

HELLENIC GAS
TRANSMISSION SYSTEM
OPERATOR



**ESG
REPORT**

2022

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INTRODUCTION

1.

- CEO MESSAGE.
 - DESFA AT A GLANCE.
-



1.1. CEO message

GRI 2-22



We are glad to share with you **DESFA's ESG Report for 2022** an initiative that aligns with our commitment to sustainable development

Sustainability is a long-standing commitment for DESFA and in this report, we present our approach, current performance and future targets to ESG.

In 2022, Europe was deeply affected by the Ukrainian war and the international energy crisis. Under those circumstances, DESFA's proposal regarding the offering of additional capacity in one or more National Natural Gas System (NNGS) Entry Points in case of crisis, was approved, as a measure of mitigating the consequences of natural gas imports curtailments or disruption, through another NNGS Entry Point.

DESFA also implemented the temporary increase of Revithoussa LNG terminal storage capacity with the installation of a Floating Storage Unit (FSU) and a significant increase in the size and number of actions in the 2022 Preventive Action Plan for the security of supply purposes.

The Company continues its Ten Years Development Plan for the period 2022-2031, applied in 2021, and includes EUR 855 million for investments, which is being updated on an annual basis. To finance these projects, in 2021, we signed a landmark bond loan facility, as well as a corresponding loan by the European Investment Bank for the North Macedonia pipeline.

During the year, we have launched critical projects including the Nea Mesimvria and Ambelia Compressor Stations and the West Macedonia Pipeline, a hydrogen ready pipeline, which will expand and strengthen the Greek Natural Gas System and ensure the supply of the neighboring countries and we took the Final Investment Decision (FID) for the new Compressor Station in Komotini that will enable gas flow from the IGB.

We are actively enhancing our country's and region's security of supply and diversification of the Natural Gas import points. Already from 2021, through our participation in the Alexandroupolis Floating Storage Regasification Unit (FSRU) project, and the upgrade in the Revithoussa LNG Terminal, with the addition of an FSU and the increase in the regasification capacity, as well as the completion of the construction of a pilot LNG Truck Loading Station on the terminal, we are aiming to transform Greece into an energy gateway within the upcoming years. Moreover, we continue our abroad activities in Kuwait with the operation and maintenance (O&M) of the Al Zour LNG terminal, a milestone international and non-regulated project in the evolution of DESFA.

Furthermore, we continued implementing our consistent, contemporary and well-established Sustainability Strategy, addressing ESG factors (Environmental, Social, and Governance factors) and incorporating them into our business strategy and the overall value chain, in full alignment with the DESFA's new corporate identity and scope of business.

ENVIRONMENT

During 2022, with the full support of the Board and its Shareholders, DESFA developed its long-term strategy towards the introduction of green and renewable gases such as hydrogen and biomethane, in the country and EU energy mix, firmly positioning the Company as a key player in the country's energy transition, as well as actively participated to the preparation of the National Greek Hydrogen Strategy.

In line with the Company's strategy, all new infrastructures are designed and built to ensure the progressive integration of green gases, with West Macedonia being a landmark project for the region as the first hydrogen-ready pipeline.

We also continued to work on minimizing our carbon footprint and reducing our overall direct and indirect greenhouse gas emissions of all our facilities and activities, achieving a further reduction in our CO₂ as described in the twelfth Carbon Footprint Report we published, in which we present the data related to the emissions in a transparent and reliable way.

It should be also noted that the methodological approach of the 'Net Zero' project was first presented in the BoD on the 4th of October 2022, which will ultimately result in the approval of DESFA's Net Zero Master Plan within 2023.

Moreover, within the year we achieved the Gold Standard certification on Methane Emission of the OGMP 2.0. Program - which the Company joined in 2020 - carried out by the United Nations Environmental Program, which was an award for the essential efforts of our people for environmentally friendly operations.



1.1. CEO message

GRI 2-22

SOCIETY



Our respect for society as a whole is at the core of our corporate culture. We consider people’s health, safety and quality of services as priority objectives for our sustainable development, applying and continuously improving initiatives that impact positively our stakeholders.

We are committed to the protection and promotion of human rights, we constantly care to safeguard the Health & Safety of our employees, contractors and sub-contractors and the local communities we interact with, where we continuously engage to build and retain constructive relationships.

Within 2022, we continued our extensive training program for all employees with a special dedication to the HSE Personnel Competence Management System in which training and actions are accompanied by a corresponding evaluation of the participating employees and subsequently their professional adequacy.

Regarding our social contribution initiatives, our Corporate Social Responsibility (CSR) budget was allocated by 40% to social-care related donations and 20% to environmental ones, while almost a 15% was allocated to support local communities with special focus on the areas where we operate, as well as in the wider region of Attica. Finally, in 2022, a 25% of our budget was allocated to humanitarian aid to Ukraine.

We also cooperated with NGOs, hospitals and educational institutions like the Smile of the Child, the Children’s Village in Filiro, primary and special schools all over Greece, as well as with the technical universities in Athens and Crete which gave us the chance to support meaningful initiatives for vulnerable people, food poverty, education and innovation, athletics and healthcare, as also to support the people of Ukraine, dedicating a part of our donations budget and our efforts towards this end throughout the year.

GOVERNANCE



We continued our internal transformation with significant improvements in several key business functions, especially those related to digitalization, process optimization, compliance and risk management, developing an **Anticorruption Model** that includes the controls to be adopted corresponding to each of the Sensitive Activities.

Further, following the expiration of the tenure of the BoD, appointment of a new BoD for a full tenure took place in June 2022, consisting essentially of the same members. Also, we update the management team’s titles and capacities, re-organizing and making clearer its responsibilities and scope of work aiming to create an even more efficient corporate structure.

Next, we continued our efforts in Data Protection Framework, including the Data Protection by Design and by Default Operating Instructions to previous initiatives and actions.

Although within 2022 the company suffered a cyberattack on part of its Information Technology (IT) infrastructure, we managed to ensure and continue the operation of the NNGS in a safe and reliable way, met our reporting obligations and have undertaken all the necessary measures to protect our customers and partners guaranteeing a swift recovery of the systems operations. We timely informed and cooperated with all the relevant authorities and organizations, investigated the root causes of the attack and reject any request for ransom from the attackers.

INVESTING IN A SUSTAINABLE FUTURE



At DESFA, we believe that sustainable development is an integral part of our business. Our commitment to ESG has driven all the initiatives we have carried out in 2022 and we’ll continue to pursue them in the future. We aim to continue creating value for our stakeholders, improving and expanding our activities, and our portfolio with a clear vision and a sustainable framework based on ethics and responsibility, leading the transition to the energy of tomorrow, investing in people, innovation, future-proof infrastructure, facilitating more sustainable energy alternatives and building our way to a zero-carbon future.

Maria Rita Galli
Chief Executive Officer (CEO)
National Natural Gas System
Operator (DESFA) S.A.

1.2 DESFA at a glance

SASB EM-MD-000.A

ENVIRONMENTAL

CO₂e EMISSIONS

98.896

tCO₂e

(Scope 1 & 2 emissions -30,18 vs 2021)

ENERGY CONSUMPTION²

386.597.452 MJ

107.388 MWh

SOCIAL

EMPLOYEES

563

(+9,87% vs 2021)

WOMEN IN
MANAGERIAL
POSITIONS

30%

(+1% vs 2021)

TOTAL AND AVERAGE
TRAINING HOURS
PEREMPLOYEE

8.398

(14,4)

(-20,31% vs 2021)

CSR ACTIVITIES

325

THOUSAND EUR

(-1,22% vs 2021)

OPERATIONS WITH
IMPLEMENTED LOCAL
COMMUNITY ENGAGEMENT

100%

(No change vs 2021)

Notes:

1. For more analytical explanation, please see the reference in the section 4.2 Carbon Footprint (p. 44)

2. The comparison of energy consumption with the 2021 cannot be displayed due to change of calculation method (More information are available on "Energy consumption" subchapter.

3. In 2021, there was a necessity for more technical trainings that took place.

**1.2
DESFA
at a glance**

SASB EM-MD-000.A

GOVERNANCE & FINANCIAL

<p>TURNOVER</p> <p>278.337 THOUSAND EUR (+37,32% vs 2021)</p>	<p>DISTRIBUTED VALUE²</p> <p>185.915 THOUSAND EUR (+86,70% vs 2021)</p>	<p>2022-2031 DEVELOPMENT PLAN</p> <p>1.274 MILLION EUR (+45,71% vs 2021)</p>
<p>2022 TRANSMISSION & LNG SERVICES REVENUES RATIO</p> <p>80%/20% (-4%/+4% vs 2021)</p>	<p>OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION</p> <p>100% (No change vs 2021)</p>	<p>VALUE AND PERCENTAGE OF PURCHASES FROM LOCAL SUPPLIERS³</p> <p>184.772 THOUSAND EUR (47,53%) (+85,79 vs 2021)</p>
<p>0 SUBSTANTIATED COMPLAINTS REGARDING BREACHES OF CUSTOMER PRIVACY OR LOSSES OF CUSTOMER DATA (No change vs 2021)</p>		

OPERATIVE

<p>NATURAL GAS IMPORTS</p> <p>86,16 TWh (+10,28% vs 2021)</p>	<p>NATURAL GAS EXPORTS</p> <p>29,54 TWh (+118,48% vs 2021)</p>	<p>STORAGE CAPACITY</p> <p>370.000 m³ LNG⁴ (+64,44% vs 2021)</p>
<p>METRIC TON KILOMETERS OF NATURAL GAS</p> <p>504,77 (-76,18% vs 2021)</p>		

Notes:

4) Distributed value consists of operating costs, employee wages and benefits, payments to the government and providers of capital and community investments.

5) DESFA's geographical definition of local refers to regions of Greece and more specifically, Central Greece, Peloponnese, Thessaly, Macedonia, Thrace, Crete, Epirus and it is closely related to the Facilities of the Purchase Requisition/Demand. Therefore, DESFA considers local suppliers as those who are based within the demand regions and non-local suppliers as those who are based outside the demand regions.

6) In 2022, DESFA, proceeded with the charter of a Floating Storage Unit (FSU), in order to increase by approximately 65%, the storage capacity of the Revithoussa LNG Facility, according to the provisions of the country's Preventive Action Plan to shield Greece during the critical period of winter 2022 - 2023 against a possible supply crisis. The storage capacity of the FSU is 145.000 m³ LNG, increasing, thus, the overall storage capacity of Revithoussa from 225.000 m³ LNG to 370.000m³ LNG. The FSU is to remain at the facility from June 2022 until June 2023.

**CORPORATE
PROFILE**

2.

- MISSION, VISION AND VALUES.
- ACTIVITIES, VALUE CHAIN AND BUSINESS RELATIONSHIPS.



2.1. Mission, vision and values

GRI 2-1

DESFA, the Hellenic Gas Transmission System Operator was founded on March 30th, 2007, following the provisions of law 3428/2005 (Government Gazette 313/27.12.2005) on liberalization of the natural gas market, which aligned Greek laws with the European Directive 03/55/ EK.

