2021 Sustainability Report

EDA THESSALONIKI-THESSALIA S.A.

EDATHESS
GAS DISTRIBUTION COMPANY

www.edathess.gr

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MESSAGE FROM OUR GENERAL MANAGER

Leonidas Bakouras
General Manager
Legal Representative

We went through a year marked by the volatile conditions brought by the pandemic but also by the global energy crisis, with unprecedented price increases in the energy market. The ongoing energy transition in conjunction with these new challenges reshape the conditions and bring us on the cusp of change in terms of environmental protection and sustainability.

The goals set for the energy transition are specified by a series of packages - measures and legislative interventions promoted by the E.U. to reduce emissions by 55% by 2030 ("Fit for 55"), the classification of sustainable investments ("EU Taxonomy"), the trans-European energy infrastructures ("TEN-E") and the European hydrogen strategy ("Hydrogen Strategy").

In view of these developments, it is crucial to preserve the right for having access to an adequate and affordable form of energy and to guarantee security of energy supply. At the same time, the public discourse at a European level emphasizes the role of natural gas as a transition fuel towards the decarbonization of the economy.

In this framework, the catalytic role of distribution networks is emerging for further integration of renewable energy sources and construction of an integrated energy complex. The inclusion of renewable gases in the final energy mix, such as biomethane and hydrogen, will directly contribute to greenhouse gas emissions reduction and will enhance both community commitments and the targets set out within the National Plan for Energy and Climate.

Through its successful course, EDA THESS proves that it can manage any challenge, while at the same time the Company recognizes and makes the most out of every opportunity for further development. By implementing a targeted strategy, it expands its network coverage and accelerates the provision of access to natural gas to an increasing number of consumers.

The Company's operational and financial achievements of 2021 constitute a compass for a new year of progress. We managed to, once again, exceed our operational and financial goals, strengthening the Company's position in the national and international energy arena.

We successfully completed our 2021 Development Program with the integration of all new areas into the distribution network, maximizing the penetration of natural gas which today amounts to 65% of the population of our License areas.

The operational readiness of EDA THESS was maintained at high levels, with the Health and Safety of our employees, partners and consumers as the main priority.

Our planning is consistently focused on the development of sustainable infrastructure by integrating ESG standards into our strategy. We are revisiting and feeding back our goals adopting best practices related to environmental protection, social welfare and upgrading our corporate governance.

Moreover, it is our priority to establish a single culture, governed by our Code of Ethics which remains a permanent commitment for the operation of the Company. We strive to ensure a healthy work environment, in which employees demonstrate daily their strong commitment to the shared vision for progress and prosperity. Our EDA THESS team consists of fully trained and educated members that work hard to achieve the best and most efficient results on their respective field with high regard to environmental issues.

Aiming at the continuous increase of stakeholder's added value, the Company develops strategic alliances with interested parties, while at the same time it organizes and implements actions to raise environmental awareness, boost solidarity and achieve substantial contribution on societal issues. All these actions constitute a strong base for the company's commitment to a more sustainable future.

Having secured a leading role in activity of distribution networks, EDA THESS broadens the horizon of its business activity, recognizing the importance of taking actions towards climate neutrality. Through our participation in Gas Distributors for Sustainability (GD4S) together with Europe's most important energy groups, we shape policies and best practices for the long-term sustainability of natural gas networks, the prospects for the integration of renewable gases and the achievement of zero carbon emissions.

We welcome you to our 2021 Sustainability Report. We are confident that our efforts regarding continuous improvement and the delivery of optimal and sustainable services will have a positive impact on the areas of our License, designating a new era in environmental protection. We continue with the same dynamics our development programs navigating successfully through challenges, while playing a decisive role towards a clean energy future.

ABOUT THIS REPORT

Introduction

Now, more than ever, it is well understood among the global community that embedding ESG factors into the business model of an organization contributes greatly towards the protection of the environment, the adherence to fair social practices as well as towards creating transparent and agile corporate governance practices.
Realizing the necessity for this holistic approach to our business activities and the value it creates for society, we present our second Sustainability Report.

The report provides insights into how we understand sustainability and how we integrate ESG factors into our business strategies. It first outlines the activities of our Company and presents the actions through which we implement sustainability in practice. Furthermore, it elaborates on our contribution to the energy transition, how we ensure the health and safety of our people throughout our operations and which is the environmental footprint of our organization. At the same time it explains how we promote a responsible and attractive workplace and how we interact with our host communities. Finally, it analyzes our corporate governance model.

Reporting period

The report refers to the period 01.01.2021 – 31.12.2021

All data and information presented hereby refer to the activities carried out by **EDA THESS** within the year 2021. Where available, data from previous years are also presented for comparison purposes.

Reporting framework

The report has been developed in accordance with the:

Global Reporting Initiative
(GRI Standards: Core option)

Reporting based on the GRI Standards ensures that the content and issues discussed are relevant, consistent, and comparable across companies and sectors.

EDA THESS AT A GLANCE

Company Identity

> 5 years
5 years of presence out of **21 years course** of the natural gas distribution activity

2
License areas in our distribution network

31
Municipalities served in the Regional Unit of Thessaloniki and the Region of Thessaly

265
Employees

5
Customer service offices

Operational Characteristics in 2021

65%
Penetration of natural gas use in the population of our license areas

70%
Of the total installed natural gas meters in Greece

2,752 km
Total network length

533 million Nm³
Gas distributed

24,877
Delivery points
(Gas meters)

26,017
New connection contracts

411,951
Progressive connection contracts

19,083
Smart metering systems installed (↑ 175% in comparison to 2020)

268
Automatic volume correctors (PTZ) installed

400,606 progressive
25,456 new
Residential customers connections

11,220 progressive
552 new
Commercial customers connections

125 progressive
9 new
Industrial customers connections

Economic Figures

€63.1 mln
Total Revenue

€36 mln
Development program investments

Distribution tariffs reduction vs 2020

Thessaloniki
14.8% (weighted average)
45% (industrial)

Thessaly
21.9% (weighted average)
56% (industrial)

2021 ESG HIGHLIGHTS

Environment

↑ 19%

Increase in CO_2 emission savings

36%

Achieved and surpassed the target of 460,000 tCO_2 emission savings by 36%

ZERO

Fines and non-monetary sanctions for non-compliance with environmental laws

↓ 8,5%

Of the water consumption in our buildings

Society

ZERO

Serious work-related injuries in 2021

~ 60%

Spending on local suppliers

~ 30%

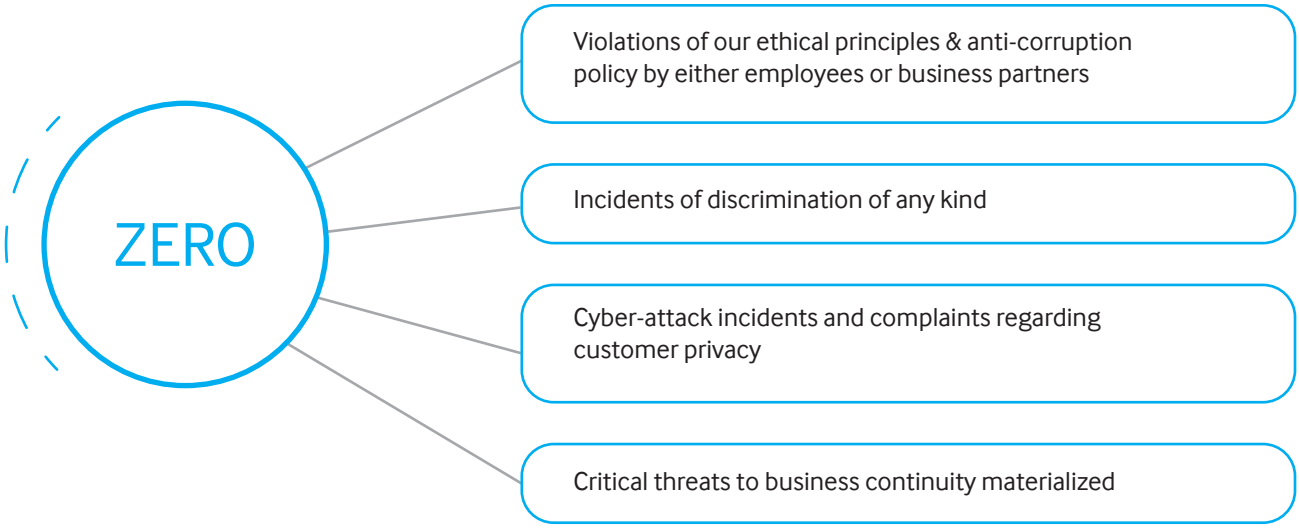
Of our employees are women:

25% of Management team
33% of Supervisors team

100%

Of our senior management are hired from the local community

Governance



CHAPTER 1

About EDA THESS

1.1 COMPANY PROFILE

EDA THESSALONIKI-THESSALIA S.A. is a natural gas distribution company (or Distribution System Operator – DSO) operating an extensive network that serves 31 municipalities and communities in its areas of License - the Regional Unit of Thessaloniki and the Region of Thessaly. The company owns the network that has been developed in the geographical areas of its License since April 1st, 2017.

Greece's Public Gas Corporation Infrastructure S.A. (DEPA Infrastructure) holds 51% of our company's shares, while the strategic investor company Eni Gas e Luce S.p.A (ENI) owns the remaining 49% and exercises EDA THESS' management duties. In December 2021, Italgas and DEPA Infrastructure signed a Sale and Purchase Agreement (SPA) by which Italgas is set to acquire 100% of DEPA Infrastructure. Through this acquisition Italgas will take control of 51% of EDA THESS. For the remaining 49%, a separate SPA has been signed with Eni Gas e Luce S.p.A which will come into force upon completion of the transaction. Thus, following completion, Italgas will hold 100% of EDA THESS. The transaction is expected to be completed within 2022.

OUR HISTORY

2000

- Establishment of EPA Thess as a Société Anonyme under the name "Thessaloniki Gas Supply Company S.A."
- Establishment of "Thessalia Gas Supply Company S.A."

2016

- Merge of the entities with absorption of the Distribution Sectors.
- Renaming of the merged entity to "Gas Distribution Company Thessaloniki – Thessalia S.A."

2018

- Granting of the gas distribution license and the gas distribution network operation license for the areas of Thessaloniki and Thessalia by the Regulatory Authority for Energy (RAE), in force until 31.12.2043.

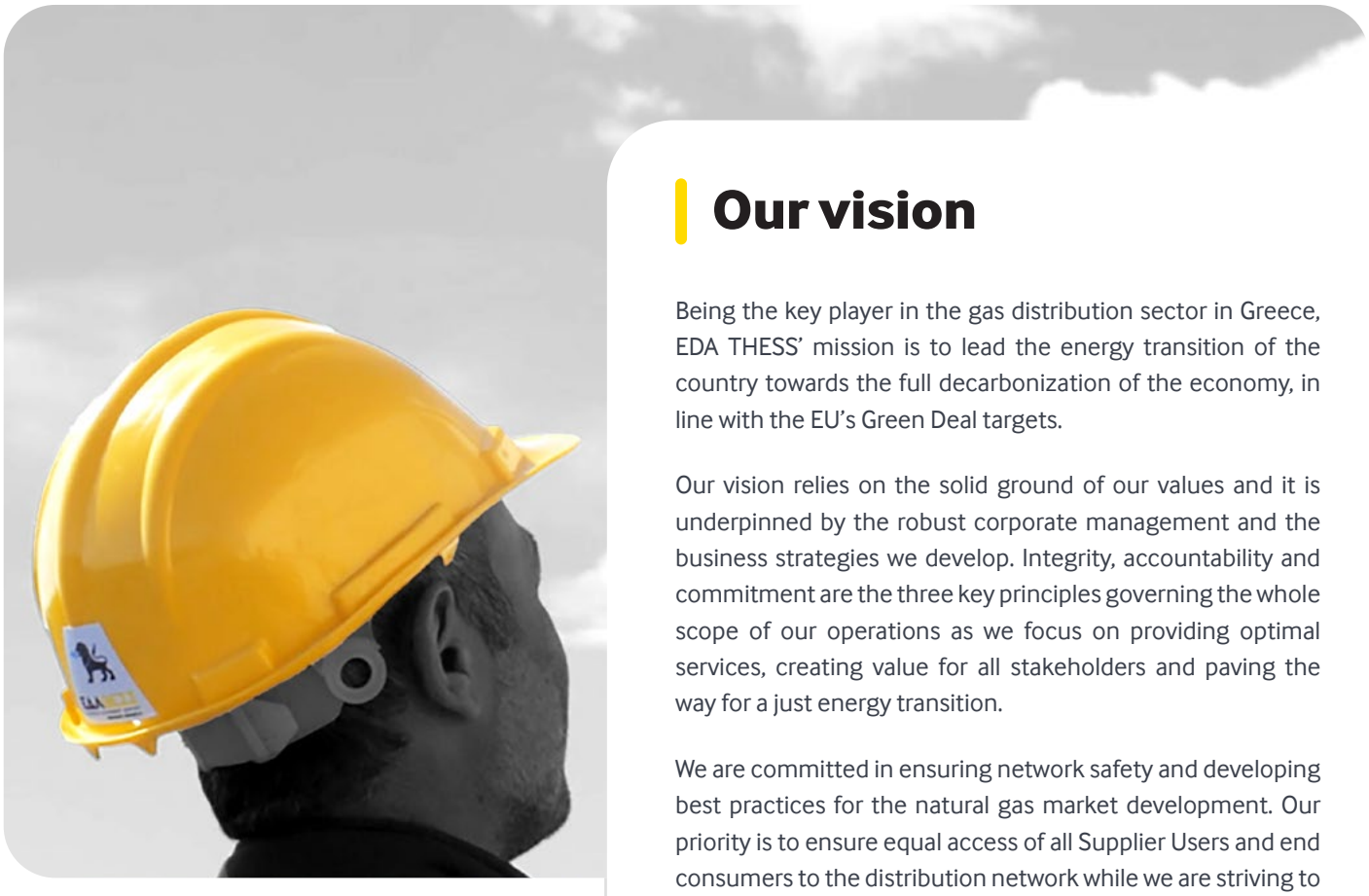
2020

- DEPA Infrastructure became the new shareholder of EDA THESS (51% of shares).
- Eni Gas e Luce S.p.A (ENI) held 49% of the shares and exercised the company's management.

2021

- SPA signed between DEPA Infrastructure and Italgas for the acquisition of 100% of DEPA.

1.2 OUR VISION AND VALUES



Our vision

Being the key player in the gas distribution sector in Greece, EDA THESS' mission is to lead the energy transition of the country towards the full decarbonization of the economy, in line with the EU's Green Deal targets.

Our vision relies on the solid ground of our values and it is underpinned by the robust corporate management and the business strategies we develop. Integrity, accountability and commitment are the three key principles governing the whole scope of our operations as we focus on providing optimal services, creating value for all stakeholders and paving the way for a just energy transition.

We are committed in ensuring network safety and developing best practices for the natural gas market development. Our priority is to ensure equal access of all Supplier Users and end consumers to the distribution network while we are striving to lift the energy exclusion of even the most remote parts of our License areas.

EDA THESS sustainability goals are explicitly targeted to benefit the society and the environment and to support, promote and enhance the common vision of a greener and more sustainable energy world.

Our core values

Our overarching values and principles dictate the philosophy of our company, guide our activities and decision-making procedures, and define the standards relating to our work ethics:

Health & Safety

Equal Treatment of Distribution Users, Counterparties in Connection Contracts and End-Consumers

Focus on Customers

Sustainability

Integrity, Impartiality & Transparency

Respect and Protection of Human Rights

Teamwork and Collaboration

Operational Excellence

Corporate Social Responsibility (CSR)

Innovation

1.3 OUR OPERATIONS

Areas of operation

EDA THESS is committed to increasing the penetration of natural gas use in its License areas, thereby ensuring the continuous supply of energy that is necessary for the growth of businesses and the prosperity of local communities.

The network of **EDA THESSALONIKI-THESSALIA S.A.** serves 411,951 progressive connection contracts in 31 municipalities; that is equivalent to more than 70% of the installed natural gas meters in Greece.

Through our modern and sustainable network of 2,752km, we have achieved a high penetration rate (65%) in our License areas. Our distribution network extends from Almyros - Volos in the South to Chortiatis in the North, and from Pyli - Trikala in the West to the Municipality of Chalkidonos and the Municipality of Thermaikos at Thessaloniki in the East.

