

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

DISCLOSURE for the first time.

TAURON Capital Group is a fully integrated energy group with its operations encompassing all elements of the electricity and heat value chain: from mining and procuring raw materials, through generation, distribution and supply to the final customers.

The Group's business model overlaps with this value chain. In response to the current and future challenges, the value chain has been expanded by adding the innovations ecosystem and the so-called new businesses that are set up at the interface between the innovations ecosystem and the core operations segments (lines of business).

TAURON Capital Group is Poland's largest electricity distributor. Using its more than 241 000 km long distribution grids, it delivers electricity to more than 5.7 million consumers, in the area that covers approx. 57 900 km², which constitutes more than 18,5 percent of Poland's territory. TAURON's electricity distribution volume came in at 50.26 TWh in 2020. In terms of electricity supply to the final consumers TAURON Group is number two, with its supply volume of approximately 28.5 TWh per annum. On the other hand, in terms of production volume TAURON Group is the third largest electricity generator on the Polish market, with the annual net production of 11.4 TWh and installed capacity of 6.1 GW. To produce electricity the Group's conventional installations are using hard coal and biomass, renewable energy source units are utilizing the energy of wind and the kinetic energy of falling water. TAURON Capital Group is managing 9 wind power plants and 34 hydroelectric power plants, and it is operating 1 180 km of district heating networks. The construction of a 5 MW photovoltaic power plant on TAURON Group's post-industrial land in Jaworzno was completed in 2020 and the construction of solar farms with a total capacity of 6 MW in Choszczno is in the final stage.

The TAURON Group is involved in a number of projects for the environment, such as educational and charity activities. Is a sponsor of important cultural and sporting events.

Our mission and vision is:

With passion and commitment, we provide modern solutions that give energy in a constantly changing world.

We are a company that best responds to the needs of customers in the Polish energy industry.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1 2020	December 31 2020	Yes	3 years

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

Poland

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

PLN

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Financial control

C-EU0.7

(C-EU0.7) Which part of the electric utilities value chain does your organization operate in? Select all that apply.

Row 1

- Electric utilities value chain
- Electricity generation
- Distribution
- Other divisions
- Coal mining

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Chief Operating Officer (COO)	In the TAURON Group the Vice President of the Management Board for Management of The assets of TAURON Polska Energia S.A. integrates the roles such as Chief Operating Officer, Chief Risk Officer and Chief Sustainability Officer and supervises the implementation of The TAURON Group's Climate Policy and Environmental Policy. Regarding to all above, the Vice President scope includes oversight and monitoring of the TAURON's Group progress in the "Green turn" targets, which is to reduce CO2 emissions of more than 50% by the end of 2030 . In regards to this, an example of the decision taken is complete shutdown of the oldest and most GHG emissive units class 120 MWe at the end of 2020 and gradual shutdown of the remaining coal-fired units class 200 MWe in the years after 2025.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues	<Not Applicable>	In the TAURON Group, the Management Board meets on scheduled basis. During these meetings the ongoing business actions and short/medium-term strategy goals of the company are reviewed and updated. The climate policy and climate-related issues are an essential part of this actions and goals therefore they are always a discussed subject and reviewed according to Enterprise Risk Management process, into which climate related risks are incorporated. TAURON has a Risk Steering Committee established, and its meetings are organized cyclically in line with current needs, usually several times a year.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Operating Officer (COO)	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	More frequently than quarterly

C1.2a**(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).**

The Chief Operating Officer (COO) reports climate-related issues to the President and to the Supervisory Board of TAURON Group. Main tasks include implementing climate and environmental policies, supervising them and constantly updating them in order to adapt the Group's ongoing business actions and strategy to achieve short/medium term climate neutrality targets within respect of a just transition.

The tools supporting responsible management of the resources that constitute the natural capital of TAURON Group, going beyond the mandatory conditions of administrative decisions, include: TAURON Group's Environmental Policy and TAURON Group's Climate Policy. The policies comprehensively address all types of activities carried out within the Group, related to the impact on the environment and the use of its resources in accordance with the principles of sustainable development.

Regular assess and monitor progress on the Group's sustainability goals, including climate-related issues also provides the possibility of taking proper actions that may influence on the crucial business issues. Responsibility for climate-related issues lie at the high executive level because this leads the Group's sustainability strategy and has the authority, and influence to effectively act on climate-related issues. The COO also presents to the Public via non-financial reports information related to the accomplishment of the Company's sustainability actions, including climate targets.

C1.3**(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a**(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).**

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Director on board	Monetary reward	Other (please specify) (Green energy generation - concerns TAURON Ekoenergia)	The model of compensation covered by the Compensation Policy assumes a two-component system for determining the compensation of the Members of the Company's Management Board, where the total compensation of a Member of the Company's Management Board is composed of a fixed part constituting the monthly base compensation and a variable part constituting the supplementary compensation for the Company's financial year, dependent on achieving specific management objectives (KPI).
All employees	Monetary reward	Emissions reduction project Energy reduction project Efficiency project	We define clear compensation rules, based on market conditions, that motivate people to work efficiently: - We support the implementation of tasks and goals that stem from the Strategy, - We create performance related employee compensation systems, - We build tools that support management by objectives.

C2. Risks and opportunities**C2.1****(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?**

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	5	Focused on operational planning of climate-related issues.
Medium-term	5	15	Focused on strategic business planning of climate-related issues.
Long-term	15	30	Long-term horizon is defined as 15 to 30 year. In perspective of a Long-term horizon TAURON has two main climate goals to reach - more than 50% less of GHG emissions in 2030 and climate-neutrality in 2050.

C2.1b**(C2.1b) How does your organization define substantive financial or strategic impact on your business?**

At TAURON Capital Group financial or strategic impact on the business is understood as possibility of incurring a loss or making a gain due to circumstances that may occur, planned or unplanned changes or for the other reasons that may have influence on business. by TAURON Capital Group of its defined strategic goals, both negatively (threat), as well as positively (opportunity).

The enterprise risk management system (ERM System), implemented at TAURON Capital Group's level, constitutes a set of rules, standards and tools allowing for implementing the primary goal of risk management which is, broadly understood, ensuring safety (security) of TAURON Capital Group's operations. In particular, TAURON Capital Group's risk management is to ensure increased predictability of achieving its strategic goals, generation of its financial results, the protection of TAURON Capital Group's current economic value, as well as support for the decision-making processes.