DESFA is responsible for the operation, management, utilization and development of the Greek Natural Gas System and its interconnections, in a technically sound and economically efficient way, in order to best serve its Users with safety, reliability and adequacy.

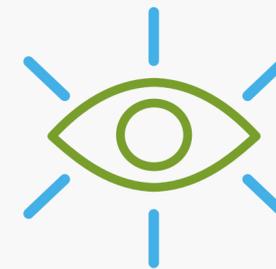
Having been established as a trusted energy partner in Southeast Europe and beyond, DESFA, whose shareholders are, by 34%, the Greek State, and by 66%, Senfluga Energy Infrastructure Holdings S.A. - a joint Company of Snam, Enagás, Fluxys and Damco - a partnership of renowned energy companies with an international presence - contributes decisively to the security and diversification of supply of Greece and the wider region, while working to enable the transition to a more sustainable energy future.

The Headquarters of the Company are in Chalandri, Attica, Greece.

OWNERSHIP STATUS



Chart 1: Ownership Status



VISION

In DESFA, the vision is to safely and sustainably operate and develop a technologically advanced network, which transmits and stores clean, reliable and affordable gas energy. DESFA is leading the transition to the energy of tomorrow, investing in people, innovation, and future-proof infrastructure, facilitating more sustainable energy alternatives and building a way to a zero-carbon future.

DESFA, places Greece at the core of energy developments, paving new energy ways and transforming the country into an international energy and trading hub of an interconnected, secure and economically efficient European market, creating value for all the stakeholders, through an open, continuous and transparent dialogue.

DESFA is a role model of evolution and growth in the wider region, fostering a sustainable business model regarding the environment, society and corporate governance. The Company is creating a new opportunity for the country, its people's growth and the communities, where it operates.



MISSION

DESFA pursues its business activity as Greece's natural gas TSO (Transmission System Operator) and as a reliable energy partner in Southeast Europe and beyond operating and developing the Greek Natural Gas System and its interconnections. DESFA is the warranter that ensures the proper functioning of the national energy supply system and enhances competitiveness and extroversion, improving the quality of life for Greek citizens.

Possessing extensive experience and a highly skilled workforce, the Company facilitates the development of competition in the Greek energy market, enabling the smooth integration of new infrastructures, contributing substantially to the diversification of gas supply sources and security of supply of Greece and the wider region, while serving its users with safety, reliability, transparency and commercial innovation.

Building a diverse and inclusive organization that attracts talent, innovative ideas and develops the leaders of the future energy market, DESFA works for the transition to a cleaner energy era, promoting the development of green, renewable gases and ensuring that its system is constantly evolving to enable the new decarbonized energy routes.



Values



INTEGRITY

- › In conducting its business, DESFA is inspired by and complies with the principles of loyalty, fairness, efficiency and an open market. The Company operates, guided by corporate ethics based on honesty, transparency and impartiality in all its business partnerships, having adopted a zero-tolerance approach to any form of corruption.
- › Ensures equal treatment and non-discrimination, fostering a culture of integration and inclusiveness.
- › Undertakes responsibility for supporting vulnerable groups and the local communities, in which it operates.
- › DESFA's outmost priority is the Health and Safety of its Employees and Network users.
- › The Company guarantees the security of its infrastructures and acts for the mitigation of operational risks in Greece and the wider Southeast European region.



EXCELLENCE & LEADERSHIP

- › Promotes skill enhancement and personal accountability, in order to meet the needs of users in a safe, agile, innovative and reliable way.
- › Its main aim is to be proud of the work employees do, the Company they work for and be enabled not only to make the best use possible of their capabilities but also to excel themselves.
- › Fosters a continuous improvement culture, through the empowerment of all its people to continuously seek opportunities for the enhancement of its operation and services.
- › Constantly redefines the standard of excellence in every aspect of its business operation and culture, responding to the market's, and society's needs.



COLLABORATION

- › DESFA supports the power of working together, building, supporting and encouraging collaboration across teams for the achievement of its shared objectives and the internal dissemination of knowledge, information and technical know-how.
- › Collaborates with other Operators, users, Regulatory Authorities and Institutions, international partners, Universities, and other stakeholders within and outside Europe to share technical know-how and best practices, fostering innovation and leading the way to the energy transition.
- › Interconnects with local communities and organizations to generate benefits for the broader society.



SUSTAINABILITY & INNOVATION

- › DESFA operates in an environmentally sustainable manner, designed to promote the protection of natural resources, ensuring an environmentally safe operation and reducing emissions.
- › Is committed to incorporate Environmental, Social, and Governance (ESG) factors in its sustainable business model, focusing on those with a high impact on the climate and the environment, defining DESFA's path towards net zero emissions.
- › Technological and cultural innovation are core pillars of the company's strategy to pursue a sustainable energy system.

2.1. History and Milestones

Since DESFA's foundation in 2007, the Company has achieved important milestones promoting the use of natural gas in the Greek market, expanding its network and succeeding in significant market goals that have strengthened the Company, to date and simultaneously form the future path for even bigger accomplishments.

2022

- Approval of the H₂ Master Plan from the BoD (December 2022).
- Completion of H₂ Readiness assessment of existing gas network for H₂ blend up to 10% (November).
- Final Investment Decision (FID) of new Compressor Station in Komotini (November).
- Inauguration of LNG Truck Loading Station in Revithoussa (October).
- Approval of the Sustainability Policy (October).
- Building up the "Greek Hydrogen Value Chain" conference (July).
- Launching of Market Test for capacity booking for the NG Interconnection between Greece and N. Macedonia (July).
- Submission to the Ministry of the Environment and Energy of the position paper and supporting material on the development of the Biomethane market in Greece (July).
- Installation of an FSU in Revithoussa to increase the LNG storage capacity to 370.000m³ of LNG, to restore the energy crisis (June).
- Completion of the familiarization phase of the O&M project in Kuwait in April, and commencement of the 1st year of the O&M phase of the project (May).
- DESFA-HENEX Gas Trading Platform inauguration (March).
- FID for the FSRU project in Alexandroupolis (January).

2021

- Conclusion of the acquisition of a 20% stake in Gastrade S.A. (the Company that develops "ASFA ALEXANDROUPOLIS", the Floating Storage and Regasification Unit of LNG in Alexandroupolis). (December).
- Completion of the Construction of the temporary Metering Regulating (M/R) city gate station at the area of Megalopolis. (December).
- New ESG Strategy integrating ESG factors into its business strategy and the overall value chain. (October).
- Logo rebranding, to reflect the evolution of DESFA to date, the new energy landscape and the Company's vision for the future. (September).
- Revisiting corporate mission, vision & values. (July).
- Commencement of the familiarization phase of the O&M project in Kuwait (May).
- Adoption of the Data Protection Framework (June⁵).

2020

- The TAP-DESFA interconnection point at Nea Mesimvria has become operational. (December).
- DESFA was awarded the O&M of the new LNG terminal of the state-owned Kuwait Company, KIPIC, in Al-Zour in 2020 (May).
- Approval of the Anticorruption Policy, Whistleblowing Policy and revised Code of Ethics.

2019

- Corporate & digital transformation⁶.

2018

- Certification of DESFA as an Ownership Unbundled Operator under the 3rd EU Energy Package. (December).
- Change in the ownership structure (shareholding structure). (December).
- One of the most critical projects, the 2nd upgrading phase of Revithoussa's Terminal was completed. (December).
- Inauguration of the 3rd LNG Tank on the Terminal. (November).
- Participation as a shareholder (7%) in the Hellenic Energy Exchange (HEEx). (June).
- The 2nd upgrade of Border Metering Station in Sidirokastro has been completed. (February).
- The Upgrade of FTS (System of Fixed Communication) of NNGS has been completed. (January).

2016

- Construction of Farsala M/R (Metering and Regulating) Station has been completed enabling the access to the network for new users. (November).

Notes:

7) The Data Protection Framework was adopted in different phases: Data Protection Policy (Jun. 2021), Consent Management Process (Jul. 2021), Data Subject Request Management Process (Jul. 2021), Data Protection Impact Assessment Process (Jul. 2021), Data Breach Management Process (Oct. 2021), Data Protection by Design and by Default Operating Instructions (Jun. 2022).

8) DESFA has developed a business and digital transformation plan is focused on four (4) key objectives: a) Organization Design, b) Business Process Reengineering, c) Operating Model Review and Redesign d) ICT Service Model Definition.

2.1. History and Milestones

2014

- Certification of DESFA as an Independent Transmission Operator under the 3rd EU Energy Package. (September).
- The reverse physical flow through the Sidirokastro Border Metering Station in Sidirokastro has been achieved, enabling the export natural gas quantities from NGTS to Bulgaria. (May).
- Two new M/R stations became operable for the supply of the areas of Karditsa and Trikala. (April - May).

2013

- The Agioi Theodoroi Corinth M/R Station has been completed. (January).

2012

- The operation of new Compressor Station in Nea Mesimvria officially commenced. (December).
- The construction of the pipeline from the National Natural Gas System (NNGS) line valve station "STEFANI" to the new PPC Power Plant at Aliveri, Evia, has been completed. (November).

2010

- The project management environment of DESFA is fully operational. (December).
- The Certification of the Beneficiary's Administrative Capacity of co-funded projects have been issued after the successful evaluation by the Managing Authority of Ministry of Finance and Competition. (April).
- The Mavromati - Thisvi pipeline has been completed. (March).

2009

- The strategic role of the LNG Station was further enhanced by the completion of construction and the operation of the High-efficiency Cogeneration Unit (CHP) of 13MW capacity that uses natural gas as fuel. (April).

2008

- The project of expansion of the NGTS to west Thessaly was completed. (November).
- The project of the pipeline expansion of the NGTS to Corinth was completed. (April).

2007

- The operation of the Greek -Turkish interconnection pipeline has been commenced. (November).
- DESFA is founded as a subsidiary Company owned in its entirety by DEPA S.A, with the transfer of the sector of the National Natural Gas System (NNGS) from DEPA S.A. to DESFA S.A. by means of a spin-off. (March).

2000

- The construction of the Liquefied Natural Gas (LNG) storage and gasification facility on the island of Revithoussa has been completed.

1999

- The construction of the natural gas transmission pipeline from the Greek-Bulgarian border to Attica and the Sidirokastro Border Measuring Station has been completed.

2.2. Activities, value chain and business relationships

GRI 2-6

LEGAL FRAMEWORK

DESFA is active in the Transmission and LNG markets applying the EU Legislative Framework related to its activities (most important of which the Regulation (EC) 715/2009 of the European Parliament and the European Council on the conditions of access to the natural gas transmission networks and the secondary legislation deriving therefrom).

DESFA's activities are regulated primarily by law 4001/2011, which transposed Directive 2009/73/EC of the European Parliament and the Council. Law 4001/2011 regulates, inter alia, the Company's activities of Transmission and Liquefaction and Gasification of Natural Gas, which are considered activities of public utility. Said activities, with respect to Third Party Access to the Company's Transmission Network and LNG Terminal, as well as the applicable Tariffs, are highly regulated and closely monitored by the Regulatory Authority for Energy (RAE).