2,752km
Total network

411,951
Progressive Connection contracts in 2021

65%
Natural gas penetration in population in the areas of EDA THESS operation in 2021

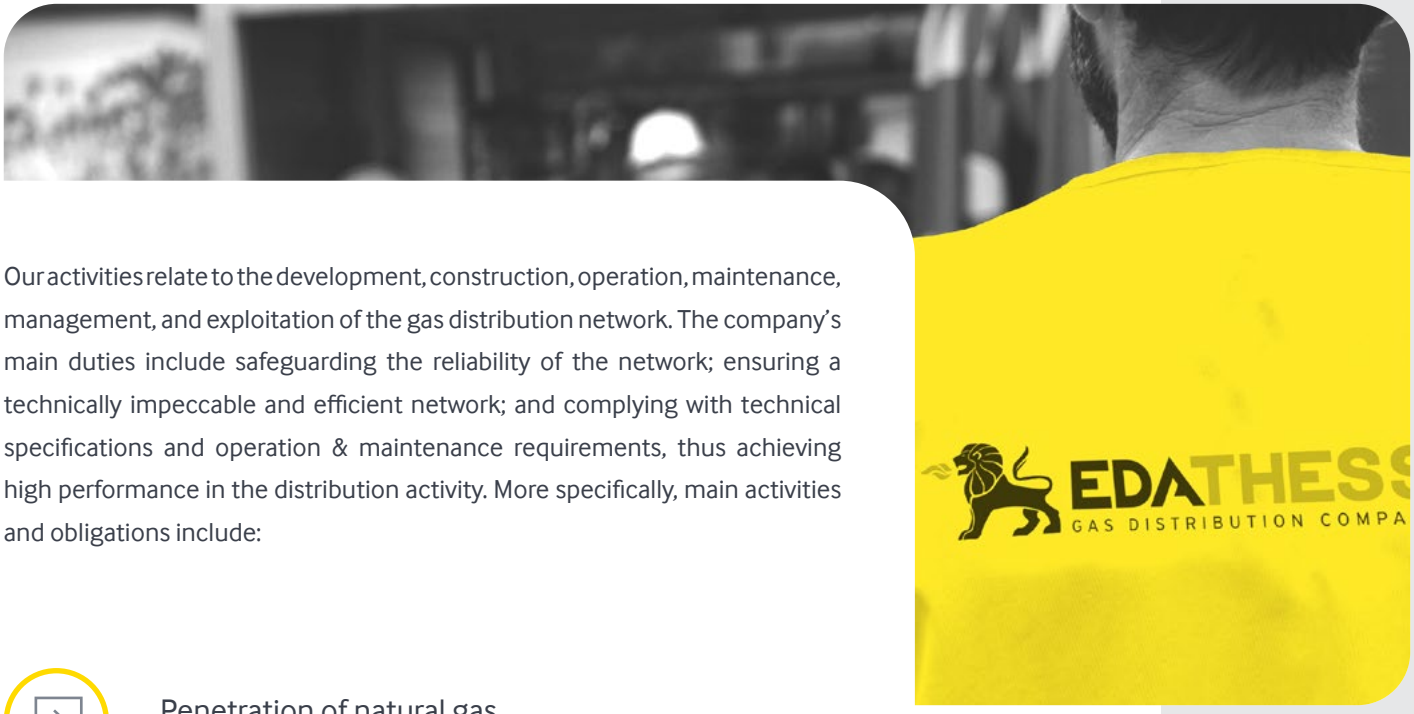
14 Municipalities in the Regional Unit of Thessaloniki:

Thessaloniki, Kordelio-Evosmos, Neapoli-Sikies, Pavlos Melas, Ampelokipi-Menemeni, Pilea-Chortiatis, Chalkidona, Delta, Oreokastro, Thermaikos, Thermi, Kalamaria, Lagadas, Volvi

17 Municipalities in the Region of Thessaly:

Larissa, Volos, Trikala, Karditsa, Almiros, Kileler, Farsala, Rigas Feraios, Tirnavos, Meteora, Elassona, Palamas, Agia, Sofades, Pyli, Mouzaki, Tempi

1.4 OUR ACTIVITIES



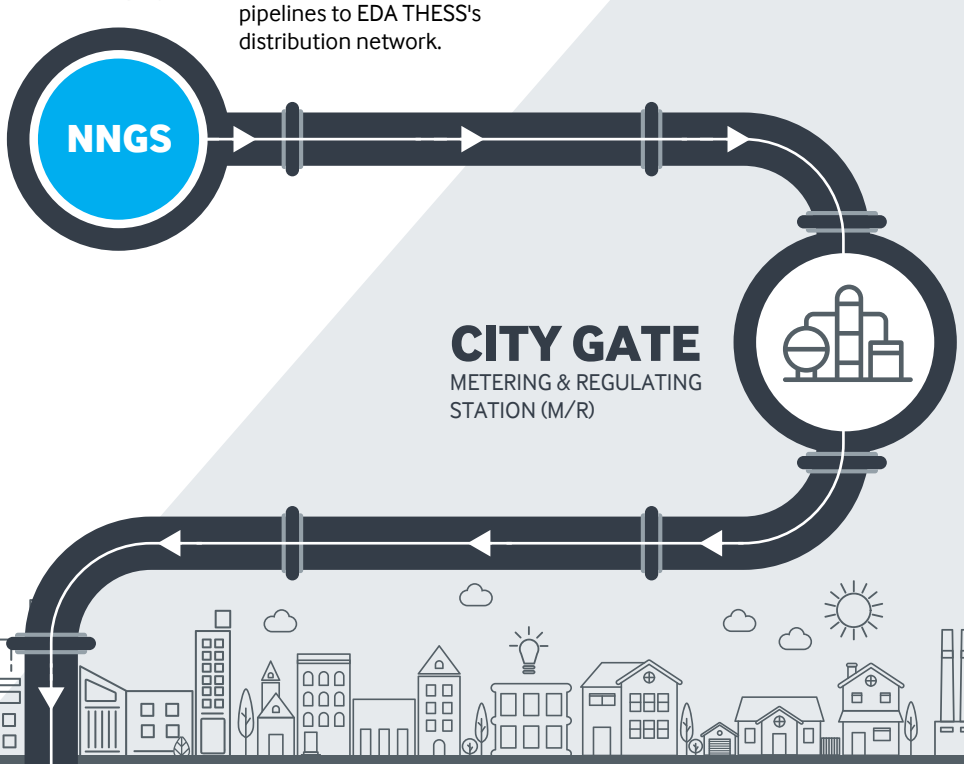
Our activities relate to the development, construction, operation, maintenance, management, and exploitation of the gas distribution network. The company's main duties include safeguarding the reliability of the network; ensuring a technically impeccable and efficient network; and complying with technical specifications and operation & maintenance requirements, thus achieving high performance in the distribution activity. More specifically, main activities and obligations include:

- Penetration of natural gas
- Operation and maintenance of the distribution network
- 24-hour operation of the Emergency Call Center
- Measurement of gas consumption at delivery points
- Development, new connections and network expansions
- Distribution of natural gas by the Distribution Users to the End-Consumers
- Inspection of the internal installations prior to meter activation

UNDERSTANDING OUR BUSINESS

NNGS

Natural gas is delivered by the National Natural Gas System Operator (NNGS) through high pressure transmission pipelines to EDA THESS's distribution network.



CITY GATE

METERING & REGULATING STATION (M/R)

Before injection into the EDA THESS Distribution Network, gas pressure is regulated to lower levels, the volume is measured, and odorant medium is added.

EDA THESS

Natural Gas is distributed to End Consumers through medium and low-pressure pipelines within the license areas of EDA THESS.

CNG Compressors Refueling Stations

Natural gas is distributed to various categories of End Users, including:

- **Households**
- **Industrial Consumers**
- **Commercial Consumers**

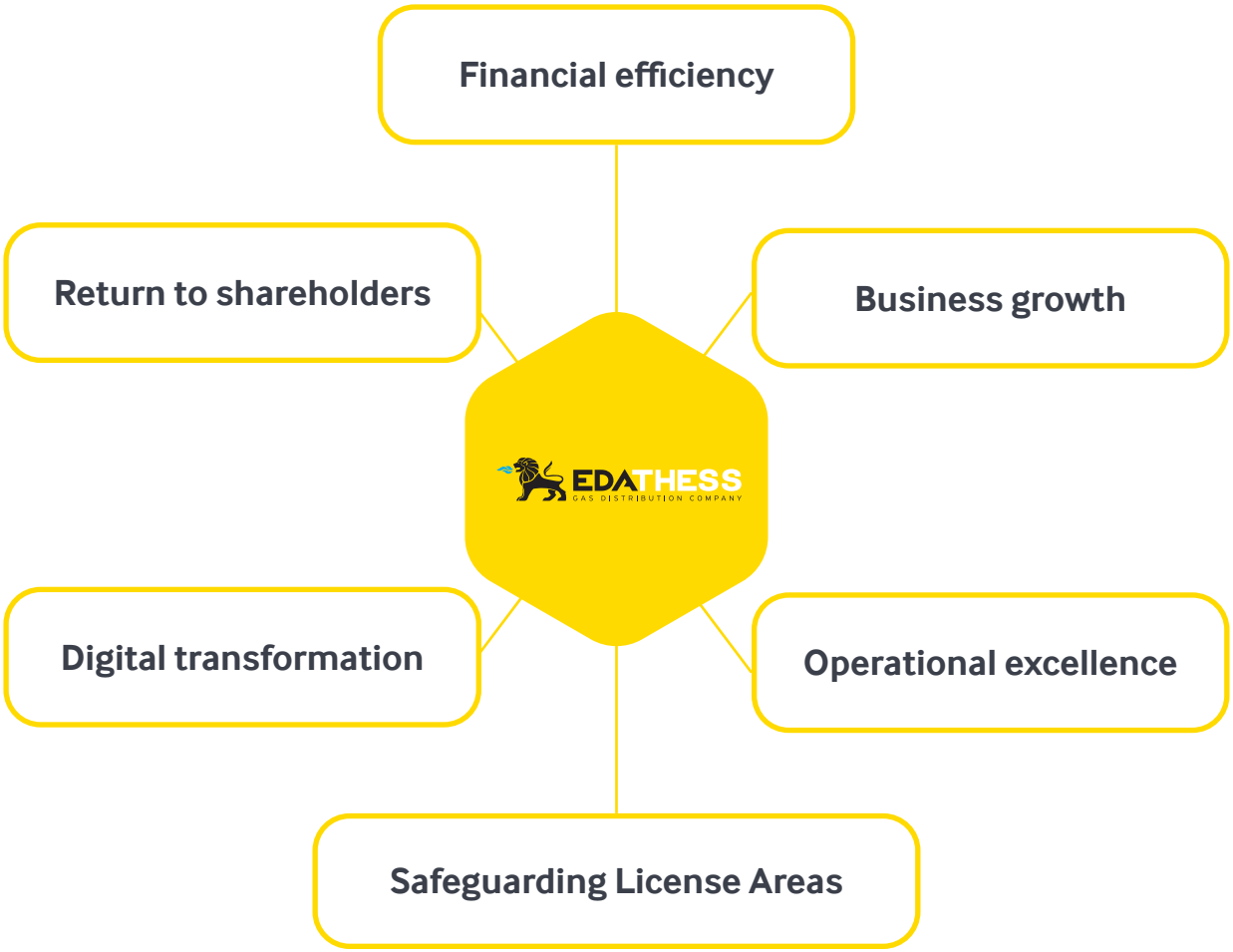
1.5 STRATEGIC PRIORITIES

EDA THESS implements a modern management model and has held a leading position in the energy sector of the country throughout the course of its continuous presence. Our operational excellence relies on innovation, the development of high-standard infrastructure and the continuous implementation of large investment programs for the gas network development.

We contribute to the country's financial recovery and return to the development trajectory through our development program and the expansion of our network. At the same time, we aim to improve on our economic activity in a balanced way along with environmental protection and social cohesion.

EDATHESS
GAS DISTRIBUTION COMPANY
THESSALONIKI - THESSALIA S.A.

BUSINESS STRATEGY PILLARS



WE IMPLEMENT A CONSUMER-ORIENTED STRATEGY AND EMPLOY THE FOLLOWING OPERATING STRATEGIES

- Business development targeted at the **acquisition of new connections** to achieve **further penetration and increased distribution volumes.**
- Employing **available incentive schemes** (discounts on connection fees upon regulatory approval) to further enhance customer acquisition and acting as the implementing body of the Ministry's subsidy programs for **internal installations**.
- Providing **high quality services** to consumers and Distribution Users.
- **Focusing on people and investing in their development.**
- Focusing on the **safety of our people and the gas facilities.**
- Maintaining high operational preparedness of emergency response mechanisms.
- **Continuously monitoring our operations**, using internal and external resources for works' inspection.
- **Increasing efficiency through inventory management**, thus improving working capital management.
- Achieving **efficiency in operating expense management and cost leadership in procurement**, through transparent tender processes.
- **Using technological innovations** and targeting at the **digital transformation** of networks and processes.
- Achieving the **lowest distribution tariffs in Greece**.

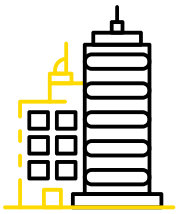
1.6 FINANCIAL PERFORMANCE

We focus on strong financial and operating performance, delivered through adopting leading operating practices. Despite the challenges that emerged throughout 2021 in the regional and global energy scene, we achieved an increase in our revenues of 1.1% compared to 2020 and 9.4% compared to 2019.

Thanks to the effective implementation of technical and economic criteria, we ensure the maximum utilization, efficiency and sustainable development of our distribution network. In this way, we manage to achieve the retention of the regulated distribution tariffs and assist in the optimal management of resources.

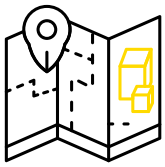
	Regional Unit of Thessaloniki	Region of Thessaly
Weighted average distribution tariff (%)	▼ 14.8%	▼ 21.9%
Industrial distribution tariff (%)	▼ 45%	▼ 56%

The Distribution Network of **EDA THESS**, is developed based on technical and economic criteria taking into account the following parameters:



Factors that shape the demand and capacity of the area, such as:

- Applications, number of apartments, consumption
- Population
- Number of municipal – public buildings
- Commercial & industrial consumers



Technical criteria:

- Technical feasibility of construction
- Project safety
- Technical characteristics (materials, routing, soil morphology)

Capacity management criteria:

- Distribution network pressure design
- Diameter of the distribution network pipeline

During the planning of all the network development projects, the company assesses the impact of the implementation of each new project on the Average Use Charge of the distribution network in accordance with the Tariff Regulation. The economic effectiveness of a new project depends on the projected demand of natural gas, which is calculated as a function of the number of projected network connections as well as the natural gas volumes that these connections are expected to consume – in comparison with the construction cost of the project.

By ensuring the availability of new connections and respectively the increase in the distributed volumes of natural gas in the areas where we expand our Network, we manage to develop an efficient and sustainable network.

At the same time we focus on operational efficiency and effective allocation and utilization of resources that are linked to reasonable operating expenses. By implementing the aforementioned business development planning, we manage to maintain low distribution tariffs for all categories of end consumers.

1.7 OPERATIONAL DEVELOPMENTS IN 2021

The commitment to our guiding values and purpose along with our technical expertise enabled us to fully implement our Development Program, expand our gas distribution activities and reach new customers. During 2021, we invested €36 million for the expansion and reinforcement of the distribution network, thereby realizing significant business growth: we reached a penetration rate of 65% in our areas of License, and we further target at increasing the rate to 72% by 2025. We increased our total network length, new connection contracts, progressive connection contracts and smart metering systems installed compared to 2020 across our residential, commercial and industrial customers.

Key operational metrics are summarized as follows:

65% Penetration of natural gas use in the population of our License areas	**70%** Of the total installed natural gas meters in Greece	**268** Automatic volume correctors (PTZ) installed up to today
26,017 New connection contracts in 2021 (▲ 13.9% compare to 2020)	**24,877** Activated delivery points in 2021	**376,684** Progressive number of activated consumers (▲ by 6.7% compared to 2020)
411,951 Total progressive number of acquired connection contracts (▲ 6.7% in comparison to 2020)	**398,152** Progressive activations of new connections in 2021 (▲ 6.2% compared to 2020)	**1** One activated consumer per 6.19m of network
400,606 progressive **25,456 new** Residential customer connections	**11,220 progressive** **552 new** Commercial customer connections	**125 progressive** **9 new** Industrial customer connections
216,000 Nm³ Natural gas distributed per km of low pressure (4 bar) network	**533 million Nm³** Natural gas distributed (▲ 14.9% compared to 2020)	**19,083** Smart metering systems installed up to 12/2021 (▲ 175% compared to 2020)
2,752 km Total network length in 2021	**132.1km** Expansion of the low-pressure distribution network	**18.3km** Expansion of the medium-pressure distribution network

Furthermore, in the year 2021, 20 Large Industrial and Commercial Consumers were commissioned, thus contributing to the future increase of the distributed volumes in the areas of Thessaloniki and Thessaly, as well as to energy saving and strengthening of competitiveness.

CHAPTER 2

Our approach to sustainability

2.1 APPROACH OVERVIEW

EDA THESS operates within a highly complex environment characterized by the challenges of climate change, the European Policy on accelerated energy transition, the gradual introduction of stringent regulations, and the increasingly higher expectations of stakeholders for social responsibility.

We aim to play our part in promoting the transformation of the energy system and tackling the large-scale environmental degradation that is apparent today, and we intend for our actions to be strongly correlated with the needs and interests of our stakeholders and wider communities. We strive to fully embed the concept of sustainable development within our strategy and business activities, taking proactive initiatives to secure the long-term sustainability of our company and the creation of shared value.

To do so, we have developed a holistic approach towards sustainable development that is divided into four distinct pillars:

Responsible market presence

Our goal is to provide high-quality services for our customers. The cornerstone of this effort is the uninterrupted operation of our distribution network. We strive to better position ourselves within the industry through the enhancement of our services and investing in the expansion and modernization of our infrastructure. Furthermore, we focus on fostering strong relationships with our stakeholders and the wider society with the aim to build transparency and share business knowledge on natural gas.

Protecting the environment

Environmental responsibility lies at the heart of our values and we seek to minimise the negative effects of our operations on the natural environment. Consequently, we monitor thoroughly our performance on relevant key performance indicators such as greenhouse gases (GHG), air emissions, waste, water and energy. On top of that, we are designing measures to effectively improve our performance in these categories. At the same time, we act as a key enabler for the energy transition as we play a leading role in the carbon decoupling of the Greek economy.

Creating an attractive workplace

Our people are our greatest strength, and we recognise the need to maintain a dynamic and competent workforce.

We ensure that our employees work in an environment that enables them to reach their full potential. We undertake multiple actions and practices across three key areas: health and safety, wellbeing, personal and professional development.

Contribution to society

We have a strong sense of community and we continuously promote the improvement of the living standards of those around us. Hence, we implement initiatives that have positive societal impact, with notable contributions made to the public health system, municipal authorities and NGOs. Our contributions are listed in detail in Chapter 8 (8.1).

