Engineering of the University of Žilina in 2003. However, he started working in this field in 1996, when he joined the Slovak Gas Dispatching at Slovenský plynárenský priemysel, a. s. (SPP), holding various posts. Since 2004 he worked at SPP as Director of the Distribution Capacities Sales Division. In 2006, he participated in the legal unbundling process of SPP into three separate companies and led the project for the implementation of a distribution information system for liberalised gas trading. After the legal unbundling, he continued to work as Director of the Distribution Capacities Sales Division in the now separated company SPP – distribúcia, a. s. Since the restructuring of the company in 2009, he has held the position of Head of the Distribution Services Division.



Ing. Irenej Denkocý

Head of the Investment Division

Irenej Denkocý graduated from the Faculty of Business Management of the University of Economics in Bratislava with a specialization in financial management. He continued his studies by qualifying for and gaining ACCA membership. After graduating, he first worked as an assistant auditor at Ernst & Young, where he participated in the audits of several significant businesses in Slovakia. In 2009 he joined SPP – distribúcia, a. s., in the position of Senior Controller. Starting from 2011, he worked in the position of Head of Investments Controlling and Asset Registry. From July 2014 to January 2015, he was nominee Head of the Investments Division of SPP – distribúcia a. s. Since 1 February 2015, he has been Head of the Investments Division.



Mgr. Ing. František Kajánek

Head of the Human Resources and QHSE Division

František Kajánek graduated from the Mining-Geology Faculty at the Mining College in Ostrava with a specialization in economics and the management of mines, and later studied law at the Comenius University. He has been actively engaged in the area of human resources since 1995, working at NCHZ a. s., Nováky, for the Office for State Services, and for the Ministry of Labour, Social Affairs and Family of the Slovak Republic. Starting from 2007, he worked for NAFTA, a. s., where he held the position of Director of Human Resources from 1 January 2008. In addition to human resources, he was also responsible for corporate culture and internal communication development. Since 1 December 2013, he has been a team-member of SPP – distribúcia, a. s. as Head of the Human Resources and QHSE Division.

Supervisory board as at 31 July 2025



Ing. Peter Nosál'

Chairman of the Supervisory Board

Peter Nosál' completed his Financial Management studies at the Faculty of Business Management at the University of Economics in Bratislava. During his studies, he started working in the financial sector. First as a broker at LifoX, a. s., and after graduation at Agrofin, o.c.p. From 2001 to 2005, he held the position of Sales Director at Slovak Brokerage House, o.c.p., a. s. From 2005 to 2010, he worked as General Director

at Capital Invest, o.c.p., a. s., and from 2010 to 2016 at FPD CORPORATION SK, a. s., as Chief Investment Officer. Since 2019, he has worked in the financial market as an independent consultant and investor. Since 20 December 2023, he has been the Chairman of the Supervisory Board of SPP – distribúcia, a. s.



Gary Mazzotti B.A. (Hons) A.C.A

Vice-Chairman of the Supervisory Board

He studied economics at the University of Reading in the UK and during his career has held positions such as Senior Investment Director and Chief Financial Officer (CFO) within PPF Private Equity Division. He joined EPIF from Vienna Insurance Group, where he served as a member of the Board of Directors and CFO of Kooperativa and Česká podnikatelská pojišťovna insurance companies. He was also responsible

for VIG's activities in Ukraine. He is the Vice-Chairman of the Board of Directors of EP Infrastructure a. s. and holds several positions within the group, including Vice-Chairman of the Supervisory Board of SSD, Member of the Board of Directors of EPH responsible for investor relations and ESG, and Member of the Board of Directors of EOP Distribuce a. s. and United Energy, a. s. He is also a member of the Supervisory Board of Nafta, a. s. and Plzeňská teplárenská. Since 2021, he has been the ESG Coordinator and has ultimate responsibility for ESG at the level of the entire EP Infrastructure a. s. group.

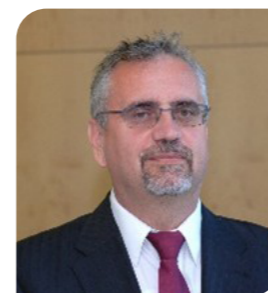


Pavol Korienek

Member of the Supervisory Board

He completed his studies at the Vocational School of Construction at Pozemné Stavby in Trenčín. From 1980 to 1994, he worked at Západoslovenské plynárenské závody Bratislava o. z., Nové Mesto nad Váhom in various positions. While working, he attended evening classes at the secondary vocational school (SOU Hrdinov SNP) in Trnava from 1988 to 1990, graduating with a degree in mechanical engineering.

From 1994 to 2007, he worked as a maintenance foreman for local networks at SPP a. s. In 2007, he joined SPP – distribúcia, a. s., where he worked until 2014 as an Occupational Health and Safety and Fire Protection Technician. Since 1 April 2014, he has held the position of Chairman of the Gas Industry Trade Union. Since 20 December 2006, he has been a member of the Supervisory Board of SPP – distribúcia, a. s.



Milan Boris

Member of the Supervisory Board

After graduating from secondary vocational school in Piešťany, specializing in mechanics and electronics, he joined Tesla Piešťany as an electrical mechanic in 1983, where he worked until 1988. From 1988, he worked at Naftový a plynárenský priemysel as an electrical fitter at KS 3 Malženice and subsequently as a shift supervisor. In 1993, NPP was transformed into SPP, a. s. In 1998, when KS ceased

operations, he moved to the position of electrical mechanic in the construction of the SCADA system at OZ Nové Mesto nad Váhom. In 2003, he became the MaT foreman for the Nové Mesto nad Váhom location. Since 2015, when this position was abolished, he has been working as a maintenance specialist for the field of measurement and telemetry with nationwide coverage. In 2007, he was elected chairman of the trade union at LC Nové Mesto nad Váhom, a position he still holds today. At the same time, in 2014, he was elected chairman of PVOO at SPP – distribúcia, a. s. Since 2016, he has been a member of the Supervisory Board of SPP – distribúcia, a. s.



Mgr. Zoran Kupkovič

Member of the Supervisory Board

He graduated with a degree in Political Science from the Faculty of Natural Sciences and Humanities at the University of Alexander Dubček in Trenčín. He began working at ARVAL SLOVAKIA, s. r. o., a leasing company belonging to the international financial group BNP Paribas, during his studies. He started out as a technical support manager and later became a fleet manager for strategic clients. He has worked in the energy

sector since 2011. He started out as a transport specialist before taking responsibility for transport management at Slovenské elektrárne, a. s. From 2023 to 2024, he was a member of the Supervisory Board of Jadrová a vyradovacia spoločnosť, a. s., and since 2023 he has held the same position at SPP – Distribúcia, a. s. Since 2024, he has also been a member of the Board of Directors of Slovenské elektrárne, a. s.



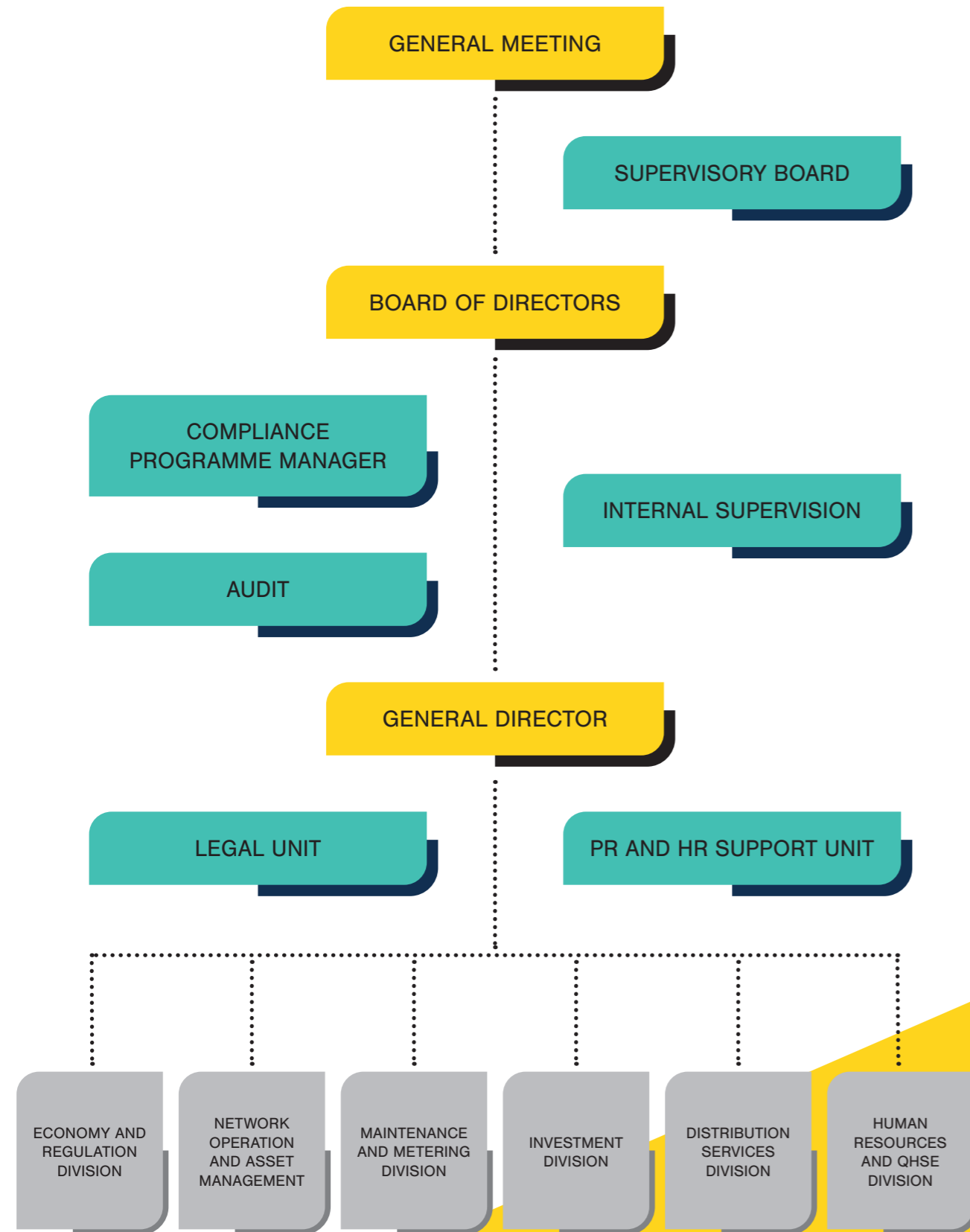
Dr. Ing. Matej Riecky, LL.M. MBA

Member of the Supervisory Board

He graduated in Road Transport from the Faculty of Transport and Communications at the University of Žilina. After completing his degree, he undertook further studies at the Institute of Forensic Engineering at the University of Žilina, successfully completing the program and taking the oath of a forensic expert at the Ministry of Justice of the Slovak Republic. In 2014, he joined the Slovak National Aeroclub

of General Milan Rastislav Štefánik. From 2014 to 2015, he worked as a technical manager at Saroute, s.r.o. From 2015 to 2020, he worked as a technical support specialist at Národná diaľničná spoločnosť, a. s. In 2021, he became the Director of Aranio, s.r.o. Since 20 December 2023, he has been a member of the Supervisory Board of SPP – Distribúcia, a. s.

Organizational structure



Safety of the network and reduction of methane emissions

We are improving the safety of distribution by stepping up leak checks on steel pipelines and increasing the pace of network recovery, thus making a significant contribution to reducing methane emissions. We manage to continuously reduce these also by tightly controlling and shortening the time it takes to fix the faults and leaks that are found.

As of 4 August 2024, the new EU Regulation on Reducing Methane Emissions in the Energy Sector has entered into force. The regulation focuses on the measurement, monitoring, reporting, and reduction of methane emissions across the sector, including

the gas industry. SPP – distribúcia has approached its implementation with full responsibility, adapting its activities in the relevant areas to ensure all obligations are met on time and in line with legislative requirements.

To manage the reduction, measurement, and reporting of methane emissions in accordance with best practice, in March 2025 we joined the OGMP 2.0 (Oil and Gas Methane Partnership), the flagship UNEP programme dedicated to reporting and mitigating climate change impacts in the oil and gas sector. OGMP 2.0 is the only comprehensive international reporting framework based on actual measurements.

Integration of renewable gases into the distribution network

The long-term vision of Slovakia's gas sector is the gradual replacement of fossil natural gas with renewable gases – biomethane and hydrogen. The future of gas infrastructure is expected to be closely linked with hydrogen, with the natural first step being its blending into natural gas at regulated volume ratios.

SPP – distribúcia can play a significant role in reducing the environmental footprint of gas consumption by combining natural gas with hydrogen, biomethane or synthetic gas. Our network is certified for the distribution of natural gas–hydrogen blends of up to 5% in high-pressure pipelines and regulation stations and up to 10% in medium- and low-pressure municipal distribution networks. Based on our own testing and multiple international studies, we anticipate that without major modifications, the share of hydrogen in the existing gas network could reach as much as 20%, which would lower the carbon footprint of gas consumption by approximately 7%, given hydrogen's lower calorific value.

During the past year, SPP – distribúcia successfully applied for EU funding as part of international consortia to support the development of hydrogen valleys. In the Eastgate Hydrogen Valley project, we are preparing to connect Slovakia's largest greenhouse gas emitter – the U.S. Steel plant in Košice – to the planned Slovak hydrogen backbone infrastructure being developed by eustream, a.s. In another project, ElevateCEE, SPP – distribúcia, in cooperation with partners from Austria, Hungary, and Slovakia, will develop viable projects aimed at decarbonizing Slovak industry and advancing the production of renewable energy sources, low-emission gases, as well as the capture, utilization, and permanent storage of CO₂.

In assessing the impact of hydrogen on the existing gas distribution network, we cooperate with leading research institutions and actively monitor international progress through initiatives such as Ready4H2 and the European Clean Hydrogen Alliance.

Second biomethane plant connected to the gas distribution network

In April 2025, we proudly connected another biomethane production plant near Veľké Bierovce to our distribution network. Together with the first plant in Jelšava, these facilities now deliver around 270 MWh of biomethane per day into the gas distribution network.

Current biogas plants primarily convert biogas into electricity, which is supplied to the power grid, while the heat generated is usually used on-site. Under the Recovery Plan, 10 biogas plants have been awarded investment support of up to €1.5 million to be converted to biomethane production. Most of these projects are expected to be implemented in 2026.

Biomethane is carbon neutral and it has up to a negative carbon footprint in the case of waste treatment. In the form of bioCNG and bioLNG it is a particularly suitable choice for decarbonising transport. Its combustion produces no particulate matter, making a significant contribution to cleaner and healthier air.

Chicken and cow manure as well as various biodegradable wastes are used for the most advanced biomethane production. The composition of biomethane is almost identical to natural gas, but unlike this fossil fuel, it is produced from local renewable raw materials or directly from waste, making its production sustainable.

In the short term, SPP – distribúcia will be able to connect approximately 34 biogas plants to its high-pressure network after their conversion to biomethane production. However, the total potential for biomethane production from biodegradable municipal waste, kitchen and restaurant waste and livestock excreta, according to the latest Integrated National Energy and Climate Plan of the Slovak Republic, can reach up to almost 500 million m³ of biomethane. More than 33 thousand kilometres of Slovak gas pipelines will thus contribute to the improvement of the environment and can therefore undoubtedly be called "the network prepared for the future".



Smart technologies and digitalization

Modern energy cannot advance without digitalization. SPP – distribúcia continues to digitalise its services by introducing smart gas meters and a new mobile application that enables simple and convenient self-reading of gas consumption. These innovations aim to increase measurement efficiency, reduce costs, and at the same time provide customers with greater control over their consumption.

Since 2019, we have been installing smart membrane household gas meters up to size G6, which allow for the transmission of daily consumption data and the signalling of alarm conditions. An important function of these meters from the point of view of effective provision of the service to gas suppliers is the possibility of remote interruption of the supply of natural gas. These types of gas meters are so far installed at selected delivery points, where we register multiple requests for interruption of natural gas supply from suppliers, delivery points in the event of suspected unauthorized consumption, or with difficult access to the meter. As of 31 July 2025, 7,012 smart meters have been installed in the network.

From 2022 the technology extended to industrial gas meters in sizes G10 – G40 in the category of small consumption or medium consumption customers. The purpose of their use is identical to that of home smart gas meters, whereby

in many cases, especially in the category of medium consumption, they replace electronic quantity calculators and additional transmission devices, streamlining the maintenance activities of metering as well as reducing the actual costs of maintenance and renewal of these devices. Currently, 1,600 such smart gas meters are in operation.

In July 2024, we introduced a new GAS Meter Readings mobile app to the public. It is intended primarily for households in D1 category, with an annual natural gas consumption of up to 200 m³, for which a mandatory self-reading of consumption will apply from 1 January 2025. The app is available free of charge and allows users to easily scan the meter reading, which is then automatically sent to the distributor. Customers in the D1 tariff category can also use other digital methods to submit their self-reading: via a digital agent at the designated phone number or in the E-services section on the SPP – Distribution website. The mobile app also offers additional features such as reading reminders, consumption overview, information on planned outages, and more. Self-reading fully replaces the need for a physical meter reading. Registered users will have access to additional features, including the ability to monitor multiple delivery points. Without registration, the application provides the basic self-reading function.



Third-party damage to gas facilities

In the period from 1 August 2024 to 31 July 2025, we recorded a decrease in cases of damage to gas facilities by third parties, which occur mainly during earthworks in the protective zones of gas facilities. In 62% of cases, the gas facilities had been marked before the work began.

To reduce these incidents, we improved supervisory procedures for work carried out in the protective zones

of gas facilities, updated web forms, and strengthened external communication. The company will continue in 2025 to provide free marking of facilities for distances of up to 100 meters. In addressing cases of damage to gas facilities, we continue to cooperate with the Regulatory Office for Network Industries (ÚRSO).

Ensuring a standard for security of supply

In the past winter season 2024/2025 (November 2024 – March 2025), the company ensured the standard of security of gas supply for household customers in accordance with the applicable legislation in order to deal with and prevent possible emergencies. Security was ensured through a combination of natural gas reserves in the underground storage facility, which is also designated for network balancing, and contractually agreed gas supplies. The fulfilment of the above measures, also during the period from November 2024 to March 2025, shows that the company was and is able to ensure continuous and reliable

distribution of gas for all households in the Slovak Republic even in the event of an exceptional situation. At the same time, in 2024 we were intensively preparing for the supply of gas to Slovakia during the winter season 2024/2025, given the then-uncertain situation regarding the transport of gas from the Russian Federation to Europe, related to the termination of cross-border natural gas supplies through the territory of Ukraine (as of January 2025) as a consequence of the geopolitical events of February 2022.

Detection of unauthorized consumption of natural gas

During the period under review, we successfully continued to detect unauthorized consumption in order to achieve a reduction in losses from the distribution of natural gas. Company employees identified and documented almost 900 cases of unauthorized consumption amounting to more than 3 million m³ of gas. Both the number of cases and the volume of illegally withdrawn gas have increased year-on-year.

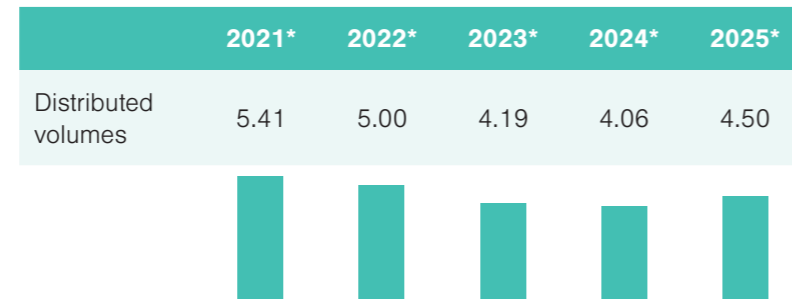
In order to improve the safety of the facilities operated, we carried out dozens of blanket checks aimed at detecting and documenting unauthorized consumption. To this end, more than 59,000 delivery points were inspected in the past period, with hundreds of cases of demonstrable interference with metering instruments or even directly into the pipe were detected. Based on facts suggesting the crime of gas theft, we brought dozens of charges.

Gas access coverage rate

In Slovakia, gas is delivered to 77% of municipalities, where currently 94% of the population live. In view of the level of coverage achieved in municipalities, further development of the distribution network is no longer required, but due to the development of the construction of residential sites, the continuous connection of these sites to the distribution network has been carried out for several years. As a rule, the residential sites in question are situated in already covered municipalities, therefore the distribution network is becoming denser.

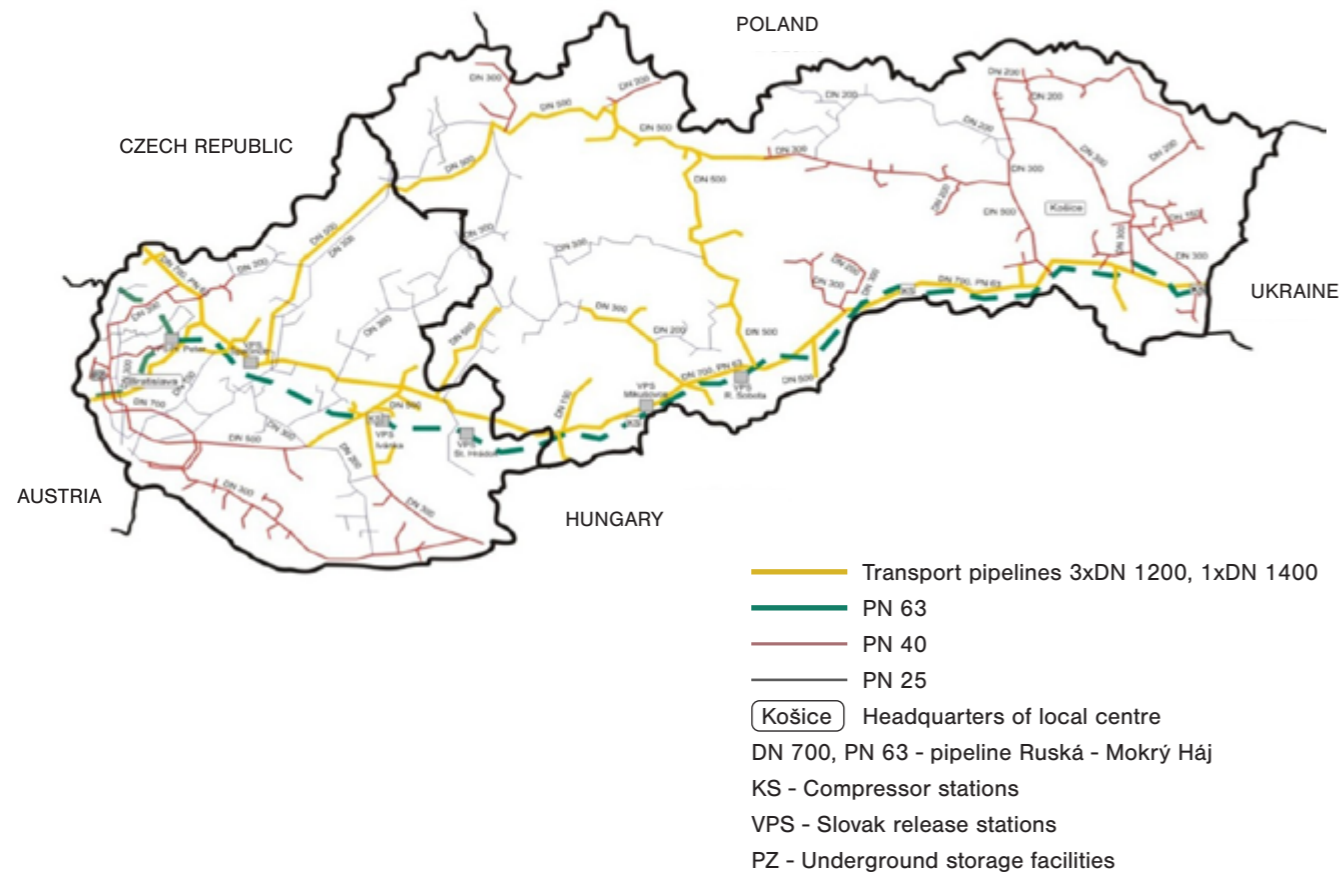
In the period under review from 1 August 2024 to 31 July 2025, the volume of gas distributed through the SPP – Distribution network was higher year-on-year, with a slight increase in gas distribution recorded for almost the entire heating season (October 2024 to April 2025). The cause of this increase was a drop in the average air temperature compared to the same period of the previous heating season (October 2023 to April 2024).

Distribution of natural gas via the SPP-D distribution network in the period from 1 August 2021 to 31 July 2025 (billion m³/15 °C)



*12-month period ended by 31 July

Map of the SPP – distribúcia distribution network



Length of distribution network in the period from 2021 to 2025 (in km)

| | 2021* | 2022* | 2023* | 2024* | 2025* |
|--|---------------|---------------|---------------|---------------|---------------|
| High-pressure gas pipelines | 6,274 | 6,273 | 6,273 | 6,271 | 6,270 |
| Medium-pressure and low-pressure gas pipelines | 27,062 | 27,077 | 27,080 | 27,074 | 27,081 |
| Total | 33,336 | 33,350 | 33,353 | 33,345 | 33,351 |

Classification of local network gas pipelines in the period from 2021 to 2025 (in km)

| | 2021* | 2022* | 2023* | 2024* | 2025* |
|--------------|--------|--------|--------|--------|--------|
| Steel | 11,907 | 11,713 | 11,564 | 11,399 | 11,195 |
| Polyethylene | 15,155 | 15,363 | 15,516 | 15,676 | 15,886 |

Investment in the renovation/reconstruction of the network in the period from 2021 to 2025 (in € mil.)

| | 2021* | 2022* | 2023* | 2024* | 2025* |
|---|-----------|-----------|-----------|-----------|-----------|
| Investment in renovation | 33 | 37 | 38 | 47 | 52 |
| Number of km of local network gas pipelines upgraded (low- and medium-pressure gas pipelines) | 131 | 141 | 127 | 159 | 163 |

*12-month period ended by 31 July



Relations with gas suppliers, liberalized gas market

SPP – distribúcia provided access to the distribution network and gas distribution for 30 users of the distribution network (gas suppliers and large gas customers with a separate contract on access to the distribution network and gas distribution) as of 31 July 2025. The situation of suppliers on the gas market is stable and in the previous reporting period none of the gas suppliers ceased operations, while new suppliers were able to successfully establish themselves on the market. Following a previous slowdown caused by volatility in gas market prices, the number of gas supplier changes has maintained an upward trend. Compared to the same period in 2024, we are observing a continued increase in the number of supplier changes in 2025, indicating that the gas supply market for end consumers in Slova-

kia is both functional and dynamic. We are constantly making efforts to develop the gas market in Slovakia. We are improving and streamlining the user interface of the key IT system used by natural gas suppliers, increasing transparency and expanding access to information for users of our distribution network. We are adding functionality to the gas supplier systems to improve access to data on delivery points so that gas suppliers have all the information they need to ensure a smooth supply and a seamless customer switch to another supplier. During this period, our company continues to provide the Ministry of Economy of the Slovak Republic with monthly data on gas consumption at individual delivery points for the purpose of providing energy subsidies.

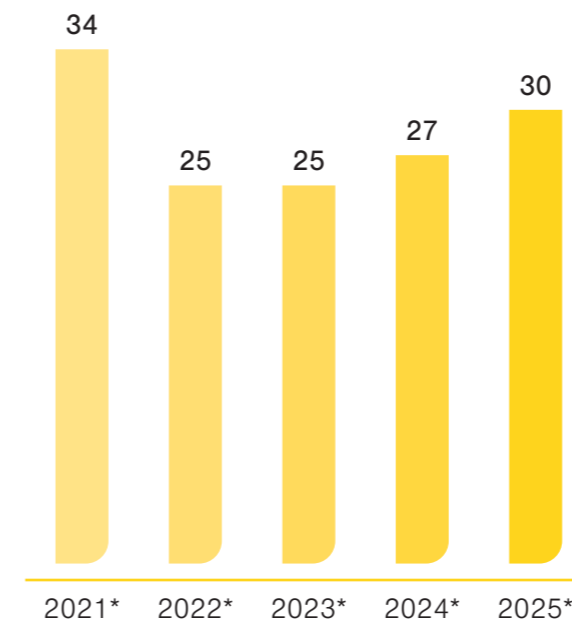
Legislation and regulation

During the period under review, the legal framework regarding the adoption of new legislation stabilized. From European legislation, the most notable developments included the extension of the mandatory requirement for member states to fill gas storage facilities before the winter season by an additional two years (until the end of 2027), as well as the introduction of preferential conditions for biomethane producers in the distribution and transport of biomethane through the gas network. The Regulation of the Government of the Slovak Republic provides for state-subsidized gas supply prices for households and selected vulnerable customers by the end of 2025. With effect from 9 April 2025, an amendment to the Operating Rules of SPP – distribúcia, a. s.

entered into force. This amendment primarily updated the provisions in line with the adopted revision of quality standards and adjusted the preferential conditions for the distribution of biomethane into the distribution network. In November 2024, the Regulatory Office for Network Industries issued a new Price Decision No. 0025/2025/P as of 26 November 2024 with effect from 1 January 2025. Government Regulation of the Slovak Republic No. 386/2024 Coll. provides that part of the gas distribution fees for household customers and selected vulnerable consumers will be compensated by subsidies from the Ministry of Economy of the Slovak Republic, thereby keeping the distribution price for these end-users at the 2023 level.

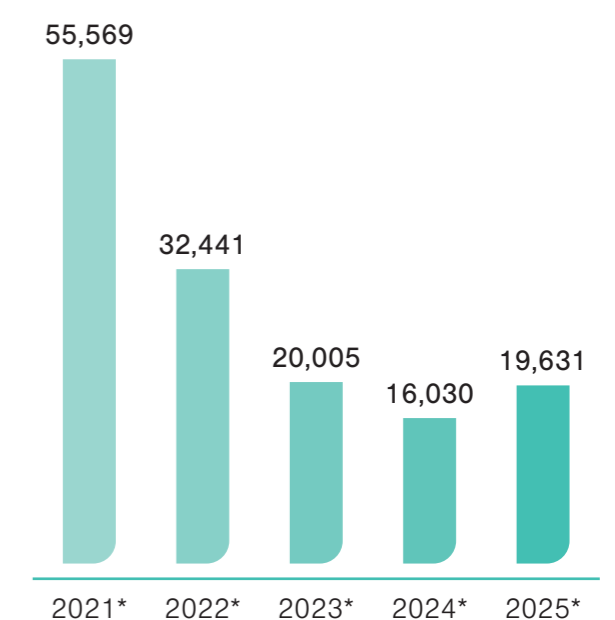


Number of users of the distribution network



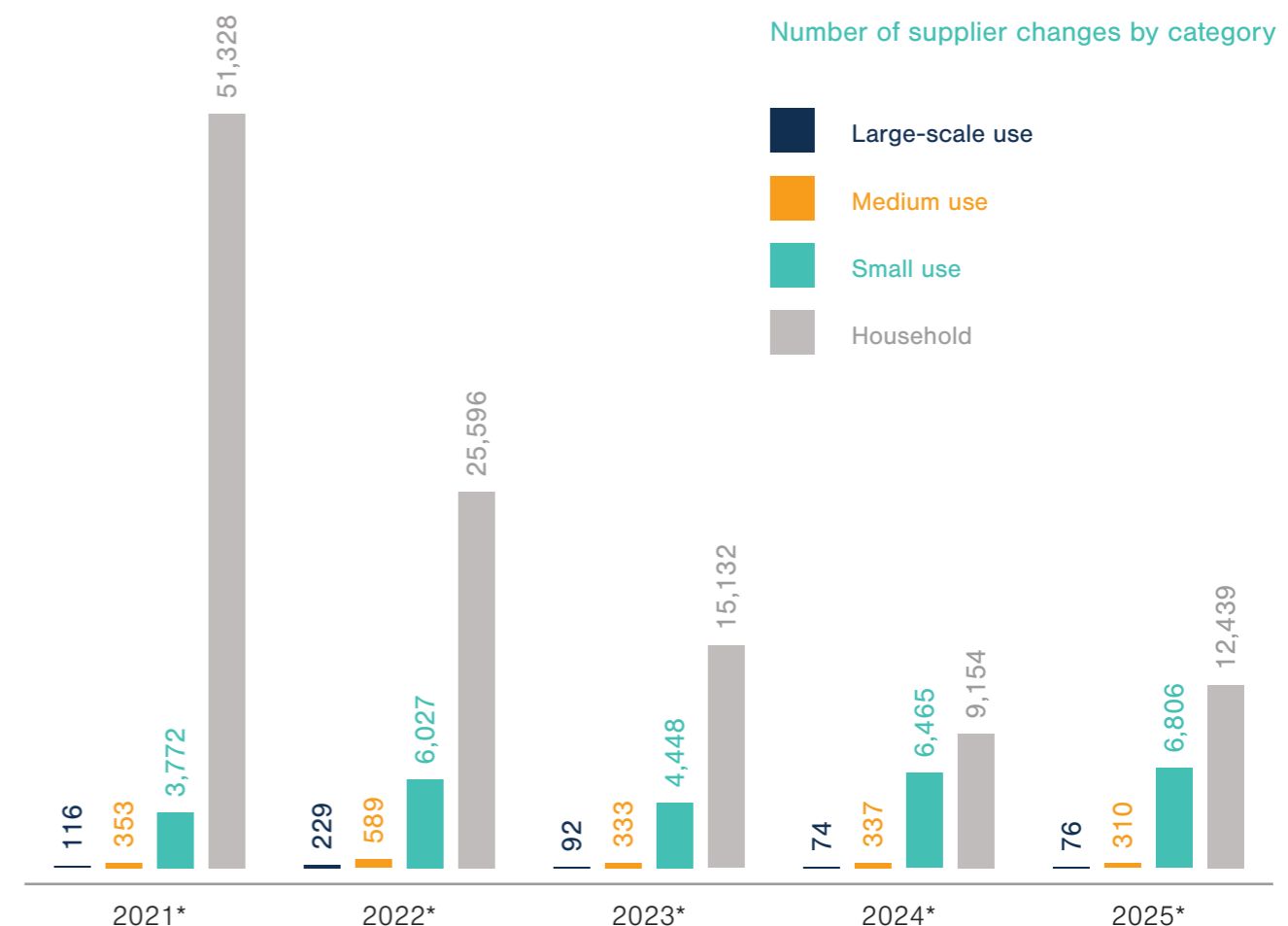
*12-month period ended by 31 July of the given year

Number of supplier changes



*12-month period ended by 31 July of the given year

Number of supplier changes by category



*12-month period ended by 31 July of the given year

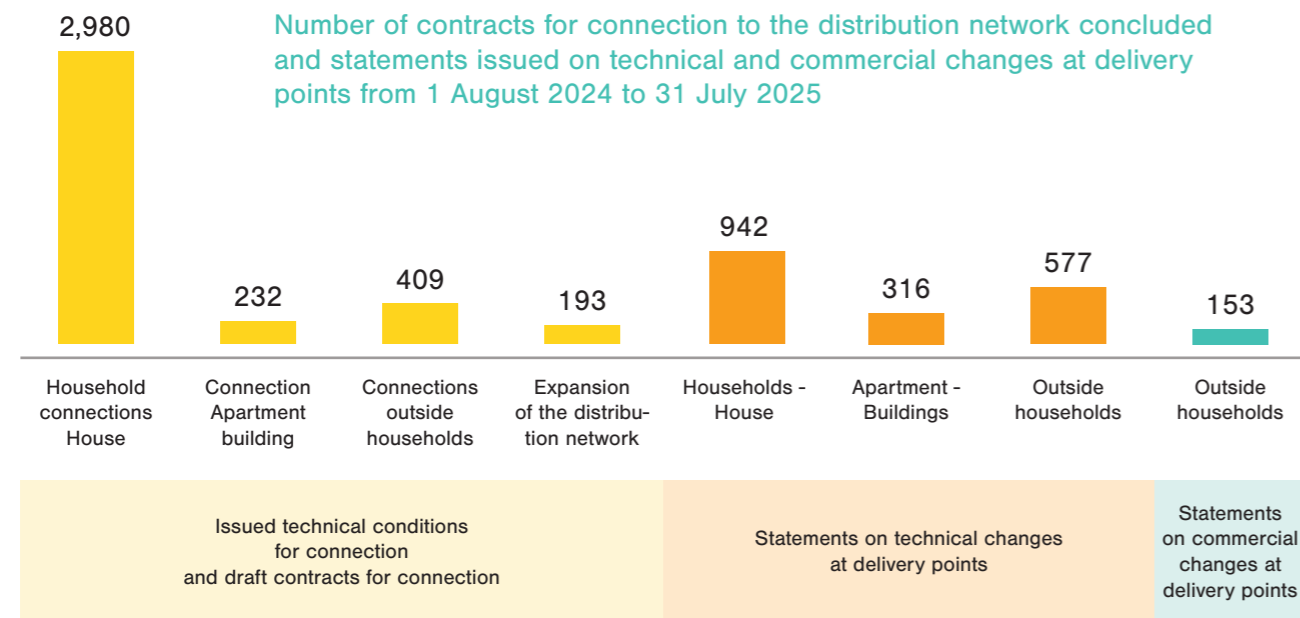
Shortening the process of connecting customers to the distribution network

Households and Small Customers

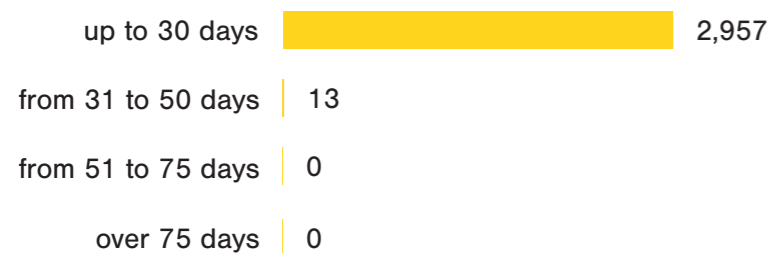
In the period from 1 August 2024 to 31 July 2025, our company provided applicants for connection to the distribution network with the possibility of personal contact in three customer service centres in Bratislava, Žilina and Košice. At the customer service centres in Žilina and Košice, customers had the option to book an appointment for a specific date through the online reservation system on the website two days a week, or they could use customer service hours without a reservation on Wednesday afternoons. The customer service centre at the headquarters of SPP – distribúcia, a. s., on Plátennícka ulica in Bratislava is available to customers with reservations made via the reservation system every business day, while three days a week are reserved for walk-in customers. Although all customer service offices handle requests for connection or for assessment of technical changes

at existing delivery points without long waiting times, customers can also make use of postal communication or the online form on our website in addition to in-person contact. SPP – distribúcia successfully complies with quality standards for: (i) setting business and technical conditions and (ii) setting business and technical conditions for changing the delivery parameters at the delivery point (comments on technical changes at the delivery point) in accordance with Decree of the Regulatory Office for Network Industries (ÚRSO).

During the period under review, our company connected 3,483 new delivery points to the distribution network in the categories of household, small use, medium use and large-scale use. We have successfully continued to improve the connection process and have taken care to shorten the connection process overall.



Conclusion of the connection process in the HOUSEHOLD category – houses and apartment buildings: installation of meters from 1 August 2024 to 31 July 2025



Connection process – main steps of the process on the SPP – distribúcia side:

- issuing technical conditions of connection and draft contract of connection to the distribution network,
- statement on the project documentation,
- administration of the application for meter installation and the installation of the meter at the delivery point.

Medium and large customers

SPP – distribúcia, through key customer management, constantly strives to improve its personal approach to customers with annual natural gas demand exceeding 60 thsd. m³. Managers provide customers with expert advice and propose suitable technical and business solutions before implementing a new connection to the distribution network or before implementing a technical change at an existing delivery point, in order to provide customers with the greatest possible comfort and an individual approach to the gasification of their

project. The same individual approach of the managers also applies in the case of development projects and future biomethane plants in the preparation stage and the actual implementation in the whole of Slovakia. The main task of key customer management is to directly address customers with an offer of business and technical support for the installation of the state-of-the-art gas technology, cogeneration units, whereby customers can save up to 40% of primary energy compared to the separate production of electricity and heat.

Digitalization of services – web applications for customers

Customer account methodology/registration on the website

Registration simplifies the submission of applications and enables the progress monitoring of the application preparation process and possible complaints for the following types of applications: Request for comment on the existence and route of gas facilities and Request for comment on the implementation of activities in the protection and safety zone. This service has been running since February 2021.

nical change at an existing delivery point, a request for the installation of a meter or a request for an addendum to a concluded contract fully electronically. Between 1 August 2024 and 31 July 2025, 6,344 online requests were submitted for connection and technical change at the existing delivery point, which amounts to 85% of the total applications submitted.

Our customers currently have the opportunity to submit a connection request, a request for comment on a tech-

It is our standard practice to send invoices for connection fees from connection contracts electronically to the applicant's email address.

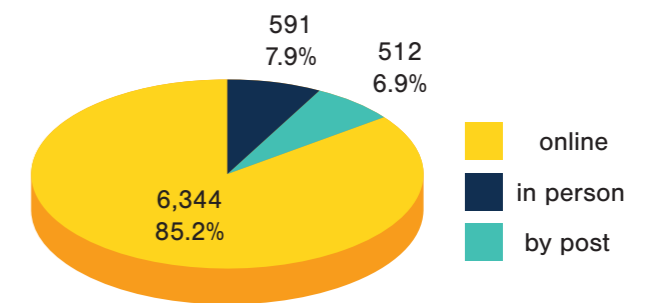
We sent e-mail notifications to customers, drawing attention to the approaching expiry of the most important deadlines in the process of connection, which include:

- the time limit for payment of the connection fee invoice,
- the time limit for them to send the signed connection contract,
- the expiry date of the connection contract.

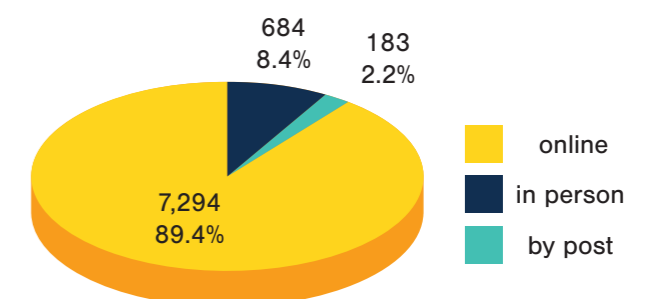
We contact customers by phone if they had not specified an e-mail address in their request. Based on customer feedback, we can conclude that these notifications significantly saved them time and resources while also enhancing their comfort throughout the connection process.

As in previous years, we recorded strong interest in our online services during the past financial year. In the period under review, the possibility to file an application for connection and for a technical change through an online app was utilised by as many as 85% of applicants and an application for the installation of meter (all types) by as many as 89% of applicants.

Requests for connection to the distribution network and for comments on technical change (1 August 2024 – 31 July 2025)



Applications for installation of meters (1 August 2024 – 31 July 2025)



Support of individual growth and initiative

Training is still one of the key priorities of the Human Resources Division at SPP – distribúcia. We attach great importance to it and consider it a fundamental pillar of the development of our employees.

Systematic support for training contributes significantly to increasing qualifications, streamlining work processes, and improving the overall quality of outputs. At the same time, it strengthens internal motivation, engagement, and employee satisfaction, which contributes to team stability and reduces the need for frequent recruitment.

Investments in professional growth bring new perspectives and innovative solutions that are essential for the long-term development of the company and its ability to succeed in changing market conditions. Through a wide range of training opportunities,

we are building a culture of continuous improvement and enhancing our ability to respond flexibly to future challenges.

In addition to mandatory and regular refresher training required by legislation, our employees have the opportunity to attend various courses and training sessions focused on deepening professional skills, developing managerial and IT competencies, and improving soft skills. The knowledge and experience gained at conferences and professional seminars are voluntarily shared through the internal magazine DISTRO or on the Intranet. In this way, we ensure that new information and inspiration spread across the entire company and are accessible to the widest possible circle of colleagues.

Talent development and development programs

In addition to general training activities, our company runs four structured development programs designed for specific groups of employees: *Full Gas* career program, *Supervisor Successor Training Program*, *Graduate* and *Young Gasworker*.