More information regarding the [Regulated services](#) and the [Other provided services](#) are available on the corporate website.

BUSINESS ACTIVITIES AND SERVICES

DESFA operates, maintains & develops the Greek Natural Gas System in a safe, reliable and economically efficient way, offering:



1. Regulated Third Party Access services in a transparent and non-discriminatory way, such as:

- › Transmission Services.
- › LNG (Liquefied Natural Gas) Services.
- › Truck Loading Services.



2. A range of non-regulated and additional services to several national and international clients, such as:

- › Supplementary Transmission Services.
- › Network Operation & Maintenance.
- › Technical Support.
- › Metrology.
- › Pipeline Protection.
- › LNG Services⁹.
- › CNG (Compressed Natural Gas) Services¹⁰.
- › Odorization.
- › Welder Certification.
- › Carbon Footprint¹¹.
- › EU ETS (European Trading System) Management.
- › Seminars.

Notes:

9) Operation and maintenance of LNG facilities, as well as Services for LNG vessels

10) Operation and maintenance of facilities containing CNG compressors

11) Carbon footprint analysis in compliance with ISO 14064 and drafting of a carbon footprint report.

2.2. Activities, value chain and business relationships

GRI 2-6

NETWORK AND FACILITIES

The NNGS transports Natural Gas from the upstream Interconnected Natural Gas Transmission Systems of Bulgaria and Turkey, the Trans Adriatic Pipeline (TAP) and from the LNG terminal, which is located at the Revithoussa island in the gulf of Megara, and distribution networks.

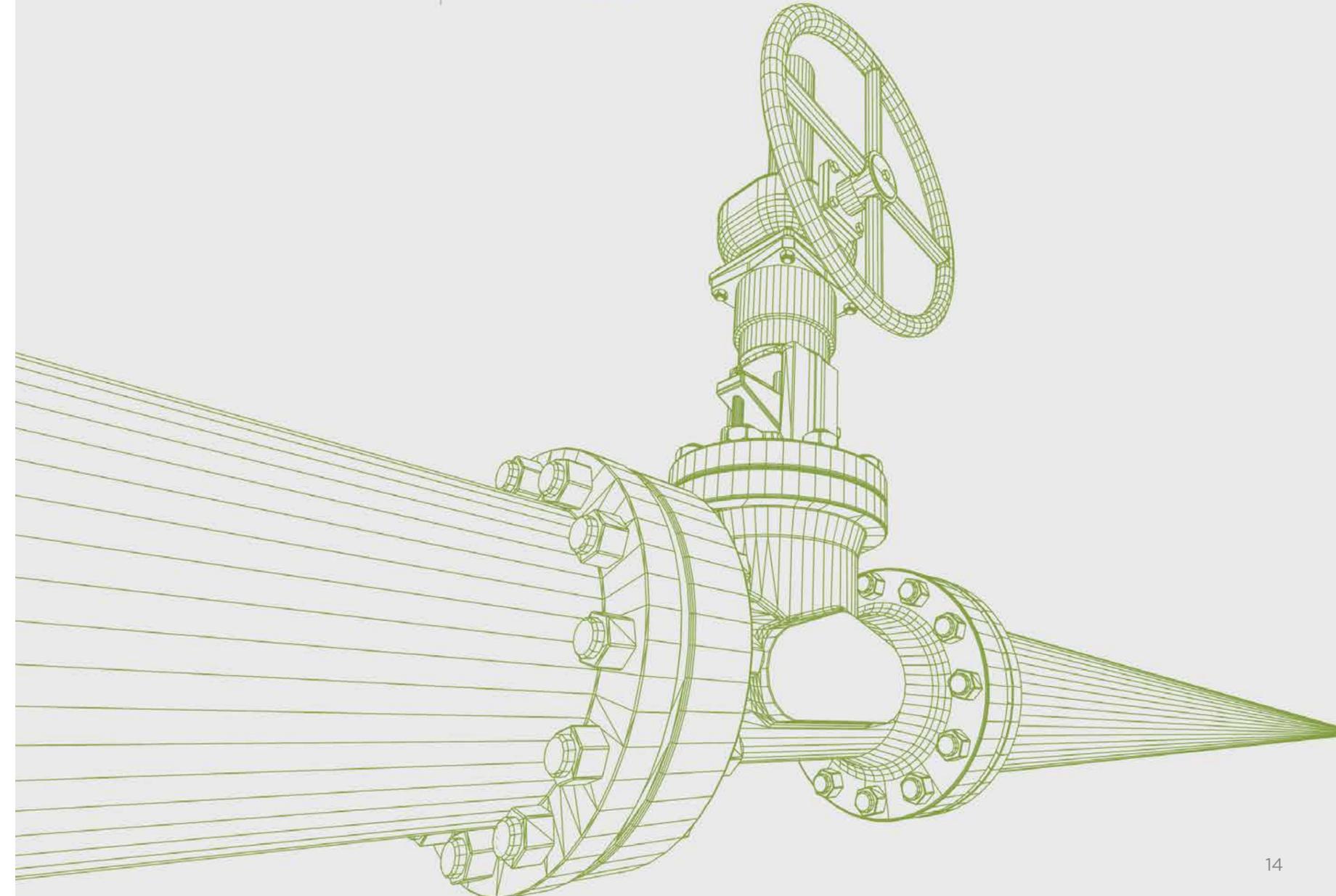
Natural gas is delivered, from **four entry points** through the NNGS to users in **46 exit points** in the Greek mainland. Additionally, at the exit point of Sidirokastro, gas quantities can be delivered to the Interconnected Natural Gas Transmission System of Bulgaria with reverse gas flow.

The NNGS consists of:

- › The main pipeline, with 512 km in length and 36” & 30” diameter, and the branches of length 953,20 km (containing the underwater pipeline of Aliveri branch, with 14.20 Km length and 20” diameter and the two underwater pipes, each one a back-up to the other, of 24” diameter each and of 620m and 630m length, that connect the Revithoussa LNG Station to the mainland), which connect various areas of the country to the main pipeline.
- › The Metering Stations of the Entry Points Sidirokastro, Kipi, Nea Mesimvria and Agia Triada of the NNGS.
- › The LNG Station at Revithoussa is connected to the Entry Point Agia Triada.
- › The Compression Station at Nea Mesimvria, Thessaloniki.
- › The Natural Gas Metering and Regulating Stations.
- › The Control and Dispatching Centers.
- › The Operation and Maintenance Centers of Sidirokastro Border Station, Eastern Greece, Northern Greece, Central Greece, Southern Greece, and Peloponnese.
- › The Remote Control and Communication System.

NNGS (LENGTH)

1.466 km



2.2. Activities, value chain and business relationships

GRI 2-6

The Revithoussa LNG Station is one of the most important energy infrastructures of the country and the wider area in Southeast Europe. Designed and built in 1999, according to the best international standards, the Terminal successfully expanded in 2007 (1st upgrade) and later in 2018 (2nd upgrade) with the construction of the third LNG tank, increasing the total LNG storage capacity to 225.000m³ LNG, as well as the increase of LNG regasification rate up to 1,400 m³/h.

The Terminal adopts the most environmentally friendly technology and operates, in accordance with the strictest safety regulations. In particular, the Terminal falls under the requirements of the Seveso III Directive, providing for the highest safety standards, whose application is constantly verified and certified by independent operators. It also falls under Directive 2010/75 (e.g., regarding air pollution, sea temperature and waste), and applies all required Best Available Techniques.

The Terminal is an important energy asset for Greece, providing security of energy supply, operational flexibility in the transmission system and increased capability to meet peak gas demand. The Revithoussa LNG Station is the only installation in the NNGS, which following its 2nd upgrade, can now temporarily store Natural Gas quantities up to 225.000 m³ LNG (excluding the FSU in Revithoussa). It consists of:

- › **3 Liquefied Natural Gas storage tanks of 65.000 m³, 65.000 m³ and of 95.000 m³ LNG storage capacity.**
- › **LNG unloading installations of maximum LNG unloading rate of 7.250 m³ LNG/h.**
- › **LNG gasification installations of sustained maximum send-out rate of 1.400 m³ LNG/h.**



2.2. Activities, value chain and business relationships

GRI 2-6

TEN YEAR DEVELOPMENT PLAN (TYDP) 2022 - 2031

During 2022 DESFA also developed a more ambitious 10-year Development Plan including more than EUR 855 million in investments.

The Development Plan included projects whose construction is scheduled to begin within the timeframe of the Plan (for the period 2022-2031) as well as the Planned Projects whose construction has not been completed yet.

The proposed 2022-2031 TYDP includes strategic projects for the development of the network and the expansion of the natural gas market in areas, where the gas network does not currently exist. A total of 62 projects has been proposed by DESFA, including the expansion of the high-pressure pipeline to Ioannina, the M/R Stations for the connection with Veroia and Naousa, as well as projects related to new IT implementations, which are crucial for the uninterrupted and agile support of the market and for the upgrade of DESFA's project's management system.

At the same time, DESFA is already expanding the NNGS in the country, by constructing and operating a series of significant innovative infrastructure investments like the West Macedonia pipeline and installations, which will be the first hydrogen ready pipeline in Greece, the Compressor station in Komotini, the LNG truck loading and Small-Scale LNG in Revithoussa, various Metering and Regulation (M/R) stations for interconnection of NNGS with other Independent Transmission Systems and potentially the future small scale LNG installations in various areas of the country.



Figure 1: High Pressure Natural Gas Transportation Network Map

2.2. Activities, value chain and business relationships

GRI 2-6

VALUE CHAIN AND BUSINESS RELATIONSHIPS

In the context of its operation, DESFA cooperates with several types of suppliers and subcontractors on a continuous basis all over its network across the country. The following table presents the value chain of DESFA per sector of activity:

UPSTREAM	ACTIVITIES AND SERVICES	DOWNSTREAM
<ul style="list-style-type: none"> › Material suppliers › Equipment suppliers › Service providers/consultants › Energy providers (fuel, electricity) › LNG supplier (vessel) › EPC contractors › Subcontractors › Manufacturers › Wholesalers › Brokers 	Transmission Services	<ul style="list-style-type: none"> › Customers (power producers, distribution, big industries, exports) › Other operators
	LNG (Liquid Natural Gas) Services	
Truck Loading Services		
<ul style="list-style-type: none"> › Material suppliers › Equipment suppliers › Service providers/consultants › Energy providers (fuel, electricity) › LNG supplier (vessel) › EPC contractors › Subcontractors › Manufacturers › Wholesalers › Brokers 	Supplementary Transmission Services	
	Network Operation & Maintenance	
	Technical Support	
	Metrology	
<ul style="list-style-type: none"> › Material suppliers › Equipment suppliers › Service providers/consultants › Energy providers (fuel, electricity) › EPC contractors › Subcontractors › Manufacturers 	Pipeline Protection	
	LNG (Liquefied natural gas)	
› LNG supplier (vessel)	CNG (Compressed Natural Gas)	
› Service providers/consultants	Odorization	
› Service providers/consultants	Welder Certification	
› Service providers/consultants	Carbon Footprint	
› Service providers/consultants	EU ETS Management	
› Service providers/consultants	Seminars	

Table 2:
DESFA Value chain and business relationships

2.2. Activities, value chain and business relationships

GRI 2-6

DESFA'S CLIENTELE

The clientele of DESFA includes wholesale suppliers, power producers/plants, large industrial customers, retailers and natural gas traders, proving that way the essential role in the Greek energy ecosystem and its contribution to the national economy.