2.2 STAKEHOLDER ENGAGEMENT

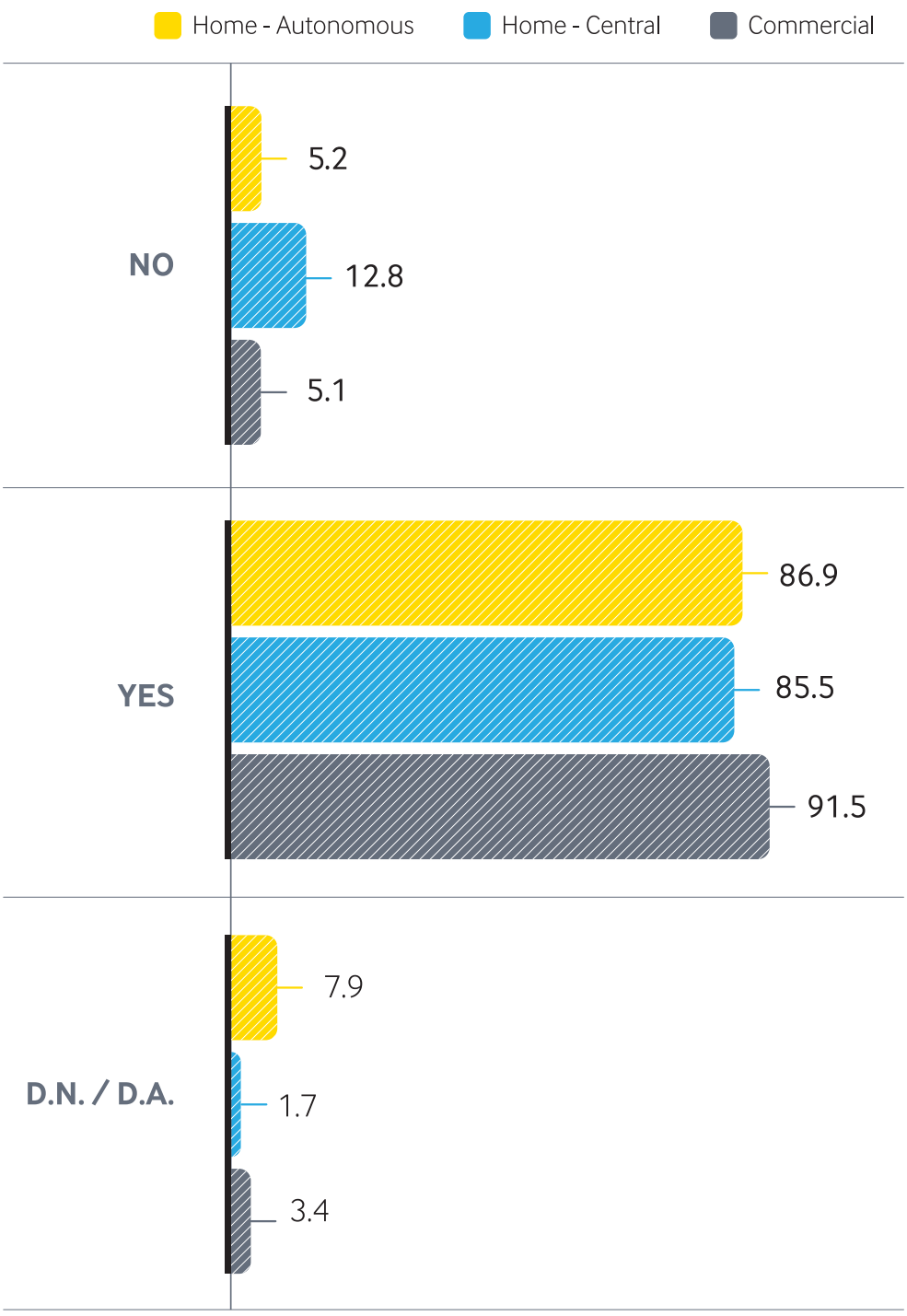
An integral part of our company's approach towards sustainability is to establish a bi-directional relationship with our stakeholders. We have established a variety of communication channels to facilitate this communication flow in a transparent and efficient way. The following table presents the stakeholder groups identified as relevant to our operations and the types of communication through which we engage with them.

Stakeholder group	Communication chanels
Employees	Meetings, Emails, Corporate events, Announcements, Trainings, Annual Performance and Development Review
Shareholders and investors	Announcements, Reports, Press Releases
Customers	Press Releases, Satisfaction surveys, Publications, Customer helpline
Distribution and transmission network operators	Meetings, Collaborations, Emails, Press Releases
Banks and financial institutions	Meetings, Emails, Collaborations, Press Releases
Business partners	Meetings, Participation in industry Associations, Emails, Press Releases
Suppliers and contractors	Meetings, Supplier evaluation questionnaire, Emails, Press Releases
Local communities	Opinion surveys, Press Releases, Publications, Community engagement initiatives, CSR Actions
Government and regulatory authorities	Discussions / mailing with Authorities representatives, Participation in unions, Workshops
Industry associations and other organisations	Meetings, Press Releases, Participation in industry associations
NGOs	Meetings, Collaborations
Media	Press Conferences, Press Releases
Academic Institutions	Partnerships and synergies, CSR Actions

An example of direct communication with our stakeholders is an external survey carried out in 2021 to map the satisfaction of our customers as well as market tendencies. The survey was conducted through an external partner company and respondents included both potential and current customers from our licence areas.

Data collection was carried out through phone interviews, using a structured questionnaire. The sample comprised 2,200 potential and current customers and covered both domestic and industrial use of natural gas.

The survey included both Licence areas of EDA THESS, Thessaloniki and Thessaly and was adressed to current clients and potential consumers. As presentented in the next figure, current users of natural gas, are satisfied to a high degree with its use and would recommended it further.



2.3 MATERIALITY ANALYSIS AND MATRIX

As part of the sustainability reporting process for 2020, we designed and performed an analysis that resulted in the development of the materiality matrix for our company. This took place in late 2021. Key results and an overview of our approach are provided below - for more details, please refer to our 2020 Sustainability Report.

Our materiality approach was divided into three phases:

A Material issues identification

We examined the following sources to identify potential material topics:

1. Global Reporting Initiative (GRI) Standards.
2. Sustainability Accounting Standards Board (SASB) Standard for the oil & gas midstream sector.
3. Issues specified by Morgan Stanley Capital International (MSCI) for the oil & gas storage and transportation sector.
4. United Nations Sustainable Development Goals (UN SDGs).
5. Wider industry and peers.

Subsequently, we created a list with the issues that were mentioned most frequently across the sources examined.

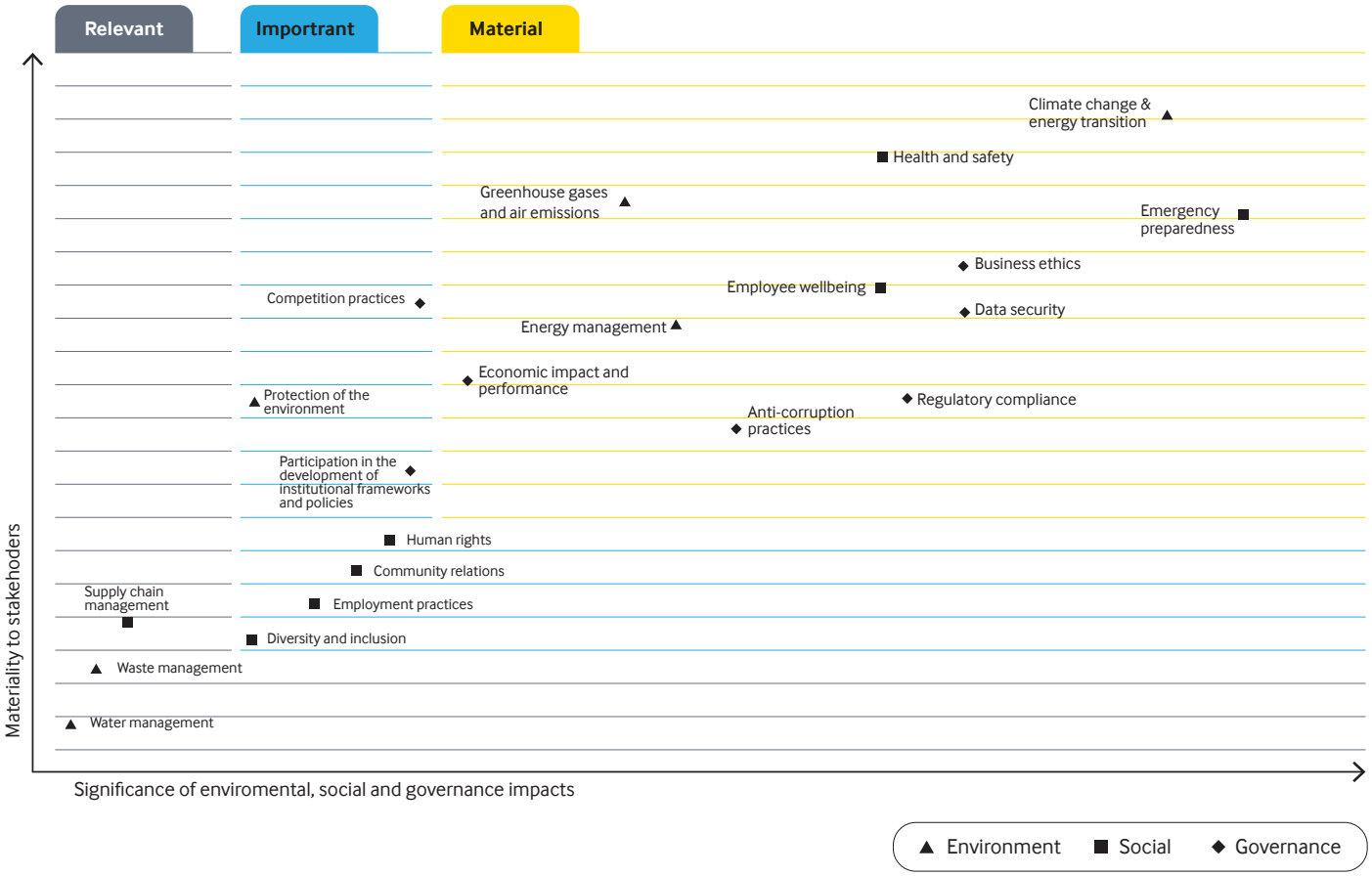
B Stakeholder survey and prioritisation of issues

We circulated questionnaires to our internal and external stakeholders requesting them to evaluate the significance of the issues on a scale from 1 to 5. This enabled the prioritization of issues in relation to their importance for our company.

C Development of the materiality matrix

We built the materiality matrix based on responses received from the stakeholder survey. Next, we framed the issues within the concept of ESG and categorised them into three tiers (i.e. material, important and relevant) to demonstrate their degree of significance.

The stakeholder survey included 21 topics, of which 11 were identified as material, 7 as important and 3 as relevant for us and our stakeholders.



The following table complements the materiality matrix by categorising the issues into the three tiers of significance and in a descending order. The sections that follow describe in detail our management approach and performance on the material issues, while providing key information for the remaining issues that are included in our materiality matrix.

Material issues	Important issues	Relevant issues
▲ Climate change & energy transition	◆ Competition practices	■ Supply chain management
■ Emergency preparedness	▲ Protection of the environment	▲ Waste management
■ Health & safety	◆ Participation in the development of institutional frameworks and policies	▲ Water management
◆ Business ethics	■ Human rights	
◆ Data security	■ Community relations	
▲ GHG and air emissions	■ Employment practices	
■ Employee wellbeing	■ Diversity and inclusion	
◆ Regulatory compliance		
▲ Energy management		
◆ Anti-corruption practices		
Economic impact and performance		

2.4 BOUNDARIES OF MATERIAL ISSUES

The table below provides our material issues, provides their links with the **UN SDGs** and indicates the potentially affected stakeholder groups.

Material issue	Related SDGs	Affected stakeholders
Climate change & energy transition		Shareholders and investors, Business Partners, Industry associations and other organisations
Emergency preparedness		Employees, Customers, Distribution and transmission network operators, Business Partners, Suppliers and contractors, Local communities
Health & safety		Employees, Customers, Distribution and transmission network operators, Business Partners, Suppliers and contractors
Business ethics		Shareholders and investors, Employees, Customers, Business Partners, Suppliers and contractors, Government and regulatory authorities
Data security		Shareholders and investors, Customers, Business Partners, Suppliers and contractors
GHG and air emissions		Shareholders and investors, Business Partners, Suppliers and contractors
Employee wellbeing		Shareholders and investors, Employees, Business Partners, Suppliers and contractors
Regulatory compliance		Shareholders and investors, Government and regulatory authorities
Energy management		Shareholders and investors, Business Partners, Suppliers and contractors, Industry associations and other organisations
Anti-corruption practices		Shareholders and investors, Employees, Business partners, Suppliers and contractors, Government and regulatory authorities, NGOs
Economic impact and performance		Shareholders and investors, Employees, Customers, Banks and financial institutions, Business Partners, Suppliers and contractors, Local communities

CHAPTER 3

Energy transition

Material issue covered:

- Climate change and energy transition

Related SDGs:

3.1 OUR ROLE IN THE ENERGY TRANSITION

The year 2021 was characterized by high volatility in the energy sector deriving from the continuous challenges from the COVID-19 pandemic and the global energy crisis starting from the 4th quarter of the year events which have resulted in unprecedented cost revaluations in the energy market. At the same time, Europe is navigating through the energy transition era with on-going regulatory developments, where natural gas is – at the time of writing – proposed as a green transitional activity towards the decarbonization of the energy sector.

In light of these developments, natural gas' role as a transition fuel is ever stronger. The use of natural gas contributes to the reduction of the overall environmental footprint of energy consumption as, when consumed, it produces fewer emissions in comparison to other fossil fuels used for the heating of buildings or for industrial purposes (i.e. oil and heavy oil).

EDA THESS contributes towards emission savings by promoting and enabling the use of natural gas instead of fossil fuels as a source of energy. Beyond this, we strive to minimize carbon intensity across of all our operations by controlling pollutant emissions and adopting international best practices and standards.

Emission savings

by the increase of natural gas use in the Areas of the License and the replacement of high-carbon content conventional fuels.

	2021	2020	Change (%) 2020-2021	Total emission savings 2017-2021
Carbon Dioxide (tn CO_2)	625,847	527,159	19	**2,538,484**
Sulfur Dioxide (tn SO_2)	3,845	3,261	18	**15,596**
Carbon Monoxide (tn CO)	446	374	19	**1,807**
Nitrogen Oxides (tn NOx)	1,464	1,233	19	**5,941**
Unburned hydrocarbons (tn UHCs)	250	210	19	**1,015**
Microparticles (tn MPs)	264	226	17	**1,072**

__CO2__: Carbon Dioxide is a chemical compound in gaseous state that is released in the air from natural gas combustion. Any CO2 added in the atmosphere will remain in the atmosphere for a long time contributing to trapping heat and warming the atmosphere, enhancing the Greenhouse Effect.

__SO2__: Sulfur Dioxide is a chemical compound in gaseous state that is released in the air from natural gas combustion. SO2 contributes to global warming and is a cause of acid rain combined with NOx and atmospheric moisture.

__CO__: Carbon Monoxide is a chemical compound in gaseous state that is formed by the incomplete combustion of fuels. When CO is emitted into the atmosphere it affects the abundance of GHGs such as methane, which contribute directly to global warming.

__NOx__: Nitrogen Oxides (NO, NO2, N2O) are chemical compounds that are released in the air from natural gas combustion. Some of these oxides persist in the atmosphere for more than a century. NOx contribute to global warming and are a cause of acid rain.

__UHCs__: Unburned Hydrocarbons are the hydrocarbons emitted after fossil fuels combustion and can react with sunlight and other pollutants to form ozone (O_3) which is a main component of photochemical smog.

__MPs__: Microparticles include different kinds of particulate matter in different sizes ($PM_{2.5}$ and PM_{10}) that affect air quality and subsequently human health.

Furthermore, in line with the National Energy and Climate Plan and the relevant EU requirements, our company has set specific targets for emissions savings in 2021. The target for emission savings for the year 2021 was set to 460,000 tn CO_2; with actual emission savings reaching 626,847 tn CO_2, achieving and surpassing the target set for the year by approximately 36%. The company is looking towards the more ambitious target of 600,000 tn CO_2 emission savings for 2022.

The table below summarizes the reduction of the environmental footprint of energy consumption in Thessaloniki and Thessaly through the use of natural gas for the period 2017-2021 for three pollutants and our ambitious targets set for the period 2021-2025.

Through our operations, our development targets, and crucial partnerships, we maintain an active role in the economy's decarbonization and the strengthening of the country's energy security.

The imminent next step for natural gas, in its role as a transition fuel towards a low carbon economy, is to upgrade infrastructure so as to ensure that existing distribution networks can also be utilized for the distribution of other renewable gases such as biomethane or green hydrogen.

Our target is for gas distribution to reach approximately 580 million Nm^3 per year in our License areas by 2025, which will translate into significant associated emissions reductions.

TRIPLE BENEFIT FROM BIOMETHANE INJECTION

x3

1. Biomethane injection into distribution networks is a challenge for Greece which will yield a triple benefit for the country. Initially, it will contribute to the 35 bcm biomethane target set under REpowerEU framework. Furthermore, it will contribute to the decarbonization and greening of the distribution networks, while strengthening the circular economy of the country.

2. The biggest advantage of biomethane is its direct compatibility with the existing infrastructure of distribution networks. Networks that, thanks to their wide geographical dispersion in urban and suburban areas, will enable the cost-effective connection of production and injection facilities. Therefore, biomethane is key for the country, as it will directly contribute to reducing dependence on natural gas from Russia by replacing a part of it, while making the distribution networks more sustainable.

3. Nowadays, there are approximately 70 biogas production units in Greece which - due to the lack of an institutional framework - are used exclusively for electricity generation. However, injecting biomethane into the grid is more energy-efficient than using biogas to produce electricity: about 90% of energy is conserved through biomethane injection into the grid compared to 65-70% when biogas is burned to produce electricity. The immediate goal is to submit proposals to establish the appropriate legal and regulatory framework in line with European directives, where appropriate incentives for stakeholder entrepreneurship will thrive. In particular, the goals of NECP (National Energy and Climate Plan) with the REPowerEU action plan should become binding for the production of renewable gases. In this direction, it is appropriate to implement guaranteed price mechanisms for Feed-in Tariff / Premium producers as well as to establish a framework for Guarantees of Origin.