The aim of the “**Full Gas**” career programme is to support professional development of key employees in both managerial and expert positions. It develops internal potential, strengthens the retention of strategic competencies, and safeguards and transfers valuable corporate know-how within the company. The third cycle of the program was launched in January 2025, with 21 employees from various divisions enrolled. Participants have already completed a development centre with consultations on their reports, a team building session, mentor selection, and soft skills training.

Supervisor Successor Training Program focuses on promising employees, primarily from the Maintenance and Metering Division, with the aim of developing their technical and personal skills and preparing them for future supervisory roles. It responds to the need for generational renewal within the company and ensures the continuity of critical know-how that could be at risk with the re-

tirement of experienced colleagues. The program content is mainly based on professional training delivered by internal instructors. It currently includes 14 participants from across Slovakia. The first cycle began with an introductory meeting with company management and internal instructors in October 2024, followed in 2025 by an initial off-site team building. Subsequently, two-day training sessions for the 1st and 2nd modules of professional training took place in Bratislava.

The other two programs are aimed at young people. The Young Gasworker program enables students of vocational secondary schools to complete professional internships at our company during their final years of study, with the possibility of future employment. The Graduate program is tailored for university graduates, aiming to develop specialists for various areas of our company. Within this program, we have allocated eight positions.

At the same time, we supported employees interested in language education by introducing internal English conversation groups led by a qualified instructor. Looking ahead, we also plan to expand our training offer to include topics related to mental health and well-being.

Safety at the centre of our attention

Care for occupational health and safety, together with respect for environmental protection, represents a firm pillar of the daily operations of SPP – distribúcia, a. s.

Management of these areas is systematically ensured through a certified Integrated Management System in accordance with ISO 9001, ISO 14001, and ISO 45001 standards. The foundation of the system is the implementation of the IMS Policy, which confirms our commitment to complying with legal requirements, actively preventing environmental pollution, and continuously improving working conditions and the work environment. We apply the same approach to our contractual partners, whom we support in acting safely and in an environmentally responsible manner.

The company’s management allocates adequate financial, human, and time resources to eliminate risks arising from identified hazards, threats, or environmental impacts that could negatively affect human health or the environment. Our long-term ambition is to create a working environment that is safe, healthy, and comfortable. We achieve this by optimising work procedures, organising work efficiently and improving conditions with regard to workplace impacts. To strengthen the culture of occupational health and safety and set standards, we cooperate with an internationally

recognised consulting firm to optimise OHS processes. Employees are actively involved in selecting personal protective equipment, conducting risk assessments, and designing safety-enhancing measures. The system of training and practical exercises plays an important role in increasing professional preparedness and strengthening risk prevention. In the past period, we expanded opportunities for practical training by opening a new training facility in June 2024 in Žilina. This training centre provides new employees with a safe space to acquire the skills required for operating and maintaining gas facilities.

When it comes to health and environmental protection, we prioritize a preventive approach. We improve working conditions systematically, in line with legislation, standards, and internal regulations. We carry out regular risk assessments, monitor the working environment, and ensure continuous supervision of its condition.

Our activities and consistent fulfilment of IMS policy objectives help to maintain favourable development in occupational health and safety. Proof of our responsible approach can be seen in the continued positive trend in workplace injury statistics. In 2025, we once again recorded no serious, fatal or collective accidents in the workplace. Safety will always be our key value.



Code of ethics as a reflection of corporate values and commitments

Given the dynamic changes in the business environment and the growing demands for ethical conduct, we undertook an expansion and update of the company's Code of Ethics. The aim of this revision was to enhance flexibility and the ability to respond quickly to new challenges, including situations that may represent ethical dilemmas. As a member of the EPH Group, we also recognized the need to align our company's values with the group's value framework, thereby strengthening overall integrity and unity within the group.

The updated Code of Ethics was approved in March 2024, complementing the company's four core values – Respect for People, Appreciation of Resources, Initiative, Integrity – with two new values: Environment and Community. This step reinforced our commitment to social responsibility and environmental protection.

Shared values

At SPP – distribúcia, collaboration is built on trust, respect, and fairness. We are united by shared values that guide us in our daily work and shape the way we interact with one another, our customers, business partners, and the society in which we operate. We recognize that work is a significant part of our lives, and we strive to make it a meaningful investment in building quality relationships – both within teams and externally.

We aim to create an environment of equal opportunities for all, based on mutual respect, courtesy, solidarity, and safety. We are committed to responsible and transparent conduct – we avoid conflicts of interest, comply with regulations, and foster

The new Code also includes practical model situations linked to specific values and ethical decisions that employees may encounter in practice. Their purpose is to provide clear guidance and support correct and responsible conduct in line with the company's values.

In autumn 2024, workshops on the Code of Ethics were held in six local centres, led by an external instructor. The goal was to engage employees in shaping shared values, encourage open discussion, and jointly co-create this key document. The outcomes of these meetings were further developed by company management into follow-up activities.

The updated Code of Ethics reflects an important step forward in developing our corporate culture, which is a key prerequisite for retaining quality employees, supporting performance, and ensuring the ability to meet future challenges.

open relationships with the external environment. Our daily work reflects fairness, reliability, and respect for sustainability values.

We also view responsible behaviour in the broader context of corporate social responsibility. We support initiatives aligned with our mission – focusing on helping disadvantaged groups, promoting health-care, sports, education, and culture. We act consciously toward the environment and manage our presence in a way that does not diminish opportunities for future generations. All sponsorship and donation activities are carried out transparently and responsibly, ensuring they are clearly documented and verifiable at any time.

Corporate Social Responsibility

We consider our employees' active involvement in charitable and socially beneficial activities, which embody one of our core values – *Community* – to be extremely important. During the year, several colleagues participated in a number of collections and initiatives, the results of which deserve special recognition.

We took part in the **Biela pastelka** collection organized to support the Slovak Blind and Partially Sighted Union. Together, we collected €3,604. In keeping with tradition, our company doubled the amount collected, enabling us to contribute a total of €7,208 to the Slovak Blind and Partially Sighted Union.

Within the **Plynárenská pokladňa** non-investment fund, SPP – distribúcia employees contributed €5,140 to colleagues facing difficult life situations.

Every year, we also support the **Plamienok** Children's Hospice. In December 2024, employees raised €4,415, which SPP – distribúcia doubled, delivering a total of €8,830 to the hospice. Our employees once again supported the League Against Cancer on the occasion of **Daffodil Day** on 18 March 2024.

We remain mindful of our environmental responsibility as well. In the nationwide campaign **Bike to Work**, we ranked 33rd out of 350 participating companies and institutions. A total of 63 individuals formed 18 teams, completing 1,034 rides and helping save 3,226.85 kg of CO₂.

We are extremely proud of all our colleagues who contributed their time, energy, or donations. Thanks to them, our company is able to demonstrate that solidarity, consideration and active community support are not just slogans, but real actions. We intend to continue this trend by further developing initiatives that have a tangible impact on health, the environment and quality of life in our communities.



06 NATURAL GAS – COST-EFFECTIVE LOW-EMISSION HEAT PRODUCTION SOLUTION

Up to 94% of households and companies in Slovakia have access to natural gas. The affordability, reliability of use, easy operations, automated operations of modern gas appliances and their low-emission profile are the main prerequisites for long-term use of natural gas in Slovakia.

Natural gas and the environment

Although natural gas is a fossil fuel, it has a low-emission profile compared to other types of fuels. The combustion of natural gas produces significantly less pollutants as compared with solid fuels and minimum amount of dust particles (PM10 and PM2.5) which at higher concentrations pose a serious health risk. Moreover, the combustion of natural gas produces negligible amounts of sulphur oxides, minimum amounts of carbon monoxide and the level of nitrogen oxides is low. Utilization of natural gas for heat production can reduce CO₂ emissions by up to half compared to coal. The European Union has approved the inclusion of gas and nuclear energy in the taxonomy as transitional fuels, which means that investments in the utilization of natural gas and nuclear energy can be considered sustainable if specific conditions are met. The relevant delegated act entered into force in January 2023.

More than 12% of the Slovak population is exposed to increased concentrations of PM2.5 particles in the air, which is significantly higher than the average in the OECD countries. Slovakia has the 3rd worst air quality in the whole EU in this regard. The adverse indicator values for PM2.5 particles are confirmed by several sources – EEA, EPI, Eurostat or OECD. In its report, the European Environment Agency states that Slovakia accounts for up to 4,900 preventable deaths per year due to poor air quality caused by fine PM2.5 particles. The situation is further influenced by the burning of wood or waste, which people often choose for economic reasons, even in gasified regions. Addressing the adverse smog situation and reducing the volume of dust particles in the air is possible by responsibly

selecting heating sources and a rational approach by the state to promote low-emission heating systems. It is also necessary to set up support programmes tailored to households suffering from energy poverty. According to a study by the Slovak Academy of Sciences published in July 2023, the share of Slovak households that can be classified as energy poor is 10%.

In November 2021, a significant step was taken in the ecological transition of the Slovak gas industry with the connection of the first biomethane plant, followed in April 2025 by the connection of a second plant in Veľké Bierovce. Since then these two biomethane plants have been reliably supplying the distribution network with advanced biomethane. In the period under review from 1 August 2024 to the end of July 2025, their supply reached an impressive volume of 6.4 million m³. Biomethane production is becoming a key activity within the energy security of the European Union and we therefore expect significant public support for it and an increase in production in the near future. This is further confirmed by 10 projects for the conversion of existing biogas plants into biomethane production facilities across Slovakia. These projects succeeded in the Recovery Plan call and may receive investment support of up to €1.5 million per project. Connection to the network and the start of biomethane deliveries are expected in the coming months. The production of biomethane from biodegradable waste significantly contributes to the reduction of methane emissions in waste management, which represent the largest share in the composition of methane emissions on the territory of Slovakia.

Renewable gas registry

SPP – distribúcia operates the Renewable Gas Registry, an electronic system used for issuing, transferring, and redeeming guarantees of origin for renewable gases such as biomethane. A single guarantee of origin represents the volume of one megawatt-hour of renewable gas, predominantly injected into the distribution network. Guarantees of origin are established on the basis of metering data at the entrance to the distribution network.

Biomethane plant operators, renewable gas producers, gas suppliers and customers and other relevant account holders have their accounts in the registry. Since its launch two years ago, the registry has issued guarantees of origin for over 100 GWh of biomethane. Currently, there are 34 accounts registered in the registry. Guarantees of origin for biomethane produced in Slovakia are predominantly purchased by consumers in Germany, while guarantees are also imported from Denmark and the Netherlands.

The Renewable Gas Registry also allows cross-border transfer of guarantees of origin for biomethane, either for sale or purchase, through the ERGaR Hub (European Renewable Gas Registry – the European association of renewable gas registries). Currently, the registries of Denmark, the Netherlands, Germany, Austria are connected to the centre. In November 2024, SPP – distribúcia, a. s. became a member of the Association of Issuing Bodies (AIB), which brings together organizations authorized by EU member states to issue guarantees of origin for renewable energy. The company is preparing to connect its registry to the AIB clearing house. This will increase the number of ways in which guarantees can be transferred between other registries.

The obligation to establish and operate the register resulted for SPP – distribúcia, a. s. from the amendment to Act No. 309/2009 Coll. on the promotion of renewable energy sources and high-efficiency combined production and on the amendment to certain acts, which entered into effect on 1 December 2022.

Energy performance of buildings

Since 1 January 2021, all new buildings in Slovakia are required to meet the standard for so-called nearly zero-energy buildings, which corresponds to energy class A0. This requirement represents a significant change in terms of design, construction and subsequent operation of buildings. Its main goal is to reduce energy demand significantly and promote sustainable architectural practices.

Natural gas remains a suitable solution for heating and hot water production in A1 and A0 energy class

buildings, especially in combination with solar collectors or photovoltaic systems. Its main advantages include condensing boilers with a favourable price-to-performance ratio, including installation, as well as high efficiency, low operating costs, simplicity and user comfort. Furthermore, natural gas contributes to reducing emissions when replacing solid fuels and offers a pathway for gradual decarbonization through biomethane or hydrogen.



New A0 Family House with Natural Gas Projects

In July 2024, SPP – distribúcia launched the initiative “A0 Family House Projects”, aimed at providing customers with significantly discounted project documentation for new family homes designed for the use of natural gas. This initiative confirms that low-emission solutions based on natural gas can be not only efficient and fully compliant with legislation but also cost-effective.

Customers who decide to connect their property to the gas distribution network can obtain a complete family house project in energy class A0 at a price up to 66% lower than standard market prices. They can choose from three house types with floor areas of 115 m², 160 m², and 200 m².

The projects include complete documentation for the building permit process and implementation, including connection designs, site placement, statements, and budgets. The offer also includes an energy certificate, which is required for the final building approval, as well as the option to adjust the project

according to the customer's needs with an authorized contractual designer.

The initiative aims to simplify the process of obtaining a new home project for customers, making it more affordable and efficient. The offer is expected to motivate people to connect their property to natural gas, thus obtaining the cheapest low-emission heating in terms of overall costs. This serves as a clear signal to professional designers and building authorities that designing family homes with natural gas as the primary heat source is fully achievable under the A0 standard.

The projects are available through the company's website www.spp-distribucia.sk. After selecting a project and filling out the form, the customer will be connected with a contractual designer within two business days. The designer will then ensure that the project is adapted to the specific conditions of the building site.

Gas condensing boiler as the cheapest low-emission heating solution, especially in case of reconstruction/renovation of family houses

Example:

Basic parameters of the compared house:

- Size of the house: 228 m²
- Energy class: B (Decree No. 364/2012 Coll.)
- Total energy demand: ≤ 110 kWh/(m²/year)
- Global primary energy indicator: ≤ 216 kWh/(m²/year)
- Heat demand for heating (mean value): 65 kWh/(m²/year)
- Heat demand for water heating (mean value): 16.90 kWh/(m²/year)
- Source output: 10 kW
- Total energy demand of the house: 19,150 kWh

Low-temperature floor heating – comparison

Low-temperature heating

| Heat source | Gas boiler - old | Gas boiler - new | Heat pump - air/water |
|---|--------------------------|--------------------------|-----------------------|
| Fuel calorific value | 10.70 kWh/m ³ | 10.70 kWh/m ³ | 1 |
| Equipment | Atmospheric boiler | Condensing boiler | Heat pump - air/water |
| Efficiency | 80% | 98% | 290% |
| Unit cost (€) | € 0.0575 / kWh | € 0.0589 / kWh | € 0.1675 / kWh |
| Tariff | D3 (SPP) | D3 (SPP) | DD5 (ZSE) |
| Heat in the fuel (kWh) | 23,938 kWh | 19,541 kWh | 6,603 kWh |
| Amount of fuel | 2,237 m ³ | 1,826 m ³ | 6,603 kWh |
| Operating costs | | | |
| Annual fuel costs | € 1,376 / year | € 1,151 / year | € 1,106 / year |
| Service + fuel transport (if necessary) | € 60 / year | € 80 / year | € 200 / year |
| Total operating costs | € 1,436 / year | € 1,231 / year | € 1,306 / year |
| Investment costs | | | |
| Main heat source | € 1,970 | € 1,970 | € 11,150 |
| Installation material and installation | € 800 | € 800 | € 800 |
| DHW tank | | | |
| Commissioning | € 170 | € 170 | € 504 |
| Chimney (if needed) | € 300 | € 300 | |
| Zelená domácnostiam (Green households) subsidy | | | € -3,800 |
| Sum including the subsidy for a heat source | € 3,240 | € 3,240 | € 8,654 |
| Sum excluding the subsidy for a heat source | € 3,240 | € 3,240 | € 12,454 |
| Total costs including the subsidy for a heat source (15 years) | € 24,774 | € 21,704 | € 28,245 |
| Total costs excluding the subsidies for a heat source (15 years) | € 24,774 | € 21,704 | € 32,045 |

Replacing an old atmospheric boiler with an advanced gas condensing boiler will result in a natural gas saving of 18% in this example. The savings in total expenditure when using the gas condensing boiler technology compared to the low temperature heat pump are at the level of €10,341 without subsidies, and €6,541 with subsidies to the detriment of the heat pump over the 15-year operation of the family home.



Radiator high-temperature heating – comparison

High temperature heating

| Heat source | Gas boiler - old | Gas boiler - new | Heat pump - air/water |
|---|--------------------------|--------------------------|-----------------------|
| Fuel calorific value | 10.70 kWh/m ³ | 10.70 kWh/m ³ | 1 |
| Equipment | Atmospheric boiler | Condensing boiler | Heat pump - air/water |
| Efficiency | 80% | 95% | 260% |
| Unit cost (€) | € 0.0575 / kWh | € 0.0587 / kWh | € 0.1645 / kWh |
| Tariff | D3 (SPP) | D3 (SPP) | DD5 (ZSE) |
| Heat in the fuel (kWh) | 23,938 kWh | 20,158 kWh | 7,365 kWh |
| Amount of fuel | 2,237 m ³ | 1,884 m ³ | 7,365 kWh |
| Operating costs | | | |
| Annual fuel costs | € 1,376 / year | € 1,183 / year | € 1,212 / year |
| Service + fuel transport (if necessary) | € 60 / year | € 80 / year | € 200 / year |
| Total operating costs | € 1,436 / year | € 1,263 / year | € 1,412 / year |
| Investment costs | | | |
| Main heat source | € 1,970 | € 1,970 | € 13,146 |
| Installation material and installation | € 800 | € 800 | € 800 |
| DHW tank | | | |
| Commissioning | € 170 | € 170 | € 504 |
| Chimney (if needed) | € 300 | € 300 | |
| Zelená domácnostiam (Green households) subsidy | | | € -3,800 |
| Sum including subsidy for a heat source | € 3,240 | € 3,240 | € 10,650 |
| Sum excluding the subsidies for a heat source | € 3,240 | € 3,240 | € 14,450 |
| Total costs including the subsidy for a heat source (15 years) | € 24,774 | € 22,189 | € 31,824 |
| Total costs excluding the subsidies for a heat source (15 years) | € 24,774 | € 22,189 | € 35,624 |



Replacing an old atmospheric boiler with an advanced gas condensing boiler will result in a natural gas saving of approximately 16% in this example. With radiator heating using a gas condensing boiler, compared to a high-temperature heat pump, the savings amount to €13,435 without subsidies, and €9,635 with subsidies.

The table shows that the gas condensing boiler is the most advantageous in terms of total costs for the customer. The investment costs for a heat pump are significantly higher, even after taking the subsidy into account. However, the operating costs of a heat pump are not sufficiently favourable to compensate for the high initial investment (€10,000 or more). On the contrary, a condensing gas boiler delivers natural gas savings of 15 – 23%

compared to an older gas boiler, leading to lower total energy expenditures. Overall, a gas condensing boiler is economically advantageous for both heating systems (floor and radiator), due to the fact that the gas boiler has approximately the same efficiency at all output water temperatures. In case of gas boilers, the type of heating system does not matter, unlike in case of a heat pump, which appears to be more suitable for floor heating than for a high temperature radiator system.

Two basic parameters enter the economic evaluation of any heating system: the investment costs (CAPEX) and operating costs over the lifetime of installation or for the evaluation period (OPEX).

Production of electricity and heat in a cogeneration unit

A cogeneration unit is able to produce heat, electricity or even cooling in one installation, which leads to significant savings, up to 40%, of primary energy compared to separate heat and power generation. The direct consequence of saving primary fuel is the decrease in emissions from burning. A cogeneration unit is able to cover multiple energy needs of the customer with one device. Due to the availability of cogeneration in many performance classes, there are wide possibilities for use in industry, in the municipal sphere, in health or social facilities.

For those interested in cogeneration, SPP – distribúcia offers free analysis of the use of cogeneration in the installation of a new heat source or modernization of their existing one. Cogeneration units can seamlessly burn biomethane, which can easily reduce CO₂ emissions. In the case of using cogeneration units in district heating systems (DHS) while simultaneously consuming biomethane through guarantees of origin, it is possible to meet the definition of an efficient DHS system without any technological modifications. Modern cogeneration units also allow the combustion of a mixture of natural gas and hydrogen up to 20% hydrogen by volume, thus also contributing to decarbonising using gas technologies.

Compressed natural gas (CNG) and its application in transport

The operation of CNG vehicles benefits users in the form of lower fuel costs and also a 50% lower motor vehicle tax compared to vehicles running on conventional fuels. Moreover, the use of CNG significantly reduces emissions of harmful substances and reduces noise, which ultimately benefits society as a whole in the form of a better environment.

The use of CNG produces almost no particulates released into the air. Therefore, no filters or additives are needed. The use of CNG brings economically advantageous, environmentally friendly and safe trans-

port. CNG can be gradually replaced by renewable biomethane in the future.

SPP – distribúcia is supporting CNG with beneficial tariffs for CNG filling stations and through spp-distribucia.sk and oplyne.info where, in addition to general information on the benefits of natural gas, we also present CNG to the general public as an environmentally friendly fuel with the potential for greater application in transport. We also provide free business and technical advice to those interested in building CNG stations.

Map of CNG stations as at 31 July 2025



Marketing communication

Most of marketing activities took place online through social networks and platforms, Facebook, Instagram, YouTube and the company's websites (www.oplyne.info and www.spp-distribucia.sk, www.mojnovykotol.sk) and on partner websites in the form of articles or podcasts. The key campaign was mojnovykotol.sk with a marketing impact in the order of millions of impressions.

Over the past period, we have significantly intensified our communication on social media, targeting not only professional audiences but also households

and, more recently, younger generations (Generation Z). As for Generation Z, we are particularly focused on raising the visibility of the energy sector, highlighting the role of gas as a key energy medium, and communicating our key messages and projects, primarily through short, dynamic videos. We primarily present the advantages of gas solutions and our company's main activities: renewable gases and readiness for the future. Our company is active on several social networks, including Facebook, Instagram, YouTube, and TikTok.

Ready for the Future Campaign

SPP – distribúcia runs an ongoing campaign "Ready for the Future", which highlights the important role of biomethane and hydrogen in the decarbo-

nization of the country. The Ready for the Future claim appears in all external, marketing and internal communication activities.

Ready for the Future Grant Program

The protection and restoration of the environment is one of the priorities of SPP – distribúcia, a. s. In 2024, we successfully launched the pilot year of the Ready for the Future grant program, designed to support ecological and modernization initiatives of towns, municipalities, and local governments.

elements, and public amenities such as bicycle stands, eco-friendly pet waste stations, shelters, and benches or other modern, sustainable solutions.

In its first year, €100,000 was distributed among ten successful projects, confirming the strong interest in this form of support. We therefore consider it a successful launch and are preparing to continue it in the coming year.

The program focuses on water retention measures, revitalization of watercourses and green areas, and increasing the resilience of public spaces to the impacts of climate change. It supports landscaping and planting greenery, restoring and enhancing public spaces, as well as the creation and development of community gardens and orchards in publicly accessible locations. Projects may include installing information boards, rest areas, small-scale architectural

Ready for the Future is part of our broader ESG strategy and fulfills SPP – distribúcia, a. s.'s commitment to sustainable development, responsible environmental stewardship, and improving the quality of life in Slovak towns and municipalities.

MY NEW BOILER Campaign

The My New Boiler initiative is a key component of our strategy to support energy efficiency and reduce greenhouse gas emissions. The project focuses on replacing old gas boilers with new, modern condensing boilers, providing a concrete form of support for households transitioning to more efficient and low-emission heating solutions. Modern gas condensing boilers not only deliver significant cost savings but also substantially reduce greenhouse gas emissions.

Compared to older models, modern condensing boilers can reduce gas consumption by 15 – 23% and are equipped with H2 Ready technology, ensuring their readiness for future hydrogen use – an important step toward a carbon-neutral energy system. Additionally, these boilers can adapt to uninsulated homes thanks to their wide modulation range, allowing home owners to postpone insulation investments without negatively impacting heating efficiency.

In collaboration with leading heating equipment manufacturers, we offer discounts of up to €600 on the purchase of a new low-emission gas condensing boiler. Interested participants can easily generate a voucher on the project website, mojnovykotol.sk, where they can select a suitable boiler according to their needs and redeem the voucher with the chosen brand's retailer.

In 2025, the project expanded to include vouchers for legal entities, such as companies, organizations, and municipalities. This innovation significantly broadened the initiative's scope by enabling the replacement of older boilers in institutions that provide public or business services.

Preparing heat in a house using hydrogen or a mixture of gases

Gas condensing boiler

For a mixture of gases, such as a mixture of natural gas and biomethane, nothing changes. An advanced gas condensing boiler can burn this mixture without any restrictions. In the case of gas mixtures with H₂ addition up to 10%, heating and hot water production in the gas condensing boiler also appear to be unrestricted. Advanced condensing boiler

manufacturers declare that new boilers constructed after 2020 are so-called H₂Ready up to 20% of hydrogen content and from 2024 onwards boilers capable of burning pure hydrogen are under preparation. Modern gas boilers will thus be capable of producing heat and hot water using hydrogen, even beyond 2040 and 2050.

Condensing boilers for houses

Thermal comfort, safety, user convenience and efficient use of energy contained in natural gas – all this is provided by the progressive technology of condensing boilers. Compared to previous technologies, whether conventional or low-temperature boilers, the condensing boiler can use a larger amount of the energy contained in the gas, which leads

to a significant reduction in the cost of energy consumption. Just by replacing an old, non-condensing gas boiler, it is possible to immediately reduce natural gas consumption by 15 – 23%. The new gas condensing boilers are now ready to burn a mixture of natural gas and hydrogen, and, in the future, also pure hydrogen.

GAS meter readings mobile app

In October 2024, SPP – distribúcia introduced a digital innovation aimed at household and small customers. With the launch of the free GAS Meter Readings mobile app, we entered a new era in gas consumption readings and customer communication. This digital tool allows customers to submit meter readings directly via smartphone – easily, quickly, and securely.

The free GAS Meter Readings mobile app is available on the most popular platforms – for Android devices via Google Play and for Apple (iOS) devices via the App Store. By 31 July 2025, it had been downloaded by over 170,000 users, making it by far the most successful mobile application in the Slovak energy sector.

The app fully replaces the need for a physical meter reading for households in tariff D1 with an annual consumption of up to 200 m³, typically using gas mainly for cooking. Customers no longer need to make their meters accessible to a meter reader; they simply capture the meter reading via the app, and the data is automatically sent to SPP – distribúcia, a. s.

Upon registration, customers also gain access to additional functions, such as tracking the status of requests, receiving information about planned outages and upgrades, contacting the customer service or emergency line with a single click, and reporting technical issues with gas infrastructure.

For households and small consumers in other tariffs (D2–D8, M1 and above), the app serves as a practical tool for monitoring consumption, providing a clear overview of meter reading history and gas consumption in an intuitive graphical format. Users can track their gas consumption any time and anywhere.

The app also serves as a communication tool, providing targeted notifications, campaigns, and updates to strengthen digital and direct customer engagement. We consider the application to be an essential tool for modern distribution companies respond to the needs of today's consumers.



Economic and financial performance

Development of the Business Environment

The winter of 2024/2025 ended up being the 14th warmest and the 80th coldest, in temperature terms, since 1931. Globally, it was the second warmest winter since 1900. The dominant influence of high-pressure areas during this period led to pronounced temperature inversions in December 2024 and January 2025. As a result, record-high average monthly temperatures were recorded at several meteorological stations in mid-mountain areas in January 2025: Lom nad Rimavicou (-0.4 °C), Kojšovská hoľa (-1.5 °C), Podbanské (0.5 °C), Tatranská Javorina (0.0 °C), and Tatranská Polianka (0.9 °C). The coldest mornings were recorded in Červený Kláštor on 5 January and in Stratená on 19 February, when temperatures dropped to -19.3 °C. Notably, temperatures in Slovakia never fell below -20 °C this winter, which is unusual compared to historical data. On the other hand, the warmest day occurred in Gabčíkovo on 28 January, when the temperature reached 18 °C. (Source: SHMÚ)

In 2025, SPP – distribúcia, a. s. continued to streamline its internal processes. Although the level of operating costs is stable, the company continues to analyse and evaluate operating activities in an effort to optimize them.

With respect to the tariff for access to the gas distribution network, the tariff for gas distribution, and the tariff for covering distribution losses, a crisis regulation is currently in effect, which has set the tariff prices for 2025. In the crisis regulation, price decisions do not apply; the prices are replaced by those set by the Government in the Regulation. The difference between these prices is compensated by the Ministry of Economy of the Slovak Republic.

In the period from 1 August 2024 to 31 July 2025, the company had to pay close attention and respond to regularly changing regulatory legislation.

In 2024 and early 2025, significant legislative changes occurred in the regulation of network industries and the energy sector. Act No. 251/2012 Coll. on energy ("Energy Act") and Act No. 250/2012 Coll.

on regulation in network industries ("Regulation Act") were amended by Act No. 143/2024 Coll., effective 1 January 2025. The amendment strengthened the powers and oversight authority of the Regulatory Office for Network Industries (ÚRSO), particularly in the areas of state supervision and price regulation. The amendment introduced changes to technical matters related to price proposals and implemented measures to enhance consumer protection in the energy sector.

Following the adoption of the new Construction Act, effective 1 April 2025, a legislative package (Act No. 26/2025 Coll.) was prepared to align affected regulations with the updated legal framework for the construction permit process. The aim of these changes is to ensure the smooth functioning of the new permit mechanism, prevent legislative conflicts, and enable the seamless application of binding opinions from the relevant authorities.

Within the framework of sub-legislative regulations, the company's activities are directly affected by the Decree of ÚRSO No. 147/2024 Coll. establishing price regulation of selected regulated activities in the gas industry and certain conditions for the performance of selected regulated activities in the gas industry, which was amended and supplemented by Decree of ÚRSO No. 390/2024 Coll. as of 1 January 2025. This decree clarified the mechanisms for regulating gas prices, particularly with regard to access to storage facilities and gas storage. It also defined the rules for determining suppliers' service prices for gas used in heat production. Decree of ÚRSO No. 208/2023 Coll., setting rules for the functioning of the internal gas market, was amended and supplemented by the Decree (No. 352/2024 Coll.), which clarified the rules for operating the market, including those for managing contracts, switching suppliers, billing, and measuring consumption.

At the European level, the Gas Package remains a key legal framework, which, among other provisions, includes: (i) Directive of the European Parliament and of the Council on common rules for the internal

market in renewable gases, natural gas and hydrogen, to be transposed by 5 August 2026, and (ii) Regulation of the European Parliament and of the Council on the internal market in renewable gases, natural gas and hydrogen, applied from 5 February 2025. These are intended to create the conditions for the decarbonization of the gas industry. Between 1 August 2024 and 31 July 2025, preparatory work continued for the implementation of these legislative and regulatory measures. There are also ongoing activities to ensure the transposition of relevant EU directives into national law. On 8 July 2025, the European Union adopted a delegated act that introduced a comprehensive methodology for calculating greenhouse gas emissions from low-carbon fuels. This act also supplemented

the rules for renewable hydrogen.

Among non-legislative instruments, the Regulatory Policy for the 6th Regulatory Period remains in force. In June 2025, work began on preparing the new Regulatory Policy for the 7th Regulatory Period, in which the company actively participates.

Last but not least, SPP – distribúcia, a. s. is closely monitoring the presented intentions of the government and actively participates in various initiatives of the Ministry of Economy of the Slovak Republic or the Regulatory Office for Network Industries in order to defend the important and strategic position of natural gas in the energy mix of the Slovak Republic.

Economic Results of SPP – distribúcia, a. s.

In the accounting period of 2025, SPP – distribúcia a. s., achieved revenues from natural gas distribution of €459.16 million.

The operating costs incurred by the company to secure the revenues from the sale of the services reached the amount of €307.28 million. Operating costs included mainly depreciation and amortization, natural gas storage costs and personnel costs.

During the financial year 2025, the company achieved a profit before tax of €192.35 million and a profit after tax of €104.91 million. The main reason for the decline in profit after tax is the increase in the income tax rate, from 21% to 24%, and related impact on deferred tax.

Comparison of profit-after-tax structure (in € mil.):

| | 2025 | 2024 |
|-----------------------------------|---------------|---------------|
| Distribution of natural gas | 459.16 | 435.39 |
| Other revenues | 31.44 | 41.55 |
| Operating costs | -307.28 | -299.94 |
| Operating profit | 183.32 | 177.00 |
| Profit/loss on financial activity | 9.03 | 11.78 |
| Profit before tax | 192.35 | 188.78 |
| Income tax | -87.44 | -42.05 |
| Profit after tax | 104.91 | 146.73 |

Asset and capital structure

Assets

As at the balance sheet date of the financial statements, the company's total assets were €4,773.11 million, representing a decrease of €107.95 million compared to the previous financial year 2024.

Long-term assets with a value of €3,934.04 million accounted for 82.42% of the total assets.

The most significant long-term asset item is the gas pipelines, which the company recognizes at fair value as of 31 July 2025. The first fair value measurement of assets was carried out on 1 August 2018.

It was prepared by an independent expert and applied prospectively, without affecting the previous accounting period.

In the financial year 2025, €51.95 million was spent on the acquisition of long-term assets, which was mainly directed towards the renewal of the distribution network.

Current assets increased by €7.51 million compared to 2024 and amounted to €839.06 million as at the balance sheet date. The increase in current assets is driven by higher receivables and advance payments, resulting from the growth of cash pooling receivables. Conversely, cash and cash equivalents and inventories had a negative impact on the value of current assets as of 31 July 2025.

Comparison of the structure of assets (in € mil.):

| | 2025 | 2024 | 2025 | 2024 |
|------------------|----------|----------|--------|--------|
| Long-term assets | 3,934.04 | 4,049.51 | 82.42% | 82.96% |
| Current assets | 839.06 | 831.55 | 17.58% | 17.04% |

Equity and liabilities

In the capital structure of SPP – distribúcia, a. s., there was no significant change in the share between own and outside sources of financing. Own funds continued to outweigh outside sources of financing, representing 66.81% of the total sources of asset coverage.

Equity decreased by €169.97 million compared to the financial year 2024 and amounted to €3,188.97 million at the balance sheet date. Equity consisted primarily of fixed capital, the legal reserve fund, the asset revaluation fund, retained earnings and profits from the current accounting period. The registered capital of the company was one share with a nominal value of €1,200 million. As of the balance sheet date, the legal reserve fund and other funds consisting of capital contributions and the asset revaluation fund amounted to €1,769.07 million.

The profit/loss for 2024 was a profit of €146.73 million, which was paid to the company's sole share-

holder in the form of dividends in the full amount. The general meeting will decide on the distribution of profit or loss for the financial year 2025.

The company's liabilities accounted for 33.19% of the company's assets and amounted to €1,584.13 million as of the balance sheet date in the financial statements. The bulk of the total liabilities consisted of long-term liabilities totalling €1,522.44 million which increased by €85.65 million year-on-year. The most essential items are a deferred tax liability and loans and bonds. As of the balance sheet date, the value of current liabilities amounted to €61.69 million. This represents a year-over-year decrease of €23.63 million, primarily due to repayment of a €26.65 million loan from the European Investment Bank.

Comparison of the structure of liabilities (in € mil.)

| | 2025 | 2024 | 2025 | 2024 |
|------------------|----------|----------|--------|--------|
| Equity | 3,188.97 | 3,358.94 | 66.81% | 68.82% |
| Accounts payable | 1,584.13 | 1,522.12 | 33.19% | 31.18% |

The shareholder structure as of 31 July 2025 was as follows:

| | | |
|---------------------------|---------|------|
| SPP Infrastructure, a. s. | 1 share | 100% |
|---------------------------|---------|------|

Summary results

Development of the state of assets, capital structure and profit/loss for SPP – distribúcia, a. s. for the years ending 31 July 2025 and 31 July 2024 according to individual financial statements prepared in accordance with international financial reporting standards as approved by the EU.

Balance sheet (selected data in € thsd.)

| | Year ended 31 July 2025 | Year ended 31 July 2024 |
|--|----------------------------|----------------------------|
| ASSETS: | | |
| LONG-TERM ASSETS | | |
| Buildings, structures, machinery and equipment | 3,894,621 | 4,012,017 |
| Rights of use | 28,049 | 25,832 |
| Investments in subsidiaries | 1,000 | 1,000 |
| Intangible long-term assets and other assets | 10,380 | 10,589 |
| Loans granted | 0 | 73 |
| Total long-term assets | 3,934,050 | 4,049,511 |
| CURRENT ASSETS | | |
| Stock | 182,008 | 194,928 |
| Receivables and advances granted | 312,033 | 197,125 |
| Tax receivables and income taxes | 0 | 0 |
| Cash and cash equivalents | 344,942 | 439,420 |
| Loans granted | 73 | 72 |
| Total current assets | 839,056 | 831,545 |
| TOTAL ASSETS | 4,773,106 | 4,881,056 |
| EQUITY AND LIABILITIES: | | |
| CAPITAL AND RESERVES | | |
| Share capital | 1,200,000 | 1,200,000 |
| Legal reserve fund and other funds | 1,769,074 | 1,895,182 |
| Retained earnings | 114,989 | 117,032 |
| Profit or loss for the current period | 104,911 | 146,727 |
| Total equity | 3,188,974 | 3,358,941 |
| LONG-TERM LIABILITIES | 1,522,442 | 1,436,794 |
| SHORT-TERM LIABILITIES | 61,690 | 85,321 |
| Total liabilities | 1,584,132 | 1,522,115 |
| TOTAL EQUITY AND LIABILITIES | 4,773,106 | 4,881,056 |

Profit and loss account (selected data in € thsd.)

For the years ended by 31 July 2025 and 31 July 2024

| | Year ended 31 July 2025 | Year ended 31 July 2024 |
|------------------------------|----------------------------|----------------------------|
| Distribution of natural gas | 459,163 | 435,387 |
| Other revenues | 31,438 | 41,553 |
| Operating costs | -307,280 | -299,938 |
| Operating profit | 183,321 | 177,002 |
| Financial revenues | 17,743 | 21,883 |
| Financing costs | -8,712 | -10,105 |
| PROFIT BEFORE TAX | 192,352 | 188,780 |
| Income tax | -87,441 | -42,053 |
| PROFIT FOR THE PERIOD | 104,911 | 146,727 |

Cash flow statement (selected data in € thsd.)

| | Year ended 31 July 2025 | Year ended 31 July 2024 |
|--|----------------------------|----------------------------|
| Profit before tax | 192,352 | 188,780 |
| Cash flows from operating activities | 359,930 | 360,619 |
| Interest paid | -7,697 | -8,816 |
| Interest received | 13,936 | 16,092 |
| Income tax paid | -76,823 | -68,619 |
| CASH FLOW FROM OPERATING ACTIVITIES | 289,346 | 299,276 |
| CLEAN CASH INCOME/EXPENSES FROM INVESTMENT ACTIVITIES | -30,413 | -31,408 |
| CASH FLOW FROM FINANCIAL ACTIVITIES | -353,411 | -165,360 |
| NET DECREASE/INCREASE IN CASH AND CASH EQUIVALENTS | -94,478 | 102,508 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | 439,420 | 336,912 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | 344,942 | 439,420 |

Events of particular importance which occurred after the end of the accounting year for which the annual report is drawn up

After 31 July 2025, there were no significant events requiring alterations to or disclosures in the annual report.

In administration and management, SPP – distribúcia, a. s. complies with the Code of Corporate Governance in Slovakia issued by the Central European Corporate Governance Association. The Code is publicly available at the Association's website www.cecga.org. Our aim is the implementation of and compliance with the various principles of the Code, demonstration of the process of their implementation, while issuing a statement on corporate governance. In the financial year 2024 – 2025, the company applied the Code of Corporate Governance without deviations. Pursuant to Article 20 (6) of Act No. 431/2002 Coll. on accounting as amended, the company presents the following Statement:

General meeting

The General Meeting is the supreme body of the company through which the shareholders participate in the management of the company. Each shareholder has rights through which they exert their influence in the company:

- a. The right to participate in the management of the company, to a share in the profit and liquidation balance of the company in case of its winding up with liquidation. The shareholder exercises the right to participate in the management of the company by voting at General Meeting; the shareholder must respect the organizational measures valid for the course of the General Meeting. At the General Meeting the shareholder has the right to request information, explanations relating to matters of the company or issues concerning the controlled persons, to submit proposals to the agenda of the General Meeting and to be elected to bodies of the company.
- b. A shareholder is entitled to a share in the profit of the company (a dividend) that the General Meeting has designated for distribution. A shareholder is not obliged to return a dividend received in good faith to the company.
- c. To the extent permitted by applicable legislation (including Energy Act No. 251/2012 Coll.), a shareholder is entitled to inspect the minutes of meetings of the Supervisory Board, while being obliged to maintain confidentiality of the information thus obtained;
- d. The right to vote at General Meeting – the shareholder's number of votes is determined by the ratio of the nominal value of their shares to the share capital;
- e. Any transfer of shares shall be subject to the approval of the General Meeting. The General Meeting may refuse a transfer of shares if it is in conflict with the company's Articles of Association or the shareholders agreement.

The General Meeting performs the following functions:

- a. Election and dismissal of members of the Supervisory Board;
- b. Election and dismissal of members of the Board of Directors;
- c. Changes in the Articles of Association, the statute of the Supervisory Board or the statute of the Board of Directors;
- d. Change in the share capital;
- e. Merger, fusion, split-up, change of legal form, winding up with liquidation or other significant changes in the corporate structure of the company;
- f. Decision on the appointment of a liquidator of the company and determination of remuneration of the liquidator;
- g. Decision on the distribution of any dividends by the company or distribution of other payments arising from shares;
- h. Decisions on the increase or decrease in the share capital of the company;
- i. Approval of ordinary individual, extraordinary individual, ordinary consolidated or extraordinary consolidated financial statements of the company;

- j. Decisions on the allocation of profit of the company, including the determination of the amount of dividends and any royalties, and on the method of settlement of any company's losses;
- k. Decisions on changes in the rights linked to any type of the company's shares;
- l. Decisions on the conversion of registered shares to bearer shares and vice versa;
- m. Decisions on the limitation or exclusion of the preferential right of a shareholder to subscribe newly issued shares of the company in accordance with and subject to conditions laid down by law;
- n. Approval of a contract on the transfer of the company's business and contract on the transfer of a part of the company's business;
- o. Any substantial change in the nature of the core business of the company or in the manner in which the company conducts its core business;
- p. Approval of the commencement of any legal or arbitration proceedings against persons who were direct or indirect shareholders of SPP before 23 January 2013 and ceased to be shareholders of SPP no later than on 23 January 2013;
- q. Appointment of an auditor.

Board of directors

The Board of Directors is a statutory body of the company acting on behalf of the company. The Board of Directors makes decisions on all matters related to the company. The Board of Directors has five members. Members of the Board of Directors are appointed and dismissed by the General Meeting for the period of four years. When electing or dismissing a member of the Board of Directors, the General Meeting may determine that their election to or dismissal from the office is effective at a later date than on the date when the decision of the General Meeting was taken.

The Board of Directors:

- a. Manages the business of the company and ensures all of its operational and organizational matters;
- b. Convenes the General Meeting;
- c. Exercises employer rights;
- d. Implements resolutions of the General Meeting, or written decisions of the sole partner;
- e. Ensures prescribed book-keeping and keeping of other records, books and other documents of the company;
- f. Submits reports to the General Meeting;
- g. Submits materials to the Supervisory Board for consideration;
- h. Prepares an annual budget and business plan of the company.

Supervisory board

The Supervisory Board is the supreme control body of the company. It supervises the activities of the Board of Directors and the performance of business activities of the company. The Supervisory Board of the company has six members. Two-thirds (2/3) of the members of the Supervisory Board are elected and dismissed by the General Meeting. One-third (1/3) of the members of the Supervisory Board are elected by employees of the company for a period of five years, if so required within that scope by the mandatory provisions of Slovak law at the time of election of the members of the Supervisory Board. Meetings of the Supervisory Board are convened by its chairman at least every three months.

The Supervisory Board reviews procedures in the matters of the company and is entitled at any time to inspect accounting documents, files, and records related to the activities of the company and to establish the standing of the company. The Supervisory Board also checks and – to the extent permitted by law (in particular by the Energy Act) – submits to the General Meeting the conclusions and recommendations resulting from its monitoring activities related to:

- a. Fulfilment of tasks assigned by the General Meeting to the Board of Directors;
- b. Compliance with the Articles of Association of the company and relevant legislation with regard to the company's activities;
- c. Economic and financial activities of the company, accounting, records, accounts, the state of the company's assets, its liabilities and receivables.