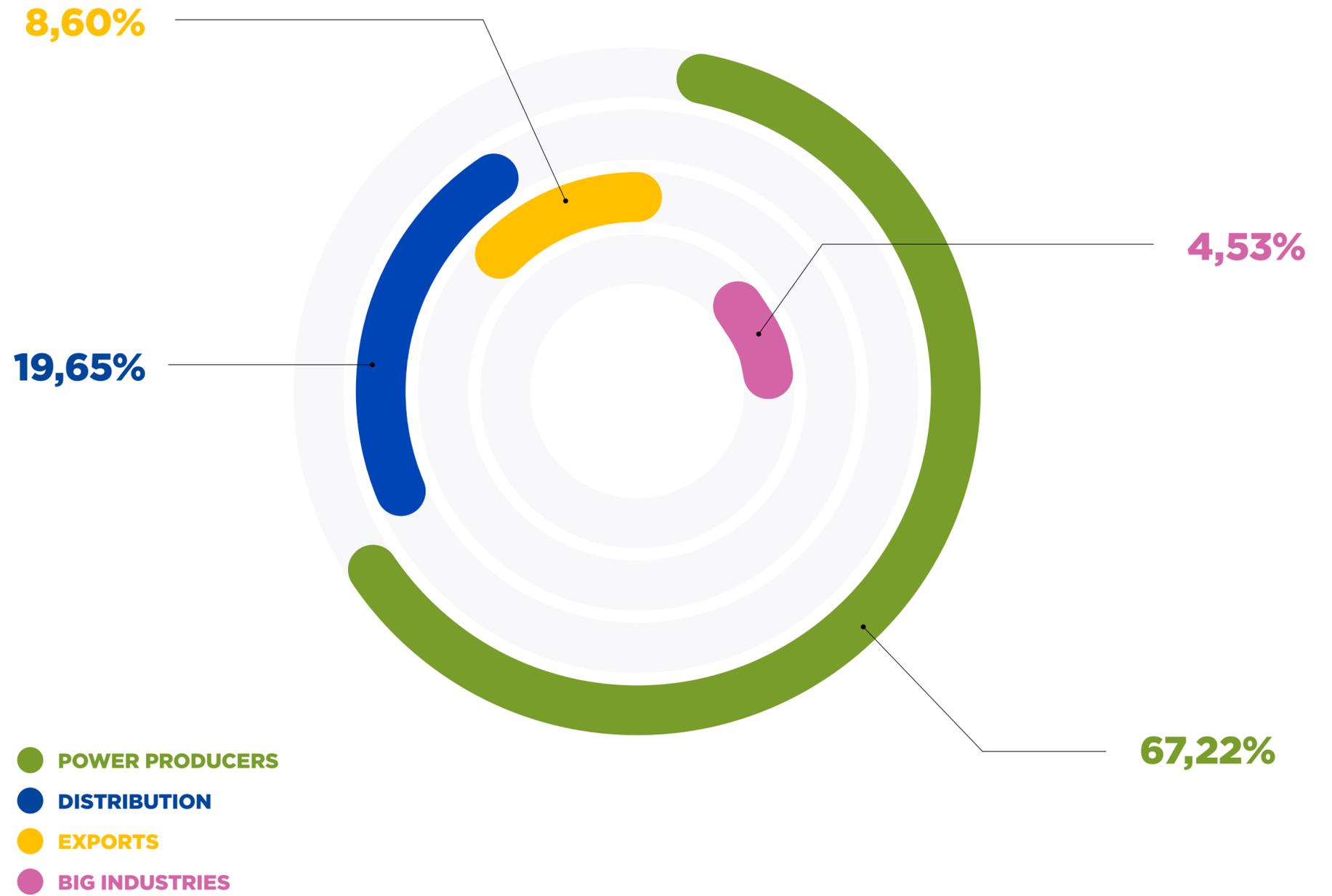


Chart 2:
Shares of physical off-takes 2022

2.3. Activities, value chain and business relationships

GRI 2-6
ATHEX ESG A-G1

Business Model

INPUTS	BUSINESS ACTIVITIES AND VALUES	OUTPUTS: THE VALUE WE CREATE	
<p>FINANCIAL CAPITAL</p> <ul style="list-style-type: none"> › EUR 855 million TYDP › EUR 505 million Common Bond Loan › EUR 25 million Loan for the financing of the North Macedonia Project <p>HUMAN CAPITAL</p> <ul style="list-style-type: none"> › 563 of employees <p>NATURAL CAPITAL</p> <ul style="list-style-type: none"> › Land › Raw Materials <p>MANUFACTURING CAPITAL</p> <ul style="list-style-type: none"> › 225,000m³ LNG storage capacity › 1.465,2 km high-pressure pipelines <p>INTELLECTUAL CAPITAL</p> <ul style="list-style-type: none"> › High expertise and know-how due to uniqueness of operation › Internal policies, procedures and certifications <p>SOCIAL AND RELATIONSHIP CAPITAL</p> <ul style="list-style-type: none"> › Approximately 450 suppliers (national/international) 	<p>VALUES:</p> <ul style="list-style-type: none"> › Integrity › Excellence & Leadership › Collaboration › Sustainability & Innovation <p>BUSINESS ACTIVITIES:</p> <ul style="list-style-type: none"> › Regulated and Other Services (Transmission Services, LNG (Liquefied Natural Gas) Services, Truck Loading Services) <p><i>(As they are referred to above in Business Activities and Services section)</i></p>	<p>FINANCIAL CAPITAL</p> <ul style="list-style-type: none"> › EUR 278.34 million turnover <p>HUMAN CAPITAL</p> <ul style="list-style-type: none"> › 8.398 total training hours <p>NATURAL CAPITAL</p> <ul style="list-style-type: none"> › 30,18% reduction (17.324,33 t) GHG emissions (Scope 1 and Scope 2) in comparison with 2021. <p>MANUFACTURING CAPITAL</p> <ul style="list-style-type: none"> › 86,16 TWh natural gas imports › 29,54 TWh natural gas exports <p>INTELLECTUAL CAPITAL</p> <ul style="list-style-type: none"> › Adoption of a Sustainability Policy 	<p>ENVIRONMENT</p> <p>Combat climate change, adopting the best practices for the conservation and enhancement of the areas where it operates with its infrastructure, mitigating the environmental impacts.</p> <p>SOCIAL</p> <p>Promote human rights, diversity, equal opportunities, training & development, attracting and retaining specialized human resources, ensuring a healthy and safe environment, and providing high-quality services.</p> <p>GOVERNANCE</p> <p>Focus on ethics, compliance, service reliability, and efficiency, as well as the development of a risk management system, which works towards business continuity.</p>

Table 3:
DESFA business model

Note: Concerning TYDP, RAE has not yet approved it for the reporting period of 2022 (set in a public consultation on 15.02.2023).

**SUSTAINABLE
DEVELOPMENT
APPROACH**

3.

- STRATEGY.
 - MEMBERSHIPS AND AWARDS.
 - STAKEHOLDER ENGAGEMENT.
 - MATERIALITY ANALYSIS.
-



3.1. Strategy

ATHEX ESG C-G4

Nowadays, more than ever, integrating sustainability into the business strategy is critical to ensure a future-proof business and maintain a social license to operate. DESFA has decided, to build a consistent, contemporary and well-established sustainability approach, addressing Environmental, Social and Governance factors (ESG) and incorporating them into its business strategy and the overall value chain, in full alignment with the Company’s mission, values and business scope.

ENVIRONMENT

DESFA’s commitment to the Environment is reflected by implementing an Environmental Management System, covering all activities and facilities, based on ISO 14001:2015 international standard and communicating to stakeholders a Health & Safety, Security, Environment and Quality (HSSEQ) Policy.

DESFA adopts a holistic approach concerning the Environment, committing itself not only to combat climate change, but also to adopt the best practices for the conservation and enhancement of the areas where it operates, mitigating the environmental impacts of its operations. This is also reflected in the below targets:

- › Reduction of CH₄ emissions, as well as in all targets concerning energy efficiency,
- › New business development with a particular focus on green gases and innovation, while adopting waste management and recycling programs in its operations and supply chain.

DESFA is also committed to involve stakeholders across the value chain, in order to create synergies for reducing its direct and indirect energy emissions of Scope 1, 2 and 3 greenhouse gases, based on the Paris Agreement, the EU Green Deal, and the EU Taxonomy, aiming to achieve carbon neutrality in its activities by 2050.



SUSTAINABILITY POLICY

DESFA has developed a Sustainability Policy that defines the Company’s approach to long-term sustainable development and its commitments and actions regarding the ESG aspects. DESFA considers sustainability as a guiding principle for defining strategic and operating options, while ESG aspects constitute a valuable tool for creating shared value and making the Company respond beyond what is required by the regulatory framework.

SOCIETY

DESFA identifies employees, local communities, customers and suppliers as key stakeholders since only through their participation it will be possible to achieve the challenging strategic objectives of the coming years. The company contributes to the social and economic development of local communities, giving priority to those areas and regions in which the Company operates, by means of sustainable social action models.

DESFA promotes a culture that defends the individual and its human rights, promoting diversity and equal opportunities in an inclusive environment. The Company’s employees are the most important asset for DESFA, and it is therefore of outmost interest to attract and retain specialized human resources and to train and develop its staff continuously, ensuring above all a healthy and safe environment for every one of them. The aim is always to provide the highest quality of services to the customers, achieving maximum satisfaction, while managing the gas network in a reliable and socially responsible manner.



GOVERNANCE

Essential importance is given to the proper Governance of the Company, with special attention to ethics, compliance, service reliability, and efficiency, as well as the development of a risk management system, which works towards the business continuity of the Company. DESFA considers market trends, the regulatory updates, and the strategic plans of its shareholders keeping its policy updated with a long-term perspective.

DESFA’s Sustainability Policy, as well as its Code of Ethics, Anticorruption Policy and Whistleblowing Policy are communicated to employees internally via email and are available on the website, to guarantee transparency and collaboration with business or other partners, to the public and to anyone who might be interested.



3.1. Strategy

ATHEX ESG A-G3

TARGET SETTING

DESFA has proceeded with a broad target setting for each one of the ESG pillars aiming to involve all of its divisions to work toward the implementation of them.

Targets are separated into three-time categories, the short-term referring those targets that the Company aimed to implement within the reporting period, medium-term targets which are expected to be implemented by 2023-2024 and long-term targets that the Company expects to be in a position to implement by 2025 .