Our ambitious Development Program and our active participation in the GD4S network place us in a unique position to influence our country's energy transition in short-term and long-term.

CHAPTER 4

Digitalization & Innovation

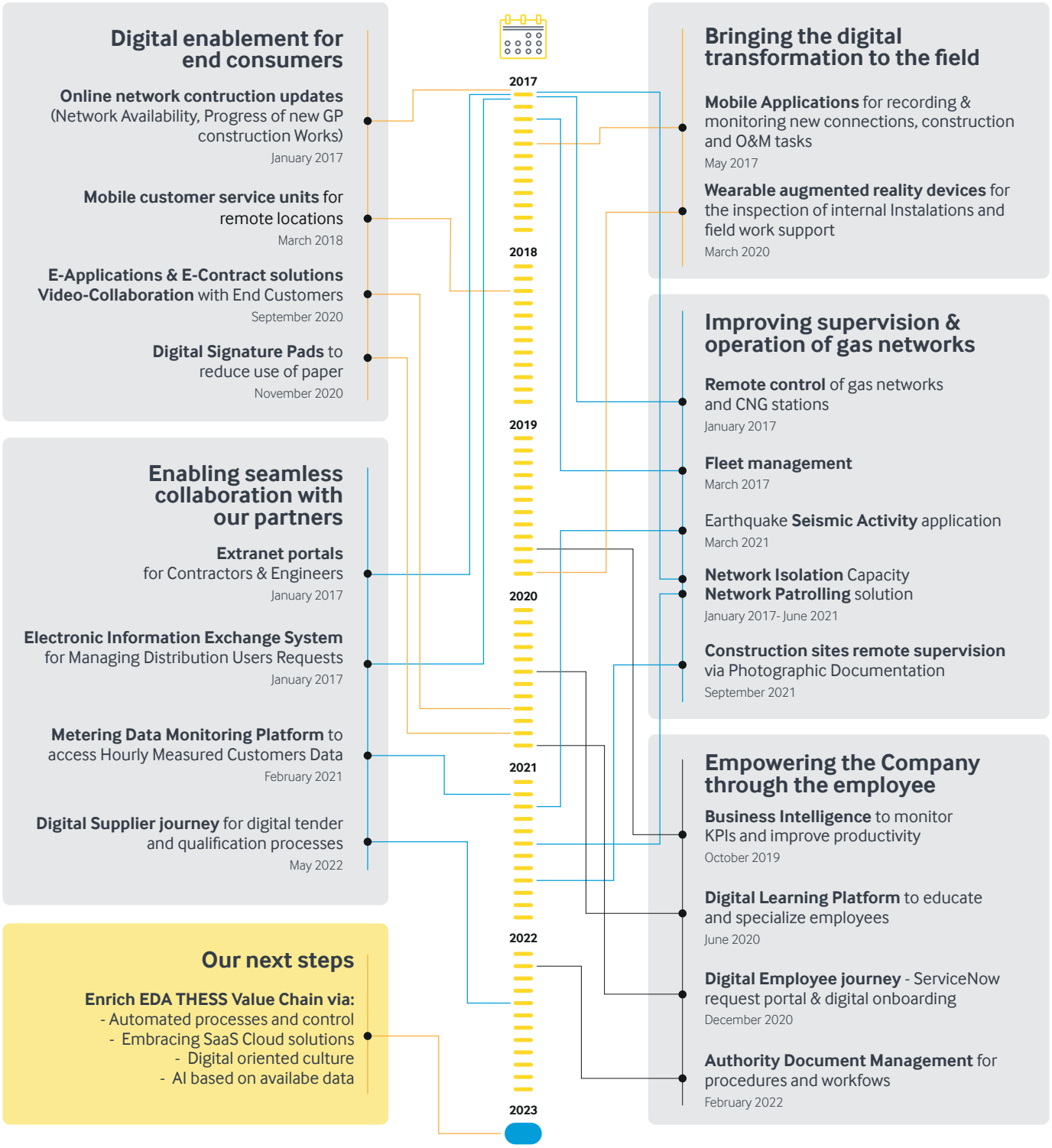
4.1 DIGITALIZATION

Digitalization is imperative for the acceleration of the energy transition. Data collection and analysis is fundamental for adapting the distribution infrastructure to different kinds of gases (biomethane, hydrogen, synthetic methane) as well as for the accurate control of the infrastructure. The need for information exchange in real-time is introduced via game-changing factors such as the introduction of new participants (i.e. renewable gas producers) and new products and services in the energy markets. This section looks at key elements of our digitalization and innovation activities.

4.1.1 OUR DIGITAL TRANSFORMATION

Our vision is for digital transformation to become an enabler for the accelerated achievement of company objectives, and to optimize and automate the business processes by providing modern services and differentiating technologies.

Our overall digital enablement journey to date is illustrated below:



During 2021 we focused on making progress on redesigning and developing business applications which facilitate the communication and connectivity with third party systems. Through this we will optimize our compliance with regulatory obligations. We also further developed our IT systems to enhance our business operations and our interaction with the public (via e.g. the online e-application and e-contract solutions).

Moreover, we achieved significant progress in the preparation of our next step which is the replacement of the main Information Systems. This milestone was marked by the completion of the operational and technical analysis as well as the preparation of the relevant implementation study.

The roadmap to digital transformation **from 2021 onwards** is set out below. This is designed to gradually lead us to a level of digital maturity by 2026 that will make a marked difference to the way we operate across the board.

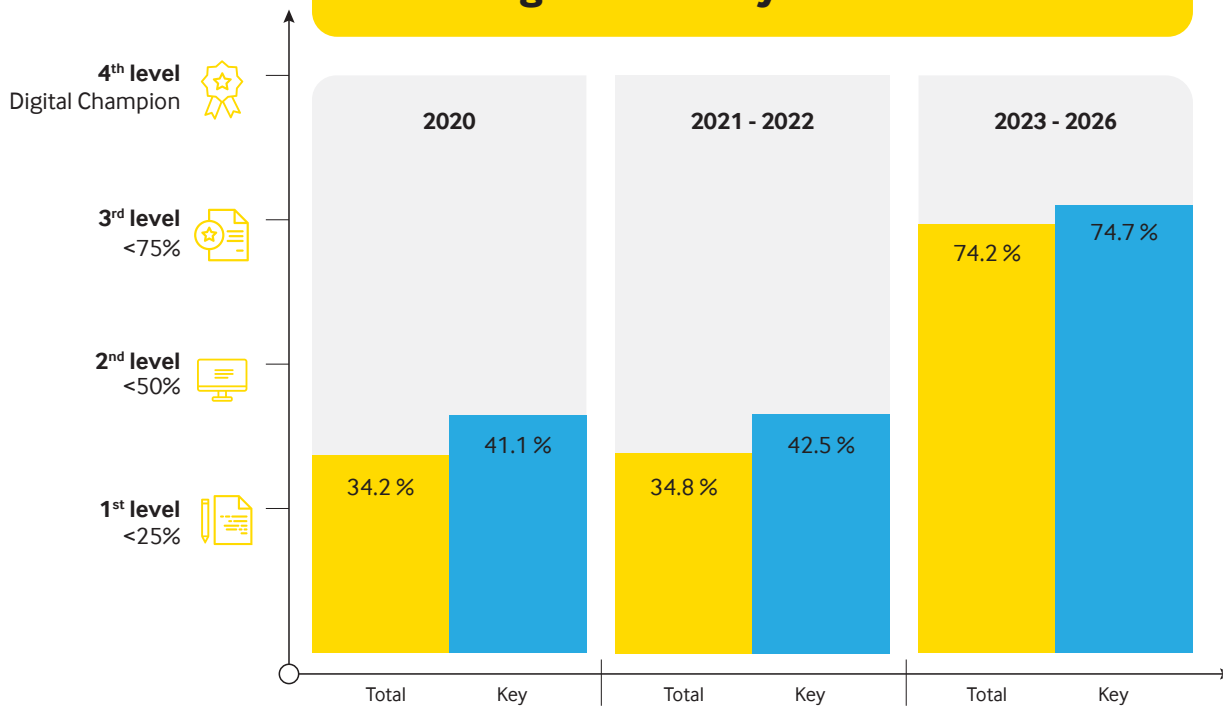
2021-2022

- Development of applications to meet regulatory obligations
- Targeted implementations for efficient, exploitable and scalable investment

2023-2026

- Digitization of the majority of business processes (including auxiliary processes)
- Digital integration with external partners and customers
- Automation of repetitive tasks to increase efficiency and quality of work
- Use of modern and scalable technology
- Seamless system automation without unnecessary manual intervention

Digital Maturity Assessment



4.1.2 DIGITIZATION OF THE DISTRIBUTION INFRASTRUCTURE

Operational optimization is at the core of our business activities. Driving the expansion of digitalization to all our business functions, in 2021 EDA THESS invested €1.5 million in the upgrading of its information systems and digital infrastructure. The Company employs various specialized systems and tools for a high-quality service delivery, indicatively:

A Operation and Maintenance

EDA THESS utilizes the following key systems in its operation and maintenance activities:

- A Supervisory Control & Data Acquisition (SCADA) System for the effective control and continuous monitoring of our network.
- A custom seismic activity application, developed at EDA THESS, to identify seismic incidents and alert the Emergency Call Center when an earthquake of magnitude greater than 4.5R occurs.
- A special gas leak detection vehicle, mobilized in 2021 to inspect 102 km of the Larissa (Thessaly) distribution network. All detected leaks were gradually restored up to December 2021.

B Design and Construction of the Distribution Network

We use an integrated and innovative Geographic Information System (GIS) for the accurate and detailed illustration of the network. An additional new functionality has been developed and linked to our GIS system to automate the regular patrolling process of the distribution network; this method allows the Company to track vehicles used for inspection and to record inspection findings.

We also use the **SYNERGIGAS** platform, a specialized software to calculate and simulate studies related to the distribution network design.

C Smart metering

Up until 2021, through a pilot program, we have installed in our License areas:

19,083
smart meters

268
automatic volume correctors with telemetry at the hourly-metered delivery points

These systems contribute to the operational, financial, and environmental performance of our company in a variety of ways:

- Real time readings
- Faster leak detection, minimizing losses and environmental harm
- Systemic detection of gas theft
- Long-term reduction of operating expenses
- Methane emissions mitigation
- Rational use of natural gas
- Enabling interaction through cooperation with consumers to reduce energy usage and improve their energy profile.

4.2 CNG INNOVATION

Virtual Compressed Natural Gas (CNG) Pipeline

Responding to the needs of the end-consumers in areas where the current distribution network is not available, our Company has been utilizing CNG technology, for the first time in Greece. A Virtual Pipeline was developed to directly serve those areas where the construction of a distribution network would be technically and financially challenging. The Virtual Pipeline is an extension of the physical distribution network that allows our company to achieve maximum natural gas penetration. It enables us to meet the needs of additional consumers while at the same time protecting the environment, achieving energy efficiency and promote the overall fulfillment of National and European objectives for the energy transition.

We installed the first CNG stations in 2018. At that time when EDA THESS introduced this technology in the Greek market, there was no regulatory framework in force. EDA THESS participated in the Committee of the Ministry of Environment and Energy that created the relevant Technical Regulation throughout the whole process, from drafting the regulation to issuing in May 2018, as well as in the establishment of a regulatory framework by RAE in August 2018 regarding the development of remote networks via Virtual Pipeline.

Furthermore, the successful implementation of our Development Program allowed us to reach the number of 16 operational CNG stations in total, in Thessaloniki and Thessaly.

The introduction of the CNG technology in the Greek market enabled the access of remote areas to natural gas of the same quality across the network, with the same distribution tariff for all delivery points without any discriminations, thereby contributing to the **lift of energy exclusion** and the **enhancement of security of supply**.

CHAPTER 5

Safeguarding Occupational Health and Safety

Material issue covered:
- Health and safety
- Emergency preparedness

Related SDGs:

5.1 OCCUPATIONAL HEALTH AND SAFETY

Ensuring the **Occupational Health and Safety (OHS)** of our employees and contractors in the workplace is at the forefront of everything we do. Meeting high OHS standards is of vital importance to us, and we share this culture with our employees and partners, safeguarding adherence to our established policies and protocols. The results of this effort shape a safe, efficient and highly productive work environment.

At **EDA THESS** we implement a series of policies and practices to achieve compliance with applicable laws and regulations. Our policies and procedures are updated regularly according to best practices, and cover all aspects of our business operations, namely:

Occupational Health & Safety (OHS) Management System

Our OHS Management System is certified according to ISO 45001:2018 and provides the basis for our management approach on OHS-related issues including provisions for training, preventative measures, roles and responsibilities, targets, and communication and consultation processes.

Road Traffic Safety

Our Road Traffic management system is certified according to ISO 39001:2012 for the transport of goods and people within the road transport system of the Regional Unit of Thessaloniki and the Region of Thessaly in order to achieve the maximum levels of safety and compliance with the relevant regulations for our road traffic operations.

Distribution Network Maintenance Program

Protecting the consumer's right of access to sufficient and affordable forms of energy and ensuring security of supply is of paramount importance. To this respect, EDA THESS aims to ensure the distribution network safety, optimal function, and continuous supply to end consumers through the implementation of our Distribution Maintenance Program, according to the applicable legislation and Article 57 of the Distribution Network Operation Code. The program is implemented for proactive maintenance and emergency response purposes.

Procedures for the safety of internal installations

We carry out regular inspections and audits to ensure the safe operation of the active internal natural gas installations, pursuant to the Distribution Network Operation Code. In 2021, we conducted 3,776 sample inspections for the Thessaloniki area (via our Contractor) and 568 audits (conducted by EDA THESS). Through the inspections and audits, we are able to verify that the installations are leak-proof and that the respective certificates are in place. In addition, we conducted 1,491 inspections in Thessaly to test compliance with the regulation "Technical Regulation of Internal Gas Installations with operating pressure up to 500mbar".

Through the above process we can assess the safety of internal installations, ensure the smooth delivery of natural gas and plan future actions. Such actions include training activities on the installation methods for our employees and external partners and training on and implementation of technical standards.

Identification and assessment of OHS risks

In order to map the OHS risks within our organization, we have conducted and update on a regular basis the "Occupational Risk Assessment" study. In addition, we have established cooperation with external partners who provide us with safety engineers and occupational physicians. The services involve recommendations, guidelines, and inspections by the safety engineers to our employees. The occupational physician examines and consults our employees in relation to work-related health issues on a regular basis or upon request.

In addition, our specialized staff performs quality inspections in our premises and during the execution of fieldworks by our work teams, i.e., network construction and maintenance works. The scope of this process is to foster the implementation of HS regulations.

Through our H&S inspection program, we implemented the following actions

316

Inspections in contactor project signs

455

Health and Safety inspections in field projects (Net, SL, Riser)

Continuous assessment

of compliance with Health and Safety regulatory framework

11

Inspections in the company's buildings and vehicles, including contractors' operations

696

Visits from the Safety Technicians in the company's facilities and field projects

Annual measurements

on Health & Safety in the company's facilities and field projects

522

Lists on materials inspection, according to the company's H&S Technical Specifications (procurement & delivery)

Update of all Technical Specifications

According to EU & international standards

5

Training seminars on health and safety in offices, first aid, fire protection and evacuation of offices, field safety, safe driving

Key metrics of our OHS performance in 2021

0

Fatalities as a result of work-related injury

0

High-consequence work-related injuries

(excluding fatalities)

1

recordable work-related injury*

* Hand laceration during work

5.2 EMERGENCY PREPAREDNESS

Operating our distribution network safely at all times translates into being ready for the unexpected. We act proactively and we are prepared for incidents that require emergency response. Those incidents may be caused by natural disaster phenomena, pipeline failures etc. Our primary concern is to prevent those incidents from happening, safeguard the wellbeing of all that could potentially be affected and minimize any negative impact.

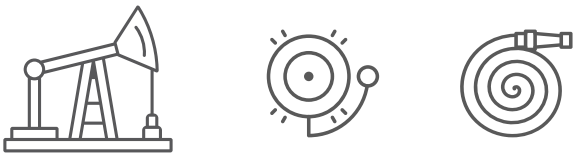
Within this scope we perform preparedness drills and have established a local and general crisis activation structure with allocated roles and responsibilities in case of emergency events.

Preparedness drills contribute towards testing and confirming:

- The completeness of the Emergency and Crisis Management plans.
- The readiness of the Emergency Response Mechanism.
- The response of the Crisis Activation Group.
- Gaps or overlaps among the roles and responsibilities of the participants.
- The overall preparedness of the mechanisms and structures of our company.
- The cooperation & communication of the company with the Authorities (Fire Brigade, Hellenic Police, Civil protection, Municipality, Regional Authority), the co-competent bodies i.e., Hellenic Gas Transmission System Operator (DESFA) and the contracting companies, in case of emergency incidents.
- The response to multiple incidents that may occur.
- The definition and the estimation of the required resources.
- The level of compliance of our personnel with procedures and instructions for the management of critical situations.

We carried out 6 preparedness drills in our License areas in 2021

three in the Regional unit of Thessaloniki and three in the Region of Thessaly.



The preparedness drills were successfully completed according to the specified procedures and regulations, helping us sharpen our reflexes towards, primarily prevention, and secondarily response to emergency incidents.

CHAPTER 6

Our environmental footprint

Material issue covered:

- Greenhouse and other gas emissions
- Energy management
- Waste management
- Water management

Related SDGs:

6.1 OUR ENVIRONMENTAL AND ENERGY MANAGEMENT SYSTEM

We seek to integrate environmental protection strategies in our business activities to ensure our responsible and sustainable operation, thereby setting the foundations to create long-term value for all of our stakeholders.

To this end, we implement Environmental and Energy Management Systems (MS) in line with **ISO 14001:2015** and **ISO 50001:2018** respectively.

Environmental Management System

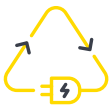
Our Environmental Management System (EMS) enables us to systematically monitor and reduce the environmental impacts associated with our activities.