The Supervisory Board reviews and – to the extent permitted by law (in particular by the Energy Act) – may submit to the General Meeting reports related to:

- a. Proposals by the Board of Directors for the dissolution of the company;
- b. Proposals by the Board of Directors for the appointment of a liquidator of the company;
- c. Proposals by the Board of Directors regarding an individual annual budget and business plan of the company;
- d. Reports of the Board of Directors.

Committees

SPP – distribúcia, a. s. has used a legal exemption from the obligation to establish an audit committee directly at the level of SPP – distribúcia, a. s., and ensured that activities of the audit committee would be performed by a committee established at the level of the parent company SPP Infrastructure, a. s., because the parent company SPP Infrastructure, a. s. also fulfils conditions of the Act on Statutory Audit for establishment of an audit committee and therefore they have established such a committee.

The Audit Committee established at the level of the parent company SPP Infrastructure, a. s. performs its activities for SPP – distribúcia, a. s. on the basis of a business and legal contract on the provision of services.

The Audit Committee must have at least 3 members. The committee members are appointed by the General Meeting. At least one Committee member must have professional experience in the area of accounting or statutory audit and all members as a whole must have qualifications suitable for the sector in which the accounting entity operates. An absolute majority of members as well as the chairman of the Committee (elected by members of the Committee or by the Supervisory Board) must be independent. An independent member is an individual who is not connected by property or personally with the accounting entity or its subsidiary, its partners, members of statutory bodies and statutory auditor of the accounting entity, and who is not their close person and does not receive from the accounting entity or its subsidiary any other income than the remuneration for the work in the Supervisory Board or Audit Committee.

Management methods

For its management, the company mainly uses methods of direct management, methods combining direct and professional (indirect) management, and project management methods.

Direct management is generally based on setting goals, tasks and directions, and on the operational guidance of activities of the managed organizational unit or employee. Professional (indirect) management is based on the use of internal control mechanisms, determination of the scope for self-management

and organization of own work of the managed organizational unit or employee, as well as on the application of advanced economic incentives that are consistent with effective risk management.

Project management assumes temporary allocation of specific organizational units or employees and their temporary subordination to the project leader within the specified scope in order to achieve objectives of the project.

Internal control system and risk management

Internal control at all levels of the organizational structure serves to reveal preventively any potential risk occurrence in the company. The internal control system includes all the forms of continuous control measures, procedures and mechanisms in individual departments.

The internal control system of SPP – distribúcia, a. s. was implemented through the adoption of internal management acts which regulate the performance of internal controls and internal audits by internal employees. The controls are performed by employees directly participating in individual processes, managers of individual units or employees authorised by them, who are responsible for controlled processes and control results, or by internal auditors.

Control results are submitted to relevant bodies of the company on a regular basis. Timely adoption of preventive measures ensures the effective adjustment of key processes.

Within risk management, SPP – distribúcia, a. s. monitors, evaluates and manages in particular regulatory, market, financial, operating, environmental, personnel and media risks, as well as their influence on the financial statements. Thanks to the action plans adopted by the company management, the influence of risks on company operation is continuously decreased.

Share capital of the company

The share capital of the company amounts to €1,200,000,000 and is structured as follows:

| | |
|------------------------------------|------------------|
| Issue No. (CEM): | LP0001508566 |
| Nominal value: | €1,200,000,000 |
| Type: | ordinary share |
| Form: | certificated |
| Class: | registered share |
| Percentage share in share capital: | 100% |
| Admitted to trading: | 0 pc |

The share capital structure does not include shares whose owners would have special rights of inspection. The company has no knowledge of any agreements between holders of securities which may result in restrictions as to the transferability of securities and the limitation of voting rights. The company has not entered into any agreements which take effect, alter, or terminate as a consequence of a change in the control conditions related to the takeover bid.

The company has not entered into any agreements with the members of its bodies or employees on the basis of which they shall be granted compensation, if their position or employment is terminated by resignation, notice by the employee, their dismissal, notice of dismissal by the employer without indication of the cause, or if employment is terminated as a result of the takeover bid.

1. The compliance programme is an internal regulation of SPP – distribúcia, a. s., which lays down measures to ensure non-discriminatory behaviour on the part of the distribution system operator. Under Act No. 251/2012 on energy and on the amendment of certain laws, a compliance programme must be adopted by those network operators that are part of a vertically integrated undertaking. The last update of the compliance programme entered into force on 1 December 2015 and has the regulatory designation: D.RM.04.07.06.
2. SPP – distribúcia, a. s. employees under the compliance programme have:
 - a. obligations ensuring the independence of the distribution system operator from other activities not related to gas distribution,
 - b. obligations ensuring non-discriminatory behaviour on the part of the distribution system operator in the provision of information,
 - c. obligations ensuring non-discriminatory conditions for the provision of distribution system operator services to gas market participants,
 - d. conditions applicable to the compliance programme manager, including his/her appointment and dismissal,
 - e. requirements for the operation of the compliance programme manager and for checking compliance with the compliance programme, including training of the employees of the distribution system operator on the compliance programme,
 - f. obligations ensuring the publication of the compliance programme, checking and drawing up an annual report on the implementation of the compliance programme.
3. The fulfilment of the measures listed in the compliance programme between 1 August 2024 and 31 July 2025 was ensured mainly as follows:
 - a. SPP – distribúcia, a. s. as the distribution system operator is established as a separate company and its organizational structure is arranged in such a way that the independence of all activities of the distribution system operator related to gas distribution from other activities of the vertically integrated enterprise unrelated to gas distribution is ensured,
 - b. compliance with a non-discriminatory approach to the provision of information intended for gas market participants and in the provision of services of the distribution system operator,
 - c. measures to ensure non-discriminatory behaviour in accordance with the compliance programme are implemented in the internal procedures of the distribution system operator,
 - d. publication of the compliance programme to the employees of the distribution system operator in the electronic database of regulations and to the public on the website of the distribution system operator and regular training of employees on the compliance programme,
 - e. compliance with the compliance programme. In the period from 1 August 2024 to 31 July 2025, the compliance programme manager verified compliance with the non-discriminatory approach of the distribution system operator in performing services for users of the distribution network, in providing information, in handling requests, complaints and customer complaints. Furthermore, compliance with the prohibition on the misuse of confidential information on their own behalf was checked for those employees who had access to such confidential information.

4. As of 14 May 2014, based on a shareholder decision, SPP Infrastructure, a. s. became the sole shareholder of SPP – Distribúcia, a. s. From a legal, organizational, and decision-making perspective, the gas distribution system operator, SPP – distribúcia, a. s., is independent of activities unrelated to gas distribution. In the period from 1 August 2024 to 31 July 2025, on the basis of contracts SPP – distribúcia, a. s. received from Slovenský plynárenský priemysel, a. s. services only in the form of rental of real estate.
5. Between 1 August 2024 and 31 July 2025, the compliance programme manager of the distribution system operator found no breach of the obligations set out in the compliance programme.

In Bratislava on 1 August 2025



Ing. Milan Kachút
Compliance Programme Manager
of the distribution network operator
SPP – distribúcia, a. s.

Slovakia has the second densest gas pipeline network in Europe. SPP – distribúcia has long been among the leading European distribution system operators, as in addition to local networks it also operates the high-pressure pipeline network, the national gas dispatching centre, the Slovak Renewable Gas Registry, and holds an important role in ensuring the security of natural gas supply. With its distribution network exceeding 33,000 kilometres in length, the company reliably and safely covers approximately one-quarter of the country's energy consumption. Natural gas, as an affordable and low-emission fuel with high flexibility in responding to market and consumer demand, will continue to represent a key stabilizing element in the energy transition over the coming decades.

In the segment of individual heating, natural gas has a strong position in Slovakia, where almost two-thirds of households in family houses rely on it. Demand for modern low-emission gas technologies remains stable. According to estimates from manufacturers and suppliers of heating equipment, approximately 31,000 condensing boilers were sold in Slovakia last year. By replacing older technologies, these boilers enable savings of up to 23% in natural gas consumption. Thanks to their low-emission profile, gas heating also contributes to improving air quality.

In line with this, we continue to support the purchase of gas condensing boilers by offering vouchers providing discounts secured with suppliers of these modern technologies.

For customers planning to build a new house, we have prepared three complete project designs of family homes with gas heating in energy class A0, offered with a discount of up to 66% compared to market prices. These initiatives target not only end customers, but also professional designers and building authorities. They clearly demonstrate that gas heating is fully compatible with current energy efficiency standards.

Slovakia will soon transpose the EU Energy Performance of Buildings Directive. Member States are required to prepare decarbonization plans for heating in buildings by 2040 and make efforts to eliminate fossil fuels. In today's unstable external environment, the continent faces multiple challenges. In addition to pursuing environmental objectives, it must enhance competitiveness, address adverse demographic trends, and reinforce security. Implementing the strictest possible model of this transposition would impose a disproportionate financial burden on hundreds of thousands of households. We therefore advocate a socially sensitive approach, combining partial insulation with modern gas condensing boilers. This solution achieves 40% savings in energy consumption and emissions, representing the best value for money for both households and the state.

Advanced gas condensing boilers are already capable of burning biomethane and are also technically ready to co-burn a mixture of natural gas and hydrogen. We are therefore convinced that gas infrastructure will continue to be an essential part of the Slovak energy sector and a low-cost solution for decarbonising our country in the decades to come.

Our company is systematically preparing the distribution network for the integration of renewable gases. In the short term, we expect a rise in biomethane production and a steady increase in the number of connected biomethane plants. Currently, two facilities already supply biomethane into the distribution network, while contracts with an additional 14 entities are in place at various stages of preparation. In parallel, we are working on several projects focused on hydrogen technologies, and in the coming year we plan to launch our own hydrogen testing facility.

At the same time, we are committed to minimizing the environmental impact of our operations. Through a consistent investment and maintenance plan, faster leak detection, and shorter repair times, we are continuously reducing methane emissions. Our goal is to achieve a 30% reduction by 2030 compared to 2020.

Ongoing modernization and operational optimization, supported by digitalization, data analytics, and artificial intelligence, are enhancing efficiency across processes. We are increasing overall labour productivity thanks to incentive schemes and the strengthening of a performance-oriented corporate culture. We contribute to optimizing the costs of local network reconstruction by intensifying our in-house construction and installation activities and improving coordination with earthworks contractors. We also offer efficient customer care solutions. We have developed a mobile app that allows customers to read and monitor their gas consumption. This app helps reduce costs and improves convenience. All these measures reinforce the competitiveness of natural gas in Slovakia's energy mix.

The past financial year once again confirmed SPP – distribúcia's strategic role in the Slovak energy sector. Our goal is to further strengthen this position. We will continue to be a reliable energy distributor, a stable investor, and an attractive employer, creating value for our customers, employees, and shareholders. We are improving in all areas to provide safe, reliable and cost-effective natural gas distribution contributing increasingly to effective decarbonization and cleaner air both now and in the future.



SPP – distribúcia, a. s.

Plátennícka 2
821 09 Bratislava – Ružinov
Slovak Republic
www.spp-distribucia.sk

Emergency line – gas:

Tel.: 0850 111 727 (charged at the price of local call)

Customer line for connection to the distribution network:

Tel.: 0850 269 269 (charged at the price of local call)
Customer line is in operation on working days from 7:00 a.m. to 8:00 p.m.

E-mail: pripajanie@distribuciaplynu.sk
Online forms: www.spp-distribucia.sk/e-sluzby

Telephone line for submitting self-readings:

Tel.: 0850 364 436 (charged at the price of local call)
The telephone line operates non-stop from the 1st to the 25th day of each month.

Contract relations between SPP – distribúcia, a. s. and gas suppliers:

Tel.: +421 2 2040 2011 Secretariat of the Distribution Services Division
E-mail: distribucia@spp-distribucia.sk

Microsite on natural gas:

www.oplyne.info

Social networks:

Facebook: www.facebook.com/SPPdistribucia
Instagram: www.instagram.com/SPP.distribucia
LinkedIn: www.linkedin.com/company/spp-distribucia-a-s-
YouTube: www.youtube.com/c/SPPdistribucia2006
TikTok: www.tiktok.com/@spp_distribucia

GAS Meter Readings Mobile App

Download via Google Play and App Store
E-mail for suggestions and feedback on the mobile app: podnety.app@spp-distribucia.sk

My New Boiler Campaign

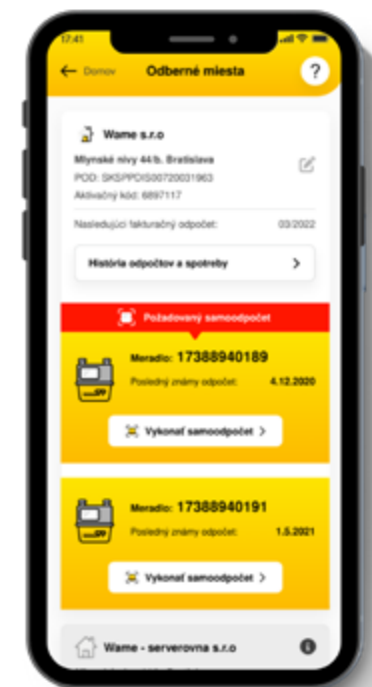
www.mojnovykotol.sk
E-mail: mojnovykotol@spp-distribucia.sk

Complaints regarding services of SPP – distribúcia, a. s.:

E-mail: reklamacie@spp-distribucia.sk

Public relations:

Mgr. Miroslava Schneider, External Communications Manager
Tel.: +421 2 2040 2020 GSM: +421 903 510 505
E-mail: miroslava.schneider@spp-distribucia.sk



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Register of the City Court Bratislava III
Section Sro, File 4444/B
Company ID: 31 343 414
VAT ID: SK2020325516

F9886B17BCE9DD066D09F14CB5F7F008

SPP-distribúcia a.s. INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON SUSTAINABILITY REPORTING

To the Shareholders, Supervisory Board and Board of Directors of SPP- distribúcia a.s. and the Audit Committee:

We have conducted a limited assurance engagement on the Sustainability Reporting of SPP- distribúcia a.s. (the "Company") included in the Sustainability Statement section of the Annual Report as at 31 July 2025 and for the year then ended (the "Sustainability Reporting").

Identification of Applicable Criteria

The Sustainability Reporting was prepared by management of the Company in order to satisfy the requirements of Article 20c) of Act No. 431/2002 Coll. on Accounting as amended (the "Act on Accounting") implementing 19(a) of Directive 2013/34/EU of the European Parliament and of the Council, including:

- Compliance with the European Sustainability Reporting Standards introduced by Commission Delegated Regulation (EU) of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council (the "ESRS"), including that the process carried out by the Company to identify the information reported in the Sustainability Reporting (the "Process") is in accordance with the description set out in Note 1.4.1.1 IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities; and
- Compliance of the disclosures in 2.1 Publications Pursuant to Article 8 of Regulation (EU) 2020/852 (EU Taxonomy Regulation) subsection within the 2 Environmental information section of the Sustainability Reporting with Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council (the "Taxonomy Regulation").

Inherent Limitations in Preparing the Sustainability Reporting

The criteria, nature of the Sustainability Reporting, and absence of long-standing established authoritative guidance, standard applications and reporting practices allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact the comparability of sustainability matters reported by different organisations and from year to year within an organisation as methodologies evolve.

In reporting forward-looking information in accordance with the ESRS, management of the Company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Company. The actual outcome is likely to be different since anticipated events frequently do not occur as expected.

In determining the disclosures in the Sustainability Reporting, management of the Company interprets undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the legal conformity of their interpretation and, accordingly, are subject to uncertainties.

Responsibilities of Management and Those Charged with Governance for the Sustainability Reporting

Management of the Company is responsible for designing and implementing a process to identify the information reported in the Sustainability Reporting in accordance with the ESRS and for disclosing this process in Note 1.4.1.1 IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities of the Sustainability Reporting.

This responsibility includes:

- Understanding the context in which the Company's activities and business relationships take place and developing an understanding of its affected stakeholders;
- The identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Company's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- The assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- Making assumptions that are reasonable in the circumstances.

Management of the Company is also responsible for the preparation of the Sustainability Reporting, in accordance with Article 20c) of the Act on Accounting implementing Article 19(a) of Directive 2013/34/EU of the European Parliament and of the Council, including:

- Compliance with the ESRS;
- Preparing the disclosures in 2.1 Publications Pursuant to Article 8 of Regulation (EU) 2020/852 (EU Taxonomy Regulation) subsection within the 2 Environmental information section of the Sustainability Reporting, in compliance with Article 8 of the Taxonomy Regulation;
- Designing, implementing and maintaining such internal controls that management determines are necessary to enable the preparation of the Sustainability Reporting that is free from material misstatement, whether due to fraud or error; and
- The selection and application of appropriate sustainability reporting methods and making assumptions and estimates about individual sustainability disclosures that are reasonable in the circumstances.

Those charged with governance are responsible for overseeing the Company's sustainability reporting process.

Auditor's Responsibilities

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB) ("ISAE 3000 (Revised)").

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability Reporting is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability Reporting as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Sustainability Reporting, in relation to the Process, include:

- Obtaining an understanding of the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Designing and performing procedures to evaluate whether the Process is consistent with the Company's description of its Process, as disclosed in Note 1.4.1.1 IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities.

Our other responsibilities in respect of the Sustainability Reporting include:

- Obtaining an understanding of the Company's control environment, processes and information systems relevant to the preparation of the Sustainability Reporting but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error;
- Designing and performing procedures responsive to disclosures in the Sustainability Reporting where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Independence Requirements and Quality Management

We are independent of the Company in accordance with the provisions of Act No. 423/2015 Coll. on Statutory Audit and on Amendment to and Supplementation of Act No. 431/2002 Coll. on Accounting, as amended, as amended (the "Act on Statutory Audit") related to independence and ethical requirements, including the Code of Ethics for Auditors, that are relevant to our limited assurance engagement of the Sustainability Reporting and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm applies International Standard on Quality Management 1 (ISQM 1) and, accordingly, maintains a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Summary of the Work Performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Reporting.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Sustainability Reporting.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
 - Performing inquiries to understand the sources of the information used by management (e.g. stakeholder engagement, business plans and strategy documents); and
 - Reviewing the Company's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures about the Process implemented by the Company was consistent with the description of the Process set out in Note 1.4.1.1 IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities.

In conducting our limited assurance engagement, with respect to the Sustainability Reporting, we:

- Obtained an understanding of the Company's reporting processes relevant to the preparation of its Sustainability Reporting by:
 - Performing inquiries to understand the Company's control environment, processes and information systems relevant to the preparation of the Sustainability Reporting,
- Evaluated whether material information identified by the Process to identify the information reported in the Sustainability Reporting is included in the Sustainability Reporting,
- Evaluated whether the structure and the presentation of the Sustainability Reporting is in accordance with the ESRS;
- Performed inquiries of relevant personnel and analytical procedures on selected disclosures in the Sustainability Reporting,

- Performed substantive assurance procedures based on a sample basis on selected disclosures in the Sustainability Reporting,
- Obtained evidence on the methods for developing material estimates and forward-looking information and on how these methods were applied,
- Obtained an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability Reporting,

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Limited Assurance Conclusion

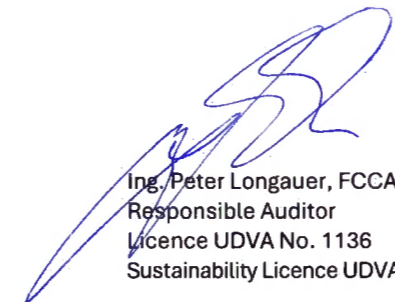
Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Reporting is not prepared, in all material respects, in accordance with Article 20c) of the Act on Accounting implementing Article 19(a) of Directive 2013/34/EU of the European Parliament and of the Council], including:

- Compliance with the ESRS, including that the process carried out by the Company to identify the information reported in the Sustainability Reporting is in accordance with the description set out in Note 1.4.1.1 IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities; and
- Compliance of the disclosures in 2.1 Publications pursuant to Article 8 of Regulation (EU) 2020/852 (EU Taxonomy Regulation) subsection within the 2 Environmental information of the Sustainability Reporting with Article 8 of the Taxonomy Regulation.

Other Matter

Our assurance engagement does not extend to information in respect of earlier periods.

Bratislava, 8 September 2025



Ing. Peter Longauer, FCCA
Responsible Auditor
Licence UDVA No. 1136
Sustainability Licence UDVA No. 23

On behalf of
Deloitte Audit s.r.o.
Licence SKAu No. 014
Sustainability Licence UDVA No. 5

SUSTAINABILITY STATEMENT
SPP – distribúcia, a. s.
FOR PERIOD 1 August 2024 – 31 July 2025



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1. GENERAL INFORMATION ESRS 2

1.1 Basis for preparation

1.1.1 BP-1 – General basis for preparation of sustainability statements

The individual sustainability statement (hereinafter referred to as the "Statement") has been prepared in accordance with the European Sustainability Reporting Standards (hereinafter referred to as the "ESRS")¹ and the ESRS methodology, which are part of the Corporate Sustainability Reporting Directive (hereinafter referred to as the "CSRD")² and on the basis of Section 20c³ of the Accounting Act No. 431/2002 Coll., as amended⁴. In accordance with the requirements of ESRS 1, the prescribed disclosures under the EU Taxonomy Regulation (Article 8 of Regulation (EU) 2020/852 and accompanying delegated acts) have been incorporated.

This is the first Statement that covers exclusively SPP – distribúcia, a. s. (hereinafter referred to as the "Company", "SPPD", or "SPPD Company") for the period from 1 August 2024 to 31 July 2025 (hereinafter referred to as the "financial year 2025"). The information about SPPD provided in this Statement has been expanded to include information on material impacts, risks and opportunities (hereinafter referred to as the "IROs") related to SPPD and its direct and indirect relationships in the upstream and downstream parts of the value chain.

At the end of this Statement, an ESRS Index is provided, which refers to all material topics, sub-topics and sub-sub-topics (collectively, "sustainability matters") and disclosure requirements, together with links to the pages where this information can be found. The index also provides the rationale for not disclosing selected disclosure requirements where they have not been disclosed. Material sustainability matters have been defined based on a dual materiality assessment based on their materiality to the Company's stakeholders.

SPPD Company did not make use of the possibility to omit information relating to intellectual property, know-how or results of innovation and also did not make use of the exemption from disclosure of information on pending matters or matters under negotiation, as referred to in Article 19a(3) and Article 29a(3) of Directive 2013/34/EU.

1.1.2 BP-2 – Disclosures in relation to specific circumstances

Where sources of measurement uncertainty, assumptions, approximations and judgments have been used in the Statement, this information is described in the relevant chapters of the standard.

The Statement also includes information required by legislation other than the CSRD. According to Regulation (EU) 2020/852 of the European Parliament and of the Council (hereinafter referred to as the "EU Taxonomy"), SPPD Company is obliged to disclose non-financial data on environmentally sustainable economic activities. Details resulting from the EU Taxonomy are provided in the chapter [Disclosures under Article 8 of Regulation \(EU\) 2020/852 \(EU Taxonomy Regulation\)](#) in the Environmental Information section.

The carbon footprint of SPPD Company was calculated in accordance with the Greenhouse Gas Protocol – Corporate Accounting and Reporting Standard (Revised Edition)⁵ (hereinafter referred to as the "GHG Protocol").

Table 1: Incorporation by reference

| ESRS requirement | Report and document used as a reference |
|--|---|
| GOV-1 – The role of the administrative, management and supervisory bodies | Annual report SPP-distribúcia, a. s. – <i>part 2 COMPANY</i> |
| E1-1 – Transition plan for climate change mitigation | Physical climate risk analysis EP Infrastructure, a. s. – <i>EP Infrastructure, a. s., Annual Financial Report 2024 – E1.SBM-3 Material R&Os and their interaction with strategy and business model</i> |
| E1 – ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model | Resilience analysis EP Infrastructure, a. s. – <i>EP Infrastructure, a. s., Annual Financial Report 2024 – E1.SBM-3 Material R&Os and their interaction with strategy and business model</i> |

This approach ensures consistency and alignment with our broader corporate reporting while avoiding unnecessary duplication. References to these documents are clearly indicated within the relevant sections of this sustainability statement.

1.2 Governance

1.2.1 GOV-1 – The role of the administrative, management and supervisory bodies

The bodies of the Company consist of the General Meeting, the Board of Directors and the Supervisory Board. The General Meeting is the highest body of the Company. The Board of Directors is the statutory body of the Company, acts on its behalf in all matters, manages the activities of SPPD and decides on all matters of the Company, unless they are reserved for the competence of other bodies by legal regulations or the Articles of Association. The Board of Directors has five members elected by the General Meeting. The position of the Chairman of the Board of Directors is separate from the position of the General Director of the Company. The Supervisory Board is the highest control (supervisory) body of SPPD and supervises the exercise of the powers of the Board of Directors and the conduct of the business activities of SPPD. The Supervisory Board has six members, four members of which are elected by the General Meeting and two members are elected by the Company's employees in accordance with Section 200 of Act No. 513/1991 Coll. Commercial Code, as amended. To the control (supervisory) mechanisms in the Company also belong to the Head of Internal Supervision and a person obliged to ensure compliance (Compliance Programme Manager). The executive management of the Company is ensured by the top management, which consists of the General Director and Heads of Divisions. The Board of Directors, the Supervisory Board and members of the top management create an environment in which all groups of employees have the opportunity to perform at their maximum in order to achieve the Company's goals, influence the activities of individuals or groups of employees to voluntarily participate in achieving the set goals. In the Company, none of the members of the Board of Directors or Supervisory Board holds an executive management position in top management, and therefore the Company has no executive members of the administrative, management and supervisory bodies.

At SPPD, employees and other workers are represented by a trade union, with which SPPD has concluded a Collective Agreement for the years 2024 - 2025. The trade union represents the interests of employees.

More detailed information about the members of the administrative, management and supervisory bodies is provided in the Individual Annual Report [part 2 – COMPANY](#).

The table shows the percentage of men and women and the age distribution within the administrative, management and supervisory bodies of SPPD.

Table 2: Diversity metrics for management and supervisory bodies

| Diversity metrics | Management bodies | Supervisory bodies | Total |
|--------------------|-------------------|--------------------|-------|
| Men | 5 | 6 | 11 |
| Women | 0 | 0 | 0 |
| Up to 30 years old | 0% | 0% | 0% |
| 30 – 50 years old | 20% | 33% | 27% |
| Over 50 years old | 80% | 67% | 73% |

¹Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards. Available at: <https://eur-lex.europa.eu/legal-content/SK/TXT/?uri=CELEX%3A32023R2772>

²Directive 2022/2464 of the European Parliament and of the Council of 11 December 2022 as regards corporate sustainability reporting. Available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32022L2464>

³Act No. 431/2002 Coll. on Accounting, as amended, amending and supplementing certain acts

⁴Act No. 431/2002 Coll. on Accounting, as amended, amending and supplementing certain acts

⁵GHG Protocol (2004) A Corporate Accounting and Reporting Standard – Revised Edition. Available at: <http://www.ghgprotocol.org/sites/default/files/ghgp/standards/ghg-protocol-revised.pdf>

The members of the Board of Directors and the Supervisory Board are obliged to perform their duties with due care, which includes the obligation to perform them with professional care and in accordance with the interests of the Company and all its shareholders. When performing their duties, they may not prioritize their own interests, the interests of only some shareholders or the interests of third parties over the interests of the Company. SPPD does not have independent members of the administrative, management and supervisory bodies, all members of the Board of Directors and the Supervisory Board either are representatives of the shareholder or are elected by employees, as specified in more detail above.

There is no definition within the internal policies of SPPD of how the administrative, management and supervisory bodies determine whether appropriate skills and expertise are available or will be developed for the purpose of overseeing sustainability matters. Currently, the Network Operation and Asset Management Division and the Distribution Services Division deal with sustainability matters and also communicate with various experts.

1.2.2 GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

Administrative, management and supervisory bodies are informed once a year, as of 30 June of the given year, about the assessment of the impact of risks on SPPD, the assessment of the severity of risks, including a description of changes, about events with significant impact on SPPD and about the assessment of action plans.

Risks are taken into account when overseeing the Company's strategy through the creation of action plans that serve to eliminate risks and effectively allocate resources for the implementation of measures. SPPD does not have explicit provisions within its policies for considering impacts and opportunities in the oversight of its business strategy, in decision-making on significant transactions, or in assessing trade-offs related to such impacts and opportunities. However, most material risks are implicitly taken into account by management during the decision-making process. These primarily include risks related to areas such as decarbonization, workforce-related matters, and occupational health and safety, which are essential for SPPD and significantly influence its decision-making processes.

All identified relevant IROs, including the preliminary list (longlist) and the final list of material topics, were presented and approved by the top management of SPPD. As part of the stakeholder dialogue, the final list of IROs was sent in the form of a questionnaire to selected samples of relevant stakeholder groups, while 3 members of the Company's Supervisory Board were also addressed as part of this dialogue.

1.2.3 GOV-3 – Integration of sustainability-related performance in incentive schemes

SPPD does not have a developed incentive system or remuneration policy related to sustainability matters for members of the administrative, management and supervisory bodies. However, within the Company, certain sustainability-related matters are part of the established performance indicators (KPIs) of executive management, which have an impact on their variable remuneration component (e.g. in the area of occupational health and safety, in the replacement of steel gas pipelines with plastic ones that are not subjected to corrosion, in increasing the frequency of gas pipeline tightness inspections, and in the prompt elimination of detected gas leaks, among others). Although these sustainability elements are not currently explicitly and uniformly defined within the official SPPD remuneration policy, they are already taken into account to a certain extent in practice. The Company is aware of the importance of the link between sustainability performance and incentive instruments and will continue to assess the possibilities for more systematic and consistent incorporation of these elements into their remuneration mechanisms.

1.2.4 GOV-4 – Statement on due diligence

The due diligence process related to cross-cutting and topical disclosure requirements has not yet been clearly defined. The following elements have been taken into account in the Statement as part of the due diligence process:

Table 3: Basic elements of due diligence

| Basic elements of due diligence | Sections of the Statement |
|---|---|
| a) Integration of due diligence into governance, strategy and business model; | ESRS 2, GOV-2 ESRS 2, GOV-3 ESRS 2, SBM-3 |
| b) Involvement of affected stakeholders in all key due diligence steps; | ESRS 2, GOV-2 ESRS 2, SBM-2 ESRS 2, IRO-1 E1, S1, G1 - MDR-P |
| c) Identification and assessment of adverse impacts; | ESRS 2, IRO-1 ESRS 2, SBM-3 |
| d) Adoption of measures to address these adverse impacts; | E1, EU TAXONOMY, Section Minimum safeguards E1, S1, G1 - MDR-A |
| e) Monitoring the effectiveness of these efforts and providing information. | E1, S1, G1 - MDR-M E1, S1, G1 - MDR-T |

1.2.5 GOV-5 – Risk management and internal controls over sustainability reporting

Within the internal methodological guidelines Risk Assessment of SPP – distribúcia, a. s. and Internal Control System in SPPD, there is no direct definition of the scope, key features and elements of risk management and internal control processes and systems in relation to sustainability reporting. SPPD does not define the integration of findings resulting from its risk assessment and internal controls, with regard to the sustainability reporting process, into the relevant internal functions and processes. SPPD only describes the approach to risk assessment, including the methodology for prioritizing risks in general. The Risk Manager, who is an employee of the Human Resources, Quality and occupational Health and Safety and Environment Division (hereinafter referred to as "QHSE"), is responsible for risk management in the Company. The Risk Manager has several responsibilities described in the Methodological guideline.

Risk assessment in SPP – distribúcia, a. s. , including coordination and preparation of reports for the Board of Directors, the General Director and Heads of Divisions, who are also the owners of individual risks. The methodological guideline Risk assessment in SPP – distribúcia, a. s. describes, in addition to the responsibilities of the Risk Manager, the responsibilities of the risk owners. The risk owner is responsible for all tasks that are related to and/or caused by or influenced by risks, including risk oversight. The methodological guideline Risk assessment in SPP – distribúcia, a. s. describes SPPD's approach to risk management in general, i.e. not only the management of risks related to sustainability. Impact and opportunity management is not reflected in the statutes, the mandates of the top management body, or other related policies of SPPD.

The risk owner is also responsible for adopting control mechanisms and risk management procedures, while risk management is delegated to the Risk Manager. After assessing the risks, the risk owners, risk co-owners and risk assessors develop action plans, which represent the setting of target values for significant risks. The action plans are implemented in daily operations with the support and coordination of the relevant risk assessor. The Risk Manager is responsible for monitoring and reporting risks to the Company's management.

1.3 Strategy

1.3.1 SBM-1 Strategy, business model and value chain

SPPD is a provider of professional services in the field of natural gas distribution and has not yet adopted its own ESG strategy. At the same time, the adopted general business strategy of the Company has not defined a clear connection with sustainability matters, or how it affects them. However, within the framework of SPPD's objectives and strategy, it is possible to draw a connection to sustainability matters, specifically how SPPD's objectives affect them and how they are related to them. The Company's general strategy is to continue to be a stable, trustworthy and efficient provider of quality services in the field of natural gas distribution, to anticipate future customer needs, to create value for its business partners, shareholders and employees and also to participate in the decarbonization of the Slovak gas industry by supporting the implementation of renewable and low-carbon gases. The mission of SPPD is to ensure reliable, safe, efficient and environmentally friendly distribution of natural gas from the supplier to the customer.

The key objectives of SPPD and its brief strategy are also publicly available on the website <https://www.spp-distribucia.sk/o-spolocnosti/kto-sme/strategia-a-ciele-spolocnosti/>. The distribution network of SPPD has 33,400 km in the territory of the Slovak Republic, ensuring the distribution of natural gas to more than 1.5 million consumption points. As of as of 31 July 2025, SPPD provided services to 30 distribution network users, who are gas suppliers and large gas consumers with a separate contract on access to the distribution network and gas distribution, as well as to natural gas consumers of all categories.

SPPD is exclusively a part of industry D.35.22 Distribution of gaseous fuels through distribution networks according to ESRS. The distribution of natural gas is the main activity of SPPD, and in connection with this activity in the fossil fuel sector, the Company achieved revenues of EUR 490,601,000 as of 31 July 2025. The Company's revenues can be reconciled with the financial statements, see the Income Statement for the accounting period ending 31 July 2025 on page 7 of the individual financial statement (line 3).

The basis of SPPD's decarbonization activities is the systematic reduction of greenhouse gas emissions through the support of modern and highly efficient gas technologies, which are also technically proven, economically affordable and quickly implementable. SPPD places particular emphasis on increasing energy efficiency in final energy consumption in Slovakia, while actively supporting the replacement of older gas appliances with modern devices, such as gas cogeneration units and condensing boilers.

These technologies enable significant emission reductions – for example, cogeneration units can use more than 90% of the energy contained in natural gas and save more than 36% of primary energy compared to separate electricity and heat production, thereby also contributing to a reduction in the carbon footprint. Similarly, replacing older gas boilers with new condensing boilers can lead to savings of more than 20% of natural gas consumption, and thus to an adequate reduction in CO₂ emissions.

Another pillar of activities is the reduction of the energy intensity and carbon footprint of SPPD's own operational activities. Special attention is also paid to minimizing methane emissions, which have a significant impact on climate change.

In line with the European Union's long-term climate and energy goals, SPPD also supports the integration of renewable gases such as biomethane and hydrogen into the distribution network. It sees them as a key tool for achieving climate neutrality in the gas distribution sector, while ensuring continuity of supply and energy security.

Natural gas plays a key role as a transitional fuel in the energy transformation process, as it enables flexible, reliable and emission-reducing energy supply during the transition to climate-neutral sources.

SPPD has been successful in reducing fugitive emissions over the long term by replacing steel gas pipelines with plastic ones that are not subject to corrosion, as well as by increasing the frequency of gas pipeline tightness checks and promptly eliminating any gas leaks found.

In connection with the new obligations arising from the Regulation on the Reduction of Methane Emissions in the Energy Sector, SPPD monitors developments in the field of new technologies and approaches to the identification and quantification of gas leaks with the aim of implementing the best available techniques for the earliest possible identification of faults and minimization of greenhouse gas emissions. Activities in this area are described in more detail in topical section [E1-3 – Actions and resources in relation to climate change policies](#).

In addition to gas distribution, SPPD is engaged in development activities, operation and maintenance of the gas distribution network. Through the Slovak Gas Dispatch Center, SPPD covers comprehensive, continuous 24-hour dispatching activity. SPPD also ensures the standard of gas supply security for households and ensures network balancing - the complex tasks of a gas market operator. The Company is further developing activities aimed at the future possibility of mixing hydrogen into natural gas and distributing a mixture of natural gas and renewable gases. SPPD complements its own laboratory tests by building the necessary know-how thanks to the participation of the Company representatives in international technical and trade-legislative working groups and intensive cooperation with other gas companies in Slovakia and the region. SPPD supports the development of the implementation of biomethane into the gas network, particularly by setting the simplest possible conditions for connecting biomethane stations, participating in setting up the most favorable legislative and regulatory environment, and creating and operating the National Register of Renewable Gases.

Within the scope of its core business, SPPD has identified strategic suppliers and contractual partners that are essential for business continuity. These include upstream and downstream value chain actors operating in sectors such as electricity distribution, electricity generation from non-renewable sources, gas trade through the network, installation, heating and air conditioning, retail and wholesale activities, production of basic iron and steel and ferroalloys, rental and operation of own and leased real estate, technical testing and analysis, production of instruments and equipment for measurement, testing and navigation, production of fertilizers and nitrogen compounds, construction of engineering networks for fluids and other information technology services.

1.3.2 SBM-2 Interests and views of stakeholders

The Company has identified the relevant stakeholders and determined whether and how they should be involved in the double materiality assessment process. SPPD has identified various categories of stakeholders that may influence or be affected by its operations. These categories have been divided into two main groups: a) users of the Sustainability Statement and b) affected stakeholders, depending on the extent to which each category influences or could be affected by the Company's activities and its direct or indirect operations. The identification and classification of stakeholder categories has been done as follows:

1. Users of Sustainability Statements:

- a. regulatory authorities – setting standards and regulations that affect the Company's operations and its reporting obligations
- b. non-governmental organizations (“NGOs”) – monitoring the Company's activities and influencing its public perception
- c. research and educational institutions
- d. state agencies, state control bodies, city and municipal authorities
- e. public – influenced by the activities of the Company. They are the creators of public opinion.

2. Affected stakeholders:

- a. shareholders – significant influence on the strategic and financial decisions of the Company and the impact of the Company on their profits, and having an interest in the proper functioning of the entire Company
- b. customers/shippers – end-users of the Company's products or services who are concerned about quality, safety and ethical practices
- c. employees – interested in working conditions
- d. suppliers – dependent on the Company's financial situation, supply management procedures, payment methods and supplier selection criteria
- e. financial institutions – their capital is crucial to the success and development of the Company and at the same time they are affected by the risks associated with their investments in the Company.

SPPD takes into account the different communication preferences of stakeholders and therefore chose different forms to involve them in the double materiality assessment process. This was a combination of face-to-face meetings, surveys, and written communication in order to effectively reach stakeholders in various categories. Given that each stakeholder category has its own specific characteristics, SPPD used a simple random sampling method, which ensured that the number of individual stakeholders selected was sufficient to maintain a representative sample proportional to the size of the population.

During the validation process, SPPD reached 317 different stakeholders, from whom 177 responses were received. Feedback from the interaction was systematically collected, recorded, and analyzed. Qualitative data obtained from individual interviews and focus group discussions were categorized to identify recurring patterns. SPPD analyzed quantitative survey data to derive new insights and trends.

Feedback and insights from stakeholders were incorporated into the double materiality assessment process. As a result of stakeholder engagement, no topic was excluded or added to or from the list of material sustainability matters. The preliminary material IROs and their corresponding sustainability matters were confirmed by the results of the stakeholder engagement.

The administrative, management and supervisory bodies were informed of the views and interests of the affected stakeholders obtained during the dialogue with them.

1.3.3 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

During the double materiality assessment process, IROs were identified that arise from SPPD's own activities and business relationships. The tables in [Appendix 1](#) provide an overview of these IROs along with a detailed description, which also includes information on how the Company's positive and negative impacts affect the environment and the society in which it operates. IROs are divided according to various criteria, including time perspective (current or expected impacts), financial impact on SPPD (position, revenues, expenditures, performance, cash flows) and whether they are linked to ESRS standards or are specific to SPPD.

As the double materiality assessment and identification of IROs were conducted for the first time for SPPD, a plan to respond to the identified material IROs within SPPD strategy has not yet been implemented, nor are there any changes in the material impacts, risks and opportunities compared to the previous period. Similarly, the resilience of the strategy and business model in relation to addressing material impacts and risks or exploiting material opportunities has not been developed at the Company level. However, an analysis has been prepared at the level of the EP Infrastructure, a.s. Group (hereinafter referred to as "EPIF"), which is described in more detail in the relevant part of the topical standard [2.2.2.2 ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model](#).



1.4 Impact, risk and opportunity management

1.4.1 Disclosures on the materiality assessment process

The double materiality assessment process began with the identification of relevant sustainability matters according to ESRS standards and specific matters for the Company. The relevance of individual topics was assessed based on a thorough analysis of SPPD and internal documents with regard to the potential material IROs assigned to individual matters.

SPPD conducted benchmarking with sector sustainability standards, with companies from the energy sector, and with the ESG rating methodology of the selected rating agency.

SPPD created a scoring system and determined which topics are relevant to SPPD and which are not, based on the frequency of occurrence of individual sustainability matters in the above documents.

1.4.1.1 IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities

The identification of IROs included impacts associated with SPPD's operations across its value chain, including its services and through its business relationships. The identification focused on areas where impacts were likely to occur, or had already occurred, based on the nature of the activities, business relationships, geographic areas and other factors. Where appropriate, the identified IROs were broken down by significant location or significant asset.

The impacts were identified from the Company's internal processes, policies and subsequent control documentation, which is directly or indirectly related to sustainability: Annual report, document on Environmental Management, Sustainability Policy and Safety Policy in SPPD, Emergency Plan SPPD, Work Policy, Policy and Process of Training Employees of SPPD, Collective Agreement, Procurement Directive, Code of Ethics, Antitrust Policy Principles, SPPD Operations Policy, document on Methane Emissions in SPPD, ISO certificates, Fraud Prevention Principles, Whistleblower Protection Policy, Anti-Corruption Policy, Risk Area Assessment, Register of Renewable Gases, Biodiversity Protection Policy and other internal directives and policies. External sources were also used to identify IROs, such as sector standards, organizations for sustainable development, non-governmental organizations, media surveys or analyses of similar competitive companies.

The identification of IROs included a comprehensive analysis of the Company's life cycle and an analysis of the upstream and downstream parts of the value chain, including energy consumption, privacy, cybersecurity and other factors. The impacts of the supply and demand parts of the Company's value chain, including vendor relationships, outsourcing agreements, end users and consumers, were also assessed. In identifying potential risks and opportunities, in addition to internal matters, external due diligence was also conducted to assess regulatory changes, market trends and evolving societal expectations.

The identification of IROs was followed by their assessment, which began with the definition of qualitative and quantitative mechanisms and assessment thresholds. The assessment of impacts was conducted based on their characteristics, including whether they were negative or positive. This assessment took into account factors such as scale, scope, irremediable character (for negative impacts) and likelihood (for potential impacts).