ENVIRONMENT 

TIME HORIZON	IMPLEMENTATION YEAR	TARGET	2022 ACTION	2022 STATUS
SHORT-TERM	2022	Zero spills of LNG.	Zero spills.	Achieved
	2022	Emissions Trading System Compliance Status "A".	Achieved Compliance Status "A" for 2022 for both facilities participating in the Emissions Trading System	Achieved
	2022	Prepare and present to the Board the Net Zero Plan and action plan.	Net Zero methodology submitted and approved by BoD and masterplan finalized in Q2 2023	Ongoing
	2022	CO ₂ Footprint Performance 97%-99.5% of 5ys average.	Actions are part of the Net Zero and OGMP. Estimated reduction >30% (finalized 1st Q2023).	Achieved
	2022	Initiation of the Green IT project.	In 2022 approximately 100 Refurbished PCs have been donated to schools and 192 more are ready for donation. At the end of 2022, DESFA excepted the equipment donation, The project completed in the first months of 2023.	Ongoing
			In 2022, 103 furniture donated to schools.	Achieved
	2022	Assessment and gap analysis of the NNGS regarding its readiness to accept and transport growing percentages of hydrogen blended into the natural gas.	In September, a report on the Hydrogen readiness study was presented in preparation for simulation applications.	Ongoing
	2022	Preparation and implementation of a new set of specifications, so that all new expansions of the NNGS are hydrogen ready.	70% of the new set of specifications have been prepared and implemented.	Ongoing

3.1. Strategy

ATHEX ESG A-G3

ENVIRONMENT 

TIME HORIZON	IMPLEMENTATION YEAR	TARGET	2022 RESPONSE	2022 STATUS
SHORT-TERM	2022	No impacts to protected species in areas affected by the operation of the pipeline system.	Zero impacts.	Achieved
	2022	Develop and publish ESG Scorecard.	To be shared in the next BoD meeting (Q1 2023).	Achieved
	2022	Water withdrawn from various sources (surface, underground, ocean), used during construction/operation of pipeline systems (hydraulic tests and ORVs), and returned to the environment non-polluted	100% of non-polluted water returned to the environment.	Achieved
	2022	Zero Environmental incidents during Projects Construction on an annual basis.	Zero environmental incidents.	Achieved
	2022	No significant impacts to habitats during construction works, no harm to animals and birds.	Zero impacts.	Achieved
	2022	100% Hazardous Waste Management.	100% managed waste (Operations).	Achieved
			100% managed hazardous solid and liquid wastes (Construction).	Achieved

ENVIRONMENT 

TIME HORIZON	IMPLEMENTATION YEAR	TARGET	2022 ACTION	2022 STATUS
MEDIUM-TERM	2023	100% compliance with environmental laws/regulations (no monetary fines, sanctions, or high court).	100% success due to zero cases of non-compliance.	Ongoing
	2023	Initiation of a paper-use reduction program.	The design and the implementation of a new Invoice management system was completed replacing the old protocol processes and saving approximately. 10.000 pages print/year. To be noted that Printers reports are not available from August 2022 due to cyberattack incident.	Achieved
	2023	Design and implement a program for the reduction of Single Plastic Use (cups, cutlery, straws, plates, etc.) in DESFA HQ.	Campaign canceled since the goal of eliminating single use plastic was achieved without the need of the awareness Campaign.	Achieved
			Monitor progress monthly.	Achieved
	2023-2024	10% decrease in CO ₂ and 7% decrease of NOx (10tn) emissions from DESFA's vehicles fleet.	In 2022 38 vehicles, out of total 212, have been replaced with new technology vehicles. 28 more vehicles (PHEV, CNG, mild hybrid and fully electric) have been ordered and are expected to be replaced in 2023-2024. DESFA has achieved an 8% CO ₂ and 28% NOx decrease in 2019-2022 period.	Ongoing
	2023-2024	15% decrease in DIESEL consumption from vehicles fleet		Ongoing
	2023-2024	50% recycling of waste materials by Contractors during the construction of projects.	All the contractors proceed to recycling of waste materials with 75% of generated waste to be recycled.	Ongoing
	2023-2024	Identification and evaluation of environmental risks in DESFA operations.	An Environmental Risk Register is prepared internally, including environmental risks' assessment and evaluation (progress: 60%).	Ongoing
LONG-TERM	2025	New Headquarters building according to LEED Certification.	Building acquisition was completed, the LEED consultant was selected and an Initial workshop took place to ensure LEED certification of the new HQ.	Ongoing
	2025	20% decrease in CH ₄ Emissions in comparison to CH ₄ Emissions in 2015.	DESFA has achieved a 38% decrease of CH ₄ from 2015 to 2022. The Company focuses its efforts through the retention of OGMP Gold Standard in 2022, including: <ul style="list-style-type: none"> › Emissions report by detailed source & type by using specific emission factors, measurements, simulation tools and detailed engineering calculations for all installations of NNGS. › Implementation of strategy on CH₄ emissions for 2022. 	Achieved
	2025	5% Reduction of NOx emissions from the operation of LNG terminal and Compressor stations.	No actions taken.	Ongoing

SOCIETY 

TIME HORIZON	IMPLEMENTATION YEAR	TARGET	2022 ACTION	2022 STATUS
SHORT-TERM	2022	<60 days off due to accidents/illness.	24 Days off due to accidents. (Operations)	Achieved
			0 days off due to accidents/illness. (Construction)	Achieved
	2022	More than 50 HSSEQ audits on an annual basis.	70 audits.	Achieved
	2022	100% of scheduled QHSE audits during Project construction are to be performed.	100% audits scheduled were performed.	Achieved
	2022	All issued Non-Conformance Report (NCRs) (100%) during the Projects Audit are to be closed out within the agreed time frame.	100% follow up of non-conformances and corrective actions.	Achieved
	2022	97% Intrinsic Availability.	100% availability.	Achieved
	2022	Over 250 points of QHSE Continuous Improvement ¹⁰ .	457 points of QHSE Continuous Improvement.	Achieved
	2022	1 ≤ Lost Time Incident Rate Employees & Contractors <2. (LTI is an injury sustained on the job by an employee that results in the loss of productive work time since the employee is unable to perform regular job duties and takes time off for recovery).	0,8 number of accidents per million manhours for DESFA employees and 0 number of accidents per million manhours workers who are not employees (Construction). The Lost Time Incident Rate Employees & Contractors only considers accidents resulting to days of absence from work, only one of the 9 recordable accidents had that characteristic. The number of accidents per million manhours does not answer the KPI lost time incident, additionally contractors man hours should be added.	Achieved
		Zero number of accidents per million manhours for contractor's employees during 2022.	Achieved	

Note:

12) A performance monitoring point system for all QHSE Improvement actions. The Continuous improvement score is calculated by claiming points awarded for performing several HSSEQ initiatives. Initiatives that award points include: HSSEQ Training, meetings, drills, Near Misses, HSE Visits/Walks. Points awarded vary (from 1 to 5) based on importance, involved personnel, frequency, etc.

SOCIETY 

TIME HORIZON	IMPLEMENTATION YEAR	TARGET	2022 ACTION	2022 STATUS
SHORT-TERM	2022	Full compliance with requirements for the provision of service information.	4 incidents occurred regarding service information and were resolved.	Achieved
	2022	Working Flexibility.	A systemized remote working scheme is in place when and where applicable since 2021. Recently, an Ultimus process has been established to facilitate the remote working system.	Achieved
	2022	Zero incidents of discrimination.	No incidents were reported. Relevant policies have been uploaded and communicated in the intranet portal.	Achieved
	2022	Number of fatalities, serious injuries and accidents on an annual basis (operations)	0 fatalities, 3 injuries, 1 serious accident	Achieved
		Number of fatalities, serious injuries and accidents on an annual basis during Projects (Construction)	0 fatalities, 1 injury, 0 serious accident.	Achieved
	2022	Increase in average man-hours of Environmental, Health and Safety Training.	3,49 average training hours on H&S (2021: 3,40).	Achieved
	2022	Increase of H&S awareness initiatives (HSE championship, thematic training, safety walks, etc).	18 awareness initiatives (2021: 13 awareness initiatives).	Achieved
	2022	Increase in average training hours for upgrading skills.	14,4 average training hours (2021: 18,5).	Ongoing
	2022	No violation of human rights of local communities and people in the areas where NGTS is developed or operates (e.g., economic displacement, restrictions to land access, etc).	Zero incidents.	Achieved
	2022	In-time review of Contractor's QHSE Management Systems during Projects Construction to comply with QHSE International Standards (ISO9001, ISO14001 and ISO 45001) and legislation requirements.	Annual in-time review of Contractors QHSE Management Systems, based on Contractual requirements.	Achieved

SOCIETY 

TIME HORIZON	IMPLEMENTATION YEAR	TARGET	2022 ACTION	2022 STATUS
SHORT-TERM	2022	Monitor Employees' satisfaction.	Survey performed Q4 of 2022. The results will be published in Q1 2023.	Achieved
	2022	To manage structured Customer Feedback collection (surveys, interviews, workshops), to assess results & provide Customer Satisfaction report.	85% answered the sent evaluation questioners.	Achieved
	2022	Continuous improvement and efficiency of the customer operations and services by improving the relevant processes (customer onboarding & offboarding, solution offers, contract management).	1 received complaint.	Achieved
			14 days response time when the target response time to customers complaints is 15 days.	Achieved
	2022	Development of the pre-qualifications process, where Vendors/contractors will have to read, accept, apply and comply with DESFA's code of ethics	The Vendor Qualification Procedure is in the final steps of approval. The Pilot project of evaluating Vendors will take place in 2023. The full implementation and the digitalization of the Procedure in the system will be completed in 2024	Ongoing
	2022	Elaboration of a Stakeholder Engagement Framework to which Project specific Stakeholder Engagement Plans will be prepared during Environmental and Social Impact Assessments for ensuring minimum impact on local communities from the construction and operation of new	Two main documents consisting the Stakeholder Engagement Framework are under preparation: Grievance Management Procedure (75%) and the Stakeholder Engagement Procedure (50%).	Ongoing
	2022	Regular performance and career development reviews of the employees.	Performance appraisal system for N-1 and N-2 management levels, is already launched and the review will take place twice a year.	Achieved
	2022	Offer a standard entry-level wage 15% above the national minimum wage.	During 2022, DESFA offered standard entry-level wage 15% above the national minimum wage.	Achieved
	2022	To manage Market Intelligence and Customer Communications to gain market insights and ensure consistent & efficient communication with the customers.	82% out of the total number of our active customers accepted our meetings requests and all these meetings were realized.	Achieved
	2022	Increase women's ratio in employment.	34% (2021: 31%).	Achieved

SOCIETY 

TIME HORIZON	IMPLEMENTATION YEAR	TARGET	2022 ACTION	2022 STATUS
LONG-TERM	2025	100% of agreements taken care by the supply chain division to include a clause that vendor/ contractor has read, accepted, applied and complied with DESFA's code of ethics	95% of agreements taken care by the supply chain division.	Ongoing
	2025	Training to the entire personnel on the respect of human rights per operating division (Aspects of Diversity, Potential Violations, [Discriminations, Child and Forced Labor], Achieving Inclusion [Equal Opportunities, Creating Inclusive Leadership, Awareness]).	Training about Diversity Equity and Inclusion which are main areas of Human Rights are included in the 2023 DESFA Training Curriculum which will be deployed in the Q1 of 2023.	Ongoing
	2025	Increase of the investments in Gas Network (10 years dev. Plan).	159,91m €, increased to the previous year's TYDP as additional investments have been set out on Gas Network expansion on an annual basis in the future.	Ongoing