Beyond that, for the continuous improvement of our environmental performance, we are able through the EMS to determine qualitative and quantitative targets according to the following actions:

- Determine environmental aspects associated with our business activities (including inputs and outputs of those) and identify impacts on the environment
- Evaluate their severity
- Identify threats, risks and improvement opportunities
- Plan actions to mitigate risks
- Plan actions to realize improvement opportunities

These procedures allow us to achieve:

- Compliance with applicable environmental laws and frameworks
- Monitoring and control of our emissions and our waste streams
- Sustainable use of natural resources
- Effective monitoring and reporting of environmental metrics
- Immediate and effective response to environmental incidents
- Raising awareness about environmental topics among our employees



Energy Management System

We implement our Energy Management System aiming to:

Monitor our energy performance through the control and evaluation of our energy use	Identify and set targets and objectives	Ensure sustainable use of energy	Improve our energy management	Raising awareness about energy efficiency among our employees.

6.2 ENERGY MANAGEMENT

At **EDA THESS** we are committed to the sustainable use of resources and we strive to optimize our energy performance accordingly. The first step of this process entails the collection of relevant data and their subsequent interpretation, comprising (i) **energy consumption**, (ii) **climate data**, (iii) **vehicle fleet and fuel consumption**, (iv) **consumption of energy deriving from our facilities**, and (v) **building and infrastructure data**.

Our total energy consumption during the last two years is presented in the following table.
(all units by source converted to MWh)

Energy consumption in MWh by energy source for the years **2021** and **2020***

	2021	2020	Change (%) 2020-2021
Natural gas	1,007	929	▲ 8.4
Renewable electricity**	420	354	▲ 18.6
Non-renewable electricity	557	657	▼ 15.2
Petrol	155	0	-
Diesel	1,074	1,433	▼ 25.0
Gas (bi-fuel vehicles)	1,295	707	▲ 83.2
Petrol (bi-fuel vehicles)	81	116	▼ 30.2
Total (MWh)	4,589	4,196	▲ 9
Progressive delivery points	405,947	381,070	▲ 7
Progressive distribution network 4bar +19bar (km)	2,751.7	2,601.2	▲ 6

Natural gas consumption increased in 2021 due to the addition and operation of 6 CNG stations in total within the year. The operation of CNG stations requires the consumption of natural gas for the preheating of gas during the reduction of pressure from 200 to 4 bar.

Renewable Electricity consumption (from Renewable Energy Sources, RES) increased in 2021 as a consequence of the increase in the share of the RES in the National Electricity Transmission System from 35% in 2020 to 43% in 2021.

Diesel consumption decreased in 2021 as a result of the substitution of diesel vehicles with bi-fuel (gas/petrol) vehicles in our corporate fleet within the year.

Gas consumption by the bi-fuel vehicles of our fleet increased in 2021 because of the increased field activities of our Company after the mitigation of COVID-19 restrictions imposed by the state during the year.

* The figures for energy consumption for the year 2020 differ to those reported in our 2020 Sustainability Report. This is due to the difference of the data source used between projected and actual consumption, the latter being reported above.

** Calculated on assumption according to the notified data of the National Electricity Transmission System Operator in its annual reports on the share of renewable energy sources in electricity generation.

Energy consumption ratio

Total energy consumption per progressive delivery points and progressive km of distribution network

RATIO	2021	2020	Change (%) 2020-2021
i Total energy consumption (MWh) per Progressive Delivery Points	0.0113	0.0110	▲ 3
ii Total energy consumption (MWh) per Progressive Distribution Network 4b+19b (km)	1.67	1.61	▲ 4

Owing to the expansion of our activities in 2021 and the greater natural gas volumes distributed (19% increase in comparison to 2020) our energy needs increased as well, recording a rise of 9% compared to 2020.

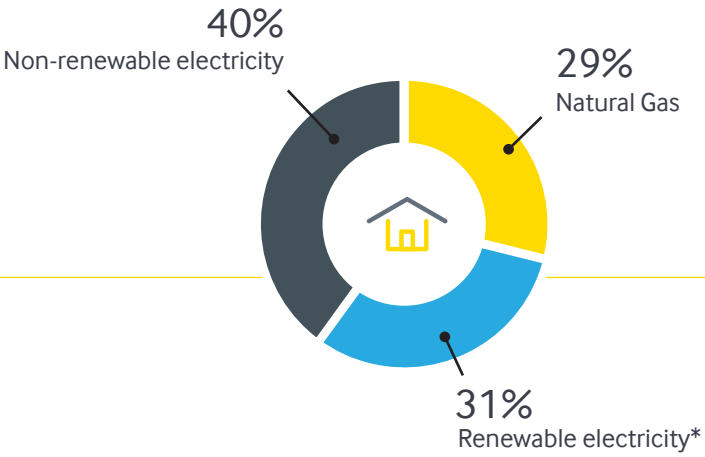
Nonetheless, by examining the ratios (i) and (ii) where the total energy consumption of our company per progressive delivery points and progressive km of the distribution network is given, it is concluded that the ratios increased only by 3% and 4% respectively transitioning from 2020 to 2021, i.e. the increase in the energy consumption per progressive delivery point is much smaller than the absolute total increase in energy consumption.

This translates to the fact that despite the greater extent of our operations in 2021, we managed to maintain operational efficiency in terms of energy consumption at high levels.

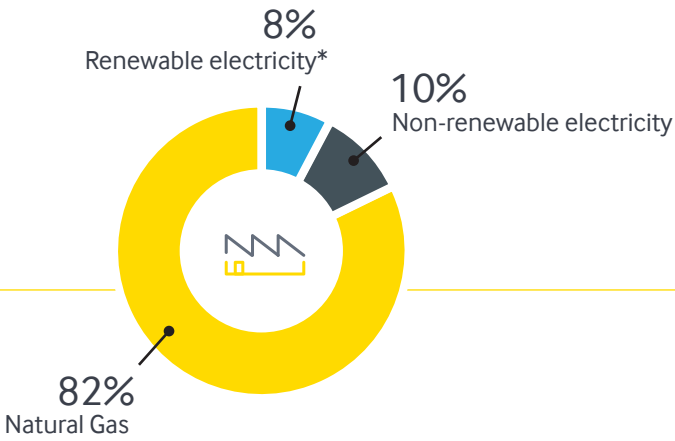
In terms of our energy intensity ratio, we calculate it as the total energy consumption for civil use per employee working hour. In 2021, the ratio stood at 2.20 which is at similar levels as in 2020 (2.18), meaning that overall efficiency was maintained.

Based on the data analysis for 2021, the mix of energy sources for the three consumption types of our company – civil, industrial and vehicles - is presented in the following figures

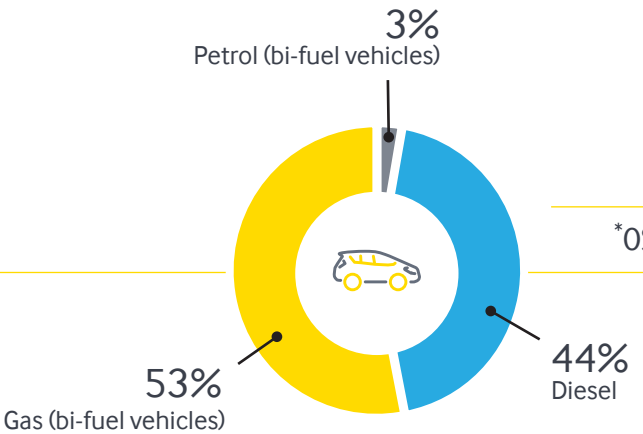
Energy consumption mix
Civil use



Energy consumption mix
Industrial use



Energy consumption mix
Vehicles



*0% Petrol

* Calculated on assumption according to the notified data of the National Electricity Transmission System Operator in its annual reports on the share of renewable energy sources in electricity generation.

Aiming to continuously improve our performance, we promote and undertake actions to improve energy efficiency in our buildings and vehicles and we set goals and outline action plans for their achievement.

	Actions	Goals
Air Conditioning	Annual maintenance of heating and air conditioning systems	Use of natural cooling and night ventilation during summer months Establishment of timers connected to thermostats in order to automatically switch off A/C units Installation of an Energy Control System in the company's buildings
Electric and Electronic Devices	Replacement of electronic devices with modern devices of high energy efficiency	Selection of electrical appliances with certified low energy consumption
Lightning	Use of lighting control systems with sensors	Selection of lamps with low energy intensity Remote control of lighting
Vehicles	Replacement of the older vehicles with new ones	Substitution of diesel fueled vehicles with CNG fueled vehicles Timely maintenance of the vehicle fleet

6.3 GREENHOUSE AND OTHER GAS EMISSIONS

The emissions footprint of our company derives from energy consumption at our facilities, i.e., electricity and natural gas; and consumption of fuels by our vehicle fleet, i.e., diesel, CNG, petrol.

	2021	2020	2019	Change (%) 2020-2021
CO_2 emissions (tn)	1,267	1,286	1,383	▼ 1.5
SO_2 emissions (tn)	8.8	10.4	14	▼ 15
NOx emissions (tn)	565.4	536	478	▲ 5.5
Progressive delivery points	405,947	381,070	358,258	▲ 7

Note: *Emissions for 2020 differ from those reported in our 2020 Sustainability Report. This is consistent with the difference in energy consumption.*

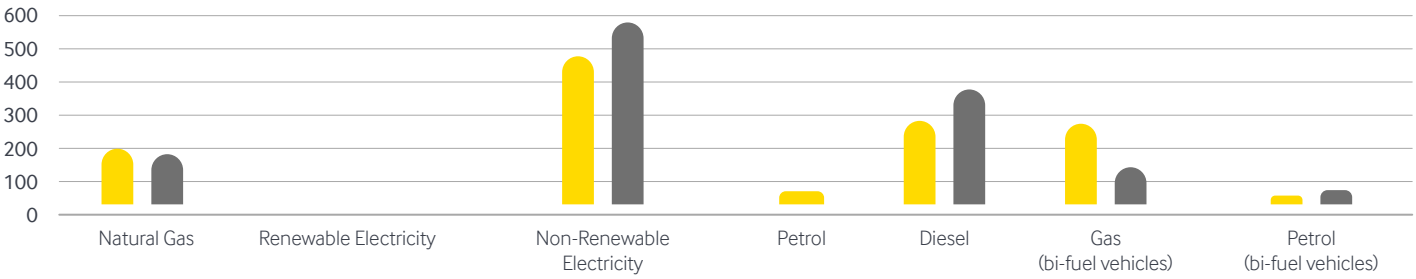
Note: *Fugitive - Methane emissions are not included in this report. The company aims to report its fugitive emissions to the annual report of 2022.*

Emissions (tn)/ **Progressive Delivery Points** (x 1000)	2021	2020	Change (%) 2020-2021
CO_2	3.12	3.37	▼ 7.4
SO_2	0.02	0.03	▼ 33
NOx	1.39	1.41	▼ 1,4

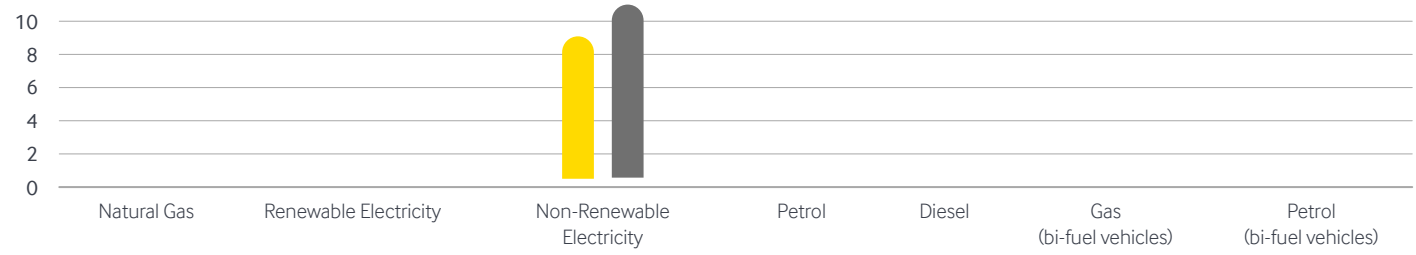
In 2021, despite the expansion of our activities, we have achieved reductions in the emissions of CO_2 and SO_2 in comparison to 2020. This was achieved as stated before by maintaining our operation efficiency at high levels and by reducing the consumption of non-renewable forms of electricity and diesel. On the other hand, we have increased the consumption of natural gas which caused an increase in our NOx emissions. These outcomes are also reflected in the ratio emissions per progressive delivery point as shown in the previous table (pg. 44), where it is observed that in terms of operational efficiency of our distribution network, the emissions per progressive delivery point have been reduced.

A breakdown of our emissions (CO_2, SO_2, NOx) by energy source for the years 2021 and, 2020 is presented in the following figures.

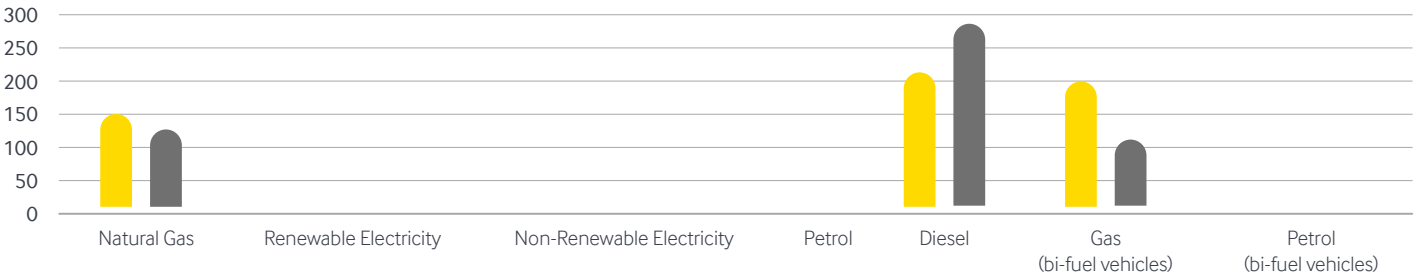
CO_2 emissions (in tonnes) **estimated per energy source**



SO_2 emissions (in tonnes) **estimated per energy source**



NOx emissions (in tonnes) **estimated per energy source**



6.4 WASTE MANAGEMENT

We apply strict protocols and monitoring procedures regarding waste management. We make sure these are communicated to all our employees to ensure the appropriate identification, collection, sorting and disposal of waste. Moreover, we cooperate with licensed waste management companies and alternative waste management systems to ensure waste is disposed of according to the legislative provisions and in an environmentally sound way. The following table shows the different waste streams produced by our activities and the respective forms of management/disposal.

Waste Stream	Waste Management Method	Actions
Dismantled or unfit materials	Collection of unsuitable materials and materials to be withdrawn, dismantled or replaced in order to be sent for further management to appropriate companies.	Sorting of materials to hazardous and non-hazardous in order to be appropriately managed by the respective specialized companies.
Excavation, Construction and Demolition Waste	Engagement with contractors to dispose the waste resulting from excavation, construction and demolition works to companies within the Approved Alternative Waste Management System.	Inspections to contractors to verify the possession of certificates of disposal of excavation / construction / demolition waste to companies within the Approved Alternative Waste Management System.
Vehicle Maintenance Waste	Management of waste deriving from vehicle maintenance activities such as tires, oils and batteries, is carried out by the vehicle rental companies.	Receipt of documentation indicating the recycled quantities.
Electric and Electronic Equipment Waste	Contract with Appliances Recycling S.A., an organization approved by the Hellenic Recycling Agency (HRA), for the collection of appliances and recyclable lamps.	Recycling of non-functional computers or other electrical devices owned by the company.
Portable batteries and accumulators	Cooperation with AFIS S.A., a Hellenic Recycling Agency (HRA) approved organization for the collection and recycling of portable batteries.	Creation of an archive with the quantities to be recycled for monitoring purposes.
Paper and packaging	Disposal of paper and packaging waste (e.g., plastic and aluminum in recycling bins, which are available at the company's premises).	Creation of an archive with the quantities to be recycled for monitoring purposes.

The table below shows the waste quantities produced and managed over the last 3 years per waste stream. **EDA THESS** focuses on managing all the produced waste through specialized companies and by following transparent procedures in relation to waste disposal.

Non Hazardous Waste

	2021	2020	2019	Change (%) 2020-2021
Printing consumables	346 pieces	4,500 kg	-	-
Office stationery (kg)	4,290	3,880	2,500	▲ 11
Waste Oil (Lt)	14	-	-	-

Hazardous Waste

	2021	2020	2019	Change (%) 2020-2021
Batteries (kg)	93	72.5	55	▲ 28
Electrical equipment (kg)	111	100	-	▲ 11
Other materials (polyethylene, metal, fiberglass) (kg)	13,660	-	-	-

6.5 WATER MANAGEMENT

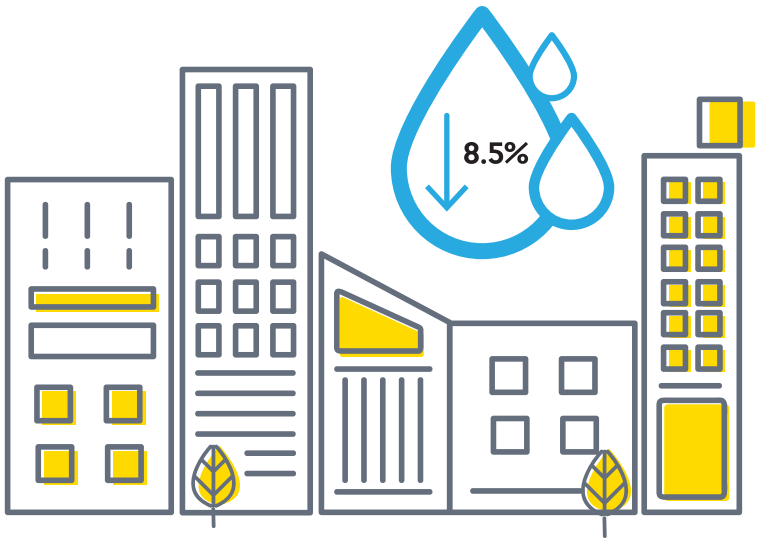
At **EDA THESS** we aim to continuously improve our operational efficiency so as to use water wisely and preserve this fundamental natural resource. In terms of water quantity, we take regular actions through maintenance works and inspections to our infrastructure to ensure that there are no water losses within our water network. We safeguard water quality through the appropriate treatment of water discharges from our facilities, to ensure that the quality of the water discharged complies with the relevant legislative provisions.