Table 4: Scale of impact

| Environmental matters | Social/governance matters | Score |
|-------------------------|--|-------|
| Negligible impact | No impact rating | 0 |
| Low impact | All other impacts not interfering with the right to life, health or access to basic necessities of life | 1 |
| Medium impact | Partial violation of human rights to access basic necessities of life (including education, probability, etc.) | 2 |
| Severe impact | Tangible violation of human rights to access basic necessities of life (including education, probability, etc.) | 3 |
| Very serious impact | It will cause adverse health effects that could lead to a partial reduction in quality of life and/or life expectancy. | 4 |
| The most serious impact | Causes death or adverse health effects that could lead to a significant reduction in quality of life and/or life expectancy. | 5 |

Table 5: Scope of impact

| Environmental matters | Social/governance matters | Score |
|-----------------------|--|-------|
| None | None | 0 |
| Limited | Low number of affected rights holders: 5% of the population in the area of influence, e.g. 1-10 individuals | 1 |
| Concentrated | Average number of rights holders affected: 6% – 9% of the population in the area of influence, e.g. 11-250 | 2 |
| Medium | Moderate number of affected rights holders: 10% of the population in the area of influence, e.g.: 251 – 600 | 3 |
| Extended | Significant number of rights holders affected: 11% – 19% of the population in the area of influence, e.g.: 651 - 999 | 4 |
| Global/Total | Large number of affected rights holders: 20% of the population in the area of impact, e.g. over 1,000 individuals | 5 |

Table 6: Irremediable character of the impact

| Environmental, social, governance matters | Score |
|--|-------|
| Very easy to remediate | 0 |
| Relatively easy to remediate in the short term | 1 |
| Remediation requires some effort (time and money) | 2 |
| Difficult to remediate | 3 |
| Very difficult to remediate or only in the long term | 4 |
| Impossible to remediate/irreversible impact | 5 |

Table 7: Likelihood of the impact

| Environmental, social, governance matters | Score |
|--|-------|
| Unlikely/Less than once in 10 years; The event has never happened before. | 0 |
| Slightly unlikely/The event may occur within the next 5 to 10 years; The event has already occurred in other industries. | 1 |
| Likely/The event may occur within the next 2-5 years; The event has already occurred in the industry. | 2 |
| Very likely/The event may occur within the next 1-2 years; The event occurs once in a while in the Company. | 3 |
| Almost certain/The event is likely to occur within 1 year; the event occurs several times a year in the Company. | 4 |
| Current/100%; Event occurred/will occur | 5 |

For an impact that was identified as actual, the probability was rated with the highest possible value of 5. Irremediable character was only rated for negative impacts.

Following this scoring mechanism, the assessment results were obtained by averaging the severity (scale, scope and irremediable character) and likelihood of each impact.

Impacts were assessed against established benchmarks or relevant sector standards. The geographical and societal reach of each impact was examined to determine its materiality. Negative impacts were also assessed based on the potential for mitigation or reversal through existing feasible interventions. The likelihood of each impact occurring within a given time frame was estimated for each impact, taking into account factors such as frequency, severity and susceptibility to external influences. Impacts were then scored and ranked according to pre-defined thresholds. The Company set a materiality threshold of 3.5 and therefore values exceeding this threshold were classified as material and prioritized for further analysis.

The assessment of the materiality of risks and opportunities was made by considering the potential magnitude of their financial effects, i.e. the size or extent of the effect that a given risk or opportunity will have on the Company's financial performance and the likelihood of occurrence, or frequency, of when the risk or opportunity will have any effect.

Similar to the approach taken for impact factors, these elements were assessed using a scoring mechanism. Points ranging from 1 to 5 were assigned to the likelihood and potential financial effects, with each value being qualitatively precisely defined.

Table 8: Potential magnitude of the financial effects

| Environmental, social, governance matters | Score |
|--|-------|
| Impact on the financial results – up to 1 mil. EUR | 1 |
| Impact on the financial results – over 1 mil. EUR | 2 |
| Impact on the financial results – over 6 mil. EUR | 3 |
| Impact on the financial results – over 12 mil. EUR | 4 |
| Impact on the financial results – over 18 mil. EUR | 5 |

Table 9: Likelihood of occurrence

| Environmental, social, governance matters | Score |
|--|-------|
| Unlikely/Less than once in 10 years; The event has never happened before. | 0 |
| Slightly unlikely/The event may occur within the next 5 to 10 years; The event has already occurred in other industries. | 1 |
| Likely/The event may occur within the next 2-5 years; The event has already occurred in the industry. | 2 |
| Very likely/The event may occur within the next 1-2 years; The event occurs once in a while in the Company. | 3 |
| Almost certain/The event is likely to occur within 1 year; the event occurs several times a year in the Company. | 4 |
| Current/100%; Event occurred/will occur | 5 |

Following this scoring mechanism, the assessment results were obtained by averaging the potential magnitude of financial effects and the likelihood of each individual risk or opportunity.

The magnitude of potential financial effects was assessed predominantly qualitatively, with additional quantification through available underlying financial models or scenario analysis. The financial effects of risks were assessed taking into account precedents, legal requirements and industry standards. For risks related to legal and regulatory compliance, financial effects assessments were based on potential fines, monetary penalties, legal fees and damages. Assessments of opportunities related to regulatory incentives or government grants were based on potential financial benefits such as tax breaks, subsidies or grants. The likelihood of occurrence was estimated using professional judgment and analysis of industry trends.

The result of the IROs assessment was classified as material or not material by comparison with a predefined quantitative threshold value set at 3.5. For potential financial risks and opportunities, this value represents materiality. The Company has set the upper limit of financial impact (5) at a value above EUR 18,000,000, which represents 10% of gross profit before tax. The Company has set 50% of this value as the threshold value (3.5), i.e. EUR 9,000,000.

The link between impacts and dependencies with risks and opportunities is illustrated in [Annex 1](#). SPPD does not clearly define the priority of sustainability-related risks over other types of risk. The Directive Risk Assessment in SPP – distribúcia, a.s. only describes risk assessment in general, but the assessment of sustainability-related IROs has not yet been integrated into this Directive.

1.4.1.2 IRO-2 – Disclosure Requirements in ESRS covered by the undertaking’s sustainability statement

Following the evaluation of the stakeholder dialogue, a list of material IROs was created, which determines the sustainability matters to be disclosed in this Statement. In the next step, a list of mandatory requirements was compiled at the data point level and it was determined which of them are relevant and material for SPPD to meet the requirements of the Statement. Data points are considered material if the information they contain is necessary in relation to the matter they are intended to illustrate or explain, for example if they are directly linked to specific IROs. In determining the material disclosure requirements, in addition to ESRS 1, section 3.2. Material matters and materiality of information, Appendix E: Flowchart for determining disclosures to be included was also followed.

Disclosure of information has the potential to be useful to users of financial statements if they are interested in data on the Company’s impacts. A list of the disclosure requirements that have been met in the preparation of the Statement is provided in the ESRS Index. Data points arising from other EU legislation under Appendix B to ESRS 2 are also listed at the end of the Statement, together with a reference to where they can be found in the Statement.

1.4.2 Minimum disclosure requirements on policies and actions

1.4.2.1 Minimum Disclosure Requirement – Policies MDR-P – Policies adopted to manage material sustainability matters

In preparation for the first reporting in accordance with ESRS, material topics have been identified for the first time. As this is a pilot reporting of sustainability information, after the completion of the identification of material topics, no policies have yet been adopted to manage material matters of sustainability and the timeframe for their adoption has not yet been set. However, the Company has adopted policies that partially cover some material matters and are further mentioned at the level of individual topical standards. Below is an overview of the relevant policies that apply to all employees of the Company, while in the case that they also apply to third parties, their relationship with these parties is explained in more detail by the relevant topical standard.

Table 10: Overview of relevant policies

| | Material IROs | Responsibility for policy implementation | Reference for a more detailed description of the policy |
|--|---|--|--|
| Code of Ethics | S1 Equal treatment and opportunities for all S2 Workers in the value chain S4 Consumers and end-users G1 Corporate culture G1 Corruption and bribery - Prevention and detection including training G1 Political engagement and lobbying activities G1 Protection of whistle-blowers | Chairman of the Board of Directors General Director Head of Human Resources and QHSE Division | 3.1.2.1 S1-1 – Policies related to own workforce 3.2.2.1 S2-1 – Policies related to value chain workers 3.3.2.1 S4-1 – Policies related to consumers and end-users 4.1.2.2 G1-1 – Business conduct policies and corporate culture |
| Sustainability Policy and Safety Policy | S1 Health and safety S1 Secure employment S1 Equal treatment and opportunities for all S1 Social dialogue S2 Health and safety S4 Consumers and end-users G1 Corporate culture | Head of Human Resources and QHSE Division | 3.1.2.1 S1-1 – Policies related to own workforce 3.2.2.1 S2-1 – Policies related to value chain workers |
| Integrated Management System Policy | S1 Health and safety S2 Health and safety S4 Consumers and end-users | Chairman of the Board of Directors General Director | 3.1.2.1 S1-1 – Policies related to own workforce 3.2.2.1 S2-1 – Policies related to value chain workers 3.3.2.1 S4-1 – Policies related to consumers and end-users |
| Health and Safety Rules | S1 Health and safety | Head of Human Resources and QHSE Division | 3.1.2.1 S1-1 – Policies related to own workforce |
| Security Policy | S1 Health and safety | Head of Human Resources and QHSE Division | 3.1.2.1 S1-1 – Policies related to own workforce |
| Personnel Security Policy | S1 Working conditions S1 Equal treatment and opportunities for all | Head of Human Resources and QHSE Division | 3.1.2.1 S1-1 – Policies related to own workforce |
| Personal Data Protection Policy | S1 Working conditions S4 Consumers and end-users | Head of Human Resources and QHSE Division | 3.1.2.1 S1-1 – Policies related to own workforce 3.3.2.1 S4-1 – Policies related to consumers and end-users |
| Whistleblowing Policy | S1 Equal treatment and opportunities for all S2 Workers in the value chain | Head of Human Resources and QHSE Division | 4.1.2.2 G1-1 – Business conduct policies and corporate culture |
| Ten Principles of the UN Global Compact | S1 Equal treatment and opportunities for all S2 Workers in the value chain G1 Prevention and detection of corruption and bribery | Head of Human Resources and QHSE Division | 3.1.2.1 S1-1 – Policies related to own workforce 3.2.2.1 S2-1 – Policies related to value chain workers 4.1.2.4 G1-3 – Prevention and detection of corruption and bribery |
| Fire Protection Policy | S1 Health and safety | Head of Human Resources and QHSE Division | 3.1.2.1 S1-1 – Policies related to own workforce |
| Environmental Management Methodology | S1 Equal treatment and opportunities for all E5 Waste | Head of Human Resources and QHSE Division | 3.1.2.1 S1-1 – Policies related to own workforce 2.3.1.2 E5-1 – Policies related to resource use and circular economy |
| Employee Training Policy and Processes | S1 Equal treatment and opportunities for all | Head of Human Resources and QHSE Division | 3.1.2.1 S1-1 – Policies related to own workforce |
| Equal Opportunities, Diversity and Inclusion Policy | S1 Equal treatment and opportunities for all | Head of Human Resources and QHSE Division | 3.1.2.1 S1-1 – Policies related to own workforce |
| Procurement Directive | S2 Workers in the value chain G1 Management of relationships with suppliers | Each organizational unit involved in cooperation with the procurement department, which is responsible for managing the procurement process. | 3.2.2.1 S2-1 – Policies related to value chain workers 4.1.2.3 G1-2 – Management of relationships with suppliers |
| Policy on the Performance of Business Partner Control (“Know Your Customer”, KYC) | G1 Management of relationships with suppliers | Each organizational unit involved in cooperation with the procurement department, which is responsible for managing the procurement process. | 4.1.2.3 G1-2 – Management of relationships with suppliers |
| Integrated Management System (IMS) Handbook | S1 Health and safety S4 Consumers and end-users | Head of Human Resources and QHSE Division | 3.1.2.1 S1-1 – Policies related to own workforce 3.3.2.1 S4-1 – Policies related to consumers and end-users |

table 10 continuation

| | Material IROs | Responsibility for policy implementation | Reference for a more detailed description of the policy |
|---|--|---|---|
| Operating Rules | S4 Consumers and end-users | Head of Distribution Services Division | 3.3.2.1 S4-1 – Policies related to consumers and end-users |
| Competition Protection Policy | G1 Management of relationships with suppliers G1 Corporate culture G1 Prevention and detection of corruption and bribery | Head of Human Resources and QHSE Division | 4.1.2.4 G1-3 – Prevention and detection of corruption and bribery |
| Sanctions Policy | G1 Management of relationships with suppliers G1 Corporate culture G1 Prevention and detection of corruption and bribery | Head of Human Resources and QHSE Division | 4.1.2.2 G1-1 – Business conduct policies and corporate culture |
| Policy against Financial Crime | G1 Management of relationships with suppliers G1 Corporate culture G1 Prevention and detection of corruption and bribery | Head of Human Resources and QHSE Division | 4.1.2.4 G1-3 – Prevention and detection of corruption and bribery |
| Anti-Corruption and Anti-Bribery Policy | G1 Prevention and detection of corruption and bribery G1 Corporate culture | Head of Human Resources and QHSE Division | 4.1.2.4 G1-3 – Prevention and detection of corruption and bribery |
| Tax Administration Policy | G1 Corporate culture | Head of Human Resources and QHSE Division | 4.1.2.2 G1-1 – Business conduct policies and corporate culture |

1.4.2.2 Minimum Disclosure Requirement – Actions MDR-A – Actions and resources in relation to material sustainability matters

As this is a pilot reporting on sustainability information, after the identification of material topics, an action plan has not yet been developed to manage material sustainability matters. However, the Company has taken certain measures that partially cover some material sustainability matters and are further mentioned at the level of individual topical standards.

1.5 Metrics and targets

1.5.1 Minimum disclosure requirement – Metrics MDR-M – Metrics in relation to material sustainability matters

The metrics prescribed by the ESRS standards were used in the preparation of the Statement. Since SPPD has not yet adopted policies, set goals, measures in connection with the management of material sustainability matters, it does not have metrics set either. For the quantitative calculations in the topical standards related to Climate Change and Resource Use and Circular Economy, the Company applied a combination of actual data from the first nine months of the 2025 financial year and three-month qualified estimates based on historical data, unless otherwise specified in topical section [E1-6 – Gross Scope 1, 2, 3 emissions and total greenhouse gas emissions](#).

SPPD is a contributor to the achievement of the objectives set at the level of EPIF, where metrics are also defined in relation to the assessment of sustainability matters. At the same time, SPPD has also partially set up certain internal metrics for monitoring and evaluation, which cover material sustainability matters. These are mentioned at the level of individual topical standards.

1.5.2 Minimum Disclosure Requirement – Targets MDR-T – Tracking effectiveness of policies and actions through targets

SPPD does not have targets that address material sustainability matters and assess progress towards managing IROs or helping to meet the Company's policy objectives. Although there are no targets, there is an internal methodology within methane leakage that measures progress towards reducing methane emissions.

This year is a pilot year of ESRS reporting, which provides the Company with the space and time to thoroughly evaluate material topics and determine effective ways to monitor performance in these areas. The Company has therefore not yet adopted any specific targets or indicators. Although SPPD does not have defined targets at Company level, it is a contributor to the achievement of the set objectives of EPIF.

2. ENVIRONMENTAL INFORMATION

2.1 Publications pursuant to Article 8 of Regulation (EU) 2020/852 (EU Taxonomy Regulation)

In accordance with the obligations arising from Regulation (EU) 2020/852 of the European Parliament and of the Council establishing a framework to facilitate sustainable investment (hereinafter referred to as the "Taxonomy Regulation", or "EU Taxonomy"), SPP – distribúcia, a. s. ("Company") assessed and hereby discloses information on the proportion of revenues, capital expenditures and operating expenditures for the financial year 2025 associated with economic activities that are non-eligible, eligible or, where applicable, aligned with the EU Taxonomy.

The Taxonomy Regulation is a key component of the European Commission's action plan to redirect capital flows towards a more sustainable economy. It represents a crucial step towards achieving carbon neutrality by 2050, in line with the EU's climate goals, as the EU Taxonomy is a classification system for environmentally sustainable economic activities.

The EU Taxonomy legislative framework, in addition to the Taxonomy Regulation, consists of:

- the Climate Delegated Act⁶, which supplements the EU Taxonomy Regulation;
- the Commission Delegated Regulation⁷, which regulates specific disclosures in certain energy sectors;
- the amendments to the Climate Delegated Act⁸, which adds new eligible activities and technical screening criteria for the first two environmental objectives;
- the Environmental Delegated Act⁹, which supplements the eligible activities and sets out technical screening criteria for the remaining four environmental objectives;
- the Disclosures Delegated Act¹⁰, which defines the disclosure requirements for undertakings.

Although the EU Taxonomy classification system is continuously expanded to include new eligible activities, the list does not yet cover the Company's business activities, which accounted for nearly the entire volume of the Company's revenues. Given the expansion of the list of eligible activities by environmental regulation, eligible activities increasingly contribute to the Company's capital expenditure and operating expenditures. Taking into account the above, the Company did not conduct activities listed in the Climate Delegated Act, the Commission Delegated Regulation and the Environmental Delegated Act in the financial year 2025 that would contribute to the Company's revenues. However, eligible and aligned activities contributed to its capital expenditure and operating expenditures, which were associated with assets and processes related to its own eligible and aligned activities and through the purchase of outputs from business partners performing eligible activities.

The information disclosed by the Company according to the EU Taxonomy is based on the provisions of the Disclosures Delegated Act. As the Company does not conduct any of the activities related to nuclear energy and fossil gas (activities 4.26-4.31) nor does it finance such activities, the Company does not use the special templates set out in the Commission Delegated Regulation for activities in certain energy sectors.

In the financial year 2025, the Company invested in the replacement of steel pipes with polyethylene pipes, in the renewal of the vehicle fleet and in the purchase of computer equipment and other electrical and electronic equipment. From the point of view of the EU Taxonomy, the eligible investments in the given period were mainly the modernization of the distribution network, electrical and electronic equipment and passenger and freight vehicles (more information in section 2.1.1.2 Capital expenditures.).

⁶Delegated Regulation No. 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing technical screening criteria for determining the conditions under which an economic activity qualifies as contributing significantly to climate change mitigation or adaptation and for determining whether the economic activity does not significantly harm the achievement of any of the other environmental objectives.

⁷Delegated Regulation 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific disclosure of information on those economic activities.

⁸Delegated Regulation 2023/2485 of 27 June 2023 amending Delegated Regulation (EU) 2021/2139 by establishing additional technical screening criteria for determining the conditions under which certain economic activities are considered to contribute significantly to climate change mitigation or adaptation and for determining whether those activities do no significant harm the achievement of any of the other environmental objectives.

⁹Delegated Regulation 2023/2486 of 27 June 2023 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing technical screening criteria for determining the conditions under which an economic activity is considered to contribute significantly to the sustainable use and protection of water and marine resources, the transition to a circular economy, the prevention and control of pollution or the protection and restoration of biodiversity and ecosystems, and for determining whether that economic activity does not significantly harm the achievement of any of the other environmental objectives, and amending Commission Delegated Regulation (EU) 2021/2178 as regards specific disclosure of information on those economic activities.

¹⁰Delegated Regulation 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of the information to be disclosed by undertakings covered by Article 19a or 29a of Directive 2013/34/EU with regard to environmentally sustainable economic activities and by specifying the methodology for complying with that disclosure obligation.

Information on the proportion of the Company's revenues, capital expenditures and operating expenditures for the financial year 2025 associated with economic activities eligible and economic activities aligned with the EU Taxonomy.

The information on the proportion of the Company's revenues, capital expenditures and operating expenditures for the financial year 2025 describes the share of activities related to economic activities eligible or aligned under the EU Taxonomy in accordance with Article 8 of the EU Taxonomy.

An *eligible* economic activity according to the EU Taxonomy (hereinafter referred to as "eligible economic activity") is an economic activity that is described in the delegated regulations supplementing the EU Taxonomy, regardless of whether this economic activity meets all the technical screening criteria laid down in those delegated regulations.

An economic activity aligned with the EU Taxonomy (hereinafter referred to as "aligned economic activity") is an activity that meets all of the following requirements under Article 3 of the Taxonomy Regulation:

- economic activity makes a substantial contribution to one or more of the six environmental objectives,
- "Do no significant harm" to any of the other environmental objectives,
- complies in accordance with minimum safeguards and
- complies with the applicable technical screening criteria set out in the Climate Delegated Act supplementing the Taxonomy Regulation.

The Company has assessed all its economic activities against eligible economic activities as defined under the Climate Delegated Act, the Commission Delegated Regulation and the Environmental Delegated Act. The aggregate proportion of eligible economic activities aligned with the Company's individual indicators is shown in Table 11. The Company is preparing disclosures under the EU Taxonomy for the first time and therefore does not disclose values for the comparative period.

Table 11: Proportion of economic activities eligible and aligned according to the EU Taxonomy in the year ending 31 July 2025 (turnover, capital expenditure, operating expenditure)

| Year ended on 31 July 2025 | Total (in thousands of EUR) | Proportion of Taxonomy-eligible (non-aligned) economic activities (%) | Proportion of Taxonomy-aligned economic activities (%) | Proportion of Taxonomy-non-eligible economic activities (%) |
|------------------------------|-----------------------------|---|--|---|
| Revenue | 490,601 | 0% | 0% | 100% |
| Capital expenditure (CapEx) | 64,553 | 3.39% | 94.83% | 1.78% |
| Operating expenditure (OpEx) | 26,664 | 0% | 0% | 100% |



Table 12: Eligible economic activities according to the EU Taxonomy

| Economic activity | Description | Indicator relevance | NACE code |
|---|--|---------------------|----------------------------|
| CE 1.2 Manufacture of electrical and electronic equipment | Purchase of electrical and electronic equipment | CapEx | C26 C27 |
| CCM 4.14, CCA 4.14, Transmission and distribution networks for renewable and low-carbon gases | Modernization of the distribution network - Replacement of steel pipes with polyethylene pipes | CapEx | D35.22 H49.50 N77.11 |
| CCM 6.5, CCA 6.5 Transport by motorbikes, passenger cars and light commercial vehicles | Purchase, financing, leasing, rental and transfer of vehicles of categories M1 and N1 | CapEx | H49.32 H49.39 |
| CCM 6.6, CCA 6.6 Freight transport services by road | Purchase, financing, leasing, rental and transfer of vehicles of category N2 or N3 ¹¹ | CapEx | H49.41 H53.10 |

2.1.1 Accounting policies of SPPD

Key performance indicators include the turnover indicator, capital expenditure indicator and operating expenditure indicator. The templates set out in Annex II to the Disclosures Delegated Act, as amended, are used to present the indicators for the purposes of the EU Taxonomy.

2.1.1.1 Revenues

The proportion of aligned economic activities in the Company's total revenue was defined as the ratio of net revenue related to aligned economic activities (numerator) and total net revenue (denominator) for the financial year 2025.

The current EU Taxonomy of eligible economic activities defined under the Climate Delegated Act, the Commission Delegated Regulation and the Environmental Delegated Act does not include activities in the field of natural gas distribution, which is the Company's main activity and constitutes a key proportion of revenues. Other revenues mainly include fees for purchasing additional capacities, fines and connection fees, which are also related to the distribution of natural gas and therefore cannot be defined as eligible economic activities. For this reason, none of the economic activities contributing to the Company's revenues in the financial year 2025 are classified as eligible or aligned according to the EU Taxonomy. The proportion of aligned economic activities in the Company's revenues for the given period is therefore zero.

The Company's revenues can be reconciled with the financial statements, see the Income Statement for the accounting period ending 31 July 2025.

The Company reports revenues from its core business as fees for natural gas distribution. Other revenues primarily include fees for purchasing additional capacities, fines, connection fees, and other activities that are not part of the Company's core activities.

¹¹This economic activity also includes vehicle categories N1 according to the delegated climate act. However, the Company has assigned these vehicle categories exclusively to economic activity 6.5 Transport by motorcycles, passenger cars and light commercial vehicles. The Company has assigned only vehicle categories N2 and N3 to economic activity 6.6 Freight and road transport.

Table 13: Turnover indicator

| Financial year 2025 | Year | | | Substantial contribution criteria | | | | | | DNSH criteria ("do no significant harm") (h) | | | | | | | | | |
|--|------------|------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|----------------|----------------|----------------|----------------|----------------|------------------------|--|--------------------------------|------------------------------------|
| 1. Economic activities | 2. Code(s) | 3. Turnover | 4. Proportion of turnover, year 2025 | 5. (1) | 6. (2) | 7. (3) | 8. (4) | 9. (5) | 10. (6) | 11. (1) | 12. (2) | 13. (3) | 14. (4) | 15. (5) | 16. (6) | 17. Minimum safeguards | 18. Proportion of Taxonomy aligned (A.1) or eligible (A.2) turnover, year 2024 | 19. Category enabling activity | 20. Category transitional activity |
| <i>Text</i> | <i>(a)</i> | <i>in thousand EUR</i> | <i>%</i> | <i>yes; no; non-eligible (b) (c)</i> | <i>yes; no; non-eligible (b) (c)</i> | <i>yes; no; non-eligible (b) (c)</i> | <i>yes; no; non-eligible (b) (c)</i> | <i>yes; no; non-eligible (b) (c)</i> | <i>yes; no; non-eligible (b) (c)</i> | <i>yes/ no</i> | <i>yes/ no</i> | <i>yes/ no</i> | <i>yes/ no</i> | <i>yes/ no</i> | <i>yes/ no</i> | <i>yes/no</i> | <i>%</i> | <i>enabling</i> | <i>transitional</i> |
| A. ELIGIBLE ACTIVITIES ACCORDING TO EU TAXONOMY | | | | | | | | | | | | | | | | | | | |
| A.1 Environmentally sustainable activities (Taxonomy-aligned) | | | | | | | | | | | | | | | | | | | |
| Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1) | | 0 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | | | | | | | | Not applicable | Not applicable | |
| Of which enabling | | 0 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | | | | | | | | Not applicable | Not applicable | |
| Of which transitional | | 0 | 0% | | | 0% | Not applicable | | | | | | | | | | Not applicable | Not applicable | |
| A.2 Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g) | | | | | | | | | | | | | | | | | | | |
| | | | | <i>eligible non-eligible (f)</i> | <i>eligible non-eligible (f)</i> | <i>eligible non-eligible (f)</i> | <i>eligible non-eligible (f)</i> | <i>eligible non-eligible (f)</i> | <i>eligible non-eligible (f)</i> | | | | | | | Not applicable | Not applicable | | |
| | | | | % | % | % | % | % | % | | | | | | | Not applicable | | | |
| Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2) | | 0 | 0 | 0% | 0% | 0% | 0% | 0% | 0% | Not applicable | | | | | | Not applicable | | | |
| Total turnover of Taxonomy-eligible activities (A.1 + A.2) (A) | | 0 | 0 | | | | | | | | | | | | | Not applicable | | | |
| B. NON-ELIGIBLE ACTIVITIES ACCORDING TO EU TAXONOMY | | | | | | | | | | | | | | | | | | | |
| Turnover of Taxonomy-non-eligible activities (B) | | 490,601 | 100% | | | | | | | | | | | | | | | | |
| Total (A+B) | | 490,601 | 100% | | | | | | | | | | | | | | | | |

Environmental objectives:
(1) Climate change mitigation
(2) Climate change adaptation
(3) Water
(4) Pollution
(5) Circular economy
(6) Biodiversity

| | |
|--|--|
| Notes: | |
| <p>(a) The code represents the abbreviation of the relevant objective to which the economic activity is eligible to contribute substantially, as well as the number of the activity sector in the relevant Appendix that applies to the objective, i.e.:</p> <ul style="list-style-type: none"> – climate change mitigation: CCM, – climate change adaptation: CCA, – water and marine resources: WTR, – circular economy: CE, – pollution prevention and control: PPC, – biodiversity and ecosystems: BIO. <p>For example, the activity "afforestation" would be assigned the code: CCM 1.1. If activities are eligible to contribute significantly to more than one objective, the codes of all objectives should be provided. For example, if the operator states that the activity "construction of new buildings" substantially contributes to climate change mitigation and circular economy, the code would be: CCM 7.1/CE 3.1 The same codes should be used in sections A.1 and A.2 of this template.</p> | |
| <p>(b) Yes, an activity Taxonomy-eligible, and Taxonomy-aligned for the relevant environmental objective; no, an activity Taxonomy-eligible, but not Taxonomy-aligned for the relevant environmental objective; non-eligible, an activity Taxonomy-non-eligible for the relevant environmental objective.</p> | |
| <p>(c) Where an economic activity contributes substantially to multiple environmental objectives, non-financial undertakings shall indicate in bold the most significant environmental objective for the purpose of calculating the KPIs of financial undertakings, avoiding double counting. Where the use of the proceeds from the financing is not known, financial undertakings shall calculate in their respective KPIs the financing of economic activities contributing to multiple environmental objectives within the most significant environmental objective, which non-financial undertakings shall indicate in bold in this template. In order to avoid double counting of economic activities in the KPIs of financial undertakings, an environmental objective may be reported in bold only once per row. This does not apply to the calculation of the alignment of economic activities with the Taxonomy for financial products as defined in point (12) of Article 2 of Regulation 2019/2088. Non-financial undertakings shall also report the scope of eligibility using the following template alignment by environmental objective, which, in the case of activities contributing significantly to multiple objectives, includes alignment with each of the environmental objectives:</p> | |

| | Proportion of turnover / total turnover | |
|-----|---|---------------------------------|
| | Taxonomy-aligned by objective | Taxonomy- eligible by objective |
| CCM | 0.00% | 0.00% |
| CCA | 0.00% | 0.00% |
| WTR | 0.00% | 0.00% |
| CE | 0.00% | 0.00% |
| PPC | 0.00% | 0.00% |
| BIO | 0.00% | 0.00% |

| |
|--|
| (d) The same activity may be aligned with only one or more environmental objectives for which it is eligible. |
| (e) The same activity may be eligible and not be aligned with the relevant environmental objectives. |
| (f) Eligible – an activity eligible for the relevant objective; non-eligible – an activity non-eligible for the relevant objective. |
| (g) Activities shall be reported in section A.2 of this template only if they are not aligned with any of the environmental objectives for which they are eligible. Activities that are aligned with at least one environmental objective shall be reported in section A.1 of this template. |
| (h) For the activity reported in Section A.1, all the criteria for the "do no significant harm" principle and the minimum safeguards must be met. For the activities listed in A.2, non-financial undertakings may voluntarily complete columns 5-17. Non-financial undertakings may disclose in Section A.2 the substantial contribution and the criteria for the "do no significant harm" principle that they meet or do not meet by using: (a) for substantial contribution – "yes/no" and "non-eligible" instead of "eligible" and "non-eligible" and (b) for the "do no significant harm" principle – "yes/no". |

2.1.1.2 Capital expenditures

The CapEx KPI was defined as the proportion of CapEx associated with aligned economic activities (numerator) and total CapEx as defined by the EU Taxonomy (denominator) for the financial year 2025.

By definition, the denominator includes additions to tangible and intangible assets during the financial year 2025 before depreciation, amortization and any revaluation, including those resulting from revaluations and impairments, for the relevant reporting period and excluding changes in fair value.

In the denominator, the Company included CapEx related to the modernization of the gas and distribution network, which enables the integration of hydrogen and other low-carbon gases in the gas system, and CapEx related to investments in the vehicle fleet and electrical and electronic equipment. These mainly include additions to tangible assets accounted for in accordance with IAS 16 Property, Plant and Equipment and IFRS 16 Leases.

Further details of the Company's accounting policies for CapEx are provided in the Notes to the Financial Statement for the year ended 31 July 2025. The Company's total CapEx can be reconciled to the individual financial statements for the year ended on 31 July 2025: in Note 7 Buildings, machinery and equipment - line Additions and in Note 8 *Intangible fixed assets - line Additions*.

Gross lease additions under IFRS 16 cannot be reconciled to Note 9 *Right-of-use assets and finance lease liabilities*, as this note does not provide additions before revaluation, depreciation and amortization (i.e. arising from new or modified contracts) as a separate item.

The Company does not have a CapEx plan to expand economic activities aligned with the EU Taxonomy or to enable eligible economic activities to become aligned with the EU Taxonomy.

To assess alignment with the EU Taxonomy, the Company identified a portion of CapEx associated with assets and processes that are related to economic activities eligible under the EU Taxonomy. For the financial year 2025, the Company identified CapEx associated with assets and processes related to reconstructions of the local network and high-pressure gas pipelines.

The Company also identified a portion of CapEx related to the purchase of products of economic activities eligible under the EU Taxonomy. The products are a result of an eligible activity conducted by a third party - a supplier. For the financial year 2025, the Company identified the purchase of products resulting from several activities defined as eligible in the Climate Delegated Act and the Environmental Delegated Act and therefore requiring an assessment of potential alignment. These originate from the purchase of passenger and freight and road transport vehicles, leasing of passenger vehicles and the purchase of electrical or electronic equipment.

The Company identified the following CapEx associated with eligible economic activities and purchased goods and services that correspond to eligible economic activities and therefore lead to CapEx eligible under the EU Taxonomy.

Table 14: Individual eligible CapEx and corresponding economic activities

| Individual eligible capital expenditures | Corresponding economic activity (according to the appendices to the Climate Delegated Act and the Environmental Delegated Act) |
|--|--|
| Reconstructions on the local network, reconstructions on high-pressure gas pipelines | CCM 4.14, CCA 4.14, Transmission and distribution networks for renewable and low-carbon gases |
| Purchase of electrical and electronic equipment | CE 1.2 Manufacture of electrical and electronic equipment |
| Purchase and leasing of passenger vehicles | CCM 6.5, CCA 6.5 Transport by motorbikes, passenger cars and light commercial vehicles |
| Purchase of freight vehicles | CCM 6.6, CCA 6.6 Freight transport services by road |

Asset additions in the case of purchases of products from economic activities aligned with the EU Taxonomy qualify as CapEx aligned with the EU Taxonomy if it can be verified that the given good or service from the relevant supplier originates from an aligned activity. Since the alignment of activities according to the EU Taxonomy also includes the "do no significant harm" criteria of any of the environmental objectives and conducting the activity in accordance with minimum safeguards, the Company also had to cooperate with its suppliers in the assessment.

When assessing the expenditure on assets arising from the activities *CCM 6.5, CCA 6.5 Transport by motorbikes, passenger cars and light commercial vehicles, CCM 6.6, CCA 6.6 Freight transport services by road and CE 1.2 Manufacture of electrical and electronic equipment*, the technical screening criteria either have not been met, or it was not possible to obtain the data required to assess the technical screening criteria. Therefore, the Company reports all CapEx associated with these activities as eligible but not aligned. The Company assigns economic activities *6.5 Transport by motorbikes, passenger cars and light commercial vehicles* and *6.6 Freight transport services by road* exclusively to the climate change mitigation objective.

In assessing the CapEx associated with the activity *CCM 4.14, CCA 4.14 Transmission and distribution networks for renewable and low-carbon gases*, the technical screening criteria have been met and the CapEx associated with this activity is reported by the Company as aligned as explained below. The Company attributes this activity exclusively to the climate change mitigation objective.

2.1.1.2.1 Technical screening criteria for activity 4.14 Transmission and distribution networks for renewable and low-carbon gases

Regarding CapEx, the Company has identified investments that prepare the distribution network for the future adoption of hydrogen and that meet the substantial contribution criteria as well as the do no significant harm principles for the climate change mitigation objective, namely "modernization of gas transmission and distribution networks that enable the integration of hydrogen and other low-carbon gases into the network, including any transmission or distribution network activity that enables an increase in the proportion of hydrogen or other low-carbon gases in the gas system".

2.1.1.2.1.1 Substantial contribution to the objective of climate change mitigation

Regarding CapEx associated with activity 4.14 Transmission and distribution networks for renewable and low-carbon gases, the Company has identified investments that prepare the distribution network for the future reception of hydrogen and that meet the substantial contribution criteria, namely "modernization of gas transmission and distribution systems that enable the integration of hydrogen and other low-carbon gases into the system, including any activity and distribution of gas that enables the integration of hydrogen and other low-carbon gases into the network, including any activity related to the transmission or distribution system for gases that allows for an increase in the volume of mixtures of hydrogen or other low-carbon gases in the gas system". At the same time, it also meets the criterion that the activity also includes leak detection and repair of gas pipelines and other system elements in order to reduce methane leaks.

2.1.1.2.1.2 Do no significant harm principle (DNSH)

In addition to substantial contribution, the technical screening criteria also address the so-called "do no significant harm" principle, which should ensure that economic activities do not have a significant negative impact on the environment and do not harm the achievement of any other environmental objective set out in Article 9 of Regulation 2020/852:

a. Climate change adaptation

The distribution network is currently considered to be at low risk of direct damage from extreme weather events caused by climate change, as gas pipelines are largely buried underground, which provides significant protection. The gas distribution network is particularly resilient to extreme weather conditions, such as extreme winds. However, there are risks related to extreme local rainfall and subsequent flooding, which could potentially cause damage through landslides and erosion.

The Company regularly monitors geological factors, including landslides, erosion and waterlogging caused by rising groundwater after floods. Based on this monitoring, the high-pressure network is divided into ten risk levels according to the probability of potential damage. The higher the risk assessment, the more often physical site visits are conducted for monitoring purposes. Over the past two decades, the incidence of damage caused by geological factors has remained stable. These matters are based on a comprehensive analysis of physical climate risks, which was conducted at the level of EPIF, also for the purposes of SPPD. A more detailed description of the outputs of the analysis for the Company is also described in chapter [2.2.2.1 E1-1 – Transition plan for climate change mitigation](#).

b. Sustainable use and protection of water and marine sources

The operation of existing gas transmission and distribution networks does not pose a direct threat to any bodies of water and the Company complies with local regulations and internal environmental policies. The expansion of networks that could potentially damage water resources during the construction phase is relatively limited. In the gas distribution network, the Company has implemented an Integrated Management System that integrates processes related to occupational health and safety, environment and quality. The Environmental Management Methodology contains specific instructions for the prevention of water pollution. All individuals involved in the transport of dangerous goods undergo regular training and their activities are monitored. In locations where more than 1,000 litres of dangerous substances are situated, emergency plans are developed and approved, and annual training is conducted.

c. Transition to a circular economy

There are no "do no significant harm" criteria set for the activity.

d. Pollution prevention and control

The Company possesses the ISO 14001 (Environmental Management System), ISO 3834-2 (comprehensive quality requirements for welding) and ISO 55001 (Asset Management) certificates. The Company ensures compliance with EU requirements regarding efficiency and other parameters in the technologies used (such as the regulating stations operated by SPPD) through its procurement process.

e. Protection and restoration of biodiversity and ecosystems

The Company's distribution system in Slovakia passes through several wetland areas protected by the international Ramsar Convention on Wetlands. All necessary permits have been obtained for all development and construction work conducted in the relevant areas.

The impact on biodiversity is a key consideration in the decision-making process regarding the development and subsequent operation of the networks. In accordance with its biodiversity policy, the Company generally seeks to avoid encroaching on areas with high biodiversity with its activities. The Company continues its efforts to preserve biodiversity after the construction of the facilities, both during their operation and when they are decommissioned. The Company aims to restore the landscape affected by its activities to a state that is as natural as possible for the given location, while creating viable habitats for the native species in the area.

Based on the above assessment, eligible CapEx associated with the activity of *Transmission and distribution networks for renewable and low-carbon gases* have been classified as aligned.

The Company also assessed this activity against the technical screening criteria focusing on substantial contribution to the climate change adaptation objective. In this case, the Company could not demonstrate that this criterion was met.

Table 15: Individually matched CapEx and corresponding economic activities

| Description of the purchased product or individual measure aligned with the EU Taxonomy | Corresponding economic activity (according to the annexes to the Climate Targets Delegated Regulation and the Environmental Delegated Regulation) |
|---|---|
| Reconstructions on the local network, reconstructions on high-pressure gas pipelines | CCM 4.14, <i>Transmission and distribution networks for renewable and low-carbon gases</i> |



Table 16: CapEx indicator

| Financial year 2025 | Year | Substantial contribution criteria | | | | | | | | DNSH criteria "do no significant harm" (h) | | | | | | | | | |
|---|----------------------|-----------------------------------|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|--|---------|---------|---------|---------|---------|------------------------|--|--------------------------------|------------------------------------|
| 1. Economic activities | 2. Codes (s) | 3. Capital expenditure | 4. Proportion of capital expenditure, year 2025 | 5. (1) | 6. (2) | 7. (3) | 8. (4) | 9. (5) | 10. (6) | 11. (1) | 12. (2) | 13. (3) | 14. (4) | 15. (5) | 16. (6) | 17. Minimum safeguards | 18. Proportion of Taxonomy-aligned (A.1) or Taxonomy-eligible (A.2) CapEx, year 2024 | 19. Category enabling activity | 20. Category transitional activity |
| Text | (a) | in thousand EUR | % | yes; no; non-eligible (b) (c) | yes; no; non-eligible (b) (c) | yes; no; non-eligible (b) (c) | yes; no; non-eligible (b) (c) | yes; no; non-eligible (b) (c) | yes; no; non-eligible (b) (c) | yes/no | yes/no | yes/no | yes/no | yes/no | yes/no | yes/no | % | enabling | transitional |
| A. ELIGIBLE ACTIVITIES ACCORDING TO EU TAXONOMY | | | | | | | | | | | | | | | | | | | |
| A.1 Environmentally sustainable activities (Taxonomy-aligned) | | | | | | | | | | | | | | | | | | | |
| Transmission and distribution networks for renewable and low-carbon gases | CCM 4.14., CCA 4.14. | 61,217 | 94.83% | yes | no | non-eligible | non-eligible | non-eligible | non-eligible | yes | yes | yes | yes | yes | yes | yes | Not applicable | Not applicable | Not applicable |
| CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1) | | 61,217 | 94.83% | 94.83% | 0% | 0% | 0% | 0% | 0% | yes | yes | yes | yes | yes | yes | yes | Not applicable | Not applicable | |
| Of which enabling | | 0 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | yes | yes | yes | yes | yes | yes | yes | Not applicable | Not applicable | Not applicable |
| Of which transitional | | 0 | 0% | 0% | | | | Not applicable | | yes | yes | yes | yes | yes | yes | yes | Not applicable | Not applicable | Not applicable |
| A.2 Eligible but not environmentally sustainable activities (not Taxonomy-aligned) (g) | | | | | | | | | | | | | | | | | | | |
| | | | | eligible; non-eligible (f) | eligible; non-eligible (f) | eligible; non-eligible (f) | eligible; non-eligible (f) | eligible; non-eligible (f) | eligible; non-eligible (f) | | | | | | | Not applicable | | | |
| Transport by motorbikes, passenger cars and light commercial vehicles | CCM 6.5. CCA 6.5. | 432 | 0.67% | eligible | eligible | non-eligible | non-eligible | non-eligible | non-eligible | | | | | | | Not applicable | | | |
| Freight transport services by road | CCM 6.6. CCA 6.6. | 1,190 | 1.84% | eligible | eligible | non-eligible | non-eligible | non-eligible | non-eligible | | | | | | | Not applicable | | | |
| Manufacture of electrical and electronic equipment | CE 1.2. | 564 | 0.87% | non-eligible | non-eligible | non-eligible | non-eligible | non-eligible | non-eligible | Not applicable | | | | | | Not applicable | | | |
| | | | | % | % | % | % | % | % | | | | | | | Not applicable | | | |
| CapEx of eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2) | | 2,186 | 3.39% | 2.51% | 0% | 0% | 0% | 0% | 0.87% | | | | | | | Not applicable | | | |
| Total CapEx of Taxonomy-eligible activities (A.1 + A.2) (A) | | 63,403 | 98.22% | 0% | 0% | 0% | 0% | 0% | 0% | | | | | | | Not applicable | | | |
| B. NON-ELIGIBLE ACTIVITIES ACCORDING TO EU TAXONOMY | | | | | | | | | | | | | | | | | | | |
| CapEx of Taxonomy-non-eligible activities (B) | | 1,150 | 1.78% | | | | | | | | | | | | | | | | |
| Total (A+B) | | 64,553 | 100% | | | | | | | | | | | | | | | | |

Environmental objectives:
(1) Climate change mitigation
(2) Climate change adaptation
(3) Water
(4) Pollution
(5) Circular economy
(6) Biodiversity

| | |
|--|--|
| Notes: | |
| <p>(a) The code represents the abbreviation of the relevant objective to which the economic activity is eligible to contribute substantially, as well as the number of the activity sector in the relevant Appendix that applies to the objective, i.e.:</p> <ul style="list-style-type: none"> – climate change mitigation: CCM, – climate change adaptation: CCA, – water and marine resources: WTR, – circular economy: CE, – pollution prevention and control: PPC, – biodiversity and ecosystems: BIO. <p>For example, the activity "afforestation" would be assigned the code: <i>CCM 1.1</i>. If activities are eligible to contribute significantly to more than one objective, the codes of all objectives should be provided. For example, if the operator states that the activity "construction of new buildings" substantially contributes to climate change mitigation and circular economy, the code would be: <i>CCM 7.1/CE 3.1</i> The same codes should be used in sections A.1 and A.2 of this template.</p> | |
| <p>(b) Yes, an activity Taxonomy-eligible, and Taxonomy-aligned for the relevant environmental objective; no, an activity Taxonomy-eligible, but not Taxonomy-aligned for the relevant environmental objective; non-eligible, an activity Taxonomy-non-eligible for the relevant environmental objective.</p> | |
| <p>(c) Where an economic activity contributes substantially to multiple environmental objectives, non-financial undertakings shall indicate in bold the most significant environmental objective for the purpose of calculating the KPIs of financial undertakings, avoiding double counting. Where the use of the proceeds from the financing is not known, financial undertakings shall calculate in their respective KPIs the financing of economic activities contributing to multiple environmental objectives within the most significant environmental objective, which non-financial undertakings shall indicate in bold in this template. In order to avoid double counting of economic activities in the KPIs of financial undertakings, an environmental objective may be reported in bold only once per row. This does not apply to the calculation of the alignment of economic activities with the Taxonomy for financial products as defined in point (12) of Article 2 of Regulation 2019/2088. Non-financial undertakings shall also report the scope of eligibility using the following template alignment by environmental objective, which, in the case of activities contributing significantly to multiple objectives, includes alignment with each of the environmental objectives:</p> | |

| | Proportion of CapEx / total CapEx | |
|-----|-----------------------------------|---------------------------------|
| | Taxonomy-aligned by objective | Taxonomy- eligible by objective |
| CCM | 94.83% | 2.51% |
| CCA | 0.00% | 0.00% |
| WTR | 0.00% | 0.00% |
| CE | 0.00% | 0.87% |
| PPC | 0.00% | 0.00% |
| BIO | 0.00% | 0.00% |

| |
|--|
| (d) The same activity may be aligned with only one or more environmental objectives for which it is eligible. |
| (e) The same activity may be eligible and not be aligned with the relevant environmental objectives. |
| (f) Eligible – an activity eligible for the relevant objective; non-eligible – an activity non-eligible for the relevant objective. |
| (g) Activities shall be reported in section A.2 of this template only if they are not aligned with any of the environmental objectives for which they are eligible. Activities that are aligned with at least one environmental objective shall be reported in section A.1 of this template. |
| (h) For the activity reported in Section A.1, all the criteria for the "do no significant harm" principle and the minimum safeguards must be met. For the activities listed in A.2, non-financial undertakings may voluntarily complete columns 5-17. Non-financial undertakings may disclose in Section A.2 the substantial contribution and the criteria for the "do no significant harm" principle that they meet or do not meet by using: (a) for substantial contribution – "yes/no" and "non-eligible" instead of "eligible" and "non-eligible" and (b) for the "do no significant harm" principle – "yes/no". |

2.1.1.2.2 Minimum safeguards

The final step in assessing compliance with the EU Taxonomy is the Company's compliance with minimum safeguards ("MS"). MS include all procedures implemented to ensure that economic activities are conducted in accordance with:

- OECD Guidelines for Multinational Enterprises ("OECD MNE Guidelines");
- The United Nations Guiding Principles on Business and Human Rights (the "UNGPs"), including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organization on Fundamental Principles and Rights at Work of the International Labour Organization ("ILO"); and
- The International Bill of Human Rights.