GOVERNANCE 

TIME HORIZON	IMPLEMENTATION YEAR	TARGET	2022 ACTION	2022 STATUS
SHORT-TERM	2022	Continuous Operation of the network	Zero inactive time of the NNGS.	Achieved
	2022	Enterprise Risk Management System (Identification, Assessment, Alternative Plan) for the whole operations.	2 enterprise-wide Risk Assessment runs annually, one per semester.	Achieved
	2022	4 meetings of the Steering Committee regarding the monitoring and implementation of ESG and Sustainability Strategy.	4 out of 4.	Achieved

3.1. Strategy

ATHEX ESG A-G3

GOVERNANCE



TIME HORIZON	IMPLEMENTATION YEAR	TARGET	2022 ACTION	2022 STATUS
SHORT-TERM	2022	Continuous Provision of Regulated Services	83% availability of data platform.	Ongoing
	2022	Zero reports of incidents of a data breach (mandatory to be reported to the Data Protection Authority).	1 incident of data breach in 2022.	Not Achieved
	2022	Training to 70% of the personnel regarding the GDPR requirements per operating division.	70% (Design, organization and delivery of training program regarding the GDPR requirements for the employees have been completed)	Achieved
	2022	Training to 70% of the personnel regarding Whistleblowing, Code of Ethics and Anticorruption Policy.	70% (Design, organization and delivery of training program regarding Whistleblowing, Code of Ethics and Anticorruption Policy requirements for the employees have been completed).	Achieved
	2022	Development of Anticorruption Risk Assessment and Standards of Control in an Anticorruption Model.	Design and approval of an Anticorruption Model including Standards of Control.	Achieved
	2022	100% of agreements taken care by the Supply chain division to include a clause that vendor/contractor has read, accepted, applied and complied with DESFA anticorruption and antibribery policy and Code of Ethics.	95% of agreements.	Ongoing
	2022	Implementation of Corporate Governance Code	The first edition of the Board Induction Pack was completed in November 2022.	Achieved
	2022	Inclusion to ESG raters monitoring.	The company aims to enhance its visibility to ESG raters through the current ESG report 2022.	Achieved

MANAGEMENT OF SUSTAINABILITY ISSUES

GRI 2-12, GRI 2-13
ATHEX ESG C-G2

ESG STEERING COMMITTEE

ESG Steering Committee is comprised of the division's directors of the Company reflecting the importance of sustainable development for the Company. The members of the committee are responsible for the elaboration, monitoring and proper implementation of the Sustainability Policy, which includes targets, actions and corporate performance in the environmental, social and corporate governance issues related, both to the external and internal environment of the Company.

The work of the committee's members is supported by the ESG Agents, members of the management who represent most of the divisions of the Company. The ESG Agents undertake the implementation of the tasks regarding the sustainable development of the Company including data selection, developing the necessary actions and monitoring the target implementation.

The main responsibilities of the committee are the following:

- › Proposes and structures the strategy of ESG and sustainability.
- › Proposes issues of social and environmental responsibility in the Business Plan of the Company.
- › Receives feedback from the Board of Directors (BoD) on ESG and Sustainability issues.
- › Provides guidelines to the Sustainability Team.

ESG Steering Committee reports directly to the CEO, as follows:

- › Reporting on the progress of ESG and Sustainability Strategy.
- › An annual presentation of the Sustainability Report and the Implementation of the Strategy to BoD and the stakeholders.
- › Proceeds to changes / adjustments to the ESG Strategy on an annual basis or whenever necessary.

Regarding the sustainability oversight, the BoD members of DESFA have competency to approve the ESG related issues strategy as part of the broader company's strategy. The BoD members are involved in discussions around sustainability issues with management during BoD meetings, including the setting of sustainability-related targets. To be noted that there is no dedicated Board Committee to provide sustainability oversight of the Company's business activity.

CORPORATE AFFAIRS, ESG & COMMUNICATION DIVISION

The Corporate Affairs, ESG & Communication Division, aims at developing and maintaining a transparent and constant long-term relationship with its Institutional Stakeholders and Organizations.

Every quarter the Division reports to the ESG Steering Committee and subsequently to BoD on the progress of the organization's impacts on the economy, environment, and people, through the ESG Dashboard.

The Division is responsible, among others, to:

- › Define a comprehensive ESG strategy and a long-term ESG goals achievement plan upon collaboration with ESG experts.
- › Develop and oversee the execution of cross-functional ESG initiatives and strategies, to boost corporate sustainability and engage with internal and external stakeholders to promote corporate sustainability.
- › Monitor the efficacy of the ESG initiatives using a standardized reporting mechanism, presenting regular and ad-hoc sustainability reports to the Management Team and to the BoD.
- › Oversee the preparation of annual ESG/Sustainability reports and participate in sustainability indexes on the progress (UN Sustainable Development Goals, GRI).
- › Promote training on ESG topics within the organization and in particular with those across the organization participating in the ESG initiatives and workgroups.
- › Oversee the definition of the sustainability model, developing and promoting CSR activities.

3.2. Memberships and awards

GRI 2-28

MEMBERSHIPS

DESFA is an active member of essential industrial and economic organizations promoting entrepreneurship, sharing knowledge and participating in committees and workgroups.

						
	European Network of Transmission System Operators for Gas (ENTSOG) www.entsoe.eu		MARCOGAZ www.marcogaz.org		Hellenic Association for Energy Economics (HAAE) www.haae.gr	
Gas Infrastructure Europe (GIE) www.gie.eu		Society of International Gas Tankers & Technical Operators Ltd (SIGTTO) www.sigtto.org		Hellenic Federation of Enterprises (SEV) SEV Hellenic Federation of Enterprises		Institute of Energy for South-East Europe (IENE) www.iene.eu
						
	Greek Energy Forum www.greekenergyforum.com		CEO Clubs Greece www.ceoclubsgreece.org		Gas for Climate www.gasforclimate2050.eu	
Oil & Gas Methane Partnership 2.0 (OGMP) www.ogmpartnership.com		Alliance for Greece www.symmachiatiellada.gr		European Hydrogen Backbone (EHB) www.ehb.eu		Natural & bio Gas Vehicle Association (NGVA Europe) www.ngva.eu
						
	European Clean Hydrogen Alliance www.europa.eu/european-clean-hydrogen-alliance				Transparency International - Business Integrity forum www.transparency.gr	

3.2. Memberships and awards

GRI 2-28

AWARDS

DESFA's performance regarding Occupational Health & Safety, Environmental and Quality Management is of the highest standards in Greece. Since 2013, the Company has received more than 30 Awards for its performance and innovation by Health, Safety and Environmental stakeholders in the following categories: energy sector, emissions, awareness, preparedness, personnel participation, competency management, waste management, having participated in multiple relevant competitions.

YEAR	AWARDING BODY	CATEGORY / TITLE	AWARD TYPE
2022	Manager of the Year 2022	Supply Chain & Logistics Manager of the Year 2022	N/A
	Corporate Responsibility Index	Corporate Responsibility Index (CRI) 2021-2022	SILVER
	HR Awards 2022 by Boussias Communications	Equity & Social Protection in the Workplace / "Equity & Social Protection is included in company's values and constitutes a main drive of our operational activities"	SILVER
		Best Returning to the Workplace Plan	SILVER
	Oil & Gas Methane Partnership, United Nations	Company's performance in the Oil and Gas Sector for the year 2021.	GOLD
2021	Health & Safety Awards 2021 by Boussias Communications	Crisis Response / Back to action: From paper to the field	GOLD
		Road Safety / Driving - First cause of accident in the NG sector	GOLD
		Critical Incident Response Unit / All around Greece - A need for alertness	SILVER
		Health & Safety Culture / Culture as part of the HS Management System	SILVER
	HR Awards 2021 by Boussias Communications	Best Re-skilling Strategy / "Learning & Development Strategy: Adaptation to the new remote working conditions and connection with the vision and goals of the Company"	GOLD
		Best Flexible Working Strategy "DESFA during the Pandemic - the challenges in a new work reality"	SILVER
		Most Innovative use of Technology in HR / "The use of applications and portal technology in Human Resources Management"	SILVER
		Most Effective Recruitment Strategy / "Talent Acquisition Strategy: Connecting with the vision, goals and values of the Company through corporate transformation in recruitment"	BRONZE
2019	Environmental Awards 2018 by Boussias Communications	Health, Safety & Environment	GOLD
		Health & Safety Training and Awareness / Activities to Promote Corporate Culture	SILVER
2018		Waste Management	SILVER

3.3. Stakeholder engagement

GRI 2-29
ATHEX ESG C-S1

Stakeholders are defined as individuals or groups that have an interest that is affected or could be affected by the organization’s activities. In that framework, DESFA aims to build relationships with its stakeholders based on trust and open and transparent communication.

DESFA aims to retain open and sincere engagement with its stakeholders, which is ongoing for the majority of them, building that way trust, transparency and common understanding, to identify material impacts that its activity has or could have on the environment, people, including on their human rights, and economy.

STAKEHOLDER IDENTIFICATION PROCESS

DESFA identifies and engages with its key stakeholders, both internal and external, that could be affected by the Company’s activities and business relationships, namely its employees, suppliers, NNGS users, BoD members, public authorities, other operators (DSO/ TSO), local communities, financial institutions and non-governmental organizations, in order to understand their needs and concerns.

The process of stakeholders’ identification, enables the Company to:

- › Identify among stakeholders the key players who have the greatest impact on the success of the business against the variables of interest and influence.
- › Identify current proximity and relationship with each stakeholder so as to accurately evaluate the current status with each one and define future targeted objectives, KPI’s, strategies and tactics.
- › Define the main issues and milestones that need to be addressed for each stakeholder, developing the best strategy forward.
- › Analyze project-specific stakeholders, milestones, issues and strategy forward.
- › Develop an action plan with specific tactics and frequency for engaging with stakeholders.
- › Explore potential opportunities for new synergies and cooperations which will promote DESFA’s overall business strategy.
- › Assess or explore the impact, dynamics and interrelations between stakeholders as to forecast the potential effect that actions of one may have on some or all of the others.