The following Table illustrates the water consumption of our company and in particular, in buildings and CNG stations per location of operations in 2021.

Water Consumption in 2021 (m^3)

	Thessaloniki	Thessaly	Total
Buildings	1,890.15	586.44	2,476.59
CNG stations	180	885.75	1,065.75
Total			**3,542.34**

The total water consumption in our buildings in 2020, stood at 2,708m^3.
We have thus achieved 8.5 % reduction:



Reduction in building's water consumption compared to 2020

CHAPTER 7

Promoting a Responsible and Attractive Workplace

Material issue covered:

- Employee wellbeing
- Employment practices
- Diversity and inclusion
- Human rights

Related SDGs:

Our employees are the driving force towards the success of our company. We are committed to creating a dynamic and modern work environment that not only responds effectively to their needs but also surpasses their expectations. Having a deeply rooted sense of responsibility towards our employees we offer development opportunities, implement wellbeing initiatives, and create a diverse and inclusive workplace which safeguards human rights and equal opportunities.

7.1 EMPLOYMENT PRACTICES

The successful and sustainable development of **EDA THESS** is inextricably linked with the success of our people. To this end, we give emphasis on creating an inclusive and inspiring work environment where our people can pursue their professional goals. Our aim is to boost the skills, confidence and wellbeing of our employees so that they thrive professionally and personally and at the same time maintain optimal performance and support our business objectives.

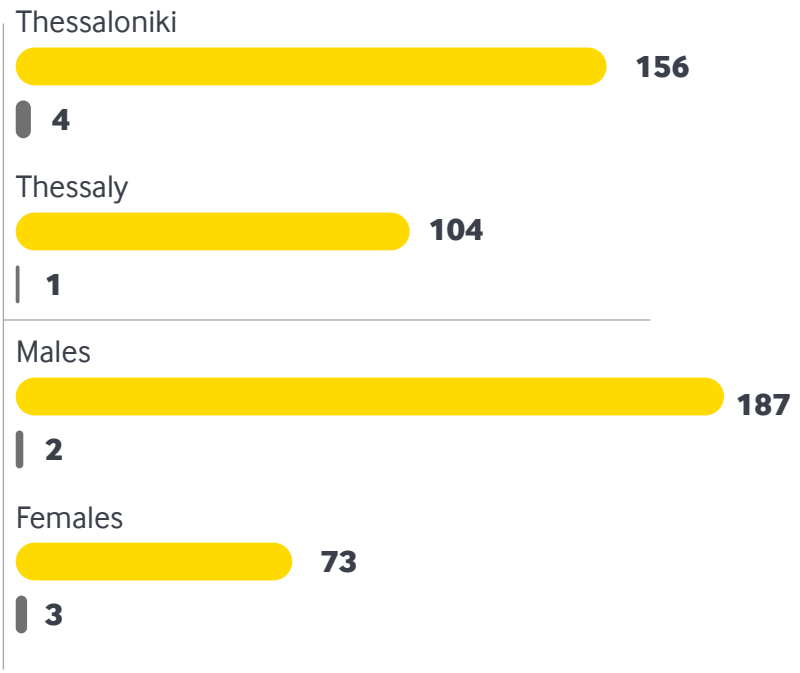
Overall employee statistics

The total number of employees at the end of 2021 was 265. 100% of our senior management staff is hired locally, a fact which underlines our strong bonds with our host communities. 98% of our staff (260 employees) are on an indefinite duration contract and 2% (5 employees) are on a fixed-term contract.

98%
indefinite duration contract

2%
fixed-term contract

Contract types by location and gender



Employees under indefinite duration contracts are entitled to the provisions of the company Collective Labor Contract which, at the end of 2021, applied to 98.1% of our employees. Furthermore, our employees can become members of a trade union. The industrial relation principles between EDA THESS and the trade union are stipulated in the company Collective Labor Contract.

Indefinite duration

Fixed-term

Hiring and Turnover

In 2021, 27 new hires took place while our turnover reached 40 employees, as shown in the following tables.

New employee hires by age group, gender and region

	< 30 years old		30 - 50 years old		> 50 years old	
	Males	Females	Males	Females	Males	Females
Thessaloniki	4	6	2	3	0	0
Thessalia	2	0	5	5	0	0
Total	**6**	**6**	**7**	**8**	**0**	**0**

Employee turnover by age group, gender and region

	< 30 years old		30 - 50 years old		> 50 years old	
	Males	Females	Males	Females	Males	Females
Thessaloniki	4	6	11	6	1	0
Thessalia	1	0	7	3	1	0
Total	**5**	**6**	**18**	**9**	**2**	**0**

Recruitment Strategy and Performance Evaluation

Our recruitment strategy is geared towards establishing diverse, skilled and experienced teams. We apply transparent recruitment processes with defined criteria to identify and bring onboard employees whose skills and values are aligned with those of our company.

We implement an employee performance evaluation system, through which our employees receive regular feedback and guidance for their performance and development options and opportunities. In particular every employee with more than six (6) months service to the Company receives a performance valuation.

Moreover, in 2021, for the first time, our employees were invited to provide feedback to the members of the Management Team and their supervisors in the organizational structure.

100%
of our employees received a performance evaluation for 2021

Training and development

Investing in the training and skills development of our people is at the core of setting **EDA THESS** up for success. By promoting this culture of continuous learning and development we stay updated with new technologies affecting our business, we sharpen our skills and follow closely all regulations that are pertinent to our operations. It is this mindset that sets us apart as an employer, provides us with comparative advantage to offer high quality services to our customers and drives innovation in the gas distribution sector.

Undoubtedly, 2020 did not allow for extensive training in person due to the pandemic outbreak. In 2021 we intensified our activities towards the upskilling and development of our employees. The establishment of e-learning platforms and the development momentum of our company have driven the participation and the interest for more quality training opportunities among our staff. As a result, we recorded a very high increase in terms of the number of training programs (46 in 2021 vs. 13 in 2020, an increase of 254%), the total training hours (2,921 in 2021 vs. 1,099 in 2020, an increase of 166%) and participants (1,583 in 2021 vs. 212 in 2020, an increase of 746%).

46
Training programs in 2021

2.921
Total training hours

1.583
Participants

The average training hours per employee group and gender are:

Average training hours

Group	2021		2020		Change (%) 2020 to 2021	
	Males	Females	Males	Females	Males	Females
Management team	7.3	8.2	2.4	11.6	▲ 204	▼ 29
Supervisor's team	8.4	12.9	2.4	4.6	▲ 250	▲ 180
Staff	7.2	6.5	3.4	2.0	▲ 112	▲ 225

The training programs that we offer to our employees are designed to cover all the essential knowledge and skills needed so as to ensure that they develop further their expertise, adhere to Company policies and maintain a safe and inclusive work environment. These, among others, include:

- Digital skills
- Compliance with regulations and standards
- Technical training on gas distribution networks
- Health & Safety
- Development of soft skills
- Language courses

In addition to the above training programs, our laboratories at Thessaloniki and Thessaly continue their training activities. These are equipped with pilot scale gas distribution facilities (external and internal) for technical and theoretical training purposes.

Additional training workshops with a focus on internal gas installation topics are provided to **EDA THESS** employees annually. In 2021, relevant workshops were organized on exhaust gases, gas appliances, explosion protection and steel and polyethylene welds.

We also continue to offer trainings to our external partners.
More information on this is provided in **Chapter 8**, (8.3).

7.2 EMPLOYEE WELLBEING

As a responsible employer, EDA THESS considers the wellbeing of its employees of the utmost importance. Our employees fuel the development of our Company and we want to make sure that we create an environment where they can feel they can thrive.

Employee benefits

We stand by our employees in all phases of their lives, and we provide further to the law-mandated prerogatives, as listed below:

- Medical Insurance
- Life & Invalidity Insurance
- Group savings' scheme
- Meal Allowance
- Wedding Allowance
- Child Invalidity Annual Allowance
- Emergency Family Leave
- Child Academic Excellence Allowance
- Parental leave

Our group savings scheme, offered by an external provider, determines that specific contributions are made towards private pension by the employees as well as the company. These contributions mature during the service period of an employee at **EDA THESS** and are attributed to him or her upon retirement or resignation from the company. Specifically, **EDA THESS** contributes with an amount equal to 4% of an employee's salary while the employees' contribution varies between 2% and 5% of the salary.

Physical and chemical measurements in the workplace

Aiming to secure the wellbeing of our people and partners and to comply with the respective regulations, we monitor a series of physical and chemical parameters that are linked with the wellbeing and comfort in the workplace. These measurements include noise levels; dust levels; lighting; CO_2 concentration; temperature; and humidity. Depending on the results and regulatory standards, EDA THESS adopts relevant measures to mitigate any impacts on employees' wellbeing.

Our continuing response to COVID-19

Safeguarding the wellbeing of our employees and customers is vital for our organization. Throughout 2021, we maintained strict compliance with national regulations and took all necessary preventative protective measures against COVID-19. We further promoted remote working, alternate working modes, special leave regimes and provided all the necessary material means aiding health & safety.

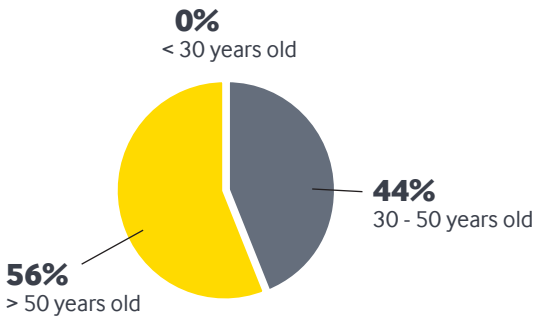
7.3 DIVERSITY AND INCLUSION

We are committed to creating a work environment that is free from discrimination and harassment, where every employee is treated with fairness, equity and respect irrespective of their gender, nationality or socioeconomic background. Diversity and inclusion are at the epicenter of our culture by means of a balanced employee gender and salary ratio.

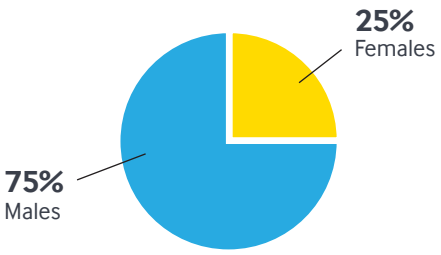
Sociodemographic characteristics

The characteristics of our workforce in terms of age and gender, classified by hierarchical level, are presented in the following graphs. On aggregate, we recorded a 1% increase in the number of female employees between 2020 and 2021.

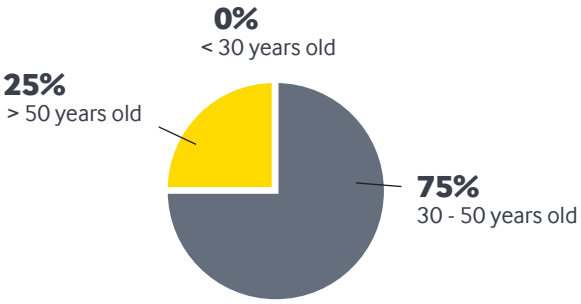
Age distribution of Management Team



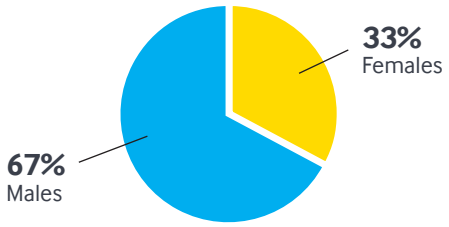
Gender composition of Management Team



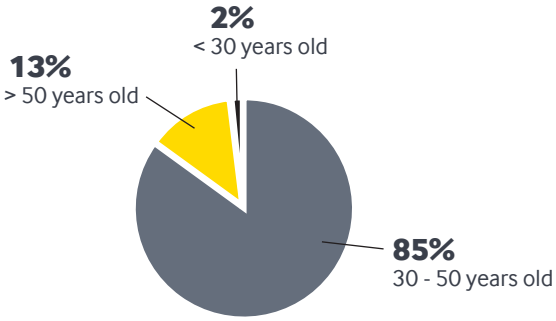
Age distribution of Supervisors Team



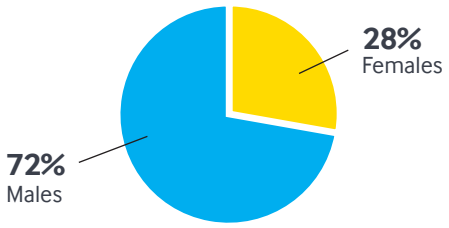
Gender composition of Supervisors Team



Age distribution of Staff



Gender composition of Staff



Salary Ratio

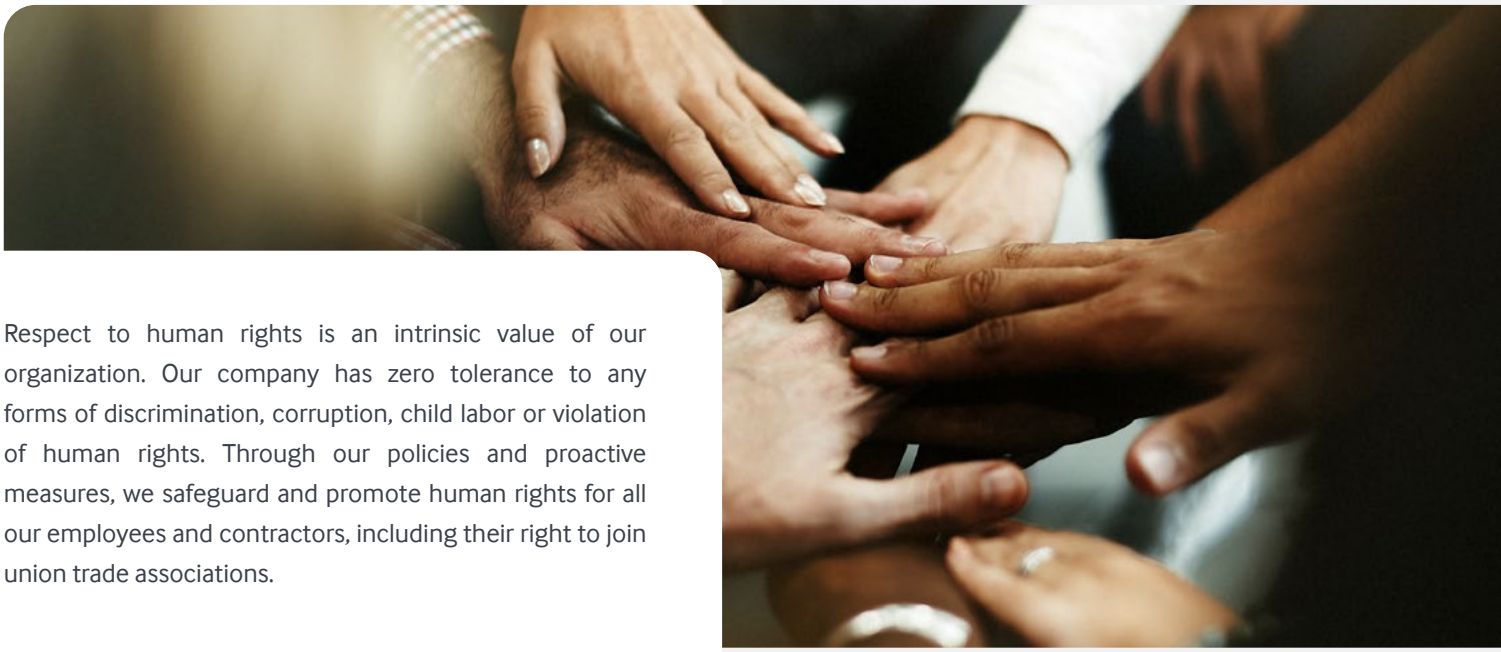
EDA THESS abides to fair and transparent remuneration practices. The majority of our personnel are compensated above the law-mandated minimum wage, with the ratio of average remuneration to minimum wage approaching 3 (2.9).

The remuneration ratio of female to male per employee group is:

Ratio: Remuneration female/male	2021	2020
Management team	1.05	1.02
Supervisors' team	0.91	0.89
Staff	1.11	1.14
EDA THESS	1.06	1.08

In 2021 the ratio of the female to male remuneration for the management and supervisor's team was slightly increased, meaning there was a slight increase of the relative remuneration as well. On the contrary, the ratio for staff has been slightly reduced. The total ratio regarding all of the company's personnel in both 2020 and 2021 remains close to 1, which signifies the overall equitable remuneration that our employees receive, irrespective of gender.

7.4 HUMAN RIGHTS



Respect to human rights is an intrinsic value of our organization. Our company has zero tolerance to any forms of discrimination, corruption, child labor or violation of human rights. Through our policies and proactive measures, we safeguard and promote human rights for all our employees and contractors, including their right to join union trade associations.

EDA THESS is in alignment with the provisions and goals of United Nations Universal Declaration of Human Rights, the Fundamental Conventions of the International Labor Organization (ILO), and the OECD Guidelines on Multinational Enterprises, to protect human rights and promote mutual respect.

0

ZERO

Incidents of discrimination reported in 2021

CHAPTER 8

Interacting with the Community

Material issue covered:
- Community relations
- Supply chain management

Related SDGs:

An integral part of our corporate values is our commitment to support the local communities to the areas of our License. In addition to the development of our business activities we orient our strategy towards creating value for our stakeholders and the society. In this respect we establish communication channels and engage with different stakeholders in order to identify opportunities to make our contribution.

8.1 COMMUNITY RELATIONS

Our Corporate Social Responsibility (CSR) program allows us to translate our values to tangible actions and is designed to reflect community needs through changing conditions. The strategic goals of the program are oriented towards:

- Implementation of actions within our License Areas
- Supporting social organisations/institutions of local municipalities and regions
- Supporting public Security Forces
- Implementing actions which promote the values of mutual respect, team spirit and sports
- Promoting environmental protection
- Financially supporting institutions with proven societal work

The annual action plan for CSR included the following initiatives in 2021.