In the absence of further guidance from the European Commission, the Company based the MS assessment on the "Final Report on Minimum Safeguards" published by the Platform on Sustainable Finance ("PSF") in October 2022. The scope of the MS includes the following four topics:

- Human rights (including labour and consumer rights)
- Bribery, bribe solicitation, and extortion;
- Taxation; and
- Fair competition.

Compliance with the MS should be guided by a two-dimensional approach. On the one hand, adequate processes should be implemented to prevent negative impacts (procedural dimension). On the other hand, outcomes should be monitored to verify whether the Company's processes are effective (outcome dimension).

There were no recorded violations of human rights (including labour and consumer rights) in the Company during the 2025 financial year or historically. To ensure the proper functioning of the Company in the matter of human rights, a Code of Ethics has been introduced, to which regular workshops are organized for employees. In order to proactively prevent corrupt behavior and bribery as well as ensure fair competition, the Company has adopted several policies and rules, such as *Fraud and other violations prevention principles*, *Code of Conduct*, monitoring/verifying reports of their violations and reporting anti-social activities, and *Antitrust Policy Principles*, and procedures for employees of SPPD during unannounced inspections by authorities.

The Company was not involved in any ongoing lawsuits in financial year 2025 related to human rights violations, corruption allegations, tax law violations, or fair competition law violations.

2.1.1.3 Operational expenditures

The OpEx indicator is defined as the proportion of OpEx associated with aligned economic activities (numerator) to total OpEx as defined by the EU Taxonomy (denominator). Total OpEx as defined by the EU Taxonomy include direct non-capitalized expenditures associated with research and development, building renovation measures, short-term and low-value leases, building maintenance and repairs and all other direct costs associated with the day-to-day upkeep of property, plant and equipment that are necessary to ensure the continuous and efficient operation of such assets.

The volume of non-capitalized leases has been determined in accordance with IFRS 16 and includes costs for short-term leases and leases with a low underlying asset value (for more information on the Company's accounting policies for leases, see Note 3 to the financial statements on page 15). Although leases with a low underlying asset value are not explicitly mentioned in the Disclosures Delegated Act, the Company interprets the legislation to include these leases.

Maintenance and repair costs were determined based on maintenance and repair costs allocated to the Company's internal cost centers. The related item costs can be found in the Income Statement in the financial statements for the year ended on 31 July 2025.

In general, these expenditures include the costs of services and materials for the daily maintenance and repair of gas pipelines and the distribution network, as well as for regular and unscheduled maintenance and repair measures for gas pipelines and the distribution network. These expenditures are directly attributable to land, buildings and equipment. They do not include expenditure related to their daily operation, such as raw materials, costs of personnel operating machines, electricity or fuel required for their operation.

Amortization and depreciation are also not included in the OpEx indicator. The Company is unable to allocate its OpEx, as defined by the EU Taxonomy, to any eligible economic activity. The proportion of aligned and eligible economic activities in the Company's OpEx for the given period is therefore zero. The Company has included in its total OpEx the costs of building maintenance and repair, wages of maintenance center employees and all other direct expenditures associated with the day-to-day maintenance of property, machinery and equipment that are necessary to ensure the continuous and efficient functioning of such assets.



Table 17: OpEx indicator

| Financial year 2025 | Year | | | Substantial contribution criteria | | | | | | DNSH criteria "do no significant harm" (h) | | | | | | | | | |
|---|--------------------------|--|---|--|--|--|--|--|---|--|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|---|---|---|---|
| 1. Economic activities <i>Text</i> | 2. Code(s) <i>(a)</i> | 3. Operational expenditure <i>in thousand EUR</i> | 4. Proportion of operational expenditure, year 2025 <i>%</i> | 5. (1) <i>yes; no; non-eligible</i> <i>(b) (c)</i> | 6. (2) <i>yes; no; non-eligible</i> <i>(b) (c)</i> | 7. (3) <i>yes; no; non-eligible</i> <i>(b) (c)</i> | 8. (4) <i>yes; no; non-eligible</i> <i>(b) (c)</i> | 9. (5) <i>yes; no; non-eligible</i> <i>(b) (c)</i> | 10. (6) <i>yes; no; non-eligible</i> <i>(b) (c)</i> | 11. (1) <i>yes/no</i> | 12. (2) <i>yes/no</i> | 13. (3) <i>yes/no</i> | 14. (4) <i>yes/no</i> | 15. (5) <i>yes/no</i> | 16. (6) <i>yes/no</i> | 17. Minimum safeguards <i>yes/no</i> | 18. Proportion of operational expenditure aligned with Taxonomy (A.1) or eligible under Taxonomy (A.2), year 2024 <i>%</i> | 19. Category enabling activity <i>enabling</i> | 20. Category transitional activity <i>transitional</i> |
| A. ELIGIBLE ACTIVITIES ACCORDING TO EU TAXONOMY | | | | | | | | | | | | | | | | | | | |
| A.1 Environmentally sustainable activities (Taxonomy-aligned) | | | | | | | | | | | | | | | | | | | |
| OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1) | 0 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | | | | | | | yes | Not applicable | Not applicable | |
| Of which enabling | 0 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | | | | | | | yes | Not applicable | Not applicable | Not applicable |
| Of which transitional | 0 | 0% | 0% | Not applicable | | | | | | | | | | | | yes | Not applicable | Not applicable | Not applicable |
| A.2 Eligible but not environmentally sustainable activities (not Taxonomy-aligned) (g) | | | | | | | | | | | | | | | | | | | |
| | | | | <i>eligible; non-eligible (f)</i> | <i>eligible; non-eligible (f)</i> | <i>eligible; non-eligible (f)</i> | <i>eligible; non-eligible (f)</i> | <i>eligible; non-eligible (f)</i> | <i>eligible; non-eligible (f)</i> | | | | | | | | Not applicable | Not applicable | |
| OpEx of eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2) | 0 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | Not applicable | | | | | | | Not applicable | | |
| A Total OpEx of eligible activities according to Taxonomy (A.1 + A.2) (A) | 0 | 0% | 0% | 0% | 0% | 0% | 0% | 0% | 0% | | | | | | | | Not applicable | | |
| B. NON-ELIGIBLE ACTIVITIES ACCORDING TO EU TAXONOMY | | | | | | | | | | | | | | | | | | | |
| OpEx of Taxonomy-non-eligible activities (B) | | 26,664 | 100% | | | | | | | | | | | | | | | | |
| Total (A+B) | | 26,664 | 100% | | | | | | | | | | | | | | | | |

Environmental objectives:
(1) Climate change mitigation
(2) Climate change adaptation
(3) Water
(4) Pollution
(5) Circular economy
(6) Biodiversity

| | |
|--|--|
| Notes: | |
| <p>(a) The code represents the abbreviation of the relevant objective to which the economic activity is eligible to contribute substantially, as well as the number of the activity sector in the relevant Appendix that applies to the objective, i.e.:</p> <ul style="list-style-type: none"> – climate change mitigation: CCM, – climate change adaptation: CCA, – water and marine resources: WTR, – circular economy: CE, – pollution prevention and control: PPC, – biodiversity and ecosystems: BIO. <p>For example, the activity "afforestation" would be assigned the code: CCM 1.1. If activities are eligible to contribute significantly to more than one objective, the codes of all objectives should be provided. For example, if the operator states that the activity "construction of new buildings" substantially contributes to climate change mitigation and circular economy, the code would be: CCM 7.1/CE 3.1 The same codes should be used in sections A.1 and A.2 of this template.</p> | |
| <p>(b) Yes, an activity Taxonomy-eligible, and Taxonomy-aligned for the relevant environmental objective; no, an activity Taxonomy-eligible, but not Taxonomy-aligned for the relevant environmental objective; non-eligible, an activity Taxonomy-non-eligible for the relevant environmental objective.</p> | |
| <p>(c) Where an economic activity contributes substantially to multiple environmental objectives, non-financial undertakings shall indicate in bold the most significant environmental objective for the purpose of calculating the KPIs of financial undertakings, avoiding double counting. Where the use of the proceeds from the financing is not known, financial undertakings shall calculate in their respective KPIs the financing of economic activities contributing to multiple environmental objectives within the most significant environmental objective, which non-financial undertakings shall indicate in bold in this template. In order to avoid double counting of economic activities in the KPIs of financial undertakings, an environmental objective may be reported in bold only once per row. This does not apply to the calculation of the alignment of economic activities with the Taxonomy for financial products as defined in point (12) of Article 2 of Regulation 2019/2088. Non-financial undertakings shall also report the scope of eligibility using the following template alignment by environmental objective, which, in the case of activities contributing significantly to multiple objectives, includes alignment with each of the environmental objectives:</p> | |

| | Proportion of OpEx / total OpEx | |
|-----|---------------------------------|---------------------------------|
| | Taxonomy-aligned by objective | Taxonomy- eligible by objective |
| CCM | 0.00% | 0.00% |
| CCA | 0.00% | 0.00% |
| WTR | 0.00% | 0.00% |
| CE | 0.00% | 0.00% |
| PPC | 0.00% | 0.00% |
| BIO | 0.00% | 0.00% |

| |
|--|
| (d) The same activity may be aligned with only one or more environmental objectives for which it is eligible. |
| (e) The same activity may be eligible and not be aligned with the relevant environmental objectives. |
| (f) Eligible – an activity eligible for the relevant objective; non-eligible – an activity non-eligible for the relevant objective. |
| (g) Activities shall be reported in section A.2 of this template only if they are not aligned with any of the environmental objectives for which they are eligible. Activities that are aligned with at least one environmental objective shall be reported in section A.1 of this template. |
| (h) For the activity reported in Section A.1, all the criteria for the "do no significant harm" principle and the minimum safeguards must be met. For the activities listed in A.2, non-financial undertakings may voluntarily complete columns 5-17. Non-financial undertakings may disclose in Section A.2 the substantial contribution and the criteria for the "do no significant harm" principle that they meet or do not meet by using: (a) for substantial contribution – "yes/no" and "non-eligible" instead of "eligible" and "non-eligible" and (b) for the "do no significant harm" principle – "yes/no". |

2.1.1.4 Contextual information

No key change factors for individual KPIs were made during the 2025 financial year, as this is the first time the Company is preparing disclosures according to the EU Taxonomy. When reporting economic activities that contribute significantly to multiple environmental objectives, the Company always disclosed only the most material environmental objective (in bold), thereby ensuring that there was no double counting in the turnover, capital expenditure, and operating expenditure categories. The Company also ensured that individual revenues and expenses were assigned to only one activity within the KPI framework, preventing any double counting of financial data across all KPIs. The categories were compiled based on the same sets of financial data that were used in the preparation of SPPD's financial statements in accordance with IFRS.

2.1.1.4.1 Turnover

The table below shows the quantitative breakdown of the numerator for the turnover indicator. It shows revenue from customer contracts and other sources of revenue.

Table 18: Quantitative distribution of the numerator for the turnover indicator

| | Turnover (in thousands of EUR) |
|--------------------------|--------------------------------|
| Natural gas distribution | 459,163 |
| Other revenues | 31,438 |
| TOTAL | 490,601 |

2.1.1.4.2 Capital expenditures

In the financial year 2025, the Company's CapEx aligned with the EU Taxonomy was linked to activity 4.14 Transmission and distribution networks for renewable and low-carbon gases and the Company's CapEx eligible under the EU Taxonomy is linked to purchased outputs corresponding to the eligible economic activities 1.2 Manufacture of electrical and electronic equipment, 6.5 Transport by motorbikes, passenger cars and light commercial vehicles and 6.6 Freight transport services by road. The tables below show the breakdown of the amounts included in the numerator.

Table 19: Quantitative distribution of the numerator of capital expenditures (CapEx) at the level of aligned economic activity

| Aligned activity according to EU Taxonomy | Additions to property, plant and equipment | Internally generated or purchased intangible assets | Capitalized right-of-use assets | TOTAL (in thousands of EUR) |
|--|--|---|---------------------------------|-----------------------------|
| CCM 4.14 Transmission and distribution networks for renewable and low-carbon gases | 61,217 | - | - | 61,217 |

Table 20: Quantitative distribution of the numerator of capital expenditure (CapEx) at the level of eligible economic activity

| Eligible activity according to EU Taxonomy | Additions to property, plant and equipment | Internally generated or purchased intangible assets | Capitalized right-of-use assets | TOTAL (in thousands of EUR) |
|---|--|---|---------------------------------|-----------------------------|
| CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles | 82 | - | 350 | 432 |
| CCM 6.6 Freight transport services by road | 1,190 | - | - | 1,190 |
| CE 1.2 Manufacture of electrical and electronic equipment | 564 | - | - | 564 |
| TOTAL | 1,836 | | 350 | 2,186 |

2.1.1.4.3 Operational expenditures

Below table shows the breakdown of the operating expenditure (OpEx) numerator into its components according to the definition of OpEx as defined by the EU Taxonomy.

Table 21: Distribution of the numerator of total operating expenditures according to the EU Taxonomy

| | OpEx (in thousands of EUR) |
|--|----------------------------|
| Research and development | 0 |
| Building renovation measures | 0 |
| Short-term leasing and leasing with low underlying asset value | 0 |
| All other direct costs associated with the day-to-day maintenance of property, machinery and equipment that are necessary to ensure continuous and efficient operation of property, machinery and equipment. | 26,664 |
| TOTAL | 26,664 |

2.2 Climate change

The topic of climate change is material to the Company, as the operator of a large gas infrastructure faces challenges related to methane leaks, which have an impact on global warming. At the same time, increasing regulatory requirements and climate policies require modernization of operations, more accurate monitoring of emissions and support for the distribution of renewable gases in order to reduce the carbon footprint.

2.2.1 Governance ESRS 2 GOV-3 Integration of sustainability related performance in incentive schemes

SPPD does not have a developed incentive system or remuneration policy related to sustainability matters for members of the administrative, management and supervisory bodies. However, as already mentioned above, within the Company, certain matters related to sustainability are part of the established performance indicators (KPIs) of executive management, which have an impact on their variable remuneration component. These are also matters falling under this topical standard, such as investments in replacing steel gas pipelines with plastic ones that are not subject to corrosion, increasing the frequency of gas pipeline tightness checks and promptly eliminating detected gas leaks. Although these sustainability elements are currently not explicitly and uniformly defined within the official SPPD Remuneration Policy, they are already taken into account to a certain extent in practice. The Company recognizes the importance of the link between sustainability performance and incentive tools and will continue to assess possibilities for more systematic and consistent integration of these elements into its remuneration mechanisms.

2.2.2 Strategy

2.2.2.1 E1-1 – Transition plan for climate change mitigation

SPPD does not have a specific transformation plan for climate change mitigation and therefore no adopted target values and action plan for climate change mitigation actions. Nevertheless, SPPD is fully aware of the importance of this issue and consistently monitors developments in the areas of both climate change mitigation and climate change adaptation and makes rational decisions in line with its decarbonization activities. Due to the absence of a transition plan for climate change mitigation, the Company's investments and financing for implementing this plan are not quantified, and a qualitative assessment of potential locked-in greenhouse gas emissions from the key Company assets has not been performed. However, a comprehensive analysis of physical climate risks was conducted at the EPIF level, where the analysis and outputs included assessments of material impacts, physical and transformation risks or opportunities for EPIF. The outputs of the analysis, as well as the analysis itself, were also conducted for SPPD. Since the transition plan requires a deeper analysis, SPPD plans to develop a transition plan in the medium term, with an expected finalization by 2030, provided that there are no fundamental legislative changes that could affect or disrupt this process.

However, SPPD supports the EU's efforts to reduce greenhouse gas emissions and achieve carbon neutrality at the European level by 2050. This reduction needs to be implemented efficiently and at the lowest possible cost - according to the Value for Money principle. SPPD is also proactively working to reduce emissions from its own activities in line with European and global sectoral targets. Therefore, the Company is implementing and promoting the most effective measures that (i) minimise the impact of its activities on the environment, including reducing methane emissions and energy consumption from its own activities, (ii) support energy and emission savings for its customers (supporting the introduction of high-efficiency combined heat and power and condensing technology in individual heating) and (iii) support the greatest possible development of renewable gases such as biomethane and hydrogen. SPPD is investing in advanced technologies and processes for the effective reduction of venting, taking into account the reasonableness of the costs of their elimination (abatement costs). SPPD is aware of the social responsibility resulting from its position and promotes the Company's value orientation, especially in the environmental area.

SPPD, as a natural gas distributor in the second most gasified country in the EU, is naturally one of the largest contributors to methane emissions in Slovakia from an energy perspective. SPPD has been intensively involved in the issue of reducing methane emissions from gas distribution for a long time and has successfully reduced methane emissions from its own activities. SPPD is committed to fulfilling the common goal of the developed world, including the EU and Slovakia itself, which is the promise to reduce methane emissions by 30% by 2030 compared to 2020 (Global Methane Pledge). However, methane emissions from natural gas distribution only represent approximately 0.3% of Slovakia's greenhouse gas emissions.¹²

In 2025, SPPD became a member of the Oil and Gas Methane Partnership (OGMP 2.0), the highest standard for methane emissions reporting under the United Nations Environment Programme (UNEP). Companies reporting under OGMP 2.0 commit to a single, comprehensive, measurement-based methane emissions reporting framework that improves the accuracy and transparency of methane emissions data from the gas sector.

Given that SPPD's main activity is the distribution of gaseous fuels, which is excluded from the EU Paris-compliant investment benchmarks pursuant to Article 12(1)(f) of the Climate Benchmark Regulation, SPPD is also excluded from these benchmarks.¹³

2.2.2.2 ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

SPPD has not conducted a company-level analysis of the resilience of its strategy and business model to climate change. The resilience analysis was conducted at EPIF level and also covers SPPD. EPIF conducted a resilience analysis in 2024 to assess whether the priority climate risks and opportunities (R&Os) and corresponding adaptation/mitigation actions are consistent with the Company's strategy and business model. EPIF analyzed climate scenarios within predefined time horizons to assess the impacts of individual R&Os on its business model.

The EPIF resilience analysis was performed based on:

- Quantitative assessment: EPIF assessed the exposure of its assets and net returns to physical risks and transition risks
- Qualitative assessment: Several transition risks and opportunities (R&Os) were assessed qualitatively because they could not be assessed quantitatively due to their complexity and the high degree of uncertainty of the key variables that condition these risks.

The scope of the resilience analysis included all EPIF subsidiaries that may experience material impacts from physical and transition risks or opportunities to EPIF. The resilience analysis covered the short-term (FY2024), medium-term (2025–2029) and long-term (2030–2060) time horizons for three climate scenarios to capture the extremes of physical and transition risks/opportunities that may impact both EPIF's own operations (physical/transition) and the value chain (transition). EPIF used so-called "shared socioeconomic pathways" (SSP) scenarios.

¹²SHMÚ report „National Inventory Document 2025“ with data for 2023.

¹³Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards of investments for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks

Within the analysis, specifically the part dedicated to the opportunity - using the existing EPIF infrastructure to build new low-carbon solutions - an opportunity was identified for SPPD in the long term, as renewable gases are expected to be commercially available on the market in this horizon, which will enable the decarbonization of the gas distribution infrastructure. The analysis also covered the risks, specifically how the Company may be affected by reduced demand from customers due to climate change in the long term. SPPD has also conducted several internal analyses in this regard, based on which it assumes greater variability in distributed gas volumes due to climate change, such as changes in the length of the winter months and changes in temperatures. SPPD expects these changes only after 2040. SPPD also expects changes in the number of newly connected consumption points caused by legislative requirements for the energy efficiency of buildings for new residential buildings - energy class A0 by 2030 and "zero emission buildings" from 2030. On the other hand, more than 300 thousand family houses in the Slovak Republic are still heated with solid fuel, mainly wood, based on official data from the 2021 census of the population of houses and apartments, which is the main reason for the unsatisfactory air quality in the Slovak Republic (especially pollution by PM10, PM2.5 and benzo(a)pyrene).

As a result of rising living standards and government policies to address air quality, it is likely that a significant proportion of these households will switch to low-emission heating, including the use of natural gas. Another source of increasing gas volumes will be the completion of the coal phase-out in the heating and industrial sectors, where the potential of gas-fired cogeneration units will be exploited, which will simultaneously reduce emissions by up to 50% and improve air quality.

2.2.3 Impact, risk and opportunity management

2.2.3.1 ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities

The IROs assessment analyzed the business segments, activities and assets that are key to the Company. SPPD focused on its environmental impact and also considered the impact of external stimuli on the Company throughout its value chain. The first double materiality assessment did not consider the risks associated with the transition climate risks neither physical climate risks.

As SPPD is the operator of a densely branched gas infrastructure, which is inherently susceptible to natural gas leaks – methane leaks, climate change has been identified as a key area requiring attention. This decision is based on the results of the double materiality assessment, specifically the IROs related to greenhouse gas emissions.

2.2.3.2 E1-2 – Policies related to climate change mitigation and adaptation

SPPD does not have any policies in place to manage material IROs related to climate change mitigation or climate change adaptation. Reconstruction of pipelines well in advance of the end of their technical life eliminates methane emissions from gas leaks, thereby mitigating the impact on climate change.

2.2.3.3 E1-3 – Actions and resources in relation to climate change policies

The Company does not yet have clearly defined or approved actions for climate change mitigation or climate change adaptation, nor has it allocated funds for their implementation. However, it is implementing various activities that contribute to them. It is helping to reduce methane emissions by more frequent checks on the tightness of equipment prone to corrosion and subsequent leakage and has taken measures to shorten the time for eliminating detected gas leaks. At the same time, it is conducting reconstructions of pipelines well in advance of the end of their technical life, which eliminates methane emissions from gas leaks, thereby mitigating the impact on climate change.

Decarbonization projects SPPD - hydrogen

SPPD is ready to modernize the existing infrastructure in order to enable its hydrogen readiness, i.e. to ensure the transformation of the existing natural gas infrastructure into hydrogen. Slovak demand for energy from gaseous fuels is higher than the demand for electricity, therefore there is a significant potential for the need for a large volume of renewable gases, including hydrogen. Since it is technically impossible to produce enough energy from renewable sources due to the nature of the territory of Slovakia, significant volumes of energy in the form of hydrogen will need to be imported from abroad via the international hydrogen-backbone corridor.

SPPD is aware of its role in enabling the decarbonization of Slovak energy consumers. The aim of the Company's projects is to build a hydrogen infrastructure from the hydrogen backbone to the largest Slovak industrial customers and large Slovak cities, which will enable the gradual transformation of the distribution network from natural gas to hydrogen in those parts of SPPD distribution network, where SPPD expects stable interest in gaseous fuels in the future.

In 2025, SPPD successfully became a partner in the Eastgate H2 Valley hydrogen valley project. The objective of the project from SPPD perspective is to prepare a hydrogen pipeline for the decarbonization of the largest greenhouse gas emitter in Slovakia - US Steel Košice, with the potential to expand the use of hydrogen in the Košice region, mainly in the transport and heating sectors.

In an international consortium, SPPD is applying for a partnership in the hydrogen valley connecting the 3 border regions of Slovakia, Austria and Hungary. The main goal of SPPD in this project is to provide a hydrogen pipeline for the Slovnaft refinery, with the potential for further expansion for the Bratislava area, especially in the production of electricity, heat and transport. In cooperation with the largest gas consumer - the fertilizer producer Duslo Šaľa, we are also trying to find optimal solutions for the decarbonization of their production.

Connecting biomethane stations

SPPD ensures preferential connection of biomethane stations to the distribution network in accordance with the Technical Conditions of the Distribution Network Operator in accordance with Section 11a of Act No. 309/2009 Coll. on the Support of Renewable Energy Sources and High-Efficiency Cogeneration and on amendments to certain acts, as amended. The Company also reimburses the construction of a biomethane station connection up to 75% of the expenditures up to a length of 4 km.

SPPD currently ensures the distribution of biomethane from two connected stations in Jelšava and Veľké Bierovce and has 16 concluded contracts for the connection of biomethane stations, which may be implemented in the near future.

Register of Renewable Gases

SPPD assessed this topic as specifically material because, by issuing, registering and applying guarantees of origin for renewable gases, the Company supports the development of the renewable gas market and contributes to the decarbonization of the gas sector by operating the Register of Renewable Gases (RRG).

SPPD operates the RRG based on Section 11b of Act No. 309/2009 Coll. on the Support of Renewable Energy Sources and High-efficiency Cogeneration and on amendments and supplements to certain acts, as amended (hereinafter referred to as "Act No. 309/2009 Coll.") and in accordance with the operating rules of the register of renewable gases from 31 May 2023.

The guarantee of origin of renewable gas is a document proving that the gas was produced from a renewable energy source. The condition for registering a domestic renewable gas production facility in the RRG is its initial and regular audit by an authorized person pursuant to Section 14d of Act No. 309/2009 Coll., which will confirm the production of renewable gas and its type. SPPD issues a guarantee of origin of renewable gas in electronic form for each megawatt-hour of renewable gas at the request of the producer with a validity of 12 months from the date of production.

SPPD issues, transfers, recognizes and confirms the claims of guarantees of origin for renewable gases and maintains the accounts of holders in the RRG. Activities related to the RRG are subject to price regulation by the Regulatory Authority for Network Industries (ÚRSO).

The use of a guarantee of origin for renewable gas means its application by cancellation to demonstrate the share or amount of energy from renewable gas supplied in the energy mix of the gas supplier to the end customer, which supports the decarbonization of gas customers and optimizes investments in the technologies used.

SPPD publishes a list of account holders in RRG on its website. At the end of the 2024 financial year, the Company registered 18 accounts, and at the end of the 2025 financial year, 34 accounts (as of 31 July 2025).

SPPD publishes detailed statistics on RRG transactions at semi-annual intervals on its website. For the financial year 2024, guarantees were issued in the amount of 49,909 MWh, for the financial year 2025 in the amount of 62,526 MWh (as of 31 July 2025).

2.2.4 Metrics and targets

2.2.4.1 E1-4 – Targets related to climate change mitigation and adaptation

As stated in Chapter [1.5.2 Minimum Disclosure Requirement – Targets MDR-T – Tracking effectiveness of policies and actions through targets](#), SPPD does not have adopted targets for climate change mitigation. When assessing the performance of material IROs regarding methane emissions, SPPD has developed a methodology for measuring methane emissions.

2.2.4.2 E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions

Calculation of SPPD's carbon footprint for the 2025 financial year was conducted on the basis of operational control, which means that the Company reports emissions from operations over which it has operational control (i.e. has full authority to establish and implement its operating policies in operation).

Greenhouse gas emissions were calculated in accordance with the GHG Protocol. The greenhouse gas emissions of carbon dioxide ("CO₂"), methane ("CH₄"), nitrous oxide ("N₂O"), hydrofluorocarbons ("HFCs"), perfluorocarbons ("PFCs"), sulfur hexafluoride ("SF₆") and nitrogen trifluoride ("NF₃") were included in the calculation of total greenhouse gas emissions. These emissions are collectively referred to as CO₂ equivalent ("CO₂e").

The calculation of CO₂e emissions in tons for non-CO₂ greenhouse gases used the current global warming potential values published by the Intergovernmental Panel on Climate Change (hereinafter referred to as the "IPCC"). The calculation of the Company's carbon footprint was conducted using an automated tool.

¹⁴ Panel IPCC, AR6 Synthesis Report: Climate Change 2023: <https://www.ipcc.ch/report/sixth-assessment-report-cycle/>

Table 22: Total emissions by scope 1 and 2, and significant emissions by scope 3

| Emissions by Scope (tCO ₂ e) | Retrospective | | | | Milestones and target years | | | |
|---|-------------------------------|-------------|--------------------------|---------|-----------------------------|--------------------------|--------------------------|----------------------------|
| | Base year ending 31 July 2025 | Comparative | Year ending 31 July 2025 | % N/N-1 | Year ending 31 July 2026 | Year ending 31 July 2031 | Year ending 31 July 2051 | Annual % target/ Base year |
| Scope 1 GHG emissions | | | | | | | | |
| Gross Scope 1 GHG emissions (tCO ₂ eq) | 124,983.64 | n/a | 124,983.64 | n/a | n/a | n/a | n/a | n/a |
| Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%) | 0.00 | n/a | 0.00 | n/a | n/a | n/a | n/a | n/a |
| Scope 2 GHG emissions | | | | | | | | |
| Gross location-based Scope 2 GHG emissions (tCO ₂ eq) | 1,528.41 | n/a | 1,528.41 | n/a | n/a | n/a | n/a | n/a |
| Gross market-based Scope 2 GHG emissions (tCO ₂ eq) | 3,611.99 | n/a | 3,611.99 | n/a | n/a | n/a | n/a | n/a |
| Significant scope 3 GHG emissions | | | | | | | | |
| Total Gross location-based indirect (Scope 3) GHG emissions (tCO ₂ eq) | 86,725.55 | n/a | 86,725.55 | n/a | n/a | n/a | n/a | n/a |
| Total Gross market-based indirect (Scope 3) GHG emissions (tCO ₂ eq) | 86,777.94 | n/a | 86,777.94 | n/a | n/a | n/a | n/a | n/a |
| 1. Purchased goods and services | 5,244.35 | n/a | 5,244.35 | n/a | n/a | n/a | n/a | n/a |
| 2. Capital goods | 48,682.49 | n/a | 48,682.49 | n/a | n/a | n/a | n/a | n/a |
| 3. Fuel and energy-related Activities (not included in Scope 1 or Scope 2) (location-based) | 30,548.29 | n/a | 30,548.29 | n/a | n/a | n/a | n/a | n/a |
| 3. Fuel and energy-related Activities (not included in Scope 1 or Scope 2) (market-based) | 30,600.68 | n/a | 30,600.68 | n/a | n/a | n/a | n/a | n/a |
| 4. Upstream transportation and distribution | 0.00 | n/a | 0.00 | n/a | n/a | n/a | n/a | n/a |
| 5. Waste generated in operations | 65.31 | n/a | 65.31 | n/a | n/a | n/a | n/a | n/a |
| 6. Business travel | 43.90 | n/a | 43.90 | n/a | n/a | n/a | n/a | n/a |
| 7. Employee commuting | 2,141.21 | n/a | 2,141.21 | n/a | n/a | n/a | n/a | n/a |
| 8. Upstream leased assets | 0.00 | n/a | 0.00 | n/a | n/a | n/a | n/a | n/a |
| 9. Downstream transportation | 0.00 | n/a | 0.00 | n/a | n/a | n/a | n/a | n/a |
| 10. Processing of sold products | 0.00 | n/a | 0.00 | n/a | n/a | n/a | n/a | n/a |
| 11. Use of sold products | 0.00 | n/a | 0.00 | n/a | n/a | n/a | n/a | n/a |
| 12. End-of-life treatment of sold products | 0.00 | n/a | 0.00 | n/a | n/a | n/a | n/a | n/a |
| 13. Downstream leased assets | 0.00 | n/a | 0.00 | n/a | n/a | n/a | n/a | n/a |
| 14. Franchises | 0.00 | n/a | 0.00 | n/a | n/a | n/a | n/a | n/a |
| 15. Investments | 0.00 | n/a | 0.00 | n/a | n/a | n/a | n/a | n/a |
| Total GHG emissions | | | | | | | | |
| Total GHG emissions (location-based) (tCO ₂ eq) | 213,237.61 | n/a | 213,237.61 | n/a | n/a | n/a | n/a | n/a |
| Total GHG emissions (market-based) (tCO ₂ eq) | 215,373.57 | n/a | 215,373.57 | n/a | n/a | n/a | n/a | n/a |

There are 2 biomethane stations connected to the SPPD network, which generate fugitive biogenic emissions outside scope 1, but the amount of these emissions is insignificant compared to fugitive emissions of non-biogenic methane. SPPD does not generate emissions from combustion or biodegradation of biomass outside scopes 1, 2 and 3.

The Company's greenhouse gas intensity based on net revenues is 0.000435 tCO₂eq/EUR for the location-based method and 0.000439 tCO₂eq/EUR for the market-based method, with emissions of 213,237.61 tCO₂eq for the location-based method and 215,373.57 tCO₂eq for the market-based method and net revenues of 490,601 thousand EUR. The amount of net revenues can be found in the Income Statement on page 7.

Emissions were broken down by scopes and by individual greenhouse gases.

Table 23: Total emissions by scope 1, 2 and 3

| | Scope | Greenhouse gas emissions in tCO ₂ e | |
|------------------------|--|--|-------------------|
| | | Location-based | Market-based |
| Scope 1 | Gross Scope 1 GHG emissions | 124,983.64 | 124,983.64 |
| | Fugitive emissions | 119,428.57 | 119,428.57 |
| | Stationary combustion | 2,913.75 ¹⁵ | 2,913.75 |
| | Mobile combustion | 2,641.32 | 2,641.32 |
| Scope 2 | Gross Scope 2 GHG emissions | 1,528.41 | 3,611.99 |
| | Purchased heat | 898.61 | 898.61 |
| | Purchased electricity | 629.80 | 2,713.38 |
| Scope 3 | Total Gross indirect Scope 3 GHG emissions | 86,725.55 | 86,777.94 |
| | 1. Purchased goods and services | 5,244.35 | 5,244.35 |
| | 2. Capital goods | 48,682.49 | 48,682.49 |
| | 3. Fuel and energy-related Activities (not included in Scope 1 or Scope 2) | 30,548.29 | 30,600.68 |
| | 4. Upstream transportation and distribution | 0.00 | 0.00 |
| | 5. Waste generated in operations | 65.31 | 65.31 |
| | 6. Business travel | 43.90 | 43.90 |
| | 7. Employee commuting | 2,141.21 | 2,141.21 |
| | 8. Upstream leased assets | 0.00 | 0.00 |
| | 9. Downstream transportation | 0.00 | 0.00 |
| | 10. Processing of sold products | 0.00 | 0.00 |
| | 11. Use of sold products | 0.00 | 0.00 |
| | 12. End-of-life treatment of sold products | 0.00 | 0.00 |
| | 13. Downstream leased assets | 0.00 | 0.00 |
| | 14. Franchises | 0.00 | 0.00 |
| 15. Investments | 0.00 | 0.00 | |
| Total emissions | Total GHG emissions | 213,237.61 | 215,373.57 |

The table provides an overview of individual greenhouse gases and their released amounts converted into tons of CO₂ equivalent.

¹⁵The number has been rounded down by 0.01 for mathematical accuracy.

Table 24: Total emissions of individual greenhouse gases

| Gas type | Location-based | Market-based |
|--|--|--|
| | Released amount (in tCO ₂ eq) | Released amount (in tCO ₂ eq) |
| CO ₂ e – unknown structure of GHG gases | 204,702.39 | 203,304.51 |
| Carbon dioxide (CO ₂) | 8,471.07 | 12,004.91 |
| Methane (CH ₄) | 13.46 | 13.46 |
| Nitrous oxide (N ₂ O) | 50.69 | 50.69 |
| Total emissions | 213,237.61 | 215,373.57 |

The unknown structure of GHG gases includes the remaining greenhouse gas CO₂e.

Scope 1 emissions include fugitive emissions, emissions from stationary combustion and emissions from vehicle fleet combustion. Fuel consumption of passenger and commercial vehicles was taken from internal fuel consumption reports or fuel costs, as well as fuel consumption data for stationary combustion. Within scope 1, estimates of the amount of fuel consumed were made for May, June and July, for which total fuel consumption data for commercial vehicles, passenger vehicles and stationary combustion were not available. The estimate was made on the basis of data from the previous year.

Fugitive emissions at SPPD represent methane leaks, some of which were partially estimated. This is due to the fact that gas leaks are calculated from the time of the last pipeline tightness inspection until the leak is actually repaired. As a result, the duration of a leak may exceed one year (i.e. the reporting period) and may include time before the current reporting period. Similarly, some leaks that occurred during the current reporting period will be included in the next reporting period, when they are identified. However, over the long term, these timing differences even out, and the total emissions remain consistent.

Electricity and heat consumption in operations comes from data from invoices from the electricity supplier and heat supplier, except for the months of May, June, and July, whose consumptions were estimated based on data from the previous year. In the case of electricity consumption in technological facilities, data from monthly invoices issued by the electricity supplier were used, combined with estimates for those facilities with annual billing. Due to the misalignment of the financial year with the calendar year, an estimate based on the previous calendar year had to be applied.

As the Company applies the operational control approach, emissions from leased assets are reported in scopes 1 and 2. Leased assets include vehicles and buildings that the Company has available for operating leases.

Within Scope 3, the Company calculated emissions for significant categories that it considers to be a priority. The Company took into account the volume of Scope 3 emissions, data availability and business importance. Scope 3 emissions were calculated based on activity data from internal systems and then multiplied by average emission factors from publicly available databases. Emissions and emission factors data from suppliers were not available.

A spend-based method was used to calculate emissions from purchased goods and services as well as capital goods, based on actual expenditure data for the financial year 2025. The emission factors used to calculate these emissions were from 2022 and were subsequently adjusted for inflation from 1 January 2023 to 31 July 2025.

Also, the purchase of items and materials for the reconstruction of medium-pressure and low-pressure local networks and high-pressure pipelines was fully estimated based on the number of kilometers of reconstructed distribution networks.

In the case of emissions from waste generated during operations, estimates were made of the amount of waste produced for May, June and July. In the case of business trips, only emissions generated from hotel stays were included in the calculation.

In the case of transport within business trips, employees use Company vehicles, and emissions from the use of these vehicles are included in scope 1. Air transport is an insignificant item within SPPD business trips. Data on hotel stays were collected based on the internal system, however, for business trips planned towards the end of the reporting period for May, June, and July, it was necessary to estimate based on the Company's current assumptions.

Employee commuting for all employees was estimated based on data collected from employees through questionnaires and then extrapolated to the remaining employees, based on average data for employees for whom relevant data was available.

The company purchases natural gas to cover losses, which include administrative losses, unauthorized gas consumption, and fugitive emissions caused by leaks in gas infrastructure and operational releases. In Scope 3.3, the carbon footprint associated with upstream emissions of the natural gas purchased for this purpose was quantified. The portion of gas losses related to methane emissions also represents the largest component of the company's Scope 1 emissions. Since administrative losses and unauthorized consumption are beyond the company's direct control, downstream emissions from the combustion of natural gas purchased to cover these losses were not included in the carbon footprint calculation, amounting to 176,356 tCO₂eq.

Table 25: Inclusion of individual categories within scopes 1, 2 and 3

| Scope | Category | Description | Inclusion to the carbon footprint | Reason for non-inclusion |
|-------|---|---|-----------------------------------|--------------------------|
| 1 | Energy consumption from fuel combustion of vehicles (owned or controlled) | Emissions from fuel used by vehicles owned or controlled by the reporting Company (e.g. leased vehicles) | Included | N/A |
| | Energy consumption from stationary combustion within the facilities (owned or controlled) | Emissions from fuel combustion (for heating, cooling, power generation or other applications) in facilities owned or controlled (e.g. leased) by the reporting Company | Included | N/A |
| | Physical or chemical processing | Emissions from manufacture or processing of chemicals and materials, e.g., cement, aluminum, adipic acid, ammonia manufacture, and waste processing | Not included | Not relevant |
| | Fugitive emissions | Emissions resulting from leaks, e.g. equipment leaks; hydrofluorocarbon (HFC) emissions during the use of refrigeration and air conditioning equipment; methane leakages from gas transport. | Included | N/A |
| 2 | Purchased electricity | Emissions associated with the production of electricity that the reporting Company purchased or obtained from an external company | Included | N/A |
| | Purchased steam | Emissions associated with the production of steam that the reporting Company purchased or obtained from an external supplier | Not included | Not relevant |
| | Purchased heat | Emissions associated with the production of heat that the reporting Company purchased or obtained from an external supplier | Included | N/A |
| | Purchased cooling | Emissions associated with the production of cooling that the reporting Company purchased or obtained from an external supplier | Not included | Not relevant |
| 3 | Purchased goods and services | Extraction, production, and transportation of goods and services purchased or acquired by the reporting Company | Included | N/A |
| | Capital goods | Extraction, production, and transportation of capital goods purchased or acquired by the reporting Company | Included | N/A |
| | Fuel and energy-related Activities (not included in Scope 1 or Scope 2) | Extraction, production, and transportation of fuels and energy purchased or acquired by the reporting Company, not already accounted for in scope 1 or scope 2, including emissions from the production of fuels and energy from well-to-tank (WTT) and transmission and distribution (T&D) losses. | Included | N/A |

table 25 continuation

| Scope | Category | Description | Inclusion to the carbon footprint | Reason for non-inclusion |
|-------|--|---|-----------------------------------|---|
| 3 | Upstream transportation and distribution | Transportation and distribution of products purchased by the reporting Company between Company's tier 1 suppliers and its own operations, and transportation and distribution services purchased by the reporting Company including inbound logistics, outbound logistics (e.g., of sold products), and transportation and distribution between a Company's own facilities (always in vehicles and facilities that Company does not own or control) | Not included | Not relevant (SPPD does not have data on transport by suppliers. The data is part of the total value of purchased goods and services and capital goods) |
| | Waste generated in operations | Disposal and treatment of waste generated in the reporting Company's operations (in facilities not owned or controlled by the reporting Company) | Included | N/A |
| | Business travel | Transportation of employees for business-related activities (in means of transport not owned or operated by the reporting Company) and hotel stays | Included | N/A |
| | Employee commuting | Transportation of employees between their homes and worksites (in vehicles not owned or operated by the reporting Company), work from home | Included | N/A |
| | Upstream leased assets | Operation of assets leased by the reporting Company (lessee) and not included in scope 1 and scope 2 | Not included | Not relevant |
| | Downstream transportation | Transportation and distribution of products sold by the reporting Company between the reporting Company's operations and the end consumer (if not paid for by the reporting Company), including retail and storage (in vehicles and facilities not owned or controlled by the reporting Company) | Not included | Not relevant |
| | Processing of sold products | Processing of intermediate products sold by downstream companies (e.g. manufacturers) | Not included | Not relevant |
| | Use of sold products | End use of goods and services sold by the reporting Company in the reporting year | Not included | Not relevant |
| | End-of-life treatment of sold products | Waste disposal and treatment of products sold by the reporting Company (in the reporting year) at the end of their life | Not included | Not relevant |
| | Downstream leased assets | Operation of assets owned by the reporting entity (lessor) and leased to other entities, not included in scope 1 and scope 2 | Not included | Not relevant |
| | Franchises | Operation of franchises in the reporting year, not included in scope 1 and scope 2 – reported by franchisor | Not included | Not relevant |
| | Investments | Operation of investments (including equity and debt investments and project finance) in the reporting year, not included in scope 1 or scope 2 | Not included | Not relevant |

Emission factors were used for the calculation according to the categories and input data on the activity that are included in the carbon footprint calculation. The latest available emission factors from public databases were used for calculation.