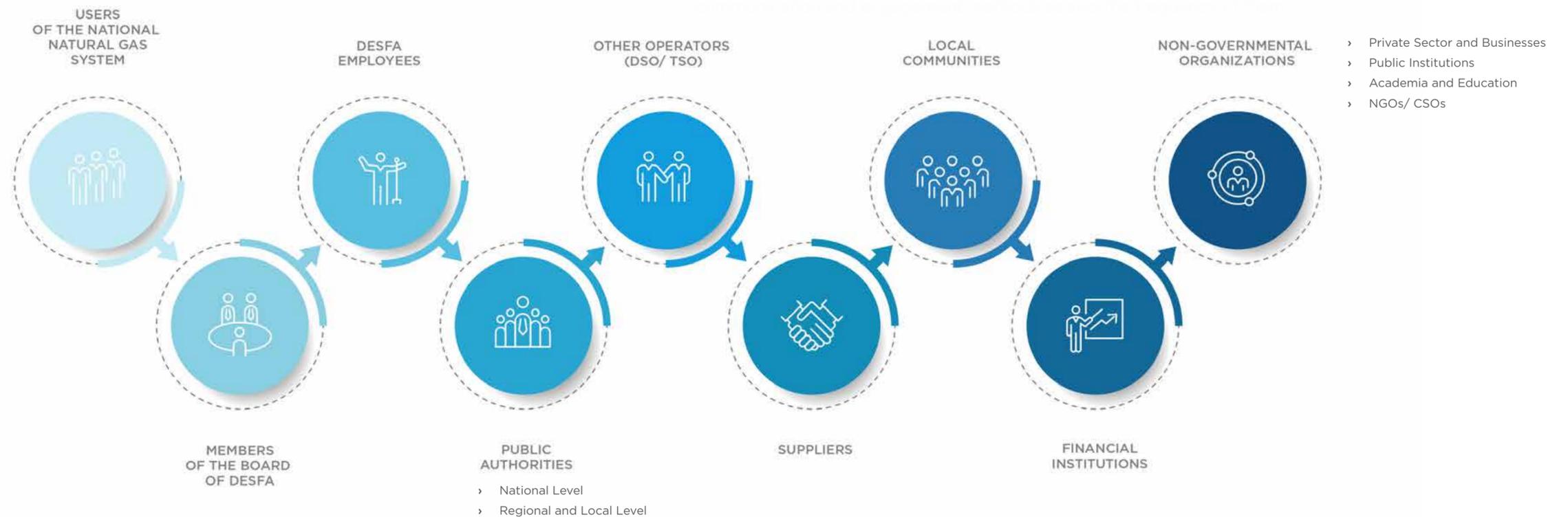


Figure 2:
DESFA Stakeholders Groups

3.3. Stakeholder engagement

GRI 2-29
ATHEX ESG C-S1

In its regulated business DESFA is engaged in many formal consultations with the Company’s stakeholders during the reporting period, whose interests were considered through materiality analysis and, discussions and decision-making of DESFA’s BoD.

STAKEHOLDER GROUPS	COMMUNICATION /ENGAGEMENT METHODS	FREQUENCY OF ENGAGEMENT
USERS OF THE NATIONAL NATURAL GAS SYSTEM	<ul style="list-style-type: none"> › Website › Social media › Meetings (Online / Face to face) › Conventional and digital marketing tools › Market events and business associations › Evaluation Questionnaires › ESIA (Environmental and Social Impacts Assessment for projects and operations) › Press releases, interviews and articles 	When necessary
MEMBERS OF THE BOARD OF DESFA	<ul style="list-style-type: none"> › Awareness Trainings › Corporate events / Volunteerism initiatives › ESG Report › Evaluation Questionnaires › Financial Statement › Internal Communication emails, SMS › Meetings (Online / Face to face) › NNGS Development Plan › Personal Meetings (MS Teams / Face to face) › Portal › Social media › Sustainability & Carbon Footprint Report › Website 	Ongoing
DESFA EMPLOYEES	<ul style="list-style-type: none"> › Portal › Internal Communication emails, SMS › Personal Meetings (MS Teams / Face to face) › Corporate events / Volunteerism initiatives › Employee and Union Relations › Awareness Trainings › Press releases, interviews and articles 	Ongoing

Table 4:
Stakeholder’s engagement framework



3.3. Stakeholder engagement

GRI 2-29
ATHEX ESG C-S1

STAKEHOLDER GROUPS	COMMUNICATION /ENGAGEMENT METHODS	FREQUENCY OF ENGAGEMENT
PUBLIC AUTHORITIES	<ul style="list-style-type: none"> › Conventional and digital marketing tools › Corporate events / Volunteerism initiatives › ESG Report › Financial Statement › Market events and business associations › Meetings (Online / Face to face) › NNGS Development Plan › On-site visits › Personal Meetings (MS Teams / Face to face) › Sustainability & Carbon Footprint Report › Website › Press releases, interviews and articles 	Ongoing
OTHER OPERATORS (DSO/ TSO)	<ul style="list-style-type: none"> › Awareness Trainings › Conventional and digital marketing tools › Corporate events / Volunteerism initiatives › ESG Report › Evaluation Questionnaires › Financial Statement › Market events and business associations › Meetings (Online / Face to face) › NNGS Development Plan › On-site visits › Personal Meetings (MS Teams / Face to face) › Social media › Sustainability & Carbon Footprint Report › Website › Press releases, interviews and articles 	Occasionally
SUPPLIERS	<ul style="list-style-type: none"> › Website › Meetings (Online / Face to face) › Conventional and digital marketing tools › Market events and business associations › Evaluation Questionnaires › Sustainability & Carbon Footprint Report › Financial Statement › Press releases, interviews and articles 	Occasionally

STAKEHOLDER GROUPS	COMMUNICATION /ENGAGEMENT METHODS	FREQUENCY OF ENGAGEMENT
LOCAL COMMUNITIES	<ul style="list-style-type: none"> › Conventional and digital tools › Corporate events / Volunteerism initiatives › ESG Report › Employee and Union Relations › Evaluation Questionnaires › Financial Statement › Meetings (Online / Face to face) › NNGS Development Plan › On-site visits › Personal Meetings (MS Teams / Face to face) › Portal › Social media › Sustainability & Carbon Footprint Report › ESIA › Website › Press releases, interviews and articles 	When necessary
FINANCIAL INSTITUTIONS	<ul style="list-style-type: none"> › Website › Market events and business associations › Financial statements › Meetings (Online / Face to face) › Press releases, interviews and articles 	Occasionally
NON-GOVERNMENTAL ORGANIZATIONS	<ul style="list-style-type: none"> › ESIA › Website › Social media › Sustainability & Carbon Footprint Report › Meetings (Online / Face to face) › Market events and business associations › Press releases, interviews and articles 	When necessary

Table 4:
Stakeholder's engagement framework

3.4 Materiality analysis

GRI 2-14, GRI 3-1, GRI 3-2, GRI 3-3
ATHEX ESG C-G3

In 2022, DESFA applied the new methodology of the GRI-3 Material Topics, identifying, assessing and prioritizing, for reporting purposes, impacts (which have been classified as positive and negative, actual and potential) that the company creates or may create on the environment and people, including on their human rights and the economy.

The prioritization of the identified impacts contributed to the determination of the Company’s material topics. The materiality analysis for the reference period was carried out through the following four phases:

1. Understanding the organization’s context

Review of the internal and external environment of the Company, though understanding its business model and business relationships and the external environment, through a review of documents and available relevant material (GRI, SASB, ATHEX ESG Reporting Guide), sectoral standards (GRI 11: Oil and Gas Sector 2021).

2. Impact identification

Identification of positive/negative, actual/potential impacts on the environment, people, including on their human rights, and the economy, across DESFA’s operation and business relationships, and as emerged by Oil and Gas Sector Standard.

3. Impact assessment

Implementation of a materiality analysis survey, conducted by the Corporate Affairs, ESG and Communication division, aiming to consult stakeholder groups on environmental, economic and social impacts.

Criteria for assessing positive (actual and potential) impacts:

- › The scale.
- › The scope.
- › The likelihood of them occurring in case of positive potential impacts.

Criteria for assessing negative (actual and potential) impacts:

- › The scale.
- › The scope.
- › The irremediable character.
- › The likelihood of them occurring in case of negative potential impacts.

Following the completion of the e-survey, the responses were collected and analyzed to determine the results of the impact assessment.

4. Impact prioritization

Following the impact assessment, the impacts were grouped into topics, based on their nature. All the identified impacts were acknowledged as important, meaning that the Company is managing them. However, for reporting purposes, the threshold was set to define which sustainability topics will be included within DESFA’s ESG report. The topics that were below the set threshold are being addressed within the organization’s Sustainability Policy. The threshold was set by the ESG Steering Committee, based on which a sustainability topic is characterized as material, as illustrated in the table below.



3.4
Materiality
analysis

GRI 3-1, GRI 3-2, GRI 3-3
ATHEX ESG C-G3

PILLAR	TOPICS RELEVANT TO POSITIVE IMPACTS
 ENVIRONMENT	GHG emissions
	Climate adaptation, resilience, and transition/ Innovation
 SOCIETY	Employment practices / Freedom of association and collective bargaining
	Occupational health and safety
	Local communities
	Land rights
 GOVERNANCE	Business Conduct (Public Policy, Anti-competitive behavior, Anti-corruption, Payments to governments, Asset integrity and critical incident management)
	Economic impacts
 ENVIRONMENT	Air emissions
	Biodiversity
	Water and effluents
	Waste
	Raw Materials
 SOCIETY	Non-discrimination and equal opportunity
	Forced labor and modern slavery
 GOVERNANCE	Privacy

Table 5:
Topics relevant to positive impacts

PILLAR	TOPICS RELEVANT TO NEGATIVE IMPACTS
 ENVIRONMENT	GHG emissions
	Climate adaptation, resilience, and transition/Innovation
 SOCIETY	Occupational health and safety
	Employment practices / Freedom of association and collective bargaining
 GOVERNANCE	Privacy
 ENVIRONMENT	Water and effluents
	Air emissions
	Biodiversity
	Waste
	Water and effluents
	Raw Materials
 SOCIETY	Local communities
	Land rights
	Non-discrimination and equal opportunity
 GOVERNANCE	Forced labor and modern slavery
	Economic impacts
 GOVERNANCE	Business Conduct (Public Policy, Anti-competitive behavior, Anti-corruption, Payments to governments, Asset integrity and critical incident management)

Table 6:
Topics relevant to negative impacts

3.4 Materiality analysis

GRI 3-1, GRI 3-2, GRI 3-3
ATHEX ESG C-G3

The actions taken to mitigate and address the actual and potential negative impacts, as well as the actions to enhance the actual and potential positive impacts on the material topics, are being further analyzed in the following chapters.

PILLAR	MATERIAL TOPICS	UN SDGS
 ENVIRONMENT	GHG emissions	    
	Climate adaptation, resilience, and transition/ Innovation	      
 SOCIETY	Employment practices / Freedom of association and collective bargaining	    
	Occupational health and safety / Asset integrity and critical incident management	   
	Local communities / Land rights	    
 GOVERNANCE	Business Conduct	   
	Economic impacts	    
	Privacy	

Table 7:
Material topics

ENVIRONMENT

4.

- CLIMATE ADAPTATION, RESILIENCE, AND TRANSITION.
 - CARBON FOOTPRINT
-



4.1 Climate adaptation, resilience and transition

MATERIAL TOPIC

GRI 3-3



Our Approach in CLIMATE ADAPTATION, RESILIENCE, AND TRANSITION/INNOVATION

DESFA is committed to manage all the activities and processes for ensuring the protection of the environment, taking into account the principles of sustainability and maximum preservation of natural wealth.

DESFA invests in projects that promote the expansion and upgrade of its infrastructure, as the new pipeline in Western Macedonia, where there is no natural gas transmission and distribution system. Thus, its arrival is expected to offer new possibilities and prospects for direct investment that will bring new jobs, maintain district heating, promote the development of new gas fired power-generating modules (conventional and CHP - High-Efficiency Cogeneration Unit) replacing lignite utilization in the region and will lead to further development of networks in cities. A future synergy is not excluded and with hydrogen applications, since the new pipeline will be hydrogen ready.

The Company has also proceeded to Climate Adaptation actions setting organizational and operational boundaries and identifying the potential transitional risks and opportunities. The Company is also engaged in developing its “DESFA S.A 1,5°C Net Zero Scenario”, which will drive the definition of short, medium and long-term business objectives to achieve net zero emissions in DESFA’s operations in line with the Net Zero Master Plan, which will be approved in 2023.

POSITIVE IMPACTS

ACTUAL:

- Contribution of the natural gas transmission system in the energy transition and the commitment to reduce fugitive emissions (20% by 2025).
- Participation in hydrogen and biomethane projects.
- Digitalization of the whole transmission system’s maintenance and repair process.

POTENTIAL:

- Implementation of the Company’s decarbonization action plan.
- Potential utilization of biomethane or hydrogen in the fuel mix.



NEGATIVE IMPACTS

ACTUAL:

- From the direct and indirect emissions of greenhouse gases (GHG) relevant to DESFA’s current operation.

POTENTIAL:

- From potential delays in the implementation of the Company’s digital transformation plan.

4.1 Climate adaptation, resilience and transition

GRI 3-3

MATERIAL TOPIC

ENVIRONMENTAL MANAGEMENT SYSTEM

SASB EM-MD-160a.1

The Environmental Management System (EMS) that DESFA has installed, has been designed to achieve the reduction of negative impacts on the environment due to the operational and administrative actions of DESFA, and is based on the EN ISO 14001:2015 International Standard. DESFA has been developing and implementing EMS since 2009, while since December 2011, has received relevant certification from an independent third party.

DESFA proceeds annually to a carbon footprint calculation, which is prepared by the Department of Health, Safety, Physical Security, Environment and Quality, including the direct emissions resulting from equipment and facilities owned or controlled by DESFA, as well as the indirect emissions as a result of electricity consumed in Company’s facilities.

In addition to the Carbon Footprint of DESFA, other fields that are monitored and populated through the Monthly Reports of the Health, Safety, Physical Security, Environment and Quality Department, to the Management, include:

- › Waste Management.
- › Water Resources Management.
- › Adequacy of Technical Staff in QHSE issues.
- › Drills.
- › Audits.
- › Events.

Moreover, dedicated employees for environmental management conduct monthly reports, aiming to respond to strict adherence to legislation’s requirements, specific emission reduction goals and dedicated corporate procedures.

ENERGY TRANSITION PLANS

GRI 203-1, GRI SECTOR STANDARD REF. NO. 11.2.4

DESFA is focused on the development of knowledge and technology, applying initiatives and practices that will enable the Company to support the achievement of clean energy transition. An integral part of this strategy is hydrogen, which is one of the main pillars in the energy transition roadmap for the Company.

The development of hydrogen and renewable gases – such as biomethane - production and consumption in Greece, in order to be used in hard to abate sectors and for long-term storage of energy, is critical for DESFA. The CEO of the Company participates in the team for the review of the National Energy and Climate Plan. In this framework, DESFA seeks to engage the government in shaping public policy through its participation in working groups for the preparation of the national strategy for hydrogen and renewable gases.

In addition, DESFA focuses its efforts to ensure the adaptation of the transmission network for hydrogen and renewable gases, and proceeded with the assessment of the current system investments required to accommodate blends of hydrogen for admixtures of 5 and 10% and the development of new specifications so that all extensions of the transmission system will be hydrogen ready.

Since 2021, DESFA proceeded the final investment decision (FID) approval by BoD, for the “High-pressure pipeline to West Macedonia” project, which will be constructed to be compatible with H₂ transportation up to 100% and therefore it will initiate actions for hydrogen adaptation.

The project is included to support the decarbonization policy introduced by the Hellenic Republic and it concerns the extension of the existing NNGS via a new pipeline branch up to the region of West Macedonia to carry hydrogen. Initially, the pipeline will carry Natural Gas, then blend with H₂ and at final stage transportation of up to 100% H₂.

In the future, DESFA will continue to engage with the stakeholders to further develop the role of gas infrastructure and its readiness level in the context of the energy transition.

In this context the Company established a road map for the development of green gases and hydrogen business, contributing to design of national H₂ strategy and ongoing developments on an EU level on TSO role in H₂ value chain. Finally, the Company is cooperating with key national and international energy players for the assessment of Carbon capture and storage (CCS) projects in Greece.

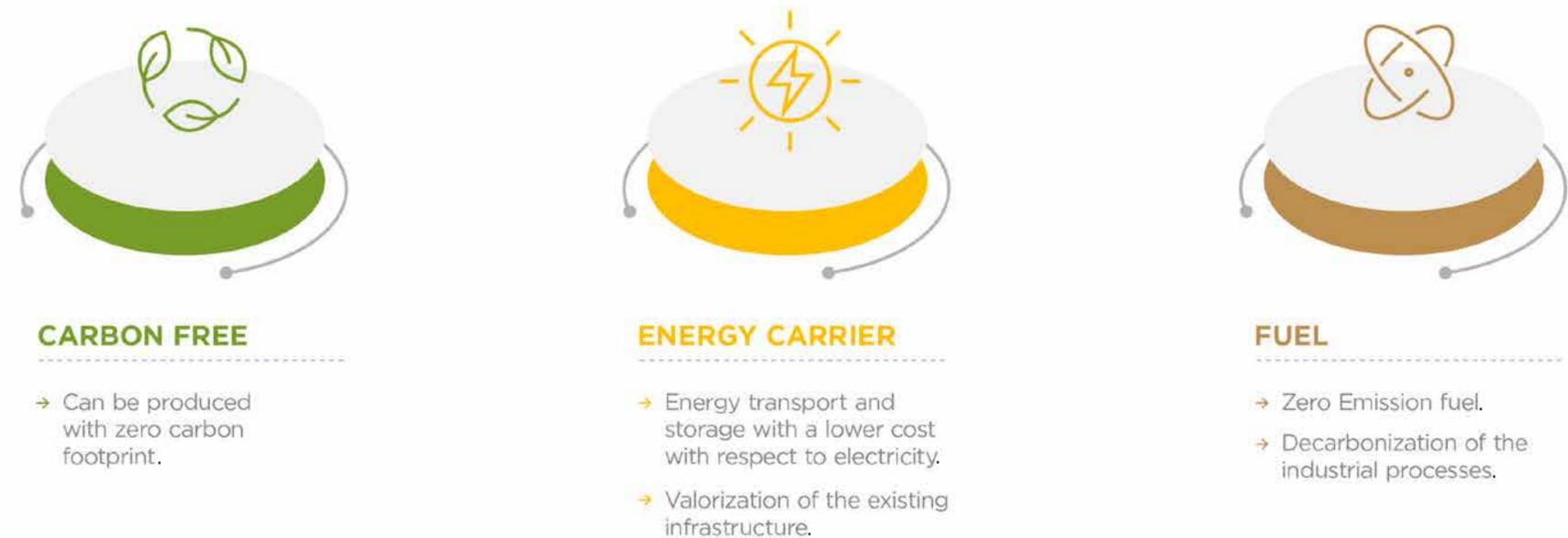


Figure 3: The role of hydrogen in the decarbonization roadmap

4.1 Climate adaptation, resilience and transition

CLIMATE CHANGE TRANSITION RISKS AND OPPORTUNITIES

GRI 201-2
ATHEX ESG A-E2

The contribution to mitigation and adaptation to climate change is a Company’s key commitment for which the Company keeps focusing on assessing and managing climate-related risks and opportunities, in accordance with corporate governance best practices.

The relevant Organizational Unit assesses and manages the climate-related risks and opportunities and are reporting any climate-related issue to the Board, which is responsible for oversight for the risks and opportunities, at least on an annual basis.

In 2021 the involved executives started the process of identifying and assessing risks and opportunities arising from Climate Change, in line with the recommendations of the framework “Task Force on Climate-related Financial Disclosures” (TCFD).

In this direction, the Company recognized and quantified, at an enterprise level, climate change risks based on a standard methodology of impact upon likelihood, considering financial losses, loss of facilities, gas supply crisis and regulatory non-compliance.

Furthermore, DESFA identified climate change related opportunities, such as the development of a business continuity plan, Company-wide awareness and specific environmental targets.

DESFA’s climate change risk and opportunities analysis resulted in a climate risk and opportunity matrix, based on a coherent and forward-looking climate scenario narrative, in alignment with the Company’s Enterprise Risk Management (ERM) framework.

In DESFA there are several controls in place to manage environmental risks that include the calculation of the corporate carbon footprint, the application of the environmental management system (see GHG emissions section) and the incorporation of resilience measures in new infrastructure.

IMPACTS	RISKS	CATEGORY
Current and new energy policies, regulatory changes issued by the EU and international initiatives promoting zero-emission energy sources, can have a significant impact on the Company’s operations, economic results and investment plan.	Mandates on and regulation of existing products and services	Policy and legal
A higher level of emissions reporting obligation - both voluntary and regulation - driven, results in an increased level of effort and associated cost.	Enhanced emissions-reporting obligations	Policy and legal
Increasing (operating) costs associated with compliance with laws governing CO ₂ emissions is considered a risk.	Carbon pricing and reporting obligations	Policy and legal
Unsuccessful investment in new technologies alternative to gas affect the business planning and might result in lower revenues due to lower demand for products and services.	Unsuccessful investment in new technologies	Technology
Shifting away from traditional fossil fuels due to emissions reduction and renewable target commitments.	Changing customer behavior	Market
The Natural Gas sector could be stigmatized as the sector with the less green energy sources compared to the others.	Increased stakeholder concern or negative stakeholder feedback	Reputation

IMPACTS	OPPORTUNITIES	CATEGORY
Increased demand for climate-friendly investments, products and services have the potential to improve financial performance.	Development and/or expansion of low-emission goods and services	Products and Services
Increase in the supply and demand of natural gas due to the progressive reduction in the consumption of coal and oil with possible developments abroad.	Access to new markets	Market
Diversification of revenues from growing demand for energy transition-related products and services.	Participation in renewable energy programs and adoption of energy-efficiency measures	Resilience

Table 8:
Indicative identified impacts of climate risks and opportunities

Within the reporting period, a specific cost analysis regarding the above risks and opportunities and the expected financial implications has not been conducted, whereas the development and application costs of most of the management measures are not expected to be significant.

RESEARCH AND DEVELOPMENT INITIATIVES

Within the reporting period, DESFA started cooperation with the Centre for Research and Technology Hellas (CERTH) for the development of an in-house gas pyrolysis project. The project has two phases

- › The assessment of the current status of Natural Gas pyrolysis technologies and basic lab concept.
- › The construction/operation of lab scale facility at Ptolemais premises.