CSR initiatives

Support to local municipalities and regions

These actions included the construction or restoration of public spaces aiming to upgrade their role both from social as well as environmental perspective. Within this frame, parks, green spaces and road infrastructures in Larissa, Volos and Thessaloniki were upgraded.

- Restoration of parks in Larissa and Thessaloniki.
- Construction of two roundabouts at Karamanli street in Larissa.
- Construction of roundabout at the junction of Athina and Larissis streets in Volos.

Support to security forces

Special emphasis was given in 2021 towards the support of the security forces in the Regional Unit of Thessaloniki given that in 2020 similar actions were undertaken for the Region of Thessaly. Future planning for 2022 includes the equal distribution of financial support to both License areas.

Promoting sports culture

We supported sports associations and veteran athletes at Thessaloniki and Thessaly who participated in philanthropic actions.

Support to NGOs

We continued our support to NGOs oriented towards protecting and creating a better future for young children.
These organisations include:

- "Faros tou kosmou",
- "Kivotos tou kosmou - Volos",
- "Elliniko Paidiko Horio at Filiro, Thessaloniki",
- "Spiti tis Arsis",
- "Krikio orphanage of Larissa",
- "SOS Children's Village at Plagiari, Thessaloniki"

Religious institutions

Moreover, we support religious institutions which contribute significantly to socially vulnerable groups of Thessaloniki and Thessaly.

The budget allocation of the CSR actions we implemented in 2021 per stakeholder is presented in the figure that follows:

- Health **0.1%**
- Religious Institutions **5%**
- Other Organizations **6%**
- Security Forces **8%**
- Conferences/Chambers **9%**
- Municipalities /Regions **72%**

EDA THESS maintains constructive dialogue with its stakeholders. Through this interaction crucial social topics are highlighted and can be effectively addressed by our company. EDA THESS endeavors to act as a development force within local communities; it will hence continue the two – way communication with stakeholders in order to identify the needs of local societies and establish fruitful collaborations.

8.2 CONTRIBUTIONS TO LOCAL BIODIVERSITY

EDA THESS adopts actions that contribute to local biodiversity preservation and enhancement through projects regarding parks restoration and development and the addition of green spaces in urban areas. During 2021, declared by EDA THESS as the "Environment Year", the Company developed, renovated and restored 6 parks in the regions of Thessaloniki and Thessaly that cover a total area of about 22,725m^2. These parks contribute to biodiversity enhancement in two large cities, Thessaloniki and Larisa; moreover, green spaces improve societal happiness and wellbeing as they offer clean air and relaxation among the fast pace of the city life.

Parks	Area (m^2)	Location	Year
Kipos Nerou	10,263	Thessaloniki	2021
Antheon Park	7,318	Thessaloniki	2021
Ioannidou Park	980	Thessaloniki	2021
Samanidi Park	410	Thessaloniki	2021
Moutafi Playground	885	Thessaloniki	2021
Jenny Karezi Park	2,869	Larissa	2021

Total area:
22,725 m^2

8.3 TRAINING AVAILABLE TO EXTERNAL PARTIES

We organize and offer trainings to external parties (contractors, partners etc.) which allow us to disseminate the latest technological and regulatory developments regarding the safety and uninterrupted supply of natural gas, thus contributing to optimizing distribution services across the country. Indicatively, the following took place in 2021:

Scuola Enrico Mattei training laboratories

We have set up natural gas training laboratories on our premises in Thessaloniki and Thessaly to train our employees and other interested professionals who are active in the natural gas sector through a hands-on training experience. The laboratories simulate the complete natural gas installations, both upstream and downstream. They include the distribution network, the external installations, natural gas decompression stations, the hydraulic installations and the gas appliance.

Educational opportunities on a technical level are offered to interested parties i.e., End-Consumers, schools, associations, engineers, authorities and other bodies. Training is both in terms of theory and practice of how the entire installation functions, and aims at ensuring the safe execution of works in relation to the natural gas infrastructure, safe operation and maintenance activities.

Training workshops and seminars

- Seminar on **"Exhaust Gas & Flues"** organized and delivered by the company's employees to internal gas installation inspectors, focusing on enhancing the security of internal facilities.

- Online workshop on the **"Operational independence and safe use of natural gas"** addressed to technical bodies in our License areas, focusing on the areas of operational independence, the development of the natural gas market, the expansion of the distribution network and technical information regarding internal installations.

- Workshop on **"Optimization of services offered to End-Consumers"**, addressed to Distribution Users, focusing on operational independence, regulatory issues, NG market development and internal installations, access to the distribution network-measurements and billing, digitalization and service development.

8.4 CREATING A SUSTAINABLE FUTURE THROUGH PARTNERSHIPS

Achieving the global energy and climate goals prerequisites collaboration. On an acting alone basis, no nation, industry or company can achieve enough towards climate change mitigation. To shape a carbon-free energy sector, we are partnering with innovators on a national and international level so as to exchange expertise and know-how and contribute to the common vision for the decarbonization of the energy sector.

We are members of industrial and research associations on a **national level**. Our cooperation enables us to share knowledge and align our strategies with other industries to set the foundations for the establishment of low carbon energy technologies.

Moreover, we cooperate with public authorities to promote energy efficiency. In 2021, we supported end consumers to replace old oil-based heating systems with new natural gas systems within the framework of the Partnership Agreement for the Development Framework 2014-2020 (financed through European Structural and Investment Funds). The use of natural gas systems will decisively contribute to emission savings and lead to the improvement of the energy efficiency of heating installations. EDA THESS, in cooperation with the Ministry of Environment and Energy and the Region of Thessaly, acted as the implementing body of this action and received 3,520 applications for the replacement of old heating systems.

We also support and take part in initiatives on an **international level** through which we promote our vision for the future of the European energy sector and take part in the process of establishing an efficient energy legislative framework. Moreover, engaging with these organizations creates valuable synergies for the exchange of cutting-edge knowledge that can promote the energy transition.

STHEV Association of Thessalian Enterprises and Industries

SEV Hellenic Federation of Enterprises

ΣΒΘΚΕ Σύνδεσμος Βιομηχανιών Θεσσαλίας & Κεντρικής Ελλάδος

HAEE WWW.HAEE.GR HELLENIC ASSOCIATION for ENERGY ECONOMICS

MINISTRY OF ENVIRONMENT & ENERGY

ΕΣΠΑ 2014-2020 ανάπτυξη - εργασία - αλληλεγγύη Partnership Agreement 2014 - 2020

In the spirit of reducing emissions and facilitating the energy transition, EDA THESS has been a proud member of the European organization **"Gas Distributors for Sustainability – GD4S"** since 2020. Turning our commitments to tangible results we have joined forces with other European gas distributors from France, Italy, Ireland, Spain, Portugal and Romania promoting policies for the benefit of EU End consumers. The gas distributors that are members of the organization represent approximately 27.7 million customers in Europe, corresponding to 30% of the European market.

The official agenda of GD4S consists of the following key axes, as stated in its White Paper "GD4S commitment to deliver on the Green Deal" (June 2021):

- Promoting the renewable gases potential to reach climate neutrality.
- Enhancing the role of the gas grids in decarbonization and gas sector integration through the coupling between gas and electricity sectors.
- Facilitating the aims of the European Green Deal for decarbonization of the energy sector through methane emissions mitigation.

Through its membership in GD4S, EDA THESS can participate actively to public consultations at the EU level regarding new initiatives or evaluation of current policies. This involves the development of the legal frameworks and regulations for the implementation of the European Green Deal and the achievement of the targets set to reduce the GHG emissions.

In addition, within 2021 EDA THESS initiated the process of becoming a member of **OME (Observatoire Mediterraneen de l' Energie)**, a think-tank and platform for information exchange in the Euro-Mediterranean Region among other leading energy companies from 16 countries.

CAMERA DI COMMERCIO ΕΛΛΗΝΟ - ΙΤΑΛΙΚΟ ΕΠΙΜΕΛΗΤΗΡΙΟ

Gas Distributors GD4S For Sustainability

ome Observatoire Méditerranéen de l'Energie

8.5 SUPPLY CHAIN MANAGEMENT

Maintaining an efficient supply chain is of strategic importance to **EDA THESS** for the performance of its operational activities. A dedicated Procurement Unit is responsible for the selection and management of works, materials and services purchases.

We utilize a transparent tender mechanism for the selection and equal treatment of our suppliers. We require of all our suppliers, based either in Greece or internationally, to comply with applicable laws, Procurement and Services Regulation, Work Contracts Award and Execution Regulation, technical/ economical requirements and our Code of Ethics. In addition, potential, suppliers should satisfy the following criteria:

- Prohibiting participation in a criminal organization
- Prohibiting bribery
- Prohibiting fraud
- Prohibiting terrorist offenses
- Prohibiting money laundering or terrorist financing
- Prohibiting child labor and other forms of trafficking in human beings.

Special attention is given to the quality of the distribution network materials, so much during the tendering process, by setting strict technical criteria according to the technical specifications of the company's Management System and the European and International Standards, as well as by inspections upon their receipt.

EDA THESS has adopted a Qualification System (preselection) for the verification of suppliers wishing to participate in our procurement procedures. Due to the critical nature of the use of material and services provided by our suppliers, we assess various aspects of their operation. Our suppliers, depending on the criticality of purchase, are categorized in:

Strategic suppliers (high criticality of purchase), monitored on an annual basis. **EDA THESS** maintains a vendor list for each of the critical purchasing categories of core business for works, material and services. We had 69 strategic suppliers in our supply chain at the end of 2021.

&

Supporting suppliers (intermediate criticality of purchases). We had 80 supporting suppliers at the end of 2021.

We had 0 incidents of child and/or unsafe labor identified at the premises of **EDA THESS** or those of our suppliers.

0 incidents

Supporting local suppliers

EDA THESS strongly supports local suppliers, thereby contributing to the local economies of the areas we operate. In 2021, 59% of purchases were procured from suppliers located in our License areas in Thessaloniki and Thessaly. Information regarding the distribution of our budget to local suppliers for the years 2019 to 2021 is shown in the Table on the right. In 2021 we maintained a similar proportion of buying from local suppliers as in 2020.

	2021	2020	2019
Total credit amount (€ million)	45.5	49.0	46.4
Local suppliers credit amount (€ million)	26.8	29.4	25.9
% of spending on local suppliers	59%	60%	56%

CHAPTER 9

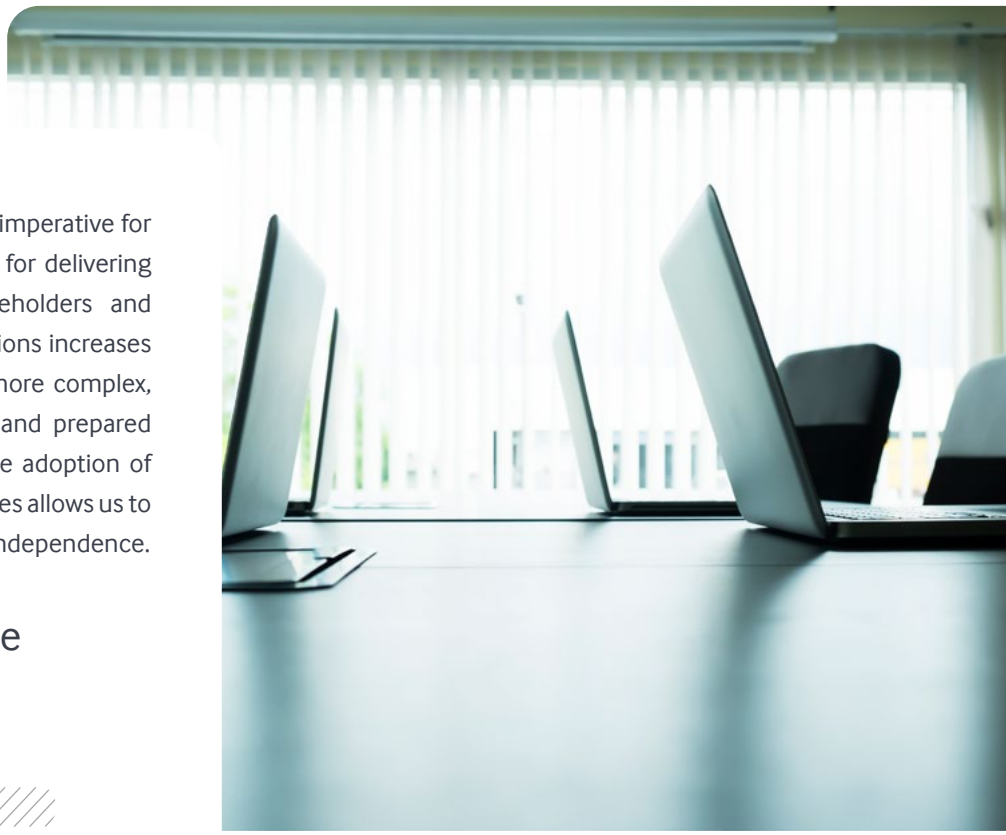
Governance

Material issue covered:

- Business ethics
- Data security
- Regulatory compliance
- Anti-corruption practices

Related SDGs:

9.1 CORPORATE GOVERNANCE



An effective governance structure is an imperative for achieving our sustainability targets and for delivering long-lasting value to both our shareholders and stakeholders. As the scale of our operations increases and sustainability challenges become more complex, we ensure that we are well-equipped and prepared to adapt to evolving circumstances. The adoption of sound principles and governance practices allows us to maintain transparency and operational independence.

Our corporate governance model encompasses the following aspects:

Governance structure

The figure below illustrates our governance structure. Details on the responsibilities of each committee are outlined in our **EDA THESS** Sustainability Report 2020.

The establishment and upholding of corporate policies as well as the oversight of **EDA THESS'** performance lies within the responsibilities of our General Manager and Board of Directors (BoD). Directors are regularly informed about the company's overall performance through reports and meetings. The BoD of **EDA THESS** had 14% female representation in 2021.

Board members	Role
Ioannis Tsitsopoulos	Chairman
Christos Vlachokostas	Vice-Chairman
Lazaros Kyrizoglou	Director
Nikolaos Papadopoulos	Director
Marco Piredda	Director
Antonio Buonomini	Director
Maria Vittoria di Pietrantonj	Director

Corporate management system

We implement a Corporate Management System to ensure operational excellence across our business activities. The Management System includes a series of internal procedures, instructions, manuals and specifications of codes, regulations and policies, and is independently certified by **TÜV Austria Hellas**, in adherence to the following standards:

ISO 9001:2015
for Quality management

ISO 14001:2015
for Environmental management

ISO 50001:2018
for Energy management

ISO 45001:2018
for Occupational Health & Safety management

ISO 39001:2012
for Road Traffic Safety management

ISO 27001:2013
for Information Security management

ISO 37001:2016
for Anti-Bribery management

ISO 22301:2019
for Business Continuity management

9.2 BUSINESS ETHICS

In line with our corporate values and principles, we align with the highest ethical standards and operate with integrity. Our Code of Ethics reinforces our commitment to uphold the highest standards of business conduct and build trust with our stakeholders.

The Code outlines the guiding principles for sound business decisions by clearly defining expectations and responsibilities for all employees and counterparties, while ensuring transparency, integrity, and regulatory compliance. The Code is revised on a regular basis and proposals for amendments are submitted for approval to the General Manager and the BoD.

Divergences from the guidelines of the Code are considered violations of behavioral rules or failure to meet obligations towards the company and may lead to disciplinary consequences, subject to our internal rules and relevant legislations. There were zero violations of our Code of Ethics in 2021.

ZERO

Code of Ethics violations in 2021

Anti-corruption and Bribery

We implement an Anti-Corruption Policy to enhance our zero-tolerance approach against such incidents. The Policy applies to all our business activities and sets strict rules, including the prohibition of all direct and indirect forms of bribery such as cash payments, gifts, entertainment expenses, in-kind contributions, political contributions and facilitation payments.

We operate a mechanism for the submission of whistleblowing reports, unacceptable behaviors and incidents of non-compliance with our internal rules as well as relevant laws and regulations. The mechanism is accessible to all employees, and they can opt to discuss with their direct supervisors and/or Unit Managers, contact the Anti-Corruption Support Team through a dedicated email address, or use one of the channels indicated in the company's procedure on Whistleblowing Reports Management.

In 2021, 35 whistleblowing incidents were recorded. Following careful examination, it occurs that:

- No report was relevant with a corruption or a bribery case.
- All the reports received were managed by the relevant unit.

During 2021, full legislative compliance has been achieved according to requirements of the Anti-Corruption and Bribery framework, through control mechanisms and procedures.

Throughout the operation of our company, there have been zero incidents of corruption or bribery linked to our employees and associates.

ZERO

Corruption incidents in 2021

In 2021 no penalty or dismissal incidents of Company employees took place. Moreover, no contracts with partners were terminated or were not renewed due to corruption reasons.

Finally, no political contribution was made by EDA THESS in 2021 and no financial assistance received by the Greek Government.

Communication and training about anti-corruption policies and procedures

- The policy against anti-corruption and the management system are approved by the General Manager and are available on the website of the company.
- The policy and the management system have been communicated to our employees through the website of our Company and e-mails, while they can also be found in workspaces.
- Every contract with a partner makes reference to the code of Ethics and to the anti-corruption policy which contractors are asked to adhere to.
- Training material against bribery and corruption has been sent to all the management staff and supervisors (100%).
- Anti-corruption training material is available to all our employees through the training platform of our Company, with the statistics regarding the completion rate of the training recorded.

Anti-competitive behavior

Within 2021 no legal cases occurred regarding anti-competitive behavior and violations of anti-trust and monopoly legislation in which EDA THESS has been identified as a participant.

9.3 COMPLIANCE

Full compliance with all laws and regulations relevant to our company's business activity is of vital importance for **EDA THESS**. Further to this, we are also aligned with social norms and good corporate practices.