¹⁶Government conversion factors for company reporting of greenhouse gas emissions.
<https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

Table 26: Emission factors used

| Category | Emission factor type | Source of emission factor | Year | |
|---|---|--|-------------------------------------|------|
| Fugitive emissions | Methane | IPCC | 2023 | |
| Stationary combustion | Diesel | Department for Energy Security & Net Zero of the United Kingdom (DESNZ ¹⁶) | 2024 | |
| | Gasoline | | | |
| | Natural gas | | | |
| Mobile combustion | Diesel | DESNZ | 2024 | |
| Purchased heat | Fossil - unspecified | | DESNZ | 2024 |
| | Purchased electricity | Energy mix - according to the location-based method | European Environment Agency ("EEA") | 2023 |
| Energy mix - according to the market-based method | | Association of Issuing Bodies (hereinafter referred to as "AIB") | 2023 | |
| Purchased goods | Goods - beverages, repair and maintenance of gas pipeline materials, liquefied natural gas, machinery and equipment, parts and accessories for motor vehicles and motorcycles, clothing, furs and wood products. | Exiobase (adjusted for inflation from 1 January 2023 to 31 July 2025) | 2022 | |
| Purchased services | Services - water purification and distribution, information services, construction work, educational services, hotel and restaurant services, insurance services, other land transport services, postal and telecommunications services, recreational, cultural and sport services, rental of machinery and equipment without operator, distribution services of gaseous fuels through gas pipelines and other unspecified services | Exiobase (adjusted for inflation from 1 January 2023 to 31 July 2025) | 2022 | |
| Capital goods | Goods – plastic, iron and steel products | Exiobase (adjusted for inflation from 1 January 2023 to 31 July 2025) | 2022 | |
| Fuel and energy-related activities (not included in Scope 1 or Scope 2), including WTT and T&D. | WTT - Employee commuting - bus, car | DESNZ | 2024 | |
| | WTT - Purchased electricity - energy mix | | 2021 | |
| | WTT - Purchased heat - fossil | | 2024 | |
| | WTT - Stationary combustion - natural gas, diesel, gasoline | | 2024 | |
| | WTT - Mobile combustion - diesel, gasoline | | 2024 | |
| | WTT - Use of products sold - natural gas used to offset losses | | 2024 | |
| | T&D - Purchased electricity - energy mix | Emission factor conversion: AIB, or EEA emission factor, loss rate | 2024 | |
| | T&D - Purchased heat - fossil | Emission factor conversion: DESNZ, loss rate | 2024 | |
| Waste generated in operations | Waste disposal - batteries, construction waste, industrial waste, electronic waste, metal, organic waste, other waste, paper and cardboard, plastics, soil, wood, textiles | DESNZ | 2024 | |
| | Waste disposal - wastewater | Ecoinvent | 2023 | |
| Business travel | Business travel - hotel stays in France, Italy, Belgium, Czech Republic, Netherlands, Poland, Austria, Latvia | DESNZ | 2024 | |
| | Business travel - hotel stays in Slovakia | DESNZ | 2021 | |
| Employee commuting | Employee commuting - bus, car | DESNZ | 2024 | |
| | Temporary work from home | | 2024 | |

2.2.4.3 E1-7 – GHG removals and GHG mitigation projects financed through carbon credits

The Company does not remove or store greenhouse gas emissions within its own operations or within the upstream and downstream parts of the value chain, or outside the Company's value chain. The Company also does not purchase carbon credits.

2.2.4.4 E1-8 – Internal carbon pricing

SPPD does not apply internal carbon pricing, which could have a decisive impact on investment decisions or the function of incentivizing and achieving climate change targets.

2.3 Resource use and circular economy

SPPD considers the topic to be material given that waste is produced during gas system maintenance, operation and investment activities, and that recycling and recovery of this waste can have a positive impact on resource use by reusing materials that would otherwise end up in landfill.

2.3.1 Impact, risk and opportunity management

2.3.1.1 ESRS 2 IRO-1 – Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

The assessment of the IROs involved a thorough analysis of the Company's activities, particularly in the area of gas network maintenance, operation and investment activities and their impact on the environment. The impact of external factors on the Company throughout the value chain was also taken into account. The decision to include the circular economy topic as material was based on the results of the double materiality assessment process, specifically the IROs related to production, recycling and further recovery of waste.

All material IROs from the initial assessment were consulted with stakeholders, as further specified in [ESRS 2 SBM-2 Interests and views of stakeholders](#). Qualitative data from stakeholder dialogue was systematically sorted to identify recurring patterns and emerging trends. Quantitative data from surveys was analyzed to gain deeper insights and identify views that will help SPPD better understand and manage its IROs.

2.3.1.2 E5-1 – Policies related to resource use and circular economy

SPPD does not have an adopted policy for managing its material impacts, risks and opportunities related to resource use and the circular economy. The occupational Health and Safety, Environment, Quality and Energy Policy (HSEQE Policy) provides for the adoption of an integrated quality, health and safety, environmental and energy management system, in accordance with relevant regulations and relevant international standards. In its biodiversity protection policy, SPPD undertakes to prevent waste generation to the greatest extent possible in accordance with the European waste management hierarchy. SPPD also contractually obliges each supplier to comply with this waste management hierarchy through the General Terms and Conditions, which are an annex to each contract. SPPD also has an obligation in the Environmental Management Policy for the technician-ecologist to check whether waste recycling contracts are concluded with an authorized organization capable of ensuring recycling for a specific type of waste.

2.3.1.3 E5-2 – Actions and resources related to resource use and circular economy

SPPD has adopted fundamental actions in relation to suppliers to ensure the recycling of construction waste, which constitutes 99% of all waste produced. All suppliers are informed in writing of the actions to ensure the recycling of waste before concluding a contract for the work. Each supplier of construction and assembly activities and earthworks is obliged to submit contracts to ensure the recycling of waste generated for each construction site, even before the start of construction or excavation work, and at the same time, ongoing checks are carried out on suppliers in the process of managing construction waste. Another measure to prevent waste generation is the repair of gas meters conducted in its own gas meter repair shops. Of the total annual number of dismantled gas meters (approx. 80 thousand pcs), 60% can be repaired. The rest of the unrepairable gas meters (approx. 60 tons of metal waste) are handed over for processing and recycling.

2.3.2 Metrics and targets

2.3.2.1 E5-3 – Targets related to resource use and circular economy

SPPD complies with legislation and therefore requires compliance with the set target value of waste recycling of at least 70% in contracts with suppliers of construction and assembly activities and earthworks. SPPD ensures the fulfillment of this requirement in the field of waste management by recovering waste through an authorized organization capable of ensuring waste recycling for a specific type of construction waste.

2.3.2.2 E5-5 – Resource outflows

The Company produced a total of 27,348.29 tons of waste, with none of the waste going for reuse. Of this, 27,318.83 tons were non-hazardous waste ("other waste") and 29.46 tons were hazardous waste. SPPD does not produce any radioactive waste.

A total of 24,798.42 t of other waste and 0 t of hazardous waste were delivered for recycling. No waste was delivered for direct incineration. Hazardous waste was delivered for solidification in a volume of 7.64 t and no waste was delivered for landfilling.

Of the total amount of waste, 2,520.41 t was other waste and 29.46 t was hazardous waste, for a total of 2,549.87 t of non-recycled waste, which represents 9.32%.

Table 27: Amounts of waste broken down by waste type (t)

| Quantities of waste obtained by weighing (t) | | | |
|---|-----------|---------------|-----------|
| a) Total amount of waste generated | | | |
| | Hazardous | Non-hazardous | Total |
| | 29.46 | 27,318.83 | 27,348.29 |
| b) Total amount by weight diverted from waste disposal, distinguishing between hazardous and non-hazardous waste, as well as by the following recovery operations | | | |
| i. Preparation for re-use | | n/a | |
| ii. Recycling | | | |
| | Hazardous | Non-hazardous | Total |
| | 0.00 | 24,798.42 | 24,798.42 |
| iii. Other recovery operations | | | |
| c) Amount by weight directed to waste disposal by type, and the total amount as the sum of all three types, distinguishing between hazardous and non-hazardous waste. The types of waste disposal to be reported are: | | | |
| i. Incineration | | n/a | |
| ii. Landfilling | | n/a | |
| iii. Other disposal operations | | n/a | |
| | Hazardous | Non-hazardous | Total |
| | 29.46 | 2,520.41 | 2,549.87 |

As part of its operations, SPPD produces construction waste, electronic waste and packaging waste. The waste consists of soil, concrete, bitumen, metals, plastics and paper.

3. SOCIAL INFORMATION

3.1 Own workforce

The topic of its own workforce is material for SPPD, as the stability and expertise of employees are essential for the safe operation of the gas infrastructure. The Company therefore places emphasis on creating a fair working environment with an emphasis on safety, equal opportunities and quality working conditions for all employees.

3.1.1 Strategy

3.1.1.1 ESRS 2 SBM-2 – Interests and views of stakeholders

SPPD's business model and strategy, by their nature and implementation, support material positive impacts on its own workforce. When managing its business model and strategy, SPPD takes into account in particular its employees - their physical and mental health. SPPD also takes into account the rights and legitimate interests of its workers so as not to endanger them.

3.1.1.2 ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

SPPD is a provider of professional services in the field of natural gas distribution and does not yet have its own ESG strategy. SPPD currently has a general strategy and business plan in place, which do not clearly define the connection with sustainability matters in the context of its own workforce. However, within the framework of SPPD's objectives and strategy, it is possible to draw a connection to these sustainability matters, specifically how SPPD's objectives affect them and how they relate to them. A more detailed description of SPPD's general strategy can be found in [1.3.1 SBM-1 Strategy, business model and value chain](#).

Material IROs were identified after a thorough analysis of SPPD and its specificities, including an analysis of the business model. Individual IROs are reflected in the strategy and business model of SPPD, with some risks and opportunities arising directly from impacts on or dependencies on its own workforce. A more detailed description of individual IROs is provided in [Appendix 1](#).

In identifying impacts, SPPD included all of its employees, including workers working under an agreement on work performed outside of an employment relationship. Other workers who are not employees were not included in the analysis of its own workforce.

No material risks and opportunities have been identified that would arise from impacts on its own workforce. SPPD has not yet developed a transition plan, as this is the first year of reporting. SPPD does not have a comprehensive document that is based on a double materiality assessment or that describes the main types of people in its own workforce falling under specific IROs. For SPPD, an experienced own workforce is a significant element and within the distribution of gaseous fuels SPPD perceives a naturally higher average age level of the workforce. SPPD perceives that, given the current situation on the labour market in the Slovak Republic, it may be more challenging to recruit new qualified employees in some professional areas related to the distribution of gaseous fuels.

3.1.2 Impact, risk and opportunity management

3.1.2.1 S1-1 – Policies related to own workforce

SPPD has policies in place to manage its material impacts, risks and opportunities related to its own workforce in various SPPD policies. This year is a pilot year of reporting under ESRS, which provides the Company with the space and time to thoroughly evaluate the material topics in this area, including determining effective ways to monitor their performance. The Company has therefore not yet adopted a unified policy regarding its own workforce, nor has a specific timeframe for its adoption been adopted. However, SPPD has several policies that relate to its own workforce, from which individual obligations towards SPPD employees have already been established.

Code of Ethics

SPPD *Code of Ethics* sets out commitments in the area of corporate values and, in the event of discrepancies and violations, provides guidance for reporting concerns without any associated risks. SPPD *Code of Ethics* also defines that SPPD recruits employees on the basis of competence without any religious, national or racial discrimination, regardless of skin color, age or gender.

SPPD does not have any specific commitments to inclusion or positive actions for people from groups with a particular risk of vulnerability within its own workforce explicitly defined in its internal policies. However, it complies with all requirements arising from the legislation of the Slovak Republic, on the basis of which it regularly publishes annual reports on the fulfilment of the mandatory share of employment of citizens with disabilities, which is required by the Central Office of Labour, Social Affairs and Family. SPPD has an internal policy in place through which it ensures the prevention and mitigation of discrimination, but at the same time does not have any specific proposals for remedial actions.

The commitment to non-discrimination is to create equal opportunities for all SPPD employees and ensure fair access and respect for them, as well as to eliminate, prevent and deter all forms of unlawful discrimination.

In the event that such an incident occurs, SPPD has established appropriate procedures for investigating the offense against its own workforce. The complaint reporting process is considered confidential and is also included in the *Code of Ethics* and the internal control system of SPPD. Each employee is obliged to behave in accordance with the rules and principles of mutual trust and cooperation, protect the interests of the Company and respect their colleagues. The *Code of Ethics* governs the entire SPPD. The *Code of Ethics* is available to interested parties upon request. The person responsible for implementing the *Code of Ethics* is the Head of Human Resources and QHSE Division, the Chairman of the Board of Directors and the General Director.

Sustainability policies

SPPD perceives its commitment to sustainable development and responsible business and therefore has adopted the *Sustainability Policy and Safety Policy of SPPD*, which sets out the main principles and contains the basic rules of sustainability management. The person responsible for compliance with the obligations arising from these policies is the Head of Human Resources and QHSE Division. These policies also contain the following topical policies.

The *Integrated Management System Policy* obliges SPPD to support a responsible attitude of employees towards quality, the environment and occupational Health and Safety and accident prevention, to involve them in the process of identifying, managing and reducing risks, to ensure safe and healthy working conditions for employees as well as for workers in the value chain, and to provide training, qualification and develop awareness of employees regarding the use of safe and environmentally sound work practices. An integrated part of the management system is also the fulfillment of the requirements of the ISO 45001 standard in the field of occupational Health and Safety. The person responsible for implementing the policy is the Chairman of the Board of Directors and the General Director.

In the case of policies preceding workplace accidents, the aforementioned *Integrated Management System Policy* is in force, which obliges SPPD to take effective actions to ensure the prevention of accidents and damage to health, to eliminate hazards and reduce risks in the area of OHS. Other obligations are set out in the *Occupational Health and Safety Rules*, which also includes a *Traumatology Plan*. In this area, SPPD cooperates with employee representatives for safety, conducts an annual public review with their participation, and has established an OHS commission as an advisory body to the Company's management. At the same time, it provides its employees with mandatory initial and repeated training in this area. The *Fire Protection Policy* sets out SPPD's obligation to provide regular training and verify employees' knowledge of fire protection. The basic tasks in the area of fire prevention, duties and responsibilities of employees in the fire protection division are described in the methodological guideline *Fire Protection Management*. The responsible person is the Head of Human Resources and QHSE Division.

A crucial element in the field of safety is the *occupational Health and Safety Rules*, which in their appendices regulate and manage individual occupational Health and Safety processes. It extends these obligations to occupational Health and Safety rules and the provision of instructions for ensuring occupational Health and Safety. The actions include monitoring legal requirements in this area, informing the workforce about all occupational

Health and Safety requirements, including risks and health risks, the consequences of non-compliance with occupational Health and Safety requirements, and familiarization with the potential consequences of accidents, so that the workforce is capable of performing the assigned work.

SPPD also provides regular training in occupational Health and Safety and Fire Protection, which are required by employees for the performance of their activities. The primary areas of professional training of the workforce include work performed at heights, fire protection, fire patrols, training of employee representatives for occupational Health and Safety or provision of first aid. This training is conducted upon entry into employment and is subsequently required on a regular basis in accordance with Act No. 124/2006 Coll. on Occupational Health and Safety Protection at Work. The responsible person is the Head of Human Resources and QHSE Division.

SPPD Security Policy in the area of its own workforce obliges to provide the necessary means and human resources, and to coordinate them within the framework of fulfilling tasks in individual areas of the *Security Policy*, to ensure the implementation of the "clean desk" requirement, i.e. to inform and guide employees to put away documents and media with sensitive and confidential information and other data to designated lockable areas after work or work activities have ended, and also regularly review the need for employees to access sensitive data and documents with regard to their work activities.

The *Personnel Security Policy* ensures an increase of security awareness of employees and management. SPPD emphasizes minimizing the possibility of human factor failure as a source of possible internal disruptions of the Company and also on minimizing possible losses and impacts from these failures. Among the obligations arising from this policy, SPPD ensures necessary staffing, quality, qualification and motivation of employees to perform tasks in all areas of activity, also ensuring the selection and training of employees and management for qualified, reliable and safe performance of work activities, systematically addressing substitutability and planning succession for highly qualified professions and critical functions of SPPD.

The policy also supports the promotion of the principle of equal treatment within personnel activities, minimizing the fluctuation of qualified employees and labour disputes with SPPD's own workforce. Among the actions arising from these obligations, SPPD ensures the issuance of organizational standards, compliance with the adopted security actions for the protection of employees' personal data, and the development and application of an objective employee evaluation system. SPPD also provides information regarding the hiring, reassignment and release of employees, filling jobs only with employees who meet all specified requirements.

Through this policy, SPPD also undertakes to create feedback mechanisms to identify possible employee dissatisfaction, to consult with the trade union on critical issues in the field of personnel policy and to provide educational activities for employees to meet the requirements of occupational Health and Safety protection. The person responsible for implementing the policy is the Head of Human Resources and QHSE Division.

SPPD Personal Data Protection Policy further obliges SPPD to comply with the principles of personal data processing, i.e. the principle of purpose limitation, the principle of personal data minimization, the principle of accuracy, the principle of storage minimization, the principle of integrity and confidentiality, compliance with the right to information about employees, the right to access data, the right to correction, the right to erasure, the right to restriction of processing, the right to data portability and the right to object, in accordance with Section 29 of Act No. 18/2018 Coll. on the Protection of Personal Data. All relevant SPPD employees who manage processed data are legally obliged to maintain confidentiality, even after termination of employment.

In the event that an SPPD employee raises any concern regarding an actual or potential violation of legal signatures, the Whistleblowing Policy regulates the possibilities of reporting such concerns without fear of retaliation, and establishes the method of submitting any reports and their resolution, which is described in more detail in chapter [4.1.2.2 G1-1 – Business Conduct Policies and Corporate Culture](#).

SPPD also commits to complying with the *Ten Principles of the UN Global Compact*, which in the case of human rights means supporting and respecting the protection of internationally recognized human rights and not violating human rights. In the area of working conditions, SPPD respects freedom of association and recognizes the right to collective bargaining, eliminates all forms of forced and compulsory labour, does not tolerate the use of child labour, and eliminates all forms of discrimination in respect of employment and occupation.

In addition to the aforementioned policies, SPPD also follows other relevant methodological guidelines in the areas of the environment, employee training, and diversity in the Company, which obligate it to fulfill its obligations towards its own workforce.

The *Environmental Management Methodology* obliges SPPD to provide environmental training for its own workforce, specifically training on the transport of dangerous goods, training for employees who perform activities with a direct impact on the environment, and emergency drill training for employees who perform activities with a significant impact on the environment in facilities for which emergency plans have been developed.

Human capital development policies

The continuous and targeted development of the capabilities of SPPD employees is defined in the *Employee Training Policy and Processes*. The principles of continuous education and development of all employees, personal responsibility of managers for the development of the capabilities of subordinate employees, as well as personal responsibility of employees for their own development are applied. The responsible person is the Head of Human Resources and QHSE Division.

SPPD accepts the broader interests of its stakeholders, including employees. At the same time, it respects the UN Guidelines for Business and Human Rights. The principles and commitments arising from the OECD Guidelines for Multinational Enterprises and the ILO are not directly incorporated into its policies and processes, however, the policies and commitments that SPPD has adopted in the area of its own workforce reflect the expectations set out in the ILO on fundamental principles and rights at work. These principles are also included in the applicable national legislation, primarily in the Labour Code. Since the Slovak Republic has ratified all fundamental ILO conventions, these international agreements have priority over national laws according to the Constitution of the Slovak Republic, and therefore the provisions of the Labour Code must not conflict with their content. The Company's activities are therefore naturally in line with the principles of the declaration - especially in areas such as the prohibition of discrimination, equal pay, freedom of association or the protection of decent working conditions. Among other things, SPPD takes into account and respects in its business the rights of stakeholders arising from legal provisions (in particular labour law, commercial law, environmental law) that are bound by the legal framework of the Slovak Republic. SPPD integrates the perspectives of its employees into the process of creating commitments regarding human rights policy. Currently, SPPD does not have defined measures to provide remediation in relation to human rights impacts.

SPPD is governed by the currently valid legislation establishing the prohibition of discriminatory conduct in Slovakia. It has adopted the *Equal Opportunities, Diversity and Inclusion Policy*, which regulates the prevention of discrimination and its mitigation or taking actions after discrimination is detected. The Equal Opportunities, Diversity and Inclusion Policy applies to all forms of unlawful discrimination on the grounds of age, health limitations, gender, marriage or registered partnership, pregnancy and maternity, race, skin color, nationality, political opinions, ethnic or national origin, religion or belief, gender identity and sexual orientation. The responsible person is the Head of Human Resources and QHSE Division.

Collective agreement

SPPD Collective Agreement contains the main obligations of the employer towards SPPD employees, which include in particular the obligation to ensure non-discrimination at SPPD workplaces, to ensure effective and timely satisfaction of employees' legal claims, including claims arising from the collective agreement, obligations in the area of employee health care, to ensure effective use of the workforce so that their knowledge, skills and prerequisites for further development are used and new employees are recruited, to create space for internal job postings, to comply with the length of employees' working hours, their start and end, work shift schedule, start and end of breaks at work, overtime, the limit of maximum average weekly working hours, and conditions of work readiness.

SPPD also undertakes to comply with all legal regulations of the Slovak Republic in connection with vacation, remuneration, incapacity for work, occupational Health and Safety protection at work, and conditions of termination of employment. SPPD also provides activities in the field of education of its own workforce and supports them to increase and deepen their qualifications and also supports employees in using the social fund and programs and related benefits. The persons responsible for the implementation of the commitments are the Chairman of the Board of Directors and the General Director of SPPD.

3.1.2.2 S1-2 – Processes for engaging with own workforce and workers' representatives about impacts

SPPD is governed by the Collective Agreement, which concerns the respect of human rights, with the trade union organization (hereinafter referred to as "OZO") of SPPD, which represents the interests of all employees. Their involvement occurs twice a year within the Social Partners Forum, where the OZO has the opportunity to express its opinion on the proposed decisions and activities aimed at managing the actual and potential impacts of SPPD. The responsibility for involving representatives of its own workforce is ensured by the Head of Human Resources and QHSE Division. The results of the involvement are reflected within the KPI of SPPD top management. Within the framework of the Collective Agreement, SPPD makes efforts to involve its own workforce through development interviews, employee engagement and satisfaction surveys, based on which SPPD directly obtains an overview of the opinions of employees. The results of these surveys and interviews are subsequently analyzed and compared with the previous period. The Company currently does not apply a specific breakdown of feedback from people from more vulnerable groups, with the exception of the breakdown of opinions and interviews by gender, which is part of the existing evaluation processes. Of the vulnerable groups, women make up the majority of the total structure of SPPD employees. In order to gain a better overview of the opinions of employees, however, within the framework of the satisfaction survey, SPPD approaches various other categorizations such as division by function into heads, managers, professional employees (specialists), foremen, administrative employees, workers, fitters, mechanics, maintenance workers, warehouse workers and drivers. It also monitors the categorization of employees based on length of employment, location of work, or affiliation to a Company division.

3.1.2.3 S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns

SPPD has defined processes for remediation of negative impacts and possibilities to provide proposals for actions to remediate negative impacts within the framework of internal policies. The Company employees can submit suggestions in accordance with Act No. 54/2019 Coll. on the Protection of Whistleblowers of Anti-Social Activities orally, electronically or by post. Employees can find more detailed information in the Code of Ethics. Remediation processes and channels for expressing concerns for their own employees are described in more detail in chapter [4.1.2.2 G1-1 – Business Conduct Policies and Corporate Culture](#).

The availability of these channels is communicated as part of the recruitment process. The directive is also communicated via the Company's notice boards, together with the designation of the mailbox for filing complaints. SPPD checks whether the process of training newly hired employees on the possibility of filing a complaint, as well as the designation of the mailboxes, has taken place. Relevant documents are also available to SPPD employees on the Company's website, as well as on the Company's intranet.

Due to the nature of the corporate culture and the setting of internal processes, the issue of formal suggestions or complaints in this form is almost non-existent in practice. Most potential questions or problems are resolved immediately at the point of their occurrence, which allows for their effective and prompt resolution. For this reason, separate mechanisms for systematic monitoring or evaluation of the effectiveness of communication channels, or formal involvement of stakeholders, have not yet been introduced.

SPPD does not regularly assess and verify whether employees are familiar with the structure and process of submitting complaints, but it regularly informs them where they can obtain information about communication channels, whether via the SPPD intranet in the "Internal Communication" tab or the Company bulletin board. SPPD has stipulated in its directive that the submission of a legitimate notification must not become an incentive or reason for drawing conclusions that would cause harm to the reporter in employment relations.

3.1.2.4 S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Based on the *Risk Assessment*, SPPD prepares an action plan for actions related to the Company's material risks each year, however, the action plans do not cover material impacts or opportunities. However, their materiality was assessed as part of the double materiality assessment process.

The adopted action plan for eliminating risks is based on the risk assessment for the 2025 financial year. The next action plan for the 2026 financial year will be adopted in June 2026, assuming the continuation of several actions from the reporting financial year. The expected results of the risk mitigation actions may not have direct results, some actions are implemented in the form of specific projects. The implementation of the actions is not linked to the objectives of specific policies, as they are directly based on a comprehensive risk assessment. The scope of key actions is not defined for all actions, but always results from the context of the given risk. Individual actions have a set time horizon.

Most actions are multi-annual in nature, therefore a control deadline for compliance with the actions is set. The results of the key risk mitigation actions taken, as well as a comparison of the achieved results of the actions with the previous period, will be reflected in the action plan for 2026. Material actions requiring material operating or capital expenditures are financed from internal capacities, which are allocated based on SPPD financial plan. The amount of current financial resources, nor the explanation of how the actions relate to the most important amounts presented in the financial statements, is not considered relevant for reporting. The amount of future financial resources that will be allocated for future actions will be determined based on the risk assessment for the 2026 financial year.

SPPD does not have an internal methodology specifically addressing the impacts on its own workforce, nor does it have a transition plan yet, as this is the first year of reporting. However, SPPD has evaluated several IROs as part of the double materiality assessment, which are partially covered by its internal methodological guideline Risk Assessment. For example, SPPD has identified the risk of occupational accidents as a negative impact on its own workforce. SPPD records this as one of the risks related to its own workforce within the internal established methodology. Based on the evaluation of this risk, SPPD takes actions in the action plan, such as ensuring analysis and regular review of occupational Health and Safety risks in relation to individual job positions, ensuring initial and periodic training on occupational health and safety and fire protection, inspections of workplaces and employees from an occupational Health and Safety perspective and preventive fire inspections, checks on compliance with the ban on the consumption of alcoholic beverages at the employer's workplaces, ensuring regular review of the range of assigned personal protective equipment, as well as their monitoring and use during work. The occupational health and safety process is certified in accordance with ISO 45001 by an external auditing company. SPPD provides activities within the framework of health surveillance of the working environment in cooperation with the occupational health service. SPPD also took the opportunity in the 2025 financial year to establish cooperation with a leading international consulting firm in the field of occupational Health and Safety process management, which conducted a comprehensive assessment of SPPD's procedures, controls and overall corporate culture in the area of occupational Health and Safety. The assessment confirmed the existence of high-quality procedures, standards and rules within the Company. On the other hand, the consultant recommended certain improvements in order to strengthen the independent safety culture by defining a vision and strategy in the area of safety and building a foundation for risk-based thinking across the entire SPPD.

One of the other activities through which SPPD contributes to improving quality and safety is the operation of its own training center used for professional training of employees. The center has classrooms and a training ground. In safe conditions simulating actual operation, SPPD prepares employees to manage the tasks necessary for the operation and maintenance of gas equipment. As part of emergency preparedness, SPPD, in cooperation with the Fire and Rescue Service, also practices safe extinguishing of gas fires at the training ground.

SPPD monitors and assesses the effectiveness of these actions and initiatives in achieving results for its own workforce through regular monthly reports on selected employee indicators, which are assessed at the management positions of individual divisions, as well as by SPPD's top management.

The Company does not have specific actions that it plans to implement to mitigate material risks or pursue material opportunities within the sustainability matters, while in the framework of the double materiality assessment it assessed the risks and opportunities related to its own workforce as not material. Nevertheless, the Company has action plans in place to cover these risks. In addition to the actions related to the risk of occupational accidents mentioned above, SPPD has action plans in place to address the risk of a shortage of qualified workforce. These action plans include the development program “Kariéra na plný plyn” (“Career at Full Gas”), “Plynárenská akadémia” (“Gas Academy”), “Absolventský rozvojový program” (“Graduate Development Program”) and the “Mladý plynár” (“Young Gas Technician”) program in cooperation with secondary schools. The “Mladý plynár” (“Young Gas Technician”) program prepares future mechanics for maintenance and measurement throughout Slovakia, responding to the aging workforce and the shortage of qualified workers. It is aimed at students in their final years of secondary vocational schools with a focus on mechanical and electrical engineering, offering them internships and the possibility of subsequent employment. From September to May, students complete eight days of training per month under the guidance of experienced instructors, while receiving a scholarship and protective equipment. Since the program was launched in 2013, 69 students have participated in it, 23 of whom have taken up permanent employment and 15 are still working at SPPD.

At the same time, SPPD is temporarily increasing the number of jobs in the organizational structure due to the preparation of replacements for key technical positions or leadership positions in individual divisions in the event of the planned termination of the employment relationship of an employee with key knowledge and the need to train a new employee during the duration of the employment relationship of the departing employee. The Company is also adopting new action plans for the recruitment and selection of employees associated with a sign-on bonus and a referral bonus for recommending employees and setting up a salary calculator tool on the SPPD website.

The Company regularly reviews and updates its internal processes and policies to ensure that no material negative impacts on its own operations arise or worsen. Within the framework of the quality management system, which is certified according to ISO 9001, the Company implements the principles of continuous improvement, which are also applied to the processes and policies related to the management of its own workforce. In this way, the Company ensures effective management of the risks and impacts associated with its own workforce. In the process of the double materiality assessment, no other negative impacts were identified, with the exception of work-related accidents. The Company’s procedures are set up to be in line with the best practices and legislative requirements and to ensure transparency and fairness in all matters of its operations, including procurement, sales and use of data.

3.1.3 Metrics and targets

3.1.3.1 S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

SPPD does not have targets for managing material impacts, risks and opportunities. As this is a pilot year of ESRS reporting, this provides the Company with the space and time to thoroughly assess the material topics and establish effective ways to monitor performance in these areas. The Company has therefore not yet adopted any specific targets or indicators.

3.1.3.2 S1-6 – Characteristics of the undertaking’s employees

The total recalculated number of employees for the financial year 2025 is 1,271 employees (for the period 1.8.2024 – 31 July 2025). The table shows the number of employees divided by gender. Employees on maternity and parental leave are not included in the number of employees.

Table 28: Number of SPPD employees for the 2025 financial year

| Number of employees | Female | Male | Total employees |
|---------------------|--------|-------|-----------------|
| Total | 185 | 1,086 | 1,271 |

In Slovakia, SPPD only has workers who are employees of the Company. All SPPD employees operate in the Slovak Republic. The table shows the total number of employees (employees with employment contracts) divided according to whether they are permanent employees or temporary employees, with the data presented based on the headcount method.

Table 29: Number of SPPD employees as of 31 July 2025

| FEMALE | MALE | NOT DISCLOSED | TOTAL |
|--|-------|---------------|-------|
| Number of employees (head count) | | | |
| 183 | 1,078 | - | 1,261 |
| Number of permanent employees (head count) | | | |
| 166 | 1,018 | - | 1,184 |
| Number of temporary employees (head count) | | | |
| 17 | 60 | - | 77 |
| Number of non-guaranteed hours employees (head count) | | | |
| 0 | 0 | 0 | 0 |
| Number of full-time employees (head count) | | | |
| 177 | 1,076 | - | 1,253 |
| Number of part-time employees (head count) | | | |
| 6 | 2 | | 8 |

The data in the table is based on data as of 31 July 2025. Employees with permanent employment contracts include employees with both permanent and fixed-term employment contracts. In the 2025 financial year, 102 employees left SPPD and the following fluctuation in permanent employees was recorded:

Table 30: Rate of employee turnover SPPD in the 2025 financial year

| Country | Slovak republic |
|--|-----------------|
| Rate of employee turnover | 8.00% |
| Total number of employees who have left SPPD | 102 |

The data reported in the tables were compiled based on the headcount method for the 2025 financial year. Employees who represent the Company’s own workforce and are controlled by SPPD were included. The number does not include employees on maternity, paternity and parental leave. The data was obtained from SPPD information system. The level of unemployment and possible employment opportunities in competing companies have an impact on the number of SPPD employees.

3.1.3.3 S1-8 – Collective bargaining coverage and social dialogue

SPPD has concluded one collective agreement, namely in the territory of the Slovak Republic. *SPPD Collective Agreement* applies to 1,253 employees, i.e. 99.4% of employees. The *Collective Agreement* does not apply to the General Director or to the Heads of individual SPPD Divisions. The *Collective Agreement* does not apply to natural persons performing work for SPPD on the basis of agreements on work or temporary work, who are not in an employment relationship and are therefore not included in the total number of employees, including data relevant for collective bargaining.

In connection with social dialogue, SPPD publishes the total number of employees who are represented by employee representatives within the Slovak Republic, which amounts to 1,271 employees, i.e. 100% of employees.

3.1.3.4 S1-9 – Diversity metrics

Table 31: Gender distribution at the top management level as of 31 July 2025

| Top management level | Indicator | Value | Type of indicator |
|---|--|--------|-------------------|
| Supervisory Board | Total number of people on the supervisory board | 6 | Head count |
| | Of which, the number of women | 0 | Head count |
| | Percentage of women | 0.00 | % |
| | Of which, the number of men | 6 | Head count |
| | Percentage of men | 100.00 | % |
| Board of Directors | Total number of people on the Board of Directors | 5 | Head count |
| | Of which, the number of women | 0 | Head count |
| | Percentage of women | 0.00 | % |
| | Of which, the number of men | 5 | Head count |
| | Percentage of men | 100 | % |
| Senior management (B-1) | Total number of employees at management level B-1 | 8 | Head count |
| | Of which, the number of women | 1 | Head count |
| | Percentage of women | 12.50 | % |
| | Of which, the number of men | 7 | Head count |
| | Percentage of men | 87.50 | % |
| Management and other management functions | Total number of employees in management and other managerial positions | 116 | Head count |
| | Of which, the number of women | 4 | Head count |
| | Percentage of women | 3.45 | % |
| | Of which, the number of men | 112 | Head count |
| | Percentage of men | 96.55 | % |

When reporting on the representation of women and men, SPPD defines top management as the Board of Directors, the Supervisory Board, senior management at the level of Heads of Divisions (B-1), and other management (mainly heads of departments and other management personnel). SPPD only considered employees in employment, including members of the Board of Directors and the Supervisory Board, when reporting on diversity metrics.

Table 32: Gender distribution of employees by age group as of 31 July 2025

| Age group | Indicator | Value | Type of indicator |
|--|---|-------|-------------------|
| Employees under 30 years old by gender in the Slovak Republic | Total number of employees under 30 years old | 82 | Head count |
| | Of which, the number of women | 11 | Head count |
| | Of which, the number of men | 71 | Head count |
| Employees between 30 – 50 years old by gender in the Slovak Republic | Total number of employees between 30 – 50 years old | 487 | Head count |
| | Of which, the number of women | 93 | Head count |
| | Of which, the number of men | 394 | Head count |
| Employees over 50 years old by gender in the Slovak Republic | Total number of employees over 50 years old | 692 | Head count |
| | Of which, the number of women | 79 | Head count |
| | Of which, the number of men | 613 | Head count |

3.1.3.5 S1-10 – Adequate wages

All SPPD employees in employment contract are remunerated in accordance with the *Remuneration Rules of SPPD Employees*, which is in accordance with the valid legislation of the Slovak Republic, with *SPPD Collective Agreement* and ensures conditions of an adequate life, which represents the coverage of basic needs for housing, food, transport, education and health. All SPPD employees earn an adequate wage, i.e. a wage whose fixed component is equal to or higher than the minimum wage set by *SPPD Collective Agreement*. This means that the percentage of employees whose wage is lower than the minimum wage is 0%.

3.1.3.6 S1-11 – Social protection

In accordance with applicable legal regulations, SPPD pays the relevant contributions to the Social Insurance Agency for its employees and fulfills all obligations under Act No. 461/2003 Coll. on Social Insurance, as amended, and thus all employees in employment have the opportunity to draw the relevant benefits in accordance with the relevant legislation. All employees of SPPD in employment are protected and have the opportunity to draw social insurance benefits in the event of inability to work due to loss of employment (including loss of employment due to taking parental leave), due to occupational disease or work-related accident (e.g. disability pension), due to causes of unemployment from the time when the employee was still working for SPPD, or due to retirement. The above also applies to employees working under agreements on work performed outside of employment (work activity agreements), provided that the legal conditions are met. Social protection also applies to the Heads of individual divisions and the General Director who are in an employment relationship, i.e. employees under an employment contract.

Employee health care

Within the framework of the *Collective Agreement*, SPPD undertakes to ensure the monitoring and assessment of the health status of employees and their health fitness for work by performing preventive medical examinations stipulated by the relevant legal regulations, by above-standard medical examinations within the meaning of the collective agreement and by assessing the health fitness of employees to perform specific activities, as well as to monitor the state of the working environment and working conditions, identify hazards, qualitatively and quantitatively evaluate health risks resulting from exposure to identified hazardous factors of work and the working environment. SPPD fulfills its obligations arising from the applicable legal regulations, in particular from Act No. 311/2001 Coll. Labour Code regarding social protection due to illness, occupational accident, disability and taking parental leave. SPPD creates favorable conditions for labour protection as a system of actions resulting from legal regulations, organizational actions, technical actions, health actions and social actions aimed at facilitating the creation of working conditions ensuring occupational Health and Safety, preserving the health and working ability of the employee. In the event of an occupational accident or disease, compensation and provision of compensation in accordance with the legal regulation is ensured by SPPD insurance in the Social Insurance Agency, which ensures the fulfillment.

At the same time, all SPPD employees are compulsorily insured with the Social Insurance Agency for these cases. As part of the preventive and systematic actions of SPPD, periodic health and safety and working environment inspections are conducted once a year at all SPPD workplaces and facilities with the participation of employee representatives for safety. SPPD is also committed to maintaining zero tolerance for discrimination at all its workplaces. SPPD provides employees with income compensation during temporary incapacity for work in accordance with Act No. 462/2003 Coll. on Income Compensation in the Event of Temporary Incapacity for Work of an Employee. SPPD also has established the provision of contributions from a social fund, from which employees in employment can draw contributions in various situations specified in the collective agreement. For example, employees with a long-term illness or with increased costs for purchasing food and medical supplies are entitled to social assistance for the purchase of food and medical supplies in the total amount of EUR 360 per year, if the employee provides proof of this with a certificate from a specialist doctor.

In order to implement the Social Policy and use the social fund to support employees in difficult life situations, a social commission has been established. SPPD also supports its employees by contacting providers of reconditioning and medical stays in order to agree on preferential prices, also provides insurance for employees during business trips, and provides paid leave for all employees after a three-month probationary period in the event of various personal obstacles on the side of the employee. The above-mentioned claims arising from the Collective

Agreement do not apply to employees working under agreements on work performed outside the employment relationship (employees with non-guaranteed hours) and the General Director and the Heads of individual SPPD Divisions.

Organizational changes and health reasons

In accordance with the *Collective Agreement* in the field of social welfare, employees in employment who lose their job in SPPD due to organizational changes, rationalization actions or health reasons are entitled to increased severance pay (in addition to the entitlement to statutory severance pay) under the conditions specified in the *Collective Agreement*. SPPD will also ensure, in the event of mass layoffs, in the event of vacancies for which it could retrain the affected employees, as well as the interest of employees in these jobs, an appropriate retraining course. The above does not apply to employees working under agreements on work performed outside the employment relationship (employees for a non-guaranteed number of hours). Social protection also does not apply to the General Director or the Heads of individual SPPD Divisions.

Retirement

In the event of retirement and subsequent loss of employment in SPPD, an employee in an employment relationship is entitled to increased severance pay (in addition to the entitlement to statutory severance pay) in accordance with the *Collective Agreement*. The amount of the severance pay depends on the number of years worked in SPPD. The conditions of the increased severance pay are determined by the *Collective Agreement*. The above does not apply to employees working under agreements on work performed outside the employment relationship (employees with a non-guaranteed number of hours). Social protection also does not apply to the General Director or the Heads of individual SPPD Divisions.

3.1.3.7 S1-13 – Training and skills development metrics

All SPPD employees participate in regular performance and career development reviews and attend mandatory regular training for their performance in SPPD workplace.

Table 33: Training and skills development metrics

| Area | Indicator | Value | Type of indicator |
|--|---|--------|-------------------|
| Employees who participated in regular performance and career development reviews | Total number of employees who participated in regular performance and career development reviews | 1,167 | Head count |
| | Of which women | 171 | Head count |
| | Percentage of women | 14.65 | % |
| | Of which men | 996 | Head count |
| | Percentage of men | 85.35 | % |
| Training | Total number of training hours | 36,015 | Number of hours |
| | Of which women | 1,043 | Number of hours |
| | Of which men | 34,972 | Number of hours |
| | Average number of training hours per employee | 27.51 | Number of hours |
| | Average number of training hours per employee – women | 5.70 | Number of hours |
| | Average number of training hours per employee – men | 31.06 | Number of hours |
| Breakdown by level | Average number of training hours per employee – senior management | 6.59 | Number of hours |
| | Average number of training hours per employee – middle management | 14.01 | Number of hours |
| Breakdown by function | Average number of training hours per employee – team leaders, supervisors, professional and administrative employees, foremen | 10.33 | Number of hours |
| | Average number of training hours per employee – fitters (field workers) | 45.23 | Number of hours |

3.1.3.8 S1-14 – Health and safety metrics

SPPD complies with all legal regulations for ensuring Occupational Health and Safety. All employees of its own workforce are covered by the Company's Health and Safety management system, which is regulated by the *Occupational Health and Safety Rules*. SPPD consistently records all work-related accidents, with 0 work-related accidents recorded for which 0 days were not worked by SPPD employees in the 2025 financial year. No work-related accidents or work-related ill health, nor cases of occupational diseases of employees or workers in the value chain resulted in death in the 2025 financial year. The rate of provable work-related accidents per 1,000,000 hours worked for the 2025 financial year is 0.

3.1.3.9 S1-15 – Work-life balance metrics

All SPPD employees are covered by the *Collective Agreement*, which legally establishes and regulates the conditions for entitlement and use of family leave for employees.