Most related issues that may have substantive financial or strategic impact on TAURON's business observed in recent years was very rapid pace of changes taking place not only in the regulatory environment, but also in the Group's economic, macroeconomic or market environment. In particular, the following factors were observed:

- introducing further and tightening the existing regulations and requirements with respect to the environment protection and counteracting climate change (among others, Winter Package, Grid Codes, ETS Directive, BAT Conclusions, European Green Deal, European Commission guidelines on climate impact reporting),
- increase in the volatility of the prices of electricity and related products,
- steadfast change of the energy mix towards low or zero emission electricity generation sources,
- development of the distributed and prosumer energy sector model,
- advancing integration of the European electricity markets,
- increase of the awareness of TAURON Group's stakeholders regarding the environment protection and climate impact.

TAURON Group assumes that the above mentioned trends will continue, aiming at a further transition towards an innovative, sustainable and low-emission economy for achieving in the long run, climate neutrality as well as implementing circular economy in the European Union.

Due to the above, TAURON Group is actively monitoring both the regulatory environment, as well as the market environment, in order to prepare an action plan corresponding to the changing conditions for conducting market operations. In particular, the risk management system functioning in this respect at TAURON Group is geared towards implementing adequate and effective responses to possible threats, as well as towards the possibility of taking advantage of emerging market opportunities.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations
Upstream
Downstream

Risk management process

A specific climate-related risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

The enterprise risk management system (ERM System), implemented at TAURON Capital Group's level, constitutes a set of rules, standards and tools allowing for implementing the primary goal of risk management which is, broadly understood, ensuring safety (security) of TAURON Capital Group's operations. The main risk categories and sub-categories, in accordance with TAURON Capital Group's Risk Model in place, include: 1) Operational risk with sub-categories: Environment (stakeholders), Technology, Infrastructure and security, Employees and organizational culture, Compliance Risk, Customers and contractors. 2) Financial and credit risk 3) Trading (commercial) risk 4) Regulatory risk Risks related to TAURON Group's sustainable development are classified in accordance with the Risk Model. The following categories of risks related to the development of TAURON Group have been identified: 1) Social risk; 2) Risk related to climate change; 3) Human capital management risk; 4) Work Health and Safety (WHS) risk; 5) Internal communication risk; 6) Environmental risk; 7) Purchasing process risk; 8) Legal risk; 9) Compliance risk. Each of the risks is also assigned a trend and a materiality level classified as: Low materiality, Moderate materiality, Medium materiality, High materiality. Effective fight against climate change and sustainable development are one of the main assumptions implemented as part of the „Green Turn“ of TAURON's concept. Taking this into the account and being aware of climate change underway, the risks associated with climate change have also been identified as part of the Risk Model. They include: Physical risk - resulting from the physical effects of climate change adversely affecting the operations of TAURON Group's subsidiaries, in particular as a consequence of specific weather related events (storms, floods, heat waves), climate changes leading to temperature changes or hydrological drought. Risk related to the transition - including risks resulting from the transition to the low emission economy, resilient against climate change; for example, regulatory, financial, social, technological. Short-term and Long-term physical climate-risk identified for TAURON's Group: - frequent occurrence of extreme temperatures, greater rainfall intensity that can cause floods at any time of the year, uneven rainfall resulting in longer periods of no rainfall, intermittent abrupt rainfall (torrential rain), - increase in the frequency of distribution grid failures (electricity, heat), - increase costs of maintaining transmission systems due to climate change, - sharp fluctuations of market prices due to the occurrence of extreme temperatures, - the need to shut down individual power generating units due to the too low water level in rivers and decrease in the efficiency of the generating units, - change of the market conditions for the operations of TAURON Group's subsidiaries, in particular as a result of changes in the weather conditions, in general an increase of the costs and a decrease of the revenues, - increased failure rate of the machines and devices constituting the assets of TAURON Group's subsidiaries due to permanent climate changes. Short-term and Long-term Climate risks and opportunities related to the transition - risk related to the tightening of the EU's climate policy and set higher to reach goals, - decrease in the volume of sales (lost of revenues in value chain) of the products offered by TAURON Group's subsidiaries as a result of the development of energy efficiency, insulation of buildings, growth of prosumers, resulting primarily in a loss of revenue in the individual segments of TAURON Group's business operations resulting from the reduced demand, - difficulties or an increase in the cost of raising capital to finance operations based on fossil fuels, increase in the insurance costs, - the need to transform the assets to low and zero emission one (in short-term seen as a risk and as opportunities in long-term horizon), - limiting or discontinuing the operations based on fossil fuels and carbonates, - the need to restructure employment resulting from a change in the business operations profile. Response to climate-risks: • Adoption and implementation of TAURON Group's Climate Policy. • Conducting business operations that affect the climate in accordance with the sustainable development principles. • Ongoing offering updates, launching of the multi-packet products for sale. • Conducting marketing activities, acquiring new customers. • Activities focused on retaining current customers and recovering the lost ones. • Daily measuring and reporting of the portfolio positions. • Trading (commercial) risk management through a system for assigning and controlling the risk limits (e.g. VaR and stop loss). • Adoption of an optimal trading strategy and implementation of mechanisms used to hedge the trading position. • Optimization of investment outlays for asset replacements, active monitoring of the condition of the machinery, equipment and installations. • Frequent assessment of compliance of the activities with the legal requirements regarding climate impact. • Active search for the technical and organizational solutions that would minimize the impact of TAURON Group's activities on climate change, gradual adaptation of the production assets to the consequences of extreme weather occurrences and the volatility of weather conditions, in particular in the lines of business sensitive to these factors. • Responding to an emergency situation by the technical operational personnel and the automated protection systems. • Property insurance against fortuitous events (excluding the underground assets). • Introduction of IT tools with respect to improving the monitoring and management of failure rates. • Defining and updating as well as implementing of TAURON Group's Strategy and updating of TAURON Group's Strategic Research Agenda. • Adaptation of TAURON Group's Investment Strategy to the guidelines stemming from the Climate Policy and the Investment Strategy. • Gradual adaptation of TAURON Group's production assets and energy mix to the production of renewable energy and zero and low-emission electricity generation technologies (also as a opportunities for ongoing and new businesses).

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Tightening energy and climate policy of the European Union (EU). Increase of the costs of generating electricity using the conventional sources due to, among others, the ever higher environmental costs and the decarbonization policy. EU taxonomy and its impact on the possibilities of financing investments in the Energy sector, the exclusion of the support for the coal assets.
Emerging regulation	Relevant, always included	Tightening energy and climate policy of the European Union (EU). The need to incur additional expenses due to the changes to the Energy law.
Technology	Relevant, always included	Technology is important for TAURON Group in order to become at finally climate-neutral (2050 goal). Risks related to the transition to a lower-carbon economy is seen, The Update of the Strategic Directions indicated the ultimate (target) structure of the generating assets of TAURON Capital Group is provided. The assumed target energy mix of TAURON Capital Group will consequently contribute to investing in low- and zero-emission assets and reducing the number of coal units. A natural consequence of the change in the structure (mix) of TAURON Capital Group's capacity will be a significant reduction in CO2 emissions, Replacing distribution assets and focusing on improving grid reliability and implementing modern solutions, among others improving assets for climate change risks.
Legal	Relevant, always included	TAURON consistently manages and monitors legal risks, including climate risks. So far we have no legal claims on climate issues, but TAURON see the potential risk of claims in case of insufficient progress towards climate targets.
Market	Relevant, always included	Decline of the margin and the deteriorating economic profitability of the coal fired units, along with a simultaneous increase of the cost competitive generation from RES and the growth of the prosumers; lower utilization rate (load factor, workload) of the conventional assets. Loss of volume and profitability of the Supply Segment. Pressure on the electricity prices with the growing cross-border exchange volumes. Curtailment of the financing for the coal related investments as well as for the capital groups with coal assets. Impact of the COVID-19 pandemic on the national economy.
Reputation	Relevant, always included	As a part of operational risk is considered a risks determining the impact of the external environment (stakeholders) on the implementation of TAURON Capital Group's goals, including in particular the macroeconomic and reputational risks.
Acute physical	Relevant, always included	We consider Acute physical risk in a Short and Medium -term horizon, in example: - frequent occurrence of extreme temperatures, greater rainfall intensity that can cause floods at any time of the year, uneven rainfall resulting in longer periods of no rainfall, intermittent abrupt rainfall (torrential rain), - increase in the frequency of distribution grid failures (electricity, heat), - increased costs of maintaining transmission systems due to climate change.
Chronic physical	Relevant, always included	We consider Chronic physical risk in a Long-term horizon, in example: - the need to limit production or shut down individual generating units due to the low water level in rivers and the decline in the efficiency of generating units as a result of chronic heat waves.

C2.3**(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Current regulation	Other, please specify (The need to transform the assets results of the climate change)
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Primary potential financial impact

Increased direct costs

Climate risk type mapped to traditional financial services industry risk classification

<Not Applicable>

Company-specific description

Preparation and adaptation of the infrastructure taking into account the need to adapt to climate change is one of the significant items of TAURON Capital Group's capital expenditures. As part of these activities, among others, the alteration and replacement of the grid (including adaptation to the RES grid connections), modernization of stations in order to increase their efficiency, replacement of lighting with the energy-saving solutions, construction of "e-mobility" and "e-grid" infrastructure were carried out.

Time horizon

Short-term

Likelihood

Virtually certain

Magnitude of impact

Medium-high

Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

Potential financial impact figure (currency)

197000000

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

TAURON Group's total capital expenditures on the projects directly related to climate change adaptation came in at nearly PLN 197 million in 2020, which represented approx. 4.9% of the Group's total investment outlays.

Cost of response to risk

Description of response and explanation of cost calculation

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Products and services

Primary climate-related opportunity driver

Development of new products or services through R&D and innovation

Primary potential financial impact

Increased revenues through access to new and emerging markets

Company-specific description

HEMS (Home Energy Management System). The goal of the Program, addressed to a retail customer, is to prepare TAURON Group to acquire a new revenue stream for the Group's subsidiaries, by developing a strategy, organization and model for the provision of the services and selling products under HEMS, based on the existing as well as the new products and services. Activities related to HEMS focus on maximizing the energy potential of houses and devices, customer convenience and smart use of ecological products. To achieve these goals, modern solutions are used, i.e. artificial intelligence, smart home technology, etc.

Time horizon

Medium-term

Likelihood

Likely

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

<Not Applicable>

Potential financial impact figure – minimum (currency)

<Not Applicable>

Potential financial impact figure – maximum (currency)

<Not Applicable>

Explanation of financial impact figure

Cost to realize opportunity

Strategy to realize opportunity and explanation of cost calculation

Comment

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?
Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Is your organization's low-carbon transition plan a scheduled resolution item at Annual General Meetings (AGMs)?

	Is your low-carbon transition plan a scheduled resolution item at AGMs?	Comment
Row 1	Yes	

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?
Yes, qualitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
Nationally determined contributions (NDCs)	Social pressure and the EU regulations are causing Poland to introduce increasingly more stringent environmental standards and a rising taxation of the CO ₂ emissions (fees for the CO ₂ emissions). The continuous increase in the CO ₂ emission allowances prices is also associated with the use of the regulatory mechanisms leading to the reduced supply of the emission allowances, the EU's commitments to reduce the emissions by 55% in 2030 will be implemented through the supply controls – that is why the development of low- and zero-emission energy sources is so important. The next version of the BAT conclusions is expected to be released in the second half of the decade. The adaptation of the coal fired units to the more stringent emission standards may prove to be impossible technologically or very expensive and ultimately economically unjustified for the older generation sources. In response to the above, TAURON Group is already today assuming a gradual decommissioning of the old coal-fired units. The first of such steps was the permanent shutdown of the coal-fired units with a total capacity of 970 MW at the turn of 2020 and 2021. In accordance with the Strategy, further coal-fired units will gradually be retired by 2030.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	As opportunity, TAURON Group's new businesses focus on various areas of activity (e.g. e-mobility program, Internet program, energy efficiency, distributed cogeneration, energy storage, smart home, smart city). To this end, in the short term, TAURON Group, using its competences, human, technical and organizational resources as well as customer relations, is conducting extensive research and development as well as innovative activities to pave the way to new revenues. One of Climate-related risks is Volume and margin risk related to the decline in the volume of the sales of the products offered by TAURON Capital Group's subsidiaries, in particular as a result of the development of the energy efficiency solutions, building insulation, prosumer development (growth), the impact of the climate factors causing a significant temperature deviation from the planned values. The Group can turn the climate related risk into opportunities by offering products and services that contribute to mitigating climate change or adapting thereto. TAURON Group is observing a clear trend underway that involves a redirection of the consumers' and business customers' choices towards products and services that are less harmful to the climate. This is a key factor leading to the development of the so-called ECO line. Such an offering increases the resilience of the product portfolio against climate change, EKO product lines (business and individual customers) are products that allows, among others, for the conscious purchase by the Group's customers of electricity produced by renewable energy installations or by low-emission generation sources and confirmed by the applicable certificates from independent institutions (Polish Energy Certification Society, TUV Sud).
Supply chain and/or value chain	Yes	The Group concludes derivative contracts, with underlying instruments being commodities and raw materials. The Group's exposure to price risk inherent in commodity derivative instruments is related to a risk of changes in the fair value of the said instruments, driven by fluctuations of prices of the underlying raw materials/commodities. The Group limits price risk related to commodity derivatives concluding offsetting transactions. The risk is limited to open long and short positions concerning a given commodity or raw material, i.e. concern unbalanced portfolio.
Investment in R&D	Yes	R&D and innovation activities that TAURON Capital Group is placing a strong emphasis on in its Strategy, are reflected in the Strategic Research Agenda (SAB) adopted in 2018 and steadfastly implemented in 2020. Portfolio based management of research and development projects has been introduced by TAURON Capital Group as part of the Research and Development Area, in line with the priority directions of innovative as well as research and development activities. The implementation of SAB takes place on several levels, forming the so-called innovation ecosystem, including in the pro-climate context. SAB includes the following portfolios: • Customer and His/Her Needs; • Intelligent Grid Services; • Distributed Power Generation; • Low Emission Generation Technologies In addition to the traditionally understood research and development activities (research and development projects, cooperation with the scientific units and innovative business partners), the cooperation with start-ups, implemented through the accelerator programs and the Corporate Venture Capital (CVC) - EEC Magenta fund, has also gained significant importance at TAURON Capital Group. Research and investment projects aimed at ensuring the reliability of electricity supply and promoting sustainable development are grouped in following main categories: - Renewable energy technologies - Electricity distribution - Transmission and distribution technologies - Advanced technologies (storage, recovery, etc.) - Innovative related services (e.g. remote meters)
Operations	Yes	The Group manages its commercial risk following the Commercial risk management policy in the TAURON Group, which has introduced an early warning system in addition to a system of limiting the exposure to risk in various commercial areas. Companies of the Group are exposed to adverse effects of risks related to changes in cash flows and financial performance in the domestic currency due to changes in prices of goods in the open market position. The Group's exposure to commodity price risk is reflected in the volume of purchases of basic raw materials and commodities, which include hard coal, gas and energy. Our 2020 business is highly dependent on hard-coal fuel that impacts of significant increase of Carbon pricing mechanisms. The facts of unexpected increase of CO ₂ emission allowances price caused of significant decrease of income in TAURON's power generation segment. If this trend continues, it will have a negative impact on business in the coming years. This current impact of operational risk factors may accelerate the implementation of strategic plans for the transition to a low and zero carbon economy.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Capital expenditures Access to capital	In 2020 TAURON used revised forecasts of prices of carbon dioxide emission allowances to evaluate investment projects. The steadily high prices of carbon allowances favor the choice of low-carbon and renewable and waste energy projects along the value chain. Returns on investments are assessed taking into account the impact of carbon prices. This enables management to select the most optimal projects to achieve the strategic goals of our organization, including the long-term reduction of GHG emissions by more than 50% by 2030. As in previous years, also in 2020, TAURON undertook a number of initiatives to guarantee the financial resources needed for the sustainable development of the TAURON Group. At this point, it is worth mentioning the first issue of sustainable development bonds in Poland, under which we issued five-year bonds worth 1 billion PLN intended for energy transformation of the Group.

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

Applying of TAURON Group's Climate Policy.

Defining and updating as well as implementing of TAURON Group's Strategy.

Update of TAURON Group's Strategic Research Agenda. Adaptation of TAURON Group's Investment Strategy to the guidelines stemming from the Climate Policy and the Investment Strategy.

Ongoing analysis of the draft ordinances (regulations) and acts.

Active participation in the work of teams providing opinions on projects and proposing optimal solutions.

Gradual adaptation of TAURON Group's production assets and energy mix to the production of renewable energy and zero and low-emission electricity generation technologies.

Gradual withdrawal of the anthropogenic sources of greenhouse gas emissions coming from fossil fuels through the development of renewable energy and zero and low-emission electricity generation technologies.

Active search for the technical and organizational solutions that would minimize the impact of TAURON Group's operations on the climate change.

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?
Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2018

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1

Base year

2018

Covered emissions in base year (metric tons CO2e)

14629722

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

100

Target year

2030

Targeted reduction from base year (%)

50

Covered emissions in target year (metric tons CO2e) [auto-calculated]

7314861

Covered emissions in reporting year (metric tons CO2e)

10338942

% of target achieved [auto-calculated]

58.6583941923162

Target status in reporting year

Underway

Is this a science-based target?

Yes, we consider this a science-based target, but it has not been approved by the Science-Based Targets initiative

Target ambition

2°C aligned

Please explain (including target coverage)

We continue to evaluate and make changes in our operations and throughout the TAURON system value chain to reduce our climate impact. This target is set for TAURON Capital Group. The target brings our diverse sustainability initiatives under one goal to reduce the GHG emissions across the TAURON Group whole value chain by not less than 50% by 2030. This target, recently made public in 2019, is a Science-Based Target, and an absolute reduction target in line with a below 2 oC global average temperature rise scenario.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

Target(s) to increase low-carbon energy consumption or production

C4.2a

(C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

Target reference number

Low 1

Year target was set

2019

Target coverage

Company-wide

Target type: absolute or intensity

Absolute

Target type: energy carrier

Electricity

Target type: activity

Production

Target type: energy source

Renewable energy source(s) only

Metric (target numerator if reporting an intensity target)

Percentage

Target denominator (intensity targets only)

<Not Applicable>

Base year

2018

Figure or percentage in base year

0

Target year

2020

Figure or percentage in target year

8

Figure or percentage in reporting year

27

% of target achieved [auto-calculated]

337.5

Target status in reporting year

Achieved

Is this target part of an emissions target?

No its not part of an emmisions target. Target is defined as Sustainable Development Index: RES Capacity Growth Index denotes the index of the average annual increase of installed capacity in RES.

Is this target part of an overarching initiative?

Other, please specify (ustainable Development Index)

Please explain (including target coverage)

ES Capacity Growth Index denotes the index of the average annual increase of installed capacity in RES, calculated as follows: $JWZMOZE_r = WMOZE_r(r-2018)$ where: $JWZMOZE_r$ [%] denotes the unit index of increasing RES capacity in year r; $WMOZE_r$ [%] denotes the installed capacity change index; r denotes calendar year; 2018 is the base year (the calculation was adopted following the adoption of the Climate Policy in November 2019. The installed capacity change index is calculated as follows: $WMOZE_r = MOZE_r - MOZE_{2018} / MOZE_{2018}$ where: $WMOZE_r$ [%] denotes the installed capacity change index; $MOZE_r$ [MWe] denotes the installed capacity of RES units in year r, excluding biomass fired units, and the units of TAURON Ciepło Sp. z o.o. $MOZE_{2018}$ [MWe] denotes the installed capacity of RES units in the base year, excluding biomass fired units and the units of TAURON Ciepło Sp. z o.o.

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	5	111432
To be implemented*	3	70141
Implementation commenced*		
Implemented*		
Not to be implemented		

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Other, please specify	Other, please specify (Energy efficiency in lighting - final energy savings)
-----------------------	--

Estimated annual CO2e savings (metric tonnes CO2e)
6953

Scope(s)
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

Payback period
Please select

Estimated lifetime of the initiative
Please select

Comment

Initiative category & Initiative type

Energy efficiency in production processes	Process optimization
---	----------------------

Estimated annual CO2e savings (metric tonnes CO2e)
7068

Scope(s)
Scope 1

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

Payback period
Please select

Estimated lifetime of the initiative
Please select

Comment

Initiative category & Initiative type

Other, please specify	Other, please specify (Preparation and adaptation of infrastructure taking into account the need to adapt to climate change)
-----------------------	--

Estimated annual CO2e savings (metric tonnes CO2e)

Scope(s)
Scope 2 (location-based)

Voluntary/Mandatory
Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

Investment required (unit currency – as specified in C0.4)

Payback period
Please select

Estimated lifetime of the initiative
Please select

Comment

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Internal incentives/recognition programs	Internal investigates and audits to improve energy efficiency, energy reduction, and development of renewable energy projects on TAURON own areas.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Group of products

Description of product/Group of products

Dedicated product from the EKO Biznes series - electricity from low or zero emission sources

Are these low-carbon product(s) or do they enable avoided emissions?

Avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Please select

% revenue from low carbon product(s) in the reporting year

% of total portfolio value

<Not Applicable>

Asset classes/ product types

<Not Applicable>

Comment

C-EU4.6

(C-EU4.6) Describe your organization's efforts to reduce methane emissions from your activities.

Due to the technologies used, business operations in the energy sector may generate a number of negative impacts on the climate, in particular emissions from fossil fuel combustion sources, or drainage and degradation of the land as a result of mining activities. TAURON Group reduces its negative impact on the environment and climate thanks to the continuous modernization of conventional generating units, expansion of capacity in renewable energy sources, capturing and economic use of methane from coal deposits, limiting losses in electricity and heat distribution or retiring ineffective coal-fired units

In addition, ZG Brzeszcze is equipped with a mine methane extraction (drainage) plant, in which, in 2020, 100% of methane was obtained and utilized (sold) in the quantity of approx. 40 million Nm³ of methane, thus it was not a source of direct methane emissions to the atmosphere and was used in the combustion processes by external entities as an energy source

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

January 1 2018

Base year end

December 31 2018

Base year emissions (metric tons CO2e)

14629722

Comment

Direct greenhouse gas emissions [tCO2] by TAURON Capital Group in base year 2018 includes: Emission related to electricity generation and Emission related to heat generation and Emissions from gas leaks, including those associated with accidents and Emissions related to the transportation of materials, products and waste.

Scope 2 (location-based)

Base year start

January 1 2020

Base year end

December 31 2020

Base year emissions (metric tons CO2e)

435464

Comment

Sum of Indirect emissions related to the use of electricity purchased and transmission losses related to electricity distribution and Indirect emissions related to the transportation of fuels (including biomass).

Scope 2 (market-based)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

European Union Emission Trading System (EU ETS): The Monitoring and Reporting Regulation (MMR) – General guidance for installations

IEA CO2 Emissions from Fuel Combustion

The Greenhouse Gas Protocol: Scope 2 Guidance

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
10338942

Start date
January 1 2020

End date
December 31 2020

Comment

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)
12215945

Start date
January 1 2019

End date
December 31 2019

Comment

Past year 2

Gross global Scope 1 emissions (metric tons CO2e)
14629722

Start date
January 1 2018

End date
December 31 2018

Comment

Past year 3

Gross global Scope 1 emissions (metric tons CO2e)
16604240

Start date
January 1 2017

End date
December 31 2017

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based
We are reporting a Scope 2, location-based figure

Scope 2, market-based
We have operations where we are able to access electricity supplier emission factors or residual emissions factors, but are unable to report a Scope 2, market-based figure

Comment
TAURON Group business value chain cover both Scope 2 operations types as well as location-based and market-based. We rather use electricity supplier emission factors then specific residual emission factors. Reporting year is first year that we reported Scope 2 emissions.

C6.3

(C6.3) What were your organization’s gross global Scope 2 emissions in metric tons CO2e?

Reporting year
Scope 2, location-based
435464
Scope 2, market-based (if applicable)
<Not Applicable>
Start date
January 1 2020
End date
December 31 2020
Comment
Scope 2 Total cover Indirect emissions related to the use of electricity purchased and transmission losses related to electricity distribution and Indirect emissions related to the transportation of fuels (including biomass).

Past year 1
Scope 2, location-based
Scope 2, market-based (if applicable)
<Not Applicable>
Start date
End date
Comment
not reported, not evaluated

Past year 2
Scope 2, location-based
Scope 2, market-based (if applicable)
<Not Applicable>
Start date
End date
Comment
not reported, not evaluated

Past year 3
Scope 2, location-based
Scope 2, market-based (if applicable)
<Not Applicable>
Start date
End date
Comment
not reported, not evaluated

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

Yes

C6.4a

(C6.4a) Provide details of the sources of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure.	
Source	Emissions from offices
Relevance of Scope 1 emissions from this source	Emissions are not relevant
Relevance of location-based Scope 2 emissions from this source	Emissions are not relevant
Relevance of market-based Scope 2 emissions from this source (if applicable)	Emissions are not relevant
Explain why this source is excluded	Under materiality threshold
<hr/>	
Source	Emissions of methane unable to capture
Relevance of Scope 1 emissions from this source	Emissions are not relevant
Relevance of location-based Scope 2 emissions from this source	No emissions excluded
Relevance of market-based Scope 2 emissions from this source (if applicable)	No emissions excluded
Explain why this source is excluded	One of TAURON's coal mines is a source of methane emissions. This mine has methane recovery station - 100% of methane captured is utilized. Some of methane emissions comes from the mine ventilation, over which the company has no direct influence and cannot control it in a technically justified manner. The emissions constitute the so-called off-balance sheet methane emissions, which are calculated and included in the charges for the use of the environment for the business purposes. These emissions are not subject to certification and are estimated on the basis of the maximum permissible threshold value in the ventilation air. In the whole TAURON Group business value chain, GHG uncontrolled methane emissions from this one mine are rather not relevant compared to the overall emissions from other remains TAURON's Group sources.
<hr/>	

C6.5

(C6.5) Account for your organization’s gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services	
Evaluation status	Not evaluated
Metric tonnes CO2e	<Not Applicable>
Emissions calculation methodology	<Not Applicable>
Percentage of emissions calculated using data obtained from suppliers or value chain partners	<Not Applicable>
Please explain	
Capital goods	
Evaluation status	Not evaluated
Metric tonnes CO2e	<Not Applicable>
Emissions calculation methodology	<Not Applicable>
Percentage of emissions calculated using data obtained from suppliers or value chain partners	<Not Applicable>
Please explain	

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Not evaluated

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Upstream transportation and distribution

Evaluation status

Not evaluated

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Waste generated in operations

Evaluation status

Not evaluated

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Business travel

Evaluation status

Not evaluated

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Employee commuting

Evaluation status

Not evaluated

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Upstream leased assets

Evaluation status

Not evaluated

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Downstream transportation and distribution

Evaluation status

Not evaluated

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Processing of sold products

Evaluation status

Not evaluated

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Use of sold products

Evaluation status

Not evaluated

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

End of life treatment of sold products

Evaluation status

Not evaluated

Metric tonnes CO₂e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Downstream leased assets

Evaluation status

Not evaluated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Franchises

Evaluation status

Not evaluated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Investments

Evaluation status

Not evaluated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Other (upstream)

Evaluation status

Not evaluated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

Other (downstream)

Evaluation status

Not evaluated

Metric tonnes CO2e

<Not Applicable>

Emissions calculation methodology

<Not Applicable>

Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

Please explain

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

Yes

C6.7a

(C6.7a) Provide the emissions from biogenic carbon relevant to your organization in metric tons CO2.

	CO2 emissions from biogenic carbon (metric tons CO2)	Comment
Row 1	754122	Certified and accredited measurements

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	10093648	IPCC Fifth Assessment Report (AR5 – 100 year)
CH4	0	IPCC Fifth Assessment Report (AR5 – 100 year)
N2O	244579	IPCC Fifth Assessment Report (AR5 – 100 year)
HFCs	497	Other, please specify (R-134a and R-32 (AR5 - 100 year), R-404A, R-407C, R-410A, R-422D (HFC's manufacturers "Data Sheet" info about GWP))
SF6	677	IPCC Fifth Assessment Report (AR5 – 100 year)

C-EU7.1b

(C-EU7.1b) Break down your total gross global Scope 1 emissions from electric utilities value chain activities by greenhouse gas type.

	Gross Scope 1 CO2 emissions (metric tons CO2)	Gross Scope 1 methane emissions (metric tons CH4)	Gross Scope 1 SF6 emissions (metric tons SF6)	Total gross Scope 1 emissions (metric tons CO2e)	Comment
Fugitives	0	0	0.028	1174	Specific SF6 fugitives are emissions from "gas leaks" (replenishment of losses or re-filling) , including those associated with accidents. GWP factor for SF6 is 23 500 Total gross Scope 1 emissions includes: SF6 of 677 tCOe and HFCs of 497 tCOe CH4 see explains
Combustion (Electric utilities)	10076235	0	0	10320814	Both processes included - electric and Heat production Total gross Scope 1 emissions includes: CO2 of 10 076 235 tCOe and N2O of 244 579 tCOe
Combustion (Gas utilities)	0	0	0	0	not applicable
Combustion (Other)	0	0	0	0	not applicable
Emissions not elsewhere classified	16954	0	0	16954	Non-production related activities: Transport strictly related to Electric production

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
Poland	10338942

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By activity

C7.3c**(C7.3c) Break down your total gross global Scope 1 emissions by business activity.**

Activity	Scope 1 emissions (metric tons CO2e)
Combustion (Electric utilities) Both processes included - electric and Heat production	10320814
Transport strictly related to Electric production	16954
Fugitives from installations related to Combustion (Electric utilities) process	1174

C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4**(C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4) Break down your organization's total gross global Scope 1 emissions by sector production activity in metric tons CO2e.**

	Gross Scope 1 emissions, metric tons CO2e	Net Scope 1 emissions , metric tons CO2e	Comment
Cement production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Chemicals production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Coal production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Electric utility activities	10338942	<Not Applicable>	Total Scope 1 emissions are connected to Electric utility activities value chain
Metals and mining production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (upstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (midstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Oil and gas production activities (downstream)	<Not Applicable>	<Not Applicable>	<Not Applicable>
Steel production activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport OEM activities	<Not Applicable>	<Not Applicable>	<Not Applicable>
Transport services activities	<Not Applicable>	<Not Applicable>	<Not Applicable>

C7.9**(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

Decreased

C7.9a**(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.**

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	0	No change	0	All renewable energy production is sale
Other emissions reduction activities		<Not Applicable>		
Divestment		<Not Applicable>		
Acquisitions	0	No change	0	
Mergers	0	No change	0	
Change in output	1877003	Decreased	15.4	The change of sales of heat and power (electricity) by organization (TAURON) 8,2% decreased
Change in methodology	0	No change	0	
Change in boundary	0	No change	0	
Change in physical operating conditions	0	No change	0	
Unidentified	0	No change	0	
Other	0	No change	0	

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 0% but less than or equal to 5%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	2201518	29347152	31548670
Consumption of purchased or acquired electricity	<Not Applicable>	0	1690490	1690490
Consumption of purchased or acquired heat	<Not Applicable>	0	358212	358212
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	0	<Not Applicable>	0
Total energy consumption	<Not Applicable>	2201518	31395854	33597372

C8.2b

(C8.2b) Select the applications of your organization's consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	Yes

C8.2c

(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Fuels (excluding feedstocks)

Bituminous Coal

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

28338143

MWh fuel consumed for self-generation of electricity

MWh fuel consumed for self-generation of heat

MWh fuel consumed for self-generation of steam

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration**Emission factor**

93.63

Unit

metric tons CO2 per GJ

Emissions factor source

Calorific values (WO) and CO2 emission factors (WE) in 2017 for reporting under Of the Emission Trading Scheme for the year 2020 Polish document - KOBIZE

Comment

Average factor

Fuels (excluding feedstocks)

Natural Gas

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

122026

MWh fuel consumed for self-generation of electricity**MWh fuel consumed for self-generation of heat****MWh fuel consumed for self-generation of steam**

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration**Emission factor**

55.41

Unit

metric tons CO2 per GJ

Emissions factor source

Calorific values (WO) and CO2 emission factors (WE) in 2017 for reporting under Of the Emission Trading Scheme for the year 2020 Polish document - KOBIZE

Comment

Average factor

Fuels (excluding feedstocks)

Other, please specify (Bituminous coal sludge)

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

552625

MWh fuel consumed for self-generation of electricity**MWh fuel consumed for self-generation of heat****MWh fuel consumed for self-generation of steam**

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration**Emission factor**

103

Unit

metric tons CO2 per GJ

Emissions factor source

Own analysys

Comment**Fuels (excluding feedstocks)**

Other, please specify (HFO)

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

303727

MWh fuel consumed for self-generation of electricity**MWh fuel consumed for self-generation of heat****MWh fuel consumed for self-generation of steam**

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration**Emission factor**

40.4

Unit

metric tons CO2 per GJ

Emissions factor source

Calorific values (WO) and CO2 emission factors (WE) in 2017 for reporting under Of the Emission Trading Scheme for the year 2020 Polish document - KOBIZE

Comment

Fuels (excluding feedstocks)

Other, please specify (LFO)

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

30631

MWh fuel consumed for self-generation of electricity**MWh fuel consumed for self-generation of heat****MWh fuel consumed for self-generation of steam**

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration**Emission factor**

43

Unit

metric tons CO2 per GJ

Emissions factor source

Calorific values (WO) and CO2 emission factors (WE) in 2017 for reporting under Of the Emission Trading Scheme for the year 2020 Polish document - KOBIZE

Comment

Fuels (excluding feedstocks)

Other, please specify (Biomass)

Heating value

LHV (lower heating value)

Total fuel MWh consumed by the organization

2162349

MWh fuel consumed for self-generation of electricity**MWh fuel consumed for self-generation of heat****MWh fuel consumed for self-generation of steam**

<Not Applicable>

MWh fuel consumed for self-generation of cooling

<Not Applicable>

MWh fuel consumed for self-cogeneration or self-trigeneration**Emission factor**

0

Unit

metric tons CO2 per GJ

Emissions factor source**Comment**

(C-EU8.2d) For your electric utility activities, provide a breakdown of your total power plant capacity, generation, and related emissions during the reporting year by source.

Coal – hard

Nameplate capacity (MW)	5408
Gross electricity generation (GWh)	
Net electricity generation (GWh)	
Absolute scope 1 emissions (metric tons CO2e)	
Scope 1 emissions intensity (metric tons CO2e per GWh)	
Comment	Nameplate capacity (MW) is electricity capacity (MW) of coal-fired generation and co-generation units

Lignite

Nameplate capacity (MW)	0
Gross electricity generation (GWh)	0
Net electricity generation (GWh)	0
Absolute scope 1 emissions (metric tons CO2e)	0
Scope 1 emissions intensity (metric tons CO2e per GWh)	0
Comment	Not Applicable

Oil

Nameplate capacity (MW)	0
Gross electricity generation (GWh)	0
Net electricity generation (GWh)	0
Absolute scope 1 emissions (metric tons CO2e)	0
Scope 1 emissions intensity (metric tons CO2e per GWh)	0
Comment	Not Applicable (no electricity generating Oil-fired units)

Gas

Nameplate capacity (MW)	0
Gross electricity generation (GWh)	0
Net electricity generation (GWh)	0
Absolute scope 1 emissions (metric tons CO2e)	0
Scope 1 emissions intensity (metric tons CO2e per GWh)	0
Comment	Not Applicable (no electricity generating Gas-fired units)

Biomass

Nameplate capacity (MW)	145
Gross electricity generation (GWh)	
Net electricity generation (GWh)	
Absolute scope 1 emissions (metric tons CO2e)	0
Scope 1 emissions intensity (metric tons CO2e per GWh)	
Comment	Nameplate capacity (MW) is electricity capacity (MW) of Biomass-fired generation and co-generation units

Waste (non-biomass)

Nameplate capacity (MW)	0
Gross electricity generation (GWh)	0
Net electricity generation (GWh)	0
Absolute scope 1 emissions (metric tons CO2e)	0
Scope 1 emissions intensity (metric tons CO2e per GWh)	0
Comment	Not Applicable

Nuclear

Nameplate capacity (MW)	0
Gross electricity generation (GWh)	0
Net electricity generation (GWh)	0
Absolute scope 1 emissions (metric tons CO2e)	0
Scope 1 emissions intensity (metric tons CO2e per GWh)	0
Comment	Not Applicable

Fossil-fuel plants fitted with CCS

Nameplate capacity (MW)	0
Gross electricity generation (GWh)	0
Net electricity generation (GWh)	0
Absolute scope 1 emissions (metric tons CO2e)	0
Scope 1 emissions intensity (metric tons CO2e per GWh)	0
Comment	Not Applicable

Geothermal

Nameplate capacity (MW)	0
Gross electricity generation (GWh)	0
Net electricity generation (GWh)	0
Absolute scope 1 emissions (metric tons CO2e)	0
Scope 1 emissions intensity (metric tons CO2e per GWh)	0
Comment	Not Applicable

Hydropower

Nameplate capacity (MW)	133
Gross electricity generation (GWh)	
Net electricity generation (GWh)	
Absolute scope 1 emissions (metric tons CO2e)	0
Scope 1 emissions intensity (metric tons CO2e per GWh)	0
Comment	

Wind

Nameplate capacity (MW)	381
Gross electricity generation (GWh)	
Net electricity generation (GWh)	
Absolute scope 1 emissions (metric tons CO2e)	0
Scope 1 emissions intensity (metric tons CO2e per GWh)	0
Comment	

Solar

Nameplate capacity (MW)	0
Gross electricity generation (GWh)	0
Net electricity generation (GWh)	0
Absolute scope 1 emissions (metric tons CO2e)	0
Scope 1 emissions intensity (metric tons CO2e per GWh)	0
Comment	Not reported in 2020

Marine

Nameplate capacity (MW)	0
Gross electricity generation (GWh)	0
Net electricity generation (GWh)	0
Absolute scope 1 emissions (metric tons CO2e)	0
Scope 1 emissions intensity (metric tons CO2e per GWh)	0
Comment	Not Applicable

Other renewable

Nameplate capacity (MW)
0

Gross electricity generation (GWh)
0

Net electricity generation (GWh)
0

Absolute scope 1 emissions (metric tons CO2e)
0

Scope 1 emissions intensity (metric tons CO2e per GWh)
0

Comment
Not Applicable

Other non-renewable

Nameplate capacity (MW)
0

Gross electricity generation (GWh)
0

Net electricity generation (GWh)
0

Absolute scope 1 emissions (metric tons CO2e)
0

Scope 1 emissions intensity (metric tons CO2e per GWh)
0

Comment
Not Applicable

Total

Nameplate capacity (MW)
6067

Gross electricity generation (GWh)

Net electricity generation (GWh)
10717

Absolute scope 1 emissions (metric tons CO2e)
8848777

Scope 1 emissions intensity (metric tons CO2e per GWh)
825.7

Comment
Scope 1 emissions intensity metric tons CO2e per GWh net electricity generation Absolute scope 1 emissions (metric tons CO2e) related to electricity generation only
Nameplate capacity (MW) - electric generation capacity

C-EU8.4

(C-EU8.4) Does your electric utility organization have a transmission and distribution business?
Yes

C-EU8.4a

(C-EU8.4a) Disclose the following information about your transmission and distribution business.

Country/Region	Poland
Voltage level	Distribution (low voltage)
Annual load (GWh)	50260
Annual energy losses (% of annual load)	
Scope where emissions from energy losses are accounted for	Scope 2 (location-based)
Emissions from energy losses (metric tons CO2e)	427118
Length of network (km)	
Number of connections	
Area covered (km2)	57900
Comment	We have Distribution also on high voltage according to Polish grids standard

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C-EU9.5a

(C-EU9.5a) Break down, by source, your total planned CAPEX in your current CAPEX plan for power generation.

Primary power generation source	CAPEX planned for power generation from this source	Percentage of total CAPEX planned for power generation	End year of CAPEX plan	Comment
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C-EU9.5b

(C-EU9.5b) Break down your total planned CAPEX in your current CAPEX plan for products and services (e.g. smart grids, digitalization, etc.).

Products and services	Description of product/service	CAPEX planned for product/service	Percentage of total CAPEX planned products and services	End of year CAPEX plan
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C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	Yes	

C-CO9.6a/C-EU9.6a/C-OG9.6a

(C-CO9.6a/C-EU9.6a/C-OG9.6a) Provide details of your organization's investments in low-carbon R&D for your sector activities over the last three years.

Technology area	Stage of development in the reporting year	Average % of total R&D investment over the last 3 years	R&D investment figure in the reporting year (optional)	Comment
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C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	No third-party verification or assurance
Scope 2 (location-based or market-based)	No third-party verification or assurance
Scope 3	No emissions data provided

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

No, but we are actively considering verifying within the next two years

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Yes

C11.1a

(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.

EU ETS
Poland carbon tax

C11.1b

(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.

EU ETS

% of Scope 1 emissions covered by the ETS
97.5

% of Scope 2 emissions covered by the ETS
0

Period start date

Period end date

Allowances allocated

Allowances purchased

Verified Scope 1 emissions in metric tons CO2e
10070564

Verified Scope 2 emissions in metric tons CO2e
0

Details of ownership
Facilities we own and operate

Comment

C11.1c

(C11.1c) Complete the following table for each of the tax systems you are regulated by.

Poland carbon tax
Period start date
Period end date
% of total Scope 1 emissions covered by tax
Total cost of tax paid
Comment

C11.1d

(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

No, but we anticipate doing so in the next two years

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, other partners in the value chain

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

C12.1d

(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Please select

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief of the Environment Team	Environment/Sustainability manager

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please confirm below

I have read and accept the applicable Terms