EDA THESS has established and implements a Compliance Program. The implementation of the Program is systematically monitored and audited by means of internal audits carried out based on the annual planning. A Compliance Officer submits a report to RAE describing the measures taken by the Company concerning the observance of the program and verifying full compliance. Given that our business activity takes place within a heavily regulated environment, we address three distinct compliance pillars: legal, regulatory, and operational independence.

Legal Framework

There have been zero legal cases affecting our business operations or damaging the brand image of our company.

Regulatory framework

We have set up a detailed Regulatory Calendar to monitor any changes in the regulatory environment and ensure our compliance, while we also carry out regular (annual, semi-annual, monthly) reporting to authorities. As a result, there were zero penalties, sanctions or pending issues in 2021.

On top of that, we continuously achieve performance excellence by setting higher operating standards than those required by regulations, as shown below:

Key regulatory requirements

Maximum 60 days to connect	Average of 40 days
Maximum 13 days to switch supplier	Maximum of 13 days
Maximum 30 days to respond to requests/complaints	Average of 10 days
Maximum 30 seconds to respond to at least 99% of emergency calls	Maximum 30 seconds response time for 100% of calls
Maximum 4 hours to respond to potential gas leak, max. 2 hours for 90% of calls	Less than two hours
Specific timeframes for meter deactivation/disconnection	Consistently achieved

Operational independence

We place special emphasis on the operational independence of EDA THESS with regard to the Distribution Network Users and the End Consumers, by providing Distribution Services in the most cost-effective, transparent and direct way, without discriminations. Our Compliance Program contains measures for the elimination of any partial behavior towards any sector or department of the vertically integrated undertaking and its affiliates, end customers and distribution users. We promote our operational independence through:

Company level measures

Implementation of Corporate procedures during the execution of our activities

Introduction of Non-disclosure terms in the contract agreements to preserve commercially valuable information

Guidelines for the proper presentation, communication and behavior of our contractors

Ensuring the quality of the calls made by our contractors to customers.

Inspection of audiovisual material

Distinct corporate identity

Internal audit system

Informing end-consumers during technical inspection, contract agreement, and inspection of the internal installation

Promotional activities

Provision of information to customers and potential customers through press releases, electronic messages and distribution of brochures with information about every stage of the connection process.

Informing our employees

During the hiring process for the implementation of the code of ethics

Communication activities on a yearly basis for Operational Independence issues and on the General Data Protection Regulation

The personnel supervising the field works during the construction of new connection to the grid informs the end-consumers regarding the independence of EDA THESS as a Distribution Network Operator.

Furthermore, EDA THESS informs Distribution Users, third parties, Shareholders and the members of the BoD on operational independence issues.

In 2021, the following actions were undertaken:

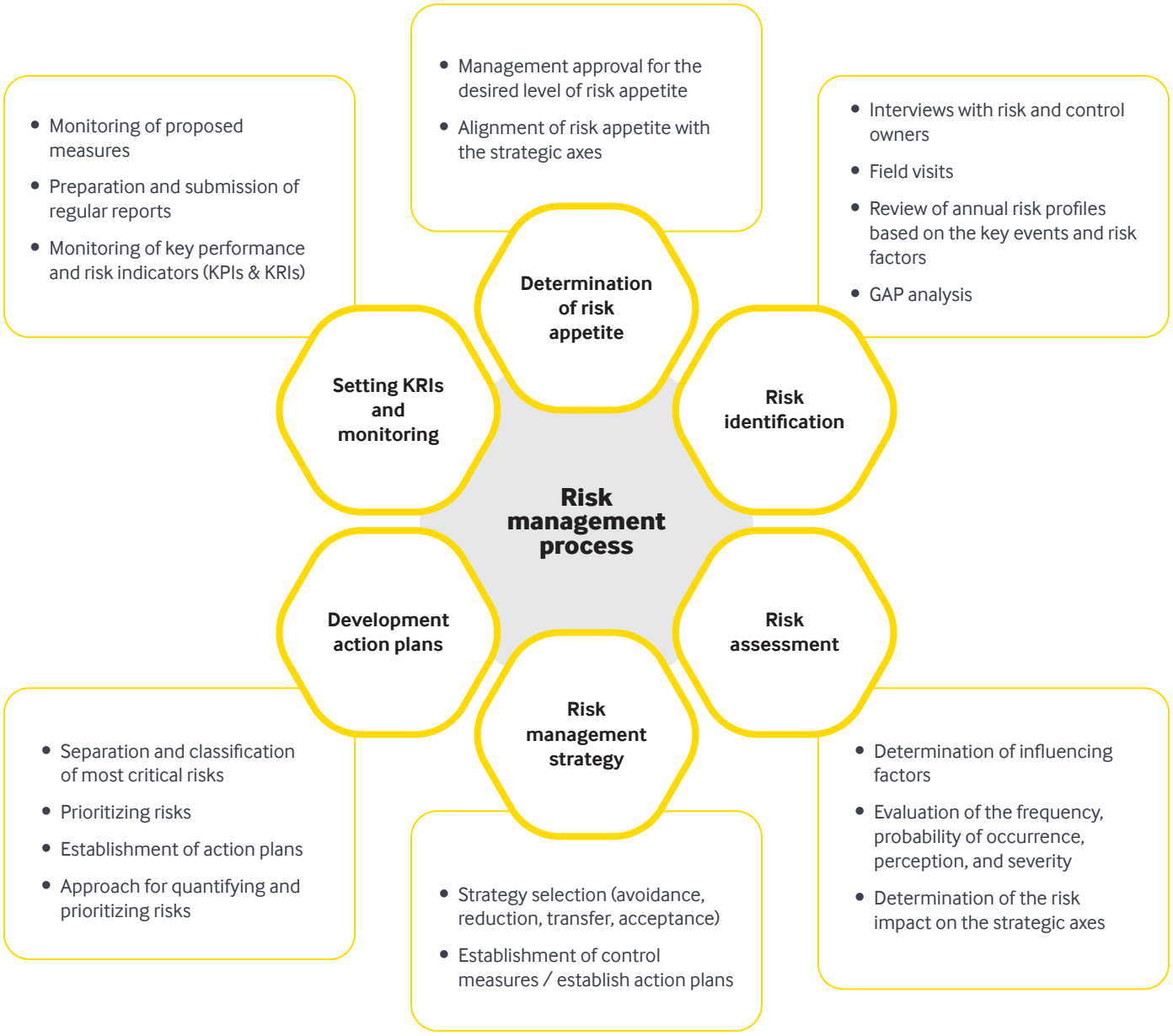
- Information letters sent to our contractor companies (3 letters)
- Information letter sent to the Regulatory Energy Authority (RAE)
- Informative material provided to the media in scope of an information campaign
- Electronic messages sent to new consumers
- Printed material provided to Customer Service Office
- Operational independence framework presented during workshops with Distribution Users and Technical Bodies
- Targeted information campaign to the wider public through social media.

Management System Reports for Operational Independence

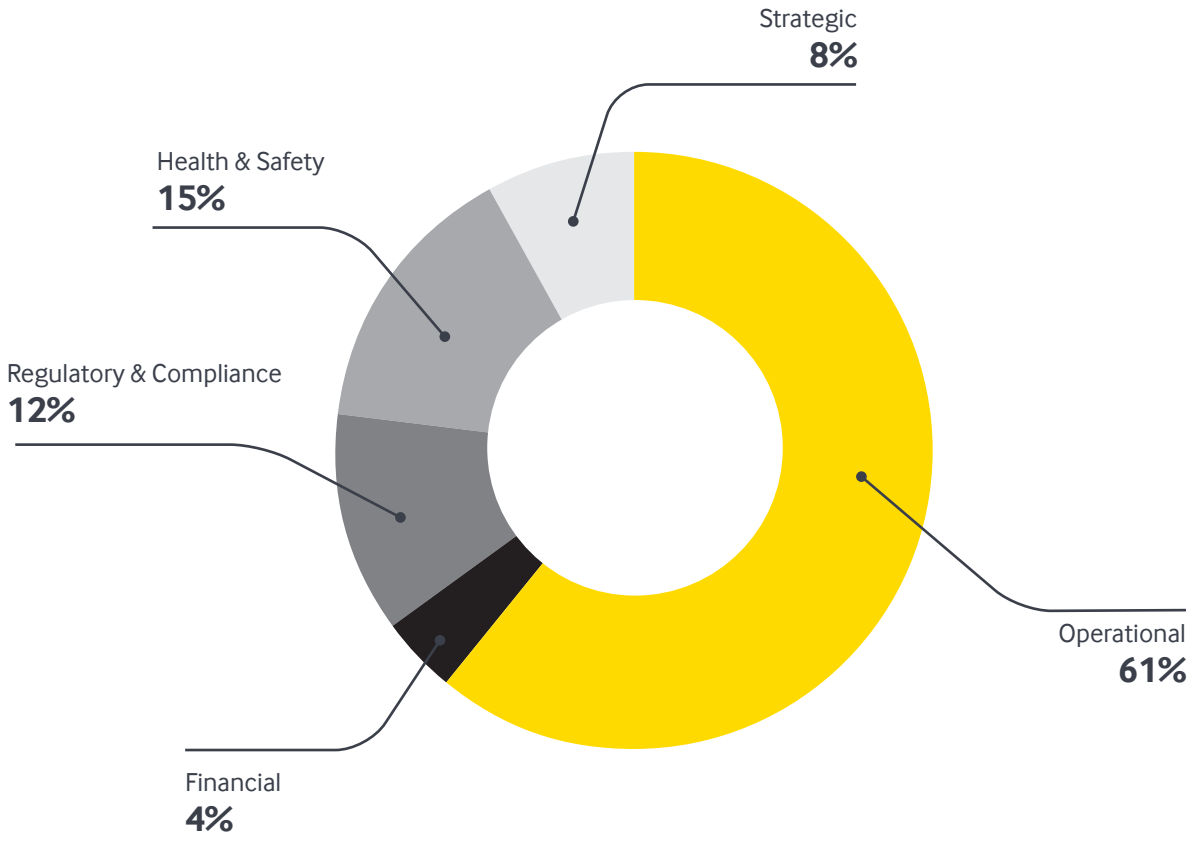
EDA THESS operates a management system for reports on operational independence to ensure their appropriate investigation and evaluation, and the submission of corrective or improvement proposals. The official channels of communication are by post, email, yellow box or voice message through a dedicated line. 34 reports were made through these channels in 2021 (as opposed to 21 reports in 2020). No report was valid and attributed to **EDA THESS** regarding its operational independence.

9.4 RISK MANAGEMENT

A rigorous approach towards risk management is an integral part of any robust governance framework. Recognizing this, we have developed a Risk Management System that is aligned with international best practices and the company's business strategy. Our process comprises six steps and enables us to effectively and timely identify, assess and manage risks that are associated with our operations, our people and stakeholders, and the wider environment. The following diagram provides detailed information about the steps that we apply:



For the year 2021, the Company conducted an Enterprise Risk Management (ERM) exercise for the detailed identification, analysis and recording of risks (threats and opportunities) per organizational unit based on the company Processes, projects and their activities. All identified risks were recorded in the EDA THESS risk register, which consists of a total of 706 identified risks categorized under strategic, financial, operational, regulatory and compliance, and health and safety risks.



At the same time, a specialized application of Corporate Governance, Risk Management and Regulatory Compliance (GRC) has been adopted and is being implemented, aiming to support, optimize and automate the processes of Risk Management and Internal Audit. The Company continuously monitored the variance of the valuation, capture the status of risks in real time, to strengthen its Corporate Governance.

EDA THESS acts in a timely manner and establishes effective actions and control measures to address risks. The effective control measures and mechanisms established have ensured the Business Continuity of the Company.

Cyber security and data protection

Due to the nature of our operations, we communicate and engage with a wide range of stakeholders including suppliers, business partners and customers daily. Our activities involve the acquisition, storing and processing of data during, for example, financial transactions, administrative proceedings, and negotiations. We have an obligation to secure the confidentiality of these types of sensitive information.

Our Code of Ethics describes the principles, rules and controls for handling confidential data and carrying out preventive safety measures to minimize risks of data loss and prevent unauthorized access. In addition, EDA THESS operates in full compliance with the General Data Protection Regulation (GDPR) and applies a series of organizational and technical measures to optimize cyber security and data protection.

ZERO

Cases of personal data violations in 2021

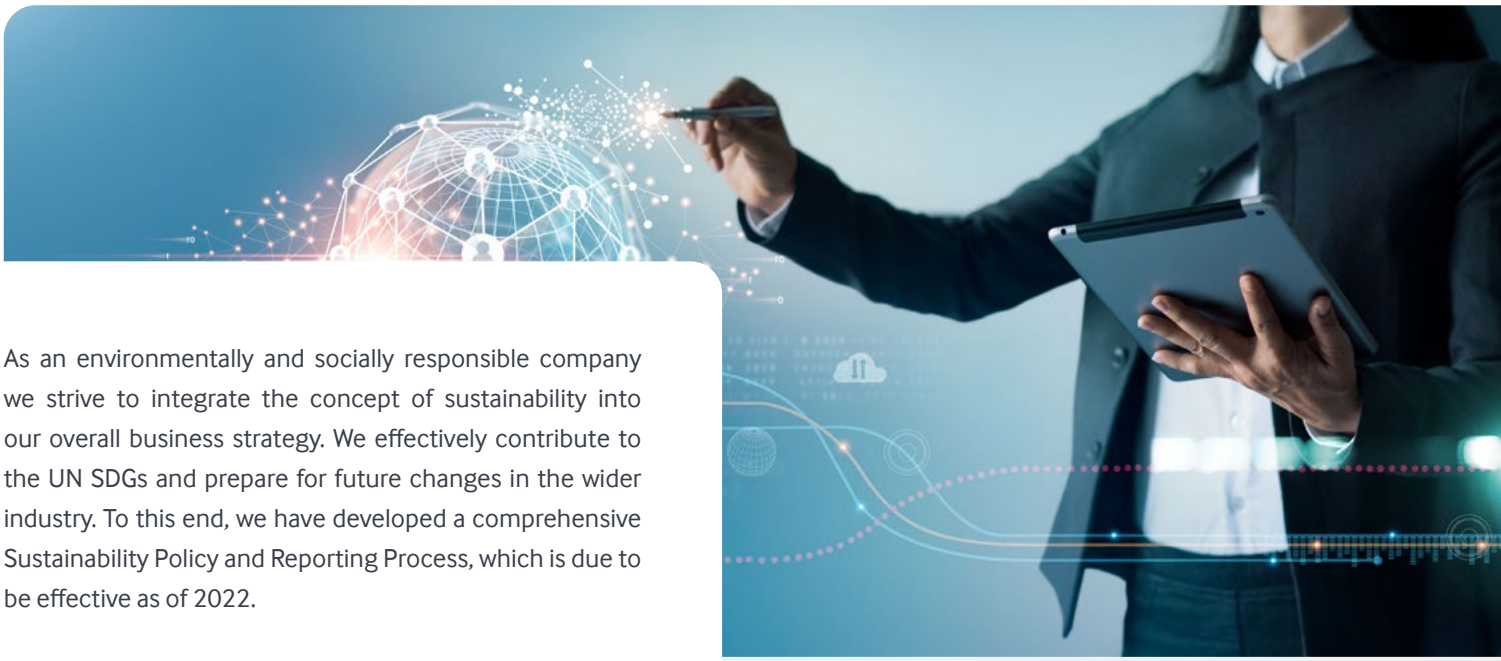
Our proactive approach enables us to eliminate data and cyber security risks and as a result, there were 0 incidents and 0 complaints concerning customer data leak, theft or loss during 2021.

Business continuity

EDA THESS has recognized and assessed major risks that may disrupt business continuity and hinder the company's success. To systematically manage risks and safeguard the uninterrupted flow of our daily operations, we have developed policies and processes to identify threats and set plans to mitigate them. These processes and plans are analyzed in detail within our Business Continuity Management System. The effective implementation of the System ensures business continuity and is achieved through training and awareness sessions with all relevant stakeholders. Meanwhile, we regularly assess possible threats related to critical disruptions and monitor relevant key performance indicators.

Within 2021, the Company was called to deal with disruptions due to the pandemic, earthquakes as well as extreme weather phenomena in the region of Thessaly. However, despite the severity of disruptions that occurred and their impact, the company, strictly implementing all the required actions and monitoring the measures, managed to deal with the events in a timely and effective manner, ensuring its Business Continuity.

9.5 EMBEDDING SUSTAINABILITY IN THE HEART OF OUR BUSINESS MODEL



As an environmentally and socially responsible company we strive to integrate the concept of sustainability into our overall business strategy. We effectively contribute to the UN SDGs and prepare for future changes in the wider industry. To this end, we have developed a comprehensive Sustainability Policy and Reporting Process, which is due to be effective as of 2022.

Sustainability Policy

The Policy will provide an overall framework for engaging with sustainability-related matters and will be based on the principles that were analyzed in section 2.1. Additionally, it will establish clear commitments and define responsibilities for the employees, managers, and directors of our company, along with guidelines for monitoring and managing the aspects outlined within the Policy.

Sustainability Reporting Process

The Sustainability Reporting Process will constitute an integral part of EDA THESS' pathway towards fulfilling its commitments for environmental protection, societal advancement and responsible governance. By designing a systematic and consistent process for sustainability reporting, we will be able to continuously monitor and evaluate our performance, set ambitious yet tangible targets and optimize our operations and governance model, so that we can fulfil our non-financial obligations. In the future, the process will include an examination of voluntary initiatives and regulatory obligations with which we should align our disclosures as well as a consideration of ratings and indices in which we could participate.

The process will be subject to annual review, following the publication of the correspondent sustainability report, to remain applicable, compliant and relevant to evolving global and national frameworks, standards and best practices.

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EDATHESS
GAS DISTRIBUTION COMPANY

2021
Sustainability Report

EDA THESSALONIKI-THESSALIA S.A.

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Contact Information

For more information on our
2021 Sustainability Report,
please contact:

Aikaterini Stachtari
Manager of Corporate Affairs & Internal Audit
esg@edathess.gr