Table 34: Family-related leave entitlement and take-up rate

| Area | Indicator | Value | Type of indicator |
|----------------------|---|-------|-------------------|
| Family-related leave | Percentage of employees entitled to take family-related leave | 100 | % |
| | Total number of employees that took family-related leave | 46 | Head count |
| | Of which women | 28 | Head count |
| | Percentage of women | 60.87 | % |
| | Of which men | 18 | Head count |
| | Percentage of men | 39.13 | % |

3.1.3.10 S1-16 – Remuneration metrics (pay gap and total remuneration)

SPPD is actively monitoring the upcoming EU legislation on pay transparency and has started to adapt its reporting in line with these requirements. The Company intends to comply with the requirements set out in the EU Pay Transparency Directive, as well as related national legislation, which will provide more detailed guidance on data collection and disclosure. For this reason, SPPD prefers not to disclose unadjusted average values until a more detailed reporting framework is in place that will ensure a higher level of transparency and informative value.

3.1.3.11 S1-17 – Incidents, complaints and severe human rights impacts

Table 35: Incidents and complaints of discrimination

| Area | Indicator | Value | Type of indicator |
|---------------------------------|--|-------|----------------------|
| Incidents, complaints and fines | Total number of incidents of discrimination, including harassment | 0 | Number of incidents |
| | Total number of complaints filed through available channels | 0 | Number of complaints |
| | Total amount of fines, penalties, and compensation for damages as a result of the incidents and complaints of discrimination | 0 | EUR |

In the 2025 financial year, there were no complaints or severe impacts on human rights within our own workforce, including discrimination and harassment. There were no sanctions, fines or compensation for such related incidents.

3.2 Workers in the value chain

The Company considers the topic as material due to its emphasis on occupational Health and Safety and the creation of safe working conditions for suppliers. This ensures that all working conditions are in line with SPPD safety standards.

3.2.1 Strategy

3.2.1.1 ESRS 2 SBM-2 Interests and views of stakeholders

Although the Company does not have an adopted ESG Strategy in which it would directly support material positive impacts on workers in the value chain. However, since SPPD takes into account its employees - their physical and mental health - when managing its business model and strategy, this indirectly has a positive impact on the rights and legitimate interests of workers in the value chain who comply with the conditions and rules at SPPD's workplaces, so as not to endanger them.

SPPD acknowledges the impacts on workers in the value chain, but does not integrate these factors into the strategy or business model when creating, aggravating or mitigating material impacts.

3.2.1.2 ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

SPPD currently does not have any strategies or business models in place that would be associated with actual or potential impacts on workers in the value chain beyond the scope of the Company's general strategy and business model.

However, within SPPD objectives and strategy, it is possible to draw connections to sustainability matters also related to workers in the value chain, specifically how SPPD objectives affect them and how they relate to them. A more detailed description of the general strategy of SPPD can be found in [1.3.1 SBM-1 Strategy, Business model and Value chain](#).

SPPD has identified a material impact in the area of Health and Safety based on the double materiality assessment in the context of workers in the value chain. SPPD places emphasis on compliance with occupational Health and Safety and the creation of safe working conditions at suppliers and business partners, and conducts occupational Health and Safety inspections at suppliers. This topic is included in the *Occupational Health and Safety Rules*, which also impose obligations to comply with this document on contractual partners and other people who are present at SPPD workplaces and are familiar with this document. SPPD warns workers in the value chain about the risks and in some cases they are also trained on safety directly at the workplace. This impact positively contributes to increased safety at SPPD workplaces, and affects not only SPPD's own workforce, but also workers in its value chain. SPPD, as a distributor of natural gas exclusively in the territory of the Slovak Republic, is not subject to the risk of child or forced labour, as its suppliers are predominantly Slovak and European companies subject to the same legal order.

SPPD has included in the scope of disclosure under ESRS 2 all workers in SPPD value chain that it materially impacts. Among such workers, SPPD includes workers working at SPPD workplaces who are not part of its own workforce, i.e. workers working for entities in the upstream and downstream part of the value chain.

SPPD supervises workplace safety, which also has a material impact on workers in the value chain in an effort to eliminate any risk and threat to the lives of people at SPPD workplaces. At the same time, it evaluates the current state of workplaces and job positions and prevents the emergence of possible risks within the framework of SPPD activities for workers in the value chain. SPPD did not identify any material risks or opportunities arising from impacts on workers in the value chain.

3.2.2 Impact, risk and opportunity management

3.2.2.1 S2-1 – Policies related to value chain workers

SPPD has not yet developed the human rights policy commitments relevant to workers in the value chain into an individual policy, but they are partially integrated into various policies. These commitments apply to all groups of workers in the SPPD value chain. This includes processes and mechanisms for monitoring compliance with the UN Guiding Principles on Business and Human Rights. SPPD also takes into account and respects the rights of stakeholders arising from legal provisions (in particular labour law, commercial law, environmental law) that are bound by the legal framework of the Slovak Republic.

In its disclosure, SPPD focused on matters that are material in relation to these facts, as well as on the general approach to these issues, including respect for human and labour rights of workers. Among the policies that SPPD has in relation to workers in the value chain are the *Sustainability Policy and Safety Policy*, the *Code of Ethics*, the *Integrated Management System Policy* and the *Procurement Directive*.

The *Integrated Management System Policy* applies not only to internal processes, but also to the entire value chain, including the employees of suppliers and partners. These employees represent a significant stakeholder whose actions and behavior have a direct impact on the fulfillment of our environmental, social and safety goals. Therefore, when managing risks and setting actions, we also take into account their impact and involvement. A responsible approach throughout the value chain contributes to ensuring the quality, safety and sustainability of our activities in accordance with the requirements of the Integrated Management System.

SPPD is also a holder of the ISO 45001:2018 certificate in the field of Occupational Health and Safety management, which also applies to workers in the value chain. The *Sustainability Policy and Safety Policy* are an integral part of all SPPD activities, therefore its compliance and fulfillment by all employees are among the main priorities and tasks. The Head of the organizational unit is responsible for the relevant area of the *Sustainability Policy and Safety Policy*, who is entrusted with strategy, management and ensuring the fulfillment of tasks in the given safety area. As part of the policy, SPPD undertakes to adhere to two principles in the field of human rights, namely to support and respect the protection of internationally recognized human rights, and not to violate human rights, which also applies to workers in SPPD value chain. The values set out in the *Code of Ethics* also apply to workers in the value chain, who are committed to creating and ensuring a safe working environment and adequately informing them of relevant occupational Health and Safety procedures, and to their employers of facts that could have an impact on the Health and Safety of their employees in connection with the provision of goods and services. The person responsible for compliance with the *Code of Ethics* is the Head of Human Resources and QHSE Division, the Chairman of the Board of Directors and the General Director.

The basic principles and commitments of the Purchasing Policy also include commitments to workers in the value chain. SPPD encourages suppliers to follow SPPD's internal policies, particularly in the areas of human rights, labour rights, working conditions and environmental standards, and at the same time SPPD expects all suppliers to act in accordance with the principles set out in the Procurement Directive. Responsibility for compliance with this Directive lies with each organizational unit involved in cooperation with the procurement department, which is responsible for managing the procurement process.

The individual actions by which SPPD provides and enables remediation in relation to impacts on the human rights of workers in the value chain are set out in chapter [3.2.2.3 S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns](#).

SPPD states in its Code of Ethics that it respects the Ten Principles of the UN Global Compact on Human Rights, Labour, Environment and Anti-Corruption. SPPD has not recorded any cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises regarding workers in the value chain.

3.2.2.2 S2-2 – Processes for engaging with value chain workers about impacts

SPPD does not disclose its general processes for engaging value chain workers or their representatives regarding actual and potential impacts on them. Value chain workers are not involved in processes to manage actual or potential impacts, and SPPD does not yet plan to implement such a process.

3.2.2.3 S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns

SPPD has defined processes for remediation of negative impacts and possibilities to provide suggestions for remediation of negative impacts within the framework of internal policies. Both employees and workers in the value chain can also submit suggestions in accordance with Act No. 54/2019 Coll. on the Protection of Whistleblowers of Anti-Social Activities orally, electronically or by post. Workers in the value chain can find more information in the Code of Ethics of SPPD. A more detailed description of the processes and channels for expressing concerns for workers in the value chain can be found in chapter [4.1.2.2 G1-1 – Business Conduct Policies and Corporate Culture](#).

The availability of these channels is communicated to the supplier during the procurement process. The Directive is also communicated via SPPD bulletin boards, together with the designation of the mailbox for filing complaints. SPPD checks whether the process of informing workers in the value chain about the possibility of filing a complaint, as well as the designation of the mailboxes, has taken place. Relevant documents are also available for workers in the value chain on the Company website. SPPD does not yet track or monitor the issues raised and resolved and does not ensure the effectiveness of the channels, even through the involvement of stakeholders who are the intended users.

SPPD does not have processes set up to regularly assess and evaluate whether workers in the value chain are familiar with the structure and process of submitting complaints. SPPD has stipulated in its Directive that the submission of a legitimate report must not become an incentive or reason for drawing conclusions that would cause harm to the reporter in employment relations.

3.2.2.4 S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

SPPD má vypracovaný akčný plán týkajúci sa významných rizík, avšak akčné plány týkajúce sa významných vplyvov ani príležitosti pokryté nie sú.

SPPD has developed an action plan for material risks, but action plans for material impacts and opportunities are not covered. The action plan of risk elimination is based on the risk assessment for the 2025 financial year. This action plan is further documented in chapter [3.1.2.4 S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions](#), and also applies to workers in the value chain.

SPPD did not identify any negative impacts on workers in the value chain as part of the double materiality assessment. SPPD ensures, as part of the actions, an analysis and regular review of occupational Health and Safety risks in relation to individual job positions, provides initial and periodic training on occupational Health and Safety and fire protection, inspections of workplaces and employees from an occupational Health and Safety perspective and preventive fire inspections, checks on compliance with the ban on the consumption of alcoholic beverages at the employer's workplaces, ensures regular review of the range of allocated personal protective equipment, as well as their monitoring and use during work. They also ensure activities within the framework of health surveillance of the working environment in cooperation with the occupational health service. SPPD does not monitor or assess the effectiveness of these actions and initiatives in achieving results for workers in the value chain.

SPPD does not have procedures in place to identify what action is necessary and appropriate in response to actual or potential negative impacts on workers in the value chain. SPPD takes the approach of taking action on negative impacts and ensuring processes to provide or enable redress in the event of negative impacts on workers in the value chain in the same way as for its own workforce, mentioned in chapter [3.1.2.4 S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions](#), and the effectiveness of these actions.

SPPD does not ensure or monitor its own compliance procedures to determine whether they cause material negative impacts on workers in the value chain. SPPD did not identify material risks or opportunities in its double materiality assessment for its procedures in relation to data procurement, sales and use of data. SPPD did not record any material human rights issues or incidents involving workers in the value chain during the reporting period. Accordingly, no resources were allocated to manage material impacts.

3.2.3 Metrics and targets

3.2.3.1 S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

As SPPD currently has no actions in place or plans to take actions to manage material IROs related to workers in the value chain, it has not yet set targets for managing material impacts, risks and opportunities related to workers in the value chain.

3.3 Consumers and end-users

The topic is material for SPPD, as it ensures equal and non-discriminatory access to the distribution network for all users in accordance with strict legislative requirements, which are regulated in the Operating Rules. At the same time, SPPD sees it as important to create economic incentives for customers and partners to support sustainable solutions, which contributes to building its good business reputation.

3.3.1 Strategy

3.3.1.1 ESRS 2 SBM-2 – Interests and views of stakeholders

When assessing the ways in which SPPD interacts with consumers (network users) and end-users (gas customers), SPPD actively involves all relevant stakeholders. In accordance with the requirements arising from the status of a significant gas distribution provider, SPPD cooperates closely with regulatory authorities and policy makers to ensure the provision of quality and affordable services to consumers and end-users.

SPPD applies a non-discriminatory open communication approach towards consumers, thereby ensuring transparency of information, especially in matters related to prices, access to services and rights to complain in accordance with the *Operating Rules*. SPPD actively addresses end-users and involves them in cooperation in order to better understand their needs, especially in the context of the ongoing energy transition. An example is the implementation of public consultations in the creation of tertiary legislation, the introduction of the mobile communication application "Odpočet PLYNU" ("GAS Meter Readings") or the project "Môj nový kotol" ("My new boiler"), which supports the replacement of gas boilers for the most modern energy-saving gas appliances among end-users.

SPPD assesses the strategy and business model also based on the interests, opinions and rights of consumers and end-users with the aim of creating material positive impacts and mitigating negative impacts.

3.3.1.2 ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

SPPD has identified positive impacts resulting from the strategy and business model, which it takes into account when providing information regarding the legally established conditions for obtaining authorization for entities interested in operating as gas suppliers in the Slovak Republic. These conditions, set in accordance with the Operating Rules, are the same for all customers.

SPPD has identified end-users and consumers as a group on which SPPD activities have a direct and material impact. Within the impacts related to consumers and end-users, SPPD ensures safe gas distribution, manages and meets targets based on the distribution network maintenance plan from the assessment of the technical condition of the network and provides marketing support for energy-efficient end gas equipment to provide consumers with opportunities to reduce their consumption. By distributing natural gas, SPPD contributes to improving air quality and the impact on the health of the population, as the combustion of gas produces almost no solid pollutants and 40% less greenhouse gas emissions compared to the combustion of solid or liquid fuels. It also ensures preferential distribution of biomethane.

SPPD has identified a material opportunity related to material impact resulting from its strategy and business model. SPPD's impact is based on the fact that all end-users and consumers rely on the safe, reliable and uninterrupted supply of energy that SPPD provides. If these services were to fail, this could disrupt their quality of life and business.

As of 31 July 2025, SPPD provided access to the distribution network and gas distribution for 30 distribution network users (gas suppliers and large gas consumers with a separate contract on access to the distribution network and gas distribution). As of 31 July 2025, these gas suppliers supplied gas to 1,511,690 end consumption points of SPPD distribution network. SPPD also publishes consumption from these consumption points, divided by households, small consumption, medium consumption and large consumption on a monthly basis, regularly by the 15th day of the month for the previous calendar month.

Furthermore, on a quarterly basis, SPPD publishes reports on the state of the gas market and activities related to the gas market operator, which contain information on supplier changes, information on active suppliers and the number of their consumption points, on distribution network optimization, deviations, typical supply diagrams, distribution network balancing and complaints. SPPD does not provide products that would be harmful to people or increase the risk of chronic diseases, therefore it does not register such groups of consumers or end-users. SPPD respects the right of an individual to privacy and therefore approaches the protection of personal data and non-discrimination responsibly. Personal data protection and cybersecurity include processing only necessary data, compliance with the GDPR, regular audits and system updates.

SPPD responsibly communicates the dangers associated with gas distribution and operates a 24/7 hotline for reporting any suspicions to the public, including end-users, or to report a technical failure of the distribution network. SPPD also provides information on the Company's official website about the procedure for preventing gas leaks and the options on what to do in case of a gas leak.

SPPD closely monitors all potential groups of gas suppliers and other users of the distribution network that may be affected by the activity. All prices for network access services as well as for gas distribution are regulated by decisions of the Network Industry Regulatory Authority (ÚRSO), and therefore represent supervision over transparent price determination and conditions for the provision of services. Prices are transparent for all consumers and end-users, as they are set by the price decree published by the ÚRSO, thus ensuring non-discrimination for all customers. From a risk perspective, SPPD closely monitors the continuity of gas supplies and checks the technical arrangements for the safe distribution of services.

SPPD, pursuant to Section 64, Paragraph 7, Letter k) of Act No. 251/2012 Coll. on Energy, keeps records of dependent consumers - those who use gas for heating in their homes and who also have severe health disabilities. In accordance with the Energy Act, SPPD is responsible for meeting the standard of security of gas supply for households and in the event of a crisis situation is able to ensure the standard need for gas for households for 30 days in the winter period. It meets the standard of security of gas supply mainly by storing natural gas in an underground storage tank.

3.3.2 Impact, risk and opportunity management

3.3.2.1 S4-1 – Policies related to consumers and end-users

SPPD has policies in place to manage material impacts, risks and opportunities related to consumers or end-users. These policies include the *Code of Ethics*, the *Personal Data Protection Policy*, the *IMS Policy* and the *Integrated Management System Handbook*, as well as the *Operating Rules* of SPPD, as a Distribution Network Operator. All of the above policies apply to all consumers and end users.

The obligations arising from the *Code of Ethics* concern the use of only legitimate business models, ensuring the protection of consumers' personal data, providing timely, complete, unbiased, truthful and understandable information about the services provided, and observing professionalism and etiquette in personal contact, including in the online environment, with consumers and end users. The *Personal Data Protection Policy* further extends these obligations to compliance with the principles of personal data processing, i.e. the principle of purpose limitation, the principle of personal data minimization, the principle of accuracy, the principle of storage minimization, the principle of integrity and confidentiality, the principle of compliance with the right to information about consumers, the right to access data, the right to correction, the right to erasure, the right to restriction of processing, the right to data portability and the right to object, in accordance with Section 29 of the Act. At the same time, all relevant SPPD employees who manage processed data are legally obliged to maintain confidentiality, even after termination of their employment relationship.

The *Integrated Management System Policy* defines the commitment to take into account the needs and requirements of consumers and end-users, to communicate SPPD policies with them and to optimize activities in accordance with the commitments made, to constantly increase their satisfaction by recognizing their requirements in a timely manner, understanding their wishes and meeting their expectations. SPPD is also a holder of the ISO 9001:2015 certificate in the area of quality of processes that also affect consumers and end-users.

The *Integrated Management System Handbook* extends these obligations to monitor the impact of external and internal SPPD matters on consumers and end-users, which are associated with a smooth, reliable and safe supply of natural gas, prices for natural gas distribution, speed of connection to the distribution network, umbrella processes for gas suppliers regarding consumer service, increasing consumer and end-users satisfaction, reliability of services and credibility of measurement results. SPPD allows consumers and end-users to report detected deficiencies, outages, any suspicions they have, and technical failures of the distribution network via the 24/7 SPPD dispatch line. Once detected, within the framework of dispatching processes, employees at the 24/7 dispatching follow instructions. The Head of the Network Operation and Asset Management division is responsible for the implementation of the *Integrated Management System Handbook* regarding dispatching. In the event of a crisis situation, a crisis commission is established for these purposes as an advisory body to the General Director. As for reporting other findings or complaints from customers about behavior, quality of service and work, their processing falls within the competence of the Distribution Services Division in SPPD. After processing the suggestions from an external environment, these suggestions are processed into internal reports on a semi-annual basis and are also sent to the managers of the relevant division under which the given activity falls.

No changes were made to the above policies regarding consumers and end-users during the 2025 financial year. SPPD's policies regarding consumers and end-users are in line with internationally recognized instruments, including the UN Guiding Principles on Business and Human Rights. There were no cases of non-compliance with the UN Guiding Principles on Business and Human Rights that relate to consumers and/or end-users within the value chain of SPPD.

3.3.2.2 S4-2 – Processes for engaging with consumers and end-users about impacts

SPPD applies a non-discriminatory open communication approach towards consumers and end-users. Each consumer and end-user can directly participate in the public consultation process and submit a comment or a new proposed wording of any provision of the *Operating Rules*. Information about public consultations is available on the official website of SPPD in the section *Operating Rules*. Consumers can participate by reporting their proposals to the responsible person listed on the official website of SPPD within a limited deadline for reporting comments, which is announced on a regular basis on the official website of SPPD, as well as on the website of the Regulatory

Authority. During the phase before submitting the proposed change to the Regulatory Authority, it is possible to change the affected provisions. The frequency of public participation is as needed to update the *Operating Rules*. The public or affected persons can contact the responsible person for ethics supervision within SPPD at any time with any suggestion.

The *Code of Ethics* elaborates on the Company's values according to which its employees behave, including in relation to the public or end-users. Involving consumers in the potential impacts of the Company decision-making is a priority for SPPD. This approach is also emphasized within the *Code of Ethics* in the Environment and Community section.

Once a year, SPPD updates the list of dependent gas consumers for whom gas distribution may not be interrupted during the winter heating season. Only in the case of a planned interruption of distribution are they informed of this fact in advance and the interruption of gas distribution can only be conducted after the dependent consumer confirms receipt of the information.

3.3.2.3 S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

The general approach to remediate a material impact is that SPPD operates efficiently and strives to ensure the continuity of gas distribution services. SPPD's behavior stems from a commitment to a non-discriminatory approach towards its customers in gas distribution, with an emphasis on preferential distribution of biomethane and preparation for future hydrogen distribution.

SPPD has fully implemented effective and transparent communication channels, designed for direct communication with consumers and end-users, which allow them to safely and anonymously report suspicions of anti-social activity or other ethical misconduct. All received complaints are carefully reviewed by responsible people in accordance with legislation and SPPD internal regulations, until they are fully resolved. This responsible approach reflects the consistent implementation of the principles of management and social responsibility. SPPD creates a trustworthy and fair environment in which consumers and end-users are not afraid to openly express their concerns. Thanks to these actions, SPPD strengthens its reputation as a transparent and responsible partner in the energy sector.

SPPD is aware that as a modern and customer-oriented company, it has an obligation not only to comply with legal regulations, but also to actively identify, evaluate and minimize any negative impacts on the environment, society and stakeholders. The negative impacts of SPPD's activities are regularly evaluated through internal controls, risk assessments, as well as feedback from consumers and end-users. The identified risks and impacts are subsequently analyzed in terms of their severity and likelihood of occurrence, and appropriate actions are proposed on this basis. The corrective actions they take are targeted at a specific problem and implemented in close cooperation with the affected consumers. SPPD manages all available communication channels - including online forms for communicating with end-users, a customer service line, email support, physical contact points, an anonymous reporting system and digital platforms - with an emphasis on their accessibility, transparency and reliability. The Company regularly monitors response quality and resolution time to ensure fast, efficient, and responsive processing of customer requests.

SPPD has processes in place to ensure the availability of communication channels for consumers and end-users – including technical support, regular monitoring and feedback evaluation. This includes regular checks of the technical security, availability and functionality of all communication platforms in order to minimize outages or delays, and subsequent analysis of data from received suggestions and feedback, which serves as an input for improving services. It also supports anonymous reporting and transparent publication of channels on the official website, in documents and in marketing communications of SPPD.

SPPD actively monitors and evaluates the resolution of received complaints, while consistently monitoring their processing and the satisfaction of affected consumers. Each complaint received is recorded, sorted by severity and assigned to the relevant department for resolution. The effectiveness of communication channels is verified by regular analysis of feedback, speed of reactions and involvement of stakeholders. This approach strengthens consumer trust, supports social responsibility, reduces risks and at the same time provides valuable inputs for process improvement and strategic decision-making of SPPD.

SPPD strictly complies with the Act on the Protection of Whistleblowers, demonstrating its commitment to ethical

and transparent business practices. It has an internal system in place for receiving and reviewing reports, with an Ethics Officer ensuring their impartial assessment and recording. The *Code of Ethics* clearly defines the principles of conduct and zero tolerance for unfair practices, which support a culture of trust and openness. Whistleblowers are protected from any retaliation, including the possibility of obtaining the status of a protected whistleblower under the law.

SPPD also ensures that consumers and end-users are aware of the availability of trusted communication channels for reporting concerns, which are then thoroughly investigated and addressed. SPPD has policies in place to protect individuals from retaliation, which are disclosed in more detail in chapter [4.1.2.2 G1-1 – Business Conduct Policies and Corporate Culture](#).

3.3.2.4 S4-4 – Taking action on material impacts on consumers and end- users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

SPPD actively manages its impacts, risks and opportunities in the area of relations with end-users through several actions that are part of a long-term strategic approach. SPPD invests annually in maintenance, repairs and modernization of the distribution network in order to ensure safe and reliable gas supplies, minimizing environmental impacts (e.g. gas leaks), as well as risks of service interruptions.

It also implements advanced monitoring systems, has a 24/7 SPPD dispatch line and emergency teams for rapid response. Safety and quality of services are supported by regular audits, employee training and inspections by external partners.

SPPD places emphasis on transparency, personal data protection and customer satisfaction. These values are monitored through regular surveys, service quality indicators and efficient handling of complaints. In the area of energy efficiency, it implements the “Môj nový kotol” (“My new boiler”) initiative, aimed at supporting households in replacing old boilers with new condensing boilers. An opportunity for the future development of SPPD’s activities is also the integration of renewable gases, such as biomethane and hydrogen, in response to changing consumer needs and environmental requirements.

SPPD adopts a set of actions to prevent and mitigate negative impacts on consumers, particularly in the areas of security of supply, health protection, privacy and transparency. Key actions include:

Table 36: Actions to prevent and mitigate negative impacts on consumers

| |
|--|
| Preventive maintenance and modernization of infrastructure – Annually, SPPD invests approximately EUR 50 million in repairs and replacement of network elements, thereby preventing malfunctions and gas leaks. |
| Continuous network monitoring – Using advanced technologies to detect failures and immediately intervene in case of detected problems. |
| Training for employees and suppliers – Focused on safety, service quality and communication with customers. |
| Complaints and customer feedback processing system – Includes personal contact, email, telephone or online channels, with the aim of quickly correcting the identified shortcomings. |
| Personal data protection and cybersecurity – Processing only necessary data, GDPR compliance, regular audits and system updates, regular phishing campaigns, regular employee training in cybersecurity. |
| Transparent communication – Disclosing complete and unambiguous information, including prices, quality standards, and methodologies. |

Thanks to these actions, SPPD minimizes potential negative impacts on health, safety, trust and satisfaction of consumers and end-users

In the event of actual material impacts, SPPD has a system for resolving suggestions and complaints that allows for remediate through a defined complaint procedure and complaint resolution procedures. In accordance with the

Code of Ethics, it emphasizes a professional, honest and friendly approach to consumers. Incidents are resolved individually through customer service, while SPPD ensures internal verification, correction of any errors and adoption of preventive actions to prevent their recurrence. Consumers are also guaranteed access to transparent and accessible communication channels for exercising their rights and providing feedback.

SPPD is implementing several initiatives to improve social outcomes for consumers, based on the principles of the *Code of Ethics*. An example is the “Môj nový kotol” (“My new boiler”) initiative, which increases the availability of energy-efficient heating. Furthermore, SPPD is improving digital access to services (e.g. the “Odpočet PLYNU” (“GAS Meter Readings”) mobile application) and is actively developing the infrastructure for renewable gases, thereby contributing to more sustainable and affordable energy.

SPPD monitors the effectiveness of the actions taken through regular customer satisfaction surveys, internal performance indicators (e.g. response time to requests or complaints) and compliance with the regulator's quality standards. These data are regularly evaluated and serve as a basis for improving services and adopting new measures.

SPPD identifies the necessary actions through regular risk assessments and safety audits, consumer feedback (e.g. satisfaction surveys, complaints) and continuous monitoring of the distribution network. Each case is assessed individually with an emphasis on transparency, honesty and a professional approach in accordance with the *Code of Ethics*. Based on these inputs, the causes of the impacts are analyzed and appropriate technical, organizational or communication actions are taken to eliminate or mitigate them. The process is part of an integrated quality and safety management system.

SPPD applies a preventive and corrective approach to addressing material negative impacts, in accordance with the *Code of Ethics* and the principles of transparency and fairness, including adjustments to internal processes, such as technical standards for distribution, customer service and communication. In marketing and sales, it emphasizes transparency, objectivity and clarity of information. In the case of systemic challenges, it cooperates with regulatory authorities, professional associations and partners in the sector (e.g. in the promotion of renewable gases), with the aim of strengthening consumer protection and increasing the quality of services provided at the industry level.

SPPD has a multi-level system for handling complaints and suggestions, which is available through multiple channels (in person, by phone, by email, online). The processes are designed to ensure quick and effective remediation in the event of identified negative impacts. The effectiveness of the system is regularly monitored through measurable indicators, such as the time it takes to process complaints or the level of customer satisfaction. The results serve as feedback for improving procedures and preventing recurrence of undesirable situations.

SPPD is implementing several ongoing actions to mitigate material risks arising from customer relations and their impact on the business. These include investments in the modernization and maintenance of the distribution network, the introduction of advanced monitoring systems, increasing cybersecurity and the development of renewable gases (biomethane, hydrogen). The effectiveness of these actions is regularly evaluated through technical indicators, compliance with quality standards, audits and regular collection of customer feedback.

SPPD is seizing opportunities in relation to consumers by supporting decarbonization and digitalization. Ongoing actions include the integration of renewable gases such as biomethane into the distribution network, including the certification of local networks for the future safe distribution of hydrogen (up to 10% blend) and the operation of a Register of Renewable Gases.

SPPD takes preventive actions to prevent material negative impacts on end-users through set internal processes, which include safe and reliable gas distribution, personal data protection in accordance with GDPR, as well as transparent and non-misleading communication and marketing. All data used is processed to the minimum extent necessary to provide services.

Where there is a tension between preventing negative impacts and business objectives, SPPD prioritizes safety, customer trust and regulatory compliance over commercial interests, which is also a result of the nature of the regulated industry. This approach is embedded in SPPD’s values and supported by responsible risk management and ethical standards.

SPPD has not recorded any serious incidents or reported human rights issues related to consumers or end-users. SPPD places emphasis on protecting consumer rights, including the rights to safety, non-discrimination, privacy and access to information, which are ensured through established internal processes and full compliance with applicable legislation and ethical standards. This approach reflects responsible business and a commitment to public trust.

SPPD allocates approximately EUR 50 million annually to manage material impacts related to consumers and end-users. These resources are invested mainly in the maintenance and modernization of gas infrastructure, the operation of monitoring and dispatching systems, increasing cybersecurity, customer service and employee training. The management of these impacts is part of an integrated quality, safety and sustainability management system, while the effectiveness of the actions is regularly assessed using technical indicators, customer feedback and audits.

3.3.3 Metrics and targets

3.3.3.1 S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

SPPD sets targets in areas that are key in terms of impact on consumers and end-users. These targets focus mainly on increasing customer satisfaction, reducing the time to connect to the distribution network, increasing transparency and availability of information, and promptly addressing requests and complaints.

The objectives are linked to identified risks (e.g. reputational risk due to ineffective communication) and opportunities (e.g. digitalization of processes) and are regularly monitored through key performance indicators (KPIs) for meeting the quality standards of natural gas distribution. Their setting and evaluation take into account the requirements of ESRS 2 MDR-T, including customer feedback.

In defining the target values, SPPD draws on multiple inputs, including internal analytical processes, regulatory requirements, strategic priorities, as well as feedback from end-users. An important part of this process is the involvement of consumers and/or their trusted representatives through regular satisfaction surveys (Customer Satisfaction Index – CSI), which help identify end-user expectations and needs.

CSI results are analyzed to identify areas that are key from the user perspective – such as quality of distribution services, transparency of communication, speed of request processing, and easy access to information. These priorities are then reflected in the formulation of specific target values at the level of individual divisions and at the level of the entire Company.

Taking consumer feedback into account when setting targets ensures that SPPD's strategic direction is not isolated from market needs, but is aligned with them. In addition to CSI satisfaction surveys, feedback from the customer service line, digital platforms and personal communication is also used, creating a comprehensive picture of consumer and end-user expectations.

Target values set in this way represent not only a tool for performance management, but also a framework for building a trustworthy and responsible relationship with consumers.

SPPD regularly monitors performance against internal targets, which are based not only on legislative requirements and sector standards, but also on end-users and consumer expectations. These expectations are identified through systematic feedback collection, in particular through the regular CSI consumer satisfaction survey, which serves as one of the main measures of SPPD's performance from the end-user perspective.

The results of the CSI survey are compared with the set target values in the areas of quality of services provided, speed and transparency of processes, as well as overall satisfaction with interaction with the Company. Identified deviations from target values are analyzed and serve as a basis for taking corrective or improvement actions.

SPPD's performance is further monitored through KPIs, which are regularly evaluated at the level of individual organizational units and integrated into strategic management. These indicators also reflect consumer feedback. When setting target values, SPPD takes into account feedback from consumers and end-users through multiple feedback communication channels. A CSI satisfaction survey is conducted on a regular basis (every two years), which provides comprehensive information on consumers' experiences with the distribution network connection process, as well as their overall satisfaction with SPPD services. The KPI index improved from 92% to 93% (personnel) and from 93% to 94% (overall assessment of the connection process) for the period 3/2022 - 1/2024 compared to 1/2020 - 2/2022.

In addition, SPPD uses digital communication channels (e.g. social networks, Google My Business) as well as traditional channels (in person, by phone, by email, by post) to collect additional suggestions, complaints and suggestions for improvement. Each feedback is consistently recorded and processed by customer service of SPPD. Through these tools, it is possible to identify specific areas for performance improvement while strengthening consumer trust, which is in line with SPPD's commitment to transparency, accountability and sustainability.

4. GOVERNANCE INFORMATION

4.1 Business conduct

The Company assessed this topic as material because effective governance, including preventing corruption and promoting an ethical corporate culture, directly impacts the credibility, reputation and long-term sustainability of the Company. Transparent procedures, whistleblower protection and responsible supplier relationships also strengthen the integrity of the organization and help prevent legal and reputational risks.

4.1.1 Strategy

4.1.1.1 ESRS 2 GOV-1 – The role of the administrative, management and supervisory bodies

The role of the administrative, management and supervisory bodies in relation to business conduct, as well as their expertise in this area, is described in chapter [1.2.1 GOV-1 – The Role of the Administrative, Management and Supervisory Bodies](#).

4.1.2 Impact, risk and opportunity management

4.1.2.1 ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities

All criteria for business conduct matters used within the description of procedures for identifying and assessing significant impacts, risks and opportunities are listed in chapter [1.4.1.1 IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities](#).

4.1.2.2 G1-1 – Business conduct policies and corporate culture

The basic framework of rules defining the values and objectives of SPPD also in the area of business conduct and the related internal (corporate) culture is defined in the internal regulation *Sustainability Policy and Security Policy of SPPD*, which also regulates the areas of the *Competition Protection Policy*, the *Sanctions Policy*, the *Policy against Financial Crime*, the *Anti-Corruption and Anti-Bribery Policy*, *Tax Administration Policy*, the *Procurement Directive* and the *Policy on the Performance of Business Partner Control* ("Know Your Customer", KYC).

SPPD has in place policies to combat corruption and bribery that are consistent with the United Nations Convention against Corruption. SPPD is governed by the Code of Ethics, which is further documented in chapter [3.1.2.1 S1-1 – Policies related to own workforce](#).

SPPD stakeholders are properly informed of the principles of preventing fraud and violations of the Code of Ethics, which they are obliged to comply with. SPPD also emphasizes the prevention of incidents and violations by inviting stakeholders to ask themselves the so-called three first aid questions, which identify whether their behavior may be in violation of the Code of Ethics. If a satisfactory solution has not been clearly found in this way, stakeholders have the opportunity to contact the people listed in the Code of Ethics as contact people for further resolution.

In case of reporting and investigating concerns regarding illegal actions or conduct that are in violation of the *Code of Ethics*, SPPD has a procedure in place that stakeholders can use. SPPD accepts suggestions from both internal and external stakeholders. In the process of resolving complaints, reports and suggestions, stakeholders proceed in accordance with the process described in the methodological guideline *Principles of preventing fraud and other violations of the standards and principles of the Company's Code of Ethics, the Principles of Anti-corruption and Anti-bribery Policy and the Policy against Financial Crime, monitoring/verifying reports of their violation and reporting anti-social activities (hereinafter referred to as the "Methodological Guideline")*, which defines possible anti-social activities, also defines the roles, responsibilities and authorities of stakeholders, lists all available SPPD communication channels (email, hotline, toll-free number, mail), as well as the main contacts of SPPD representatives who are entrusted with overseeing ethics and the internal system for handling suggestions. SPPD takes all reports seriously and does not tolerate victimization of employees who raise such a case by filing a report in public interest. Internal and external channels for receiving complaints guarantee the maximum possible protection

of the identity of the whistleblower and prevent access by unauthorized employees. SPPD allows complaints to be submitted anonymously, for example via a hotline. In addition to postal communication, SPPD employees also have the option, in case of uncertainty about the assessment of a disputed situation, to contact the intranet guide, their direct superior, the person responsible for ethics supervision and the person responsible for the internal system for handling complaints at SPPD, or directly contact members of the Board of Directors and top management of SPPD, i.e. the Head of Human Resources and QHSE Division and the General Director of SPPD. If, after reviewing the complaint, it is found and confirmed that there have been negative impacts, the responsible persons shall take the necessary and adequate actions to eliminate the negative impacts and take appropriate actions to prevent such negative impacts. The person responsible for the internal system for handling complaints shall appropriately inform the whistleblower about the actions taken.

SPPD protects whistleblowers in accordance with Act No. 54/2019 Coll. on the Protection of Whistleblowers of Anti-Social Activities and on amendments and supplements to certain acts. The above-mentioned *Methodological Guideline* is in accordance with the applicable legal regulations transposing Directive (EU) 2019/1937 of the European Parliament and of the Council on the protection of persons reporting breaches of European Union law. It provides stakeholders with details of internal reporting channels for whistleblowers, including currently available information, which applies to all stakeholders, not only to SPPD employees. However, the Company's employees are obliged to familiarize themselves with the *Methodological Guideline* as well as the policies included in it. SPPD will assess which employees are exposed to the issues set out in the *Methodological Guideline* and policies and ensure that these employees are regularly trained on the content of this *Methodological Guideline* and related policies in the field of preventing corruption, bribery and combating financial crime. SPPD also expects compliance with the same anti-corruption standards as set out in the aforementioned policies from all business partners acting on behalf of or in conjunction with SPPD. On the official website of SPPD, it reports information on designated employees who receive suggestions based on the Methodological Guideline and these authorized persons are obliged to comply with precise criteria and procedures, and report directly to the General Director of SPPD, but does not report information on their training in this matter. Actions to protect employees who are whistleblowers from retaliation include, pursuant to Act No. 54/2019 Coll. on the Protection of Whistleblowers of Anti-Social Activities, the right to protection from unjustified sanctions in an employment relationship in connection with the reporting of serious antisocial activities. Also, an employee as a whistleblower cannot be sanctioned or disadvantaged in any way. When verifying complaints, the employer is obliged to maintain confidentiality about the identity of the person who filed the complaint and about other affected people. Likewise, if the investigation does not confirm the unwanted action, no sanctions and consequences arise for the employee who is a whistleblower.

SPPD has procedures in place for the prompt, independent and objective investigation of incidents in the field of business conduct, including cases of corruption and bribery. The Company is obliged to notify the whistleblower within 7 days of the notification of an internal complaint whether the complaint has been accepted for review or not. In case of acceptance, it is subsequently obliged to review the complaint within 90 days, while the total period for managing the complaint may not exceed 97 days from the date of its notification. Regarding the complaints of employees who feel that their rights have been violated and who, in accordance with the procedures set out in the *Code of Ethics*, contact the relevant persons specified therein, SPPD has undertaken to resolve these complaints within 30 days and to notify the complainant within this time. The investigation of incidents is subject to the principle of independence in that authorized employees (those performing ethics supervision and employees responsible for the internal complaint handling system) can check the facts of which they have been informed and have access to the necessary information. They can also request support from specialized services for processing analyses.

SPPD has an established *Employee Training Policy*, which, as part of professional training, also covers the area of business conduct, however, the policy does not provide information on the target group, periodicity or content of professional training in this area.

SPPD ranks the following functions most at risk of corruption and bribery: key customer management, procurement division, distribution capacity sales division, investment procurement division, operational procurement division, customer line for connection, customer complaints and settlement of customer complaints, and top management consisting of the Heads of Divisions and the General Director.

Corporate culture

SPPD takes into account matters of corporate culture related to its key values, which are set out in the Company's *Code of Ethics*, namely:

Respect people – "I am a partner"

The corporate culture emphasizes friendliness, helpfulness and trust. The employee is open and honest, willing to help, support others and show appreciation. His behavior is characterized by decency and respect for others.

Appreciate resources – "I am an efficient honest person"

To responsibly manage all resources. To use them efficiently and protect them with a view to the future.

Initiative – "I am the initiator of change for the better"

Proactively and creatively bring new ideas and suggestions. Do not be afraid to take personal responsibility for positive changes in your surroundings and in the Company.

Integrity – "I am a human being – a professional"

Be honest and trustworthy. Match words with actions, act with principle, truth and high moral integrity.

Environment and community – "I am a protector of the planet and care about others"

SPPD cares about the environment and the people around it. It acts responsibly and actively contributes to protecting the planet and creating a better society.

The main themes that are supported and communicated as part of the corporate culture include respect and trust, safety, open communication, social responsibility, transparency, and environmental and community protection. The members of the Board of Directors and the Supervisory Board provide guidance on supporting corporate culture through various activities, such as regular meetings with employees in local SPPD centers and internal communication, e.g. regular interviews with members of the Board of Directors in the electronic employee magazine DISTRO.

This management commitment to corporate culture is complemented in SPPD by systematic supervision by the Head of Internal Supervision, focusing on compliance with legislation, regulatory requirements and the Company's internal processes.

SPPD employees strengthen and support the corporate culture in several ways. They adhere to the *Code of Ethics*, respect each other, avoid conflicts, follow workplace safety rules, and bring new ideas for improvement. They also avoid conflicts of interest, respect and build transparent relationships with the environment, and participate in environmental initiatives and donation campaigns for local communities.

Cybersecurity

This topic was assessed as specifically material given the key role of digital technologies in ensuring reliable gas distribution and efficient process management. With increasing digitalization, exposure to cyber risks, such as evolving threats or disruptions to information systems, which can affect service continuity and data security, also increases. The Company is fully aware of the potential impacts of this matter and considers it important to pay attention to this topic also within the framework of transparent reporting.

SPPD owns and operates critical infrastructure elements, within which it pays due attention to cybersecurity. SPPD's cybersecurity philosophy is based on three fundamental pillars:

- *Prevention - systematic prevention of threats through modern security solutions*
- *Resilience - the ability to respond quickly and effectively to any security breach*
- *Continuous improvement - regular updating of our procedures according to the latest knowledge and trends*

Within the framework of the governance of cybersecurity in SPPD, an organizational and personnel structure has been proposed, headed by a Cybersecurity Manager and responsible IT specialists for the implementation, operation and monitoring of cybersecurity. The management of SPPD is regularly informed about the state of security of the IT environment, the results of audits, the cyber incidents that have occurred, the progress of their resolution and elimination of consequences, and about proposals for necessary security actions. The management of SPPD exclusively decides on the deployment and implementation of the proposed security actions.

In 2021, SPPD designed and adopted a *Cybersecurity Security Strategy* that meets all the rules for implementing cybersecurity in accordance with Slovak and EU legislation and fully complies with the requirements of Act 231/2022 Coll. by fulfilling administrative and technical obligations and recommendations, including completing prescribed audits. As part of the *Sustainability Policy and Safety Policy package*, Cybersecurity Principles were also adopted, which the Company follows in the performance of its activities. The person responsible for compliance with obligations is the Head of the Network Operation and Asset Management Division.

However, the Company continues to set security policies, tools for monitoring the security of its network and information systems, creating procedures for resolving security incidents and disaster recovery plans, and activities aimed at increasing employee security awareness.

Actions and activities in this area include regular assessments of the state of cybersecurity by independent auditors who confirmed SPPD's compliance with the commitment to secure IT. The Company also regularly evaluates employee readiness with simulated "phishing" campaigns and conducts regular employee security training. During this financial year, the Company completed one audit pursuant to Section 29, paragraph 1 of Act No. 69/2018 Coll. on Cybersecurity and implemented 4 phishing campaigns. In November 2024, a Distributed Denial of Service (DDoS) attack was recorded on the Company's external DNS servers. There was no penetration of SPPD's network during the attack and no data damage was recorded. Information about the DDoS attack was also sent to the National Security Office (NBÚ).

4.1.2.3 G1-2 – Management of relationships with suppliers

Within the framework of the *Code of Ethics* and other internal rules, SPPD also focuses on building transparent relationships with suppliers. The Company builds relationships on the principle of mutual trust, objective business decisions and equal opportunities. SPPD applies an honest, fair and responsible approach towards suppliers and business partners, based on discretion and courtesy, without favoritism and discrimination. It undertakes to create a safe working environment for its suppliers and their employees and to familiarize them with the relevant procedures in the field of Occupational Health and Safety protection, as well as with facts that could have an impact on the Health and Safety of their employees in connection with the provision of goods and services. SPPD also undertakes to comply with the agreed business terms and obligations, and in particular always makes an effort to prevent overdue payments to suppliers. However, in the event that, due to extraordinary circumstances, SPPD cannot meet the agreed terms, it will make every effort to negotiate with the supplier in order to find and achieve an alternative solution. SPPD does not accept or provide any gifts, kickbacks, cash, or other items that could be considered as bribery or corruption.

SPPD has implemented the *Procurement Directive*, which describes its approach to supplier engagement and supplier risk management. SPPD monitors compliance with local laws regarding purchasing processes and encourages suppliers to follow the Company's internal policies, which primarily relate to human rights, labour rights, working conditions and environmental standards. In order to manage and monitor supplier risks, the Company uses assessment elements and procedures, and SPPD expects all suppliers to act in accordance with the Company's established principles: to comply with the principles of good employment practice, to provide the right to freely choose employment, to respect freedom of association and the right to collective bargaining,

to ensure Health and Safety protection, not to use child labour, to ensure a living wage, reasonable working hours, non-discrimination, prohibit inhuman treatment, protect the environment and combat corruption. At the same time, in order to ensure that the Company thoroughly knows its business partners and thereby minimize the risks associated with fraud, reputational damage or violation of legal regulations, the *Policy on the Performance of Business Partner Control* (“*Know Your Customer*”, KYC) was adopted as an appendix to the *Sustainability Policy and Safety Policy package*. Before establishing a business relationship, SPPD mandatorily and properly checks its potential suppliers in accordance with the given directive. The Directive obliges all SPPD employees to participate in and be responsible for the proper processing and subsequent conclusion of contracts, within which checks are carried out to verify the identity and character of suppliers in order to refute any suspicions and doubts regarding violations of generally binding legal regulations, especially in the area of money laundering, terrorist financing or tax fraud. Such checks are always conducted before SPPD enters into a business relationship with a supplier, and subsequently once every 5 years, or, if deemed necessary, more often.

SPPD does not yet set specific criteria for social and environmental matters when selecting suppliers beyond the mandatory legislative regulation of these matters. The determination of evaluation criteria, including the rules for their application, must correspond to the nature, purpose and importance of the subject matter of the contract. The evaluation criteria must not be discriminatory and must support fair competition. The price or an appropriate ratio of price to other qualitative, technical, functional or other characteristics of the subject matter of performance may be set as a criterion.

4.1.2.4 G1-3 – Prevention and detection of corruption and bribery

SPPD has implemented strict procedures for the prevention, detection and resolution of allegations or incidents of corruption and bribery for all stakeholders. They are based on compliance with the *Code of Ethics*, which obliges the Company to ensure a fair competitive environment, apply uniform and clearly set processes towards all consumers and suppliers. At the same time, the Code of Ethics requires the Company to ensure equality of opportunity, chances and fair and equitable treatment in each of SPPD's relationships with stakeholders. In order to prevent or resolve conflicts of interest, employees are obliged to report the emergence of such interests or their likelihood as soon as they become aware of them, but their resolution always depends on the circumstances of the case. SPPD does not tolerate the provision or acceptance of gifts, hospitality or any other rewards by stakeholders that could influence SPPD's business decisions or bring them benefits. In relation to suppliers and business partners, in order to avoid any attempt to gain undue influence, SPPD has defined a maximum limit of value for providing or receiving gifts, entertainment and other benefits from and for suppliers and business partners of EUR 400.

The maximum value may be exceeded only in exceptional cases and only with the prior approval of the Board of Directors. SPPD is a full participant in dialogues between representatives of the government or political parties, but distances itself from expressing support or financing of political parties, their candidates or representatives. Employees may only conduct political activities as private individuals, not as representatives of SPPD, and only outside SPPD workplaces and outside working hours. Employees may not use SPPD equipment or resources to create, copy or disseminate political materials or messages.

The procedures are also defined in the *Anti-Corruption and Bribery Policy*, where SPPD undertakes to conduct business in an honest and ethical manner and expects the same from its employees and business partners. SPPD and its shareholder do not tolerate any form of corruption, active or passive, direct or indirect, and on the contrary, it acts against corruption in all its forms. SPPD conducts regular risk assessments and takes adequate measures to mitigate these risks. SPPD strictly applies the four-eye rule, according to which all legally binding documents and transfers of funds must be signed and approved by at least two representatives of SPPD. The Company also ensures that all employees are properly informed of the *Anti-Corruption and Bribery Policy* through regular training, the scope and frequency of which is adjusted according to the needs of SPPD. The Company also expects all suppliers to adhere to the same high standards of anti-corruption and bribery measures set out in this policy. The person responsible for investigating reported cases is the person responsible for the internal complaint handling system. When investigating reported cases, it is assessed whether external entities should be involved. SPPD also conducts regular audits of its internal control systems and procedures to ensure that anti-corruption and bribery systems and procedures are effective.

SPPD also commits to complying with the Ten Principles of the UN Global Compact, of which in the area of anti-corruption measures, SPPD fights against all forms of corruption, including extortion and bribery. SPPD encourages employees and suppliers to raise concerns regarding any matter, suspicion or violation related to corruption or bribery in accordance with the *Whistleblowing Policy*, whereby SPPD strives to strengthen openness and provides support to anyone who in good faith raises a real possibility of a violation of this policy, even if their concerns turn out to be wrong.

SPPD also, within the framework of the *Policy against Financial Crime*, in addition to the procedures already mentioned, has introduced within its internal procedures and rules a maximum limit for providing and receiving cash payments, namely EUR 5,000, which is stricter than the limit resulting from Act No. 394/2012 Coll. on the Restriction of Cash Payments.

Within the framework of the *Competition Protection Policy*, SPPD has set out the principles of conduct for employees in order to prevent violations of competition protection rules. They are not allowed to talk to competitors about prices, market, capacities, investments, strategies, public procurement procedures and conclude any agreements with competitors and consumers on these matters. They are also not allowed to take any measures that could distort competition and, without the consent of the authorized person, they are not allowed to use any misleading formulations in written documents that could be misinterpreted by third parties as a sign of a violation. During an investigation by the competition protection authority, they are not allowed to destroy any documentation or intentionally answer questions incorrectly or misleadingly.

Likewise, employees are obliged to inform the designated person of any transaction that could constitute a merger of competitors subject to control and are obliged to limit their contacts with competitors to a minimum, contact the designated person before any contact with competitors and discuss an acceptable level of information exchange that is in accordance with legal regulations. Employees are also obliged to immediately hand over all correspondence from the competition authority to the designated person, and in the event of an inspection by this authority, immediately inform the designated person and ask the competition authority staff to wait for the arrival of SPPD in-house lawyers.

Methodologies on the *Fraud and other violations of the Standards Prevention Principles*, the *Code of Ethics*, the *Anti-Corruption, Anti-Bribery Policy* and the *Policy for Combating Financial Crime Principles*, monitoring/verifying reports of violations and reporting anti-social activities also support all SPPD procedures and commitments in the aforementioned policies and internal guidelines, and expand the information on anti-corruption and anti-bribery measures by the consequences that stakeholders will face in the event of a violation of the principles of these policies in a disciplinary procedure that could lead to termination of employment or business relations, as well as claims for compensation for damages and criminal prosecution. These methodologies also inform stakeholders of all communication channels (email, hotline, telephone number, mail and contacts of people authorized to supervise ethics and the internal complaint handling system) that are available to them in case of need to report possible suspicions of corruption and bribery.

Policies related to the prevention of corruption and bribery and partially included in the *Code of Ethics* are published and accessible on the official website of SPPD for all interested parties, who are also familiar with the rules and principles of measures against corruption and bribery when entering into a business or employment relationship with SPPD.

The nature, scope and content of the training programs in the area of combating corruption and bribery have not yet been determined, and therefore the required calculation of the proportion of functions exposed to risk covered by the training programs cannot be conducted. As this is a pilot reporting year, the extent to which training is to be provided to members of the Management Board and Supervisory Board has not yet been determined.

4.1.3 Metrics and targets

SPPD does not have set targets or metrics that would address material sustainability matters and assess progress towards managing IROs or help meet the objectives of the Company's policies.

4.1.3.1 G1-5 – Political influence and lobbying activities

SPPD strives to strengthen the Company's reputation by actively participating in the commenting processes and by engaging in finding solutions for the transition of the Slovak Republic to the use of more sustainable forms of energy, which is also associated with a significant opportunity to reach new customers and end users. SPPD is also aware of the potential risk associated with price regulation and the fact that SPPD is partly owned by the state. This may lead to increased public scrutiny of lobbying activities, especially with regard to transparency and alignment with the public interest of SPPD.

SPPD does not engage in lobbying activities as part of its business activities, does not provide political contributions of a financial or non-financial nature that would directly support political parties, their elected representatives or persons running for political office, nor does it provide its funds to intermediary organizations. The Company actively engages in discussions with the government and organizations regarding the development of proposed legislation and regulations that affect its business.

SPPD is not registered in the EU Transparency Register or in an equivalent transparency register in a Member State, nor is its shareholder registered in the Transparency Register. However, SPPD is registered in the national Register of Public Sector Partners (RVPS), as is its shareholder. No member of the Board of Directors or Supervisory Board of SPPD has held a comparable position in public administration, including regulatory authorities, in the previous two years.

4.1.3.2 G1-6 – Payment practices

SPPD, as stated in chapter [4.1.2.3 G1-2 – Management of relationships with suppliers](#), focuses on building transparent relationships with suppliers. The commitment implies building relationships on the principle of mutual trust, objective business decisions and equal opportunities. SPPD undertakes to comply with agreed business conditions and obligations, which include preventing overdue payments to all suppliers without distinction.

The average time for SPPD to pay an invoice, calculated from the start date of the contractual or statutory payment period, is 21 days. The Company has set standard payment terms for business relationships, taking into account the legislative requirement to pay invoices within a maximum of 60 days. In certain cases, depending on the nature of the contractual relationship, it is possible to conclude payment terms different from the standard ones when concluding a contractual relationship, based on mutual agreement of the contracting parties. SPPD achieved 100% success rate of timely payment of eligible invoices in the 2025 financial year.

In the 2025 financial year, the Company paid 30% of its liabilities within 10 days of receipt of the invoice, another 59% of the invoices received were paid within 30 days of receipt of the invoice. The remaining 11% of the invoices were paid more than 30 days from receipt of the invoice. Supplier invoices for gas purchases are paid within one week. In general, suppliers have payment terms set to an average maturity of 30 days. SPPD does not record any currently ongoing legal proceedings due to overdue payments or non-compliance with payment terms.

ESRS INDEX

| Area | Materiality/Reference |
|---|---|
| General information | |
| ESRS 2 | Material |
| BP-1 | BP-1 – General basis for preparation of sustainability statements |
| BP-2 | BP-2 – Disclosures in relation to specific circumstances |
| GOV-1 | GOV-1 – The role of the administrative, management and supervisory bodies |
| GOV-2 | GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies |
| GOV-3 | GOV-3 – Integration of sustainability-related performance in incentive schemes |
| GOV-4 | GOV-4 – Statement on due diligence |
| GOV-5 | GOV-5 – Risk management and internal controls over sustainability reporting |
| SBM-1 | SBM-1 Strategy, business model and value chain |
| SBM-2 | SBM-2 Interests and views of stakeholders |
| SBM-3 | SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model |
| IRO-1 | IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities |
| IRO-2 | IRO-2 – Disclosure Requirements in ESRS covered by the undertaking's sustainability statement |
| MDR- P | Minimum Disclosure Requirement – Policies MDR-P – Policies adopted to manage material sustainability matters |
| MDR- A | Minimum Disclosure Requirement – Actions MDR-A – Actions and resources in relation to material sustainability matters |
| MDR- M | Minimum disclosure requirement – Metrics MDR-M – Metrics in relation to material sustainability matters |
| MDR- T | Minimum Disclosure Requirement – Targets MDR-T – Tracking effectiveness of policies and actions through targets |
| Environmental information | |
| Publications pursuant to Article 8 of Regulation (EU) 2020/852 | Publications pursuant to Article 8 of Regulation (EU) 2020/852 (EU Taxonomy Regulation) |
| E1 | Material |
| ESRS 2 GOV-3 | Governance ESRS 2 GOV-3 Integration of sustainability related performance in incentive schemes |
| E1-1 | E1-1 – Transition plan for climate change mitigation |
| ESRS 2 SBM-3 | ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model |
| ESRS 2 IRO-1 | ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities |
| E1-2 | E1-2 – Policies related to climate change mitigation and adaptation |
| E1-3 | E1-3 – Actions and resources in relation to climate change policies |
| E1-4 | E1-4 – Targets related to climate change mitigation and adaptation |
| E1-5 | <i>Not material</i> |
| E1-6 | E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions |

| Area | Materiality/Reference |
|---------------------------|---|
| E1-7 | E1-7 – GHG removals and GHG mitigation projects financed through carbon credits |
| E1-8 | E1-8 – Internal carbon pricing |
| E1-9 | The Company applies a transitional provision. |
| E2 | Not material |
| E3 | Not material |
| E4 | Not material |
| E5 | Material |
| ESRS 2 IRO-1 | ESRS 2 IRO-1 – Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities |
| E5-1 | E5-1 – Policies related to resource use and circular economy |
| E5-2 | E5-2 – Actions and resources related to resource use and circular economy |
| E5-3 | E5-3 – Targets related to resource use and circular economy |
| E5-4 | <i>Not material</i> |
| E5-5 | E5-5 – Resource outflows |
| E5-6 | <i>The Company applies a transitional provision.</i> |
| Social information | |
| S1 | Material |
| ESRS 2 SBM-2 | ESRS 2 SBM-2 – Interests and views of stakeholders |
| ESRS 2 SBM-3 | ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model |
| S1-1 | S1-1 – Policies related to own workforce |
| S1-2 | S1-2 – Processes for engaging with own workforce and workers' representatives about impacts |
| S1-3 | S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns |
| S1-4 | S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions |
| S1-5 | S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities |
| S1-6 | S1-6 – Characteristics of the undertaking's employees |
| S1-7 | <i>Not material</i> |
| S1-8 | S1-8 – Collective bargaining coverage and social dialogue |
| S1-9 | S1-9 – Diversity metrics |
| S1-10 | S1-10 – Adequate wages |
| S1-11 | S1-11 – Social protection |
| S1-12 | <i>Not material</i> |
| S1-13 | S1-13 – Training and skills development metrics |
| S1-14 | S1-14 – Health and safety metrics |
| S1-15 | S1-15 – Work-life balance metrics |

| Area | Materiality/Reference |
|-------------------------------|---|
| S1-16 | S1-16 – Remuneration metrics (pay gap and total remuneration) |
| S1-17 | S1-17 – Incidents, complaints and severe human rights impacts |
| S2 | Material |
| ESRS 2 SBM-2 | ESRS 2 SBM-2 Interests and views of stakeholders |
| ESRS 2 SBM-3 | ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model |
| S2-1 | S2-1 – Policies related to value chain workers |
| S2-2 | S2-2 – Processes for engaging with value chain workers about impacts |
| S2-3 | S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns |
| S2-4 | S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions |
| S2-5 | S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities |
| S3 | <i>Not material</i> |
| S4 | Material |
| ESRS 2 SBM-2 | ESRS 2 SBM-2 – Interests and views of stakeholders |
| ESRS 2 SBM-3 | ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model |
| S4-1 | S4-1 – Policies related to consumers and end-users |
| S4-2 | S4-2 – Processes for engaging with consumers and end-users about impacts |
| S4-3 | S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns |
| S4-4 | S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions |
| S4-5 | S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities |
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| ESRS 2 IRO-1 | ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities |
| G1-1 | G1-1 – Business conduct policies and corporate culture |
| G1-2 | G1-2 – Management of relationships with suppliers |
| G1-3 | G1-3 – Prevention and detection of corruption and bribery |
| G1-4 | <i>Not material</i> |
| G1-5 | G1-5 – Political influence and lobbying activities |
| G1-6 | G1-6 – Payment practices |

List of datapoints in cross-cutting and topical standards that derive from other EU legislation based on Appendix B of the ESRS 2

| Disclosure Requirement and related datapoint | SFDR reference | Pillar 3 reference | Benchmark Regulation reference | EU Climate Law reference | Materiality/Reference |
|---|--|---|--|---|---|
| ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d) | Indicator number 13 of Table #1 of Annex 1 | | Commission Delegated Regulation (EU) 2020/1816 (5), Annex II | | GOV-1 – The role of the administrative, management and supervisory bodies |
| ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e) | | | Delegated Regulation (EU) 2020/1816, Annex II | | GOV-1 – The role of the administrative, management and supervisory bodies |
| ESRS 2 GOV-4 Statement on due diligence paragraph 30 | Indicator number 10 Table #3 of Annex 1 | | | | GOV-4 – Statement on due diligence |
| ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i | Indicators number 4 Table #1 of Annex 1 | Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk | Delegated Regulation (EU) 2020/1816, Annex II | | Not material |
| ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii | Indicator number 9 Table #2 of Annex 1 | | Delegated Regulation (EU) 2020/1816, Annex II | | Not material |
| ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii | Indicator number 14 Table #1 of Annex 1 | | Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II | | Not material |
| ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv | | | Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II | | Not material |
| ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14 | | | | Regulation (EU) 2021/1119, Article 2(1) | Not material |
| ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g) | | Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity | Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2 | | E1-1 – Transition plan for climate change mitigation |
| ESRS E1-4 GHG emission reduction targets paragraph 34 | Indicator number 4 Table #2 of Annex 1 | Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics | Delegated Regulation (EU) 2020/1818, Article 6 | | E1-4 – Targets related to climate change mitigation and adaptation |
| ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38 | Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1 | | | | Not material |
| ESRS E1-5 Energy consumption and mix paragraph 37 | Indicator number 5 Table #1 of Annex 1 | | | | Not material |
| ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43 | Indicator number 6 Table #1 of Annex 1 | | | | Not material |

| Disclosure Requirement and related datapoint | SFDR reference | Pillar 3 reference | Benchmark Regulation reference | EU Climate Law reference | Materiality/Reference |
|---|--|--|--|---|---|
| ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44 | Indicators number 1 and 2 Table #1 of Annex 1 | Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/ 2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity | Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8 (1) | | E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions |
| ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55 | Indicators number 3 Table #1 of Annex 1 | Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/ 2453 Template 3: Banking book – Climate change transition risk: alignment metrics | Delegated Regulation (EU) 2020/1818, Article 8(1) | | E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions |
| ESRS E1-7 GHG removals and carbon credits paragraph 56 | | | | Regulation (EU) 2021/1119, Article 2(1) | E1-7 – GHG removals and GHG mitigation projects financed through carbon credits |
| ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66 | | | Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II | | Not material |
| ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c). | | Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/ 2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk. | | | Not material |
| ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c). | | Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/ 2453 paragraph 34; Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral | | | Not material |
| ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69 | | | Delegated Regulation (EU) 2020/1818, Annex II | | Not material |
| ESRS E2-4 Amount of each pollutant listed in Annex II of the EPRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28 | Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1 | | | | Not material |
| ESRS E3-1 Water and marine resources paragraph 9 | Indicator number 7 Table #2 of Annex 1 | | | | Not material |
| ESRS E3-1 Dedicated policy paragraph 13 | Indicator number 8 Table 2 of Annex 1 | | | | Not material |
| ESRS E3-1 Sustainable oceans and seas paragraph 14 | Indicator number 12 Table #2 of Annex 1 | | | | Not material |
| ESRS E3-4 Total water recycled and reused paragraph 28 (c) | Indicator number 6.2 Table #2 of Annex 1 | | | | Not material |
| ESRS E3-4 Total water consumption in m ³ per net revenue on own operations paragraph 29 | Indicator number 6.1 Table #2 of Annex 1 | | | | Not material |
| ESRS 2- SBM 3 - E4 paragraph 16 (a) i | Indicator number 7 Table #1 of Annex 1 | | | | Not material |
| ESRS 2- SBM 3 - E4 paragraph 16 (b) | Indicator number 10 Table #2 of Annex 1 | | | | Not material |
| ESRS 2- SBM 3 - E4 paragraph 16 (c) | Indicator number 14 Table #2 of Annex 1 | | | | Not material |
| ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b) | Indicator number 11 Table #2 of Annex 1 | | | | Not material |

| Disclosure Requirement and related datapoint | SFDR reference | Pillar 3 reference | Benchmark Regulation reference | EU Climate Law reference | Materiality/Reference |
|--|---|--------------------|---|--------------------------|---|
| ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c) | Indicator number 12 Table #2 of Annex 1 | | | | <i>Not material</i> |
| ESRS E4-2 Policies to address deforestation paragraph 24 (d) | Indicator number 15 Table #2 of Annex 1 | | | | <i>Not material</i> |
| ESRS E5-5 Non-recycled waste paragraph 37 (d) | Indicator number 13 Table #2 of Annex 1 | | | | E5-5 – Resource outflows |
| ESRS E5-5 Hazardous waste and radioactive waste paragraph 39 | Indicator number 9 Table #1 of Annex 1 | | | | E5-5 – Resource outflows |
| ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f) | Indicator number 13 Table #3 of Annex I | | | | ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model |
| ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g) | Indicator number 12 Table #3 of Annex I | | | | ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model |
| ESRS S1-1 Human rights policy commitments paragraph 20 | Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I | | | | S1-1 – Policies related to own workforce |
| ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 21 | | | Delegated Regulation (EU) 2020/1816, Annex II | | S1-1 – Policies related to own workforce |
| ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22 | Indicator number 11 Table #3 of Annex I | | | | S1-1 – Policies related to own workforce |
| ESRS S1-1 workplace accident prevention policy or management system paragraph 23 | Indicator number 1 Table #3 of Annex I | | | | S1-1 – Policies related to own workforce |
| ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c) | Indicator number 5 Table #3 of Annex I | | | | S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns |
| ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c) | Indicator number 2 Table #3 of Annex I | | Delegated Regulation (EU) 2020/1816, Annex II | | S1-14 – Health and safety metrics |
| ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e) | Indicator number 3 Table #3 of Annex I | | | | S1-14 – Health and safety metrics |
| ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a) | Indicator number 12 Table #1 of Annex I | | Delegated Regulation (EU) 2020/1816, Annex II | | S1-16 – Remuneration metrics (pay gap and total remuneration) |
| ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b) | Indicator number 8 Table #3 of Annex I | | | | <i>Not material</i> |
| ESRS S1-17 Incidents of discrimination paragraph 103 (a) | Indicator number 7 Table #3 of Annex I | | | | S1-17 – Incidents, complaints and severe human rights impacts |
| ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a) | Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I | | Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1) | | S1-17 – Incidents, complaints and severe human rights impacts |
| ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b) | Indicators number 12 and n. 13 Table #3 of Annex I | | | | ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model |
| ESRS S2-1 Human rights policy commitments paragraph 17 | Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1 | | | | S2-1 – Policies related to value chain workers |

| Disclosure Requirement and related datapoint | SFDR reference | Pillar 3 reference | Benchmark Regulation reference | EU Climate Law reference | Materiality/Reference |
|--|--|--------------------|--|--------------------------|---|
| ESRS S2-1 Policies related to value chain workers paragraph 18 | Indicator number 11 and n. 4 Table #3 of Annex 1 | | | | S2-1 – Policies related to value chain workers |
| ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19 | Indicator number 10 Table #1 of Annex 1 | | Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1) | | S2-1 – Policies related to value chain workers |
| ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 19 | | | Delegated Regulation (EU) 2020/1816, Annex II | | S2-1 – Policies related to value chain workers |
| ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36 | Indicator number 14 Table #3 of Annex 1 | | | | S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions |
| ESRS S3-1 Human rights policy commitments paragraph 16 | Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1 | | | | <i>Not material</i> |
| ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17 | Indicator number 10 Table #1 Annex 1 | | Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1) | | <i>Not material</i> |
| ESRS S3-4 Human rights issues and incidents paragraph 36 | Indicator number 14 Table #3 of Annex 1 | | | | <i>Not material</i> |
| ESRS S4-1 Policies related to consumers and end-users paragraph 16 | Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1 | | | | S4-1 – Policies related to consumers and end-users |
| ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17 | Indicator number 10 Table #1 of Annex 1 | | Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1) | | S4-1 – Policies related to consumers and end-users |
| ESRS S4-4 Human rights issues and incidents paragraph 35 | Indicator number 14 Table #3 of Annex 1 | | | | S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions |
| ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b) | Indicator number 15 Table #3 of Annex 1 | | | | <i>Not material</i> |
| ESRS G1-1 Protection of whistleblowers paragraph 10 (d) | Indicator number 6 Table #3 of Annex 1 | | | | G1-1 – Business conduct policies and corporate culture |
| ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a) | Indicator number 17 Table #3 of Annex 1 | | Delegated Regulation (EU) 2020/1816, Annex II | | <i>Not material</i> |
| ESRS G1-4 Standards of anticorruption and anti-bribery paragraph 24 (b) | Indicator number 16 Table #3 of Annex 1 | | | | <i>Not material</i> |

Appendix 1 – Impacts, risks and opportunities

Impacts:

| Name of the IRO | Sustainability matters | | Description of where in its own operations, its upstream and/or downstream value chain IRO are concentrated | Description of impacts Detailed description | Classification of impacts | | | Stakeholders Affected stakeholders |
|--------------------------------------|----------------------------|--|---|--|---------------------------|---------------------|------------------------------------|---------------------------------------|
| | Topic | Sub-topic/Sub-sub-topic | | | Positive or Negative | Actual or Potential | Time horizon | |
| Fugitive methane emissions | E1 Climate change | Climate change mitigation | Own operations | The Company operates a densely branched gas infrastructure that is inherently susceptible to natural gas leaks - methane leaks. Fugitive methane emissions into the atmosphere have a direct impact on global warming. | Negative impact | Actual impact | Short-term, Medium-term, Long-term | Nature |
| Safety at work | S1 Own workforce | Working conditions - Health and safety | Own operations | The Company places great emphasis on compliance with occupational health and safety regulations and creating safe working conditions. | Positive impact | Actual impact | Short-term, Medium-term | Own workforce |
| Working hours | S1 Own workforce | Working conditions - Working time | Own operations | The Company's employees have working hours lower than those stipulated by law - 37.5 hours/week. | Positive impact | Actual impact | Short-term, Medium-term, Long-term | Own workforce |
| Free time | S1 Own workforce | Working conditions - Work-life balance | Own operations | The Company creates conditions for employees to ensure a balance between work and private life - flexible working hours, 7.5 hours, working time account, home office 2 days/month, private pass 4 hours/month, days off for significant life events, 5 additional days of paid leave. | Positive impact | Actual impact | Short-term, Medium-term, Long-term | Own workforce |
| Inspection of steel gas pipelines | E1 Climate change | Climate change mitigation | Own operations | The Company increases the frequency of leak checks on steel gas pipelines of local networks and shortens the time for their removal, which leads to a reduction in the duration of gas leaks. | Positive impact | Actual impact | Short-term, Medium-term, Long-term | Nature |
| Pipe repair | E1 Climate change | Climate change mitigation | Own operations | The Company is gradually repairing and replacing steel pipes with plastic ones, which have a lower risk of disruption and subsequent methane leakage. | Positive impact | Actual impact | Medium-term, Long-term | Nature |
| Elimination of venting | E1 Climate change | Climate change mitigation | Own operations | The Company eliminates gas releases (so-called venting) during reconstructions, repairs and inspections, e.g. by pumping gas into the connecting network, reducing pressure in the network through gas consumption, etc., which reduces greenhouse gas emissions. | Positive impact | Actual impact | Medium-term, Long-term | Nature |
| Company cars with combustion engines | E1 Climate change | Climate change mitigation | Own operations | The Company has company cars for employees (approx. 700), which are powered by fuels (diesel, gasoline), which produce greenhouse gas emissions. | Negative impact | Actual impact | Short-term, Medium-term, Long-term | Nature |
| Stable employment | S1 Own workforce | Working conditions - Secure employment | Own operations | The Company provides stable and predictable working conditions in accordance with legislation, with clearly defined rules for the performance of work. | Positive impact | Actual impact | Short-term, Medium-term, Long-term | Own workforce |
| Trade unions | S1 Own workforce | Working conditions - Collective bargaining, including rate of workers covered by collective agreements | Own operations | The existence of trade unions, collective bargaining agreements, and fair agreements can increase workforce morale and productivity, contributing to overall operational efficiency and employee satisfaction. | Positive impact | Actual impact | Short-term, Medium-term, Long-term | Own workforce |
| Customer information | S4 Consumers and end-users | Social inclusion of consumers and/or end-users - Non-discrimination | Own operations | So-called "shippers" must meet strict legal conditions to be a gas seller in the territory of the Slovak Republic. SPPD subsequently applies the same conditions to all customers - non-discriminatory treatment. The same conditions apply to all customers, which are enshrined in a public document - the SPPD Operations Policy. | Positive impact | Actual impact | Short-term | Other |

| Name of the IRO | Sustainability matters | | Description of where in its own operations, its upstream and/or downstream value chain IRO are concentrated | Description of impacts Detailed description | Classification of impacts | | | Stakeholders Affected stakeholders |
|---|-------------------------------|---|---|---|---------------------------|---------------------|------------------------------------|---------------------------------------|
| | Topic | Sub-topic/Sub-sub-topic | | | Positive or Negative | Actual or Potential | Time horizon | |
| Sustainability in the value chain | G1 Business conduct | Management of relationships with suppliers including payment practices | Upstream value chain | The Company requires suppliers to adhere to the principles of good employment practice, the right to freely choose employment, respect for freedom of association and the right to collective bargaining, safety and health protection, non-use of child labour, ensuring a living wage, reasonable working hours, non-discrimination, ensuring good employment, prohibition of inhuman treatment, environmental protection and combating corruption. | Positive impact | Actual impact | Long-term | Workers in the value chain |
| Gas odorization | E1 Climate change | Climate change mitigation | Own operations | Odorization of gas with substances that can be easily recognized by smell helps to identify leaks by the population, especially in built-up areas, which leads to a reduction in emissions. | Positive impact | Actual impact | Short-term, Medium-term, Long-term | Affected communities |
| Hydrogen blending | E1 Climate change | Climate change mitigation | Own operations | The Company has started to implement the blending of hydrogen, biomethane or other renewable gases, which has a positive impact on reducing greenhouse gas emissions. | Positive impact | Potential impact | Medium-term, Long-term | Nature |
| Fair remuneration | S1 Own workforce | Working conditions - Adequate wages | Own operations | The Company provides motivating and fair remuneration based on achieved results, comparable to the average in the sector, providing various monetary and non-monetary benefits. | Positive impact | Actual impact | Short-term, Medium-term, Long-term | Own workforce |
| Dual education | S1 Own workforce | Equal treatment and opportunities for all - Training and skills development | Own operations | The Company has a development internship program for high school graduates and students with subsequent employment opportunities. | Positive impact | Actual impact | Medium-term, Long-term | Own workforce |
| Work accidents | S1 Own workforce | Working conditions - Health and safety | Own operations | There is a possibility of occupational accidents occurring in the Company during the performance of work (especially during the reconstruction and maintenance of the gas pipeline system). | Negative impact | Potential impact | Short-term, Medium-term | Own workforce |
| Violence prevention | S1 Own workforce | Equal treatment and opportunities for all - Measures against violence and harassment in the workplace | Own operations | The Company clearly and strongly opposes sexual harassment. Any inappropriate expressions or behaviour, including suggestions of sexual harassment, are unacceptable and will not be tolerated by the Company. | Positive impact | Actual impact | Short-term, Long-term | Own workforce |
| Gender equality | S1 Own workforce | Equal treatment and opportunities for all - Gender equality and equal pay for work of equal value | Own operations | The Company acts in accordance with the Labour Code, relevant legal regulations and internal policies to ensure that the selection of employees, their professional advancement and any further dealings with them are decided solely on the basis of their qualifications, abilities and work performance, so that no form of discriminatory action occurs. | Positive impact | Actual impact | Short-term, Medium-term | Own workforce |
| Occupational health and safety at suppliers | S2 Workers in the value chain | Working conditions - Health and safety | Upstream value chain | The Company emphasizes compliance with occupational health and safety regulations and creating safe working conditions for suppliers and business partners - occupational health and safety inspections of suppliers. | Positive impact | Actual impact | Short-term | Workers in the value chain |
| Transparent prices | S4 Consumers and end-users | Social inclusion of consumers and/or end-users - Access to products and services | Own operations | Prices for all customers are transparent and non-discriminatory - set by the price decree published by the Regulatory Authority for Network Industries. | Positive impact | Actual impact | Short-term, Medium-term, Long-term | Consumers and end-users |
| Ethical behavior | G1 Business conduct | Corporate culture | Own operations | Standards of ethical conduct are communicated and incorporated into the Company's daily operations and are followed by both employees and the Company management. | Positive impact | Actual impact | Short-term, Medium-term, Long-term | Own workforce |

| Name of the IRO | Sustainability matters | | Description of where in its own operations, its upstream and/or downstream value chain IRO are concentrated | Description of impacts | Classification of impacts | | | Stakeholders |
|------------------------------------|------------------------|--|---|--|---------------------------|----------------------|------------------------------------|---------------|
| | Topic | Sub-topic/Sub-sub-topic | | | Detailed description | Positive or Negative | Actual or Potential | |
| Personal data leaks | Entity-specific | Cybersecurity | Own operations | The growing importance and proportion of IT technologies makes the Company vulnerable to evolving cyber threats and information system disruptions, which can lead to service disruptions and information leaks. | Negative impact | Potential impact | Short-term, Medium-term, Long-term | Other |
| Distribution of renewable gases | Entity-specific | Register of renewable gases | Own operations | By issuing, registering and applying guarantees of origin for renewable gases, the Company develops the market for renewable energy in the form of gaseous fuels and contributes to the decarbonization of the gas sector. | Positive impact | Actual impact | Short-term, Medium-term, Long-term | Nature |
| Waste production | E5 Circular economy | Waste | Own operations | Waste is produced during the maintenance of gas infrastructure, during investment activities and during operation. | Negative impact | Actual impact | Short-term, Medium-term, Long-term | Nature |
| Recycling of materials | E5 Circular economy | Waste | Own operations | Recycling waste from investment activities, recovery of metals from gas meters, recycling of electronic waste, or any other form of energy recovery from waste can have a positive impact on resource use. | Positive impact | Actual impact | Medium-term | Nature |
| Integrated management system | G1 Business conduct | Corporate culture | Own operations | An important objective of the Company is compliance with standards in the field of quality, safety and health at work and the protection of individual components of the environment. The main principles for achieving this objective are enshrined in the Integrated Management System Policy, which is based on the requirements of the international standards ISO 9001, ISO 14001 and ISO 45001. By using the tools of the integrated management system, continuous improvement in the field of quality, safety and environmental protection, the Company demonstrates its ability to permanently ensure reliable and safe distribution of natural gas to customers in the Slovak Republic in accordance with all legislative requirements, customer requirements as well as the requirements of international ISO standards. | Positive impact | Actual impact | Short-term, Medium-term, Long-term | Own workforce |
| Social dialogue | S1 Own workforce | Working conditions - Social dialogue | Own operations | A strong emphasis on social dialogue can improve employee relations, leading to improved morale and productivity. | Positive impact | Potential impact | Short-term, Medium-term, Long-term | Own workforce |
| Damage to the Company's reputation | G1 Business conduct | Corruption and bribery - Prevention and detection including training | Own operations | Corruption can seriously damage the Company's reputation, leading to a loss of trust from stakeholders, including customers, investors and the public. | Negative impact | Potential impact | Short-term, Medium-term, Long-term | Other |
| Damage to the Company's reputation | G1 Business conduct | Political engagement and lobbying activities | Own operations | The Company's political affiliation or lobbying activities may not be in line with the values and perspectives of stakeholders and may create tensions. Engaging in unethical political practices could further lead to a loss of stakeholder trust and reputational damage. | Negative impact | Potential impact | Short-term, Medium-term, Long-term | Other |
| Improving the Company's reputation | G1 Business conduct | Political engagement and lobbying activities | Own operations | Active participation in comment processes and active engagement in finding solutions for the country's transition to more sustainable forms of energy consumption (value for money). | Positive impact | Actual impact | Short-term, Medium-term, Long-term | Other |
| Protection of whistle-blowers | G1 Business conduct | Protection of whistle-blowers | Own operations | The Company's employees who report suspected violations of the Policy (Whistleblower Protection Policy) will not be sanctioned or disadvantaged in any way. The Company offers the possibility of reporting serious anti-social activity through its channels and to third parties. | Positive impact | Potential impact | Short-term, Medium-term | Other |
| Natural gas combustion | E1 Climate change | Climate change mitigation | Own operations | Carbon dioxide is produced when natural gas is burned at regulating stations. | Negative impact | Actual impact | Short-term, Medium-term, Long-term | Nature |

Risks and opportunities

| Name of the IRO | Sustainability matters | | Related with Impact? | Description of where in its own operations, its upstream and/or downstream value chain IRO are concentrated | Description of risks and opportunities | Classification of risks and opportunities | | Financial effect |
|--|----------------------------|--|----------------------|---|---|---|------------------------------------|-----------------------------|
| | Topic | Sub-topic/Sub-sub-topic | | | | Classification | Time horizon | |
| Leak-free gas pipelines | E1 Climate change | Climate change mitigation | yes | Own operations | Investments in leak-free gas pipelines represent, in the long term, a potential expenditure reduction for the Company due to the elimination of leaks and savings on repair costs, a reduction of methane emissions and an improvement of the Company's reputation. | Opportunity | Long-term | Cash-flow; Income statement |
| Hydrogen admixtures | E1 Climate change | Climate change mitigation | yes | Own operations | Investing in a network that will allow for the blending of larger quantities of hydrogen and other renewable gases into distributed gas. | Opportunity | Medium-term, Long-term | Income statement |
| Gas leak in a pipeline accident | E1 Climate change | Climate change mitigation | yes | Own operations | Insufficient scope of network reconstruction may lead to increased repair costs. | Risk | Medium-term, Long-term | Income statement |
| Change in demand | E1 Climate change | Climate change adaptation | no | Own operations | Decrease in the amount of gas distributed due to climate change - shorter and milder winters, other climatic events | Risk | Long-term | Income statement |
| Fossil fuel distribution | E1 Climate change | Climate change adaptation | yes | Downstream value chain | Customers may reduce their interest in natural gas consumption over time, whether due to environmental factors or the rising price of carbon. | Risk | Medium-term, Long-term | Income statement |
| Support for energy-saving technologies | S4 Consumers and end-users | Social inclusion of consumers and/or end-users - Access to products and services | yes | Own operations | Creating economic incentives for customers and partners to support sustainable practices, for example through discounts, subsidies or more favorable terms for green technologies, contributes to the Company's "good business reputation". | Opportunity | Medium-term | Development |
| Potential instability in the value chain | G1 Business conduct | Management of relationships with suppliers including payment practices | no | Upstream value chain; Downstream value chain | Potential instability in the value chain can have a negative impact on the Company's operations and profits. | Risk | Short-term, Medium-term, Long-term | Income statement |
| Corruption control mechanisms | G1 Business conduct | Corruption and bribery - Prevention and detection including training | yes | Own operations | Insufficient or ineffective internal control mechanisms, including lack of specific anti-corruption training, may enable unethical behavior that may be sanctioned and lead to a worse image of the Company. | Risk | Medium-term, Long-term | Position |
| Improving the Company's reputation | G1 Business conduct | Political engagement and lobbying activities | yes | Own operations | By actively participating in comment processes and actively engaging in finding solutions for the country's transition to more sustainable forms of energy consumption (value for money), the Company can reach new customers. | Opportunity | Medium-term, Long-term | Position |
| Price regulation | G1 Business conduct | Political engagement and lobbying activities | yes | Own operations | Partial state ownership may lead to increased public scrutiny of lobbying activities, particularly with regard to transparency and alignment with the public interest. | Risk | Medium-term, Long-term | Position |

All risks and opportunities are related to the Company's business model and are tied to Slovakia, as the Company conducts its activities exclusively in the territory of the Slovak Republic.

SPP - distribúcia, a.s.

INDEPENDENT AUDITOR'S REPORT

To the Shareholder, Supervisory Board and Board of Directors of SPP - distribúcia, a.s. and the Audit Committee:

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of SPP - distribúcia, a.s. (the "Company"), which comprise the statement of financial position as at 31 July 2025, the income statement and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 July 2025, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the provisions of Act No. 423/2015 Coll. on Statutory Audit and on Amendment to and Supplementation of Act No. 431/2002 Coll. on Accounting, as amended, as amended (hereinafter the "Act on Statutory Audit") related to independence and ethical requirements, including the Code of Ethics for Auditors that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Description of the most significant assessed risks of material misstatement, including assessed risks of material misstatement due to fraud | Summary of the auditor's response to the risks |
|---|--|
| Long-term Assets valuation | |
| <p><i>See Notes 3d, 4 and 7 of the financial statements</i></p> <p>The Company owns buildings, structures, machinery, and equipment that make up the natural gas distribution network in Slovakia, valued at EUR 3.9 billion (after revaluing pipelines to fair value). As of the financial statement date, the Company assessed whether there has been a significant change in the fair value by performing an analysis in three areas:</p> <ul style="list-style-type: none"> Assessment of the level of cumulative inflation since the date of the last asset revaluation and evaluation of its impact on the fair value of the assets. | <p>Our audit procedures included, inter alia:</p> <ul style="list-style-type: none"> Identification and testing of relevant internal controls. Assessment of the appropriateness of using replacement cost to determine fair values of assets. Evaluation of the necessity for reperforming valuation of assets considering the cumulative effect of inflation since last revaluation date. |

This is a translation of the original auditor's report issued in the Slovak language to the accompanying financial statements translated into the English language.

| | |
|--|--|
| <ul style="list-style-type: none"> Identification of relevant sales transactions of similar companies, which could provide information about the market values of assets being revalued. Determination of the net present value of future cashflows from the Company's activities. <p>The abovementioned analyses require management to make highly subjective judgments concerning value of illiquid assets, estimated impacts of future regulatory measures and geopolitical risk on the gas market and amounts of estimated cashflows over long time periods.</p> | <ul style="list-style-type: none"> Verification of the existence of relevant market transactions with comparable assets and, on a sample basis, verification of correction of related calculation prepared by the Company. Assessment of the results of an impairment test prepared by the Company. <p>Verification of disclosures in the notes to the financial statements.</p> |
|--|--|

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the EU, and for such internal control as management of the Company determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report

because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on Information Disclosed in the Annual Report

The statutory body is responsible for information disclosed in the annual report prepared under the requirements of the Act on Accounting No. 431/2002 Coll. as amended (the "Act on Accounting"). Our opinion on the financial statements stated above does not apply to other information in the annual report.

In connection with the audit of financial statements, it is our responsibility to gain an understanding of the information disclosed in the annual report and assess whether such information is materially inconsistent with the financial statements or our knowledge of the entity and its position obtained in the audit of the financial statements, or otherwise appears to be materially misstated.

We assessed whether the Company's annual report, excluding the requirements on sustainability reporting, includes information whose disclosure is required by the Act on Accounting.

Based on procedures performed during the audit of the financial statements, in our opinion:

- Information disclosed in the annual report prepared for the year ended 31 July 2025 is consistent with the financial statements for the relevant year; and
- The annual report, excluding the requirements on sustainability reporting, includes information pursuant to the Act on Accounting.

Furthermore, based on our understanding of the Company and its position, obtained in the audit of the financial statements, we are required to disclose whether material misstatements were identified in the annual report, which we received prior to the date of issuance of this auditor's report. There are no findings that should be reported in this regard.

Other reporting obligations as required by Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public interest entities

Appointment of the Auditor

We were appointed as the statutory auditor by the Company's General Meeting on 19 December 2023. The length of our total uninterrupted engagement including previous renewals of the engagement (extensions of the period for which we were appointed) and our reappointments as the statutory auditors is 16 years.

Consistency with the Additional Report to the Audit Committee

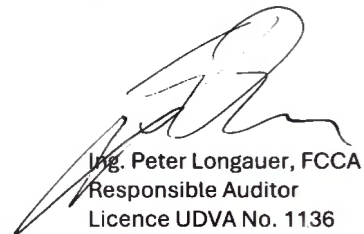
Our audit opinion expressed herein is consistent with the additional report prepared for the Company's Audit Committee, which we issued on 4 September 2025.

Non-Audit Services

We did not provide the Company with any prohibited non-audit services referred to in Article 5 (1) of Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding the statutory audit of public-interest entities and remained independent of the Company when conducting the audit.

Other than statutory audit services and services disclosed in the annual report or financial statements, we provided no other services to the Company and its controlled undertakings.

Bratislava, 8 September 2025



Ing. Peter Longauer, FCCA
Responsible Auditor
Licence UDVA No. 1136

On behalf of
Deloitte Audit s.r.o.
Licence SKAu No. 014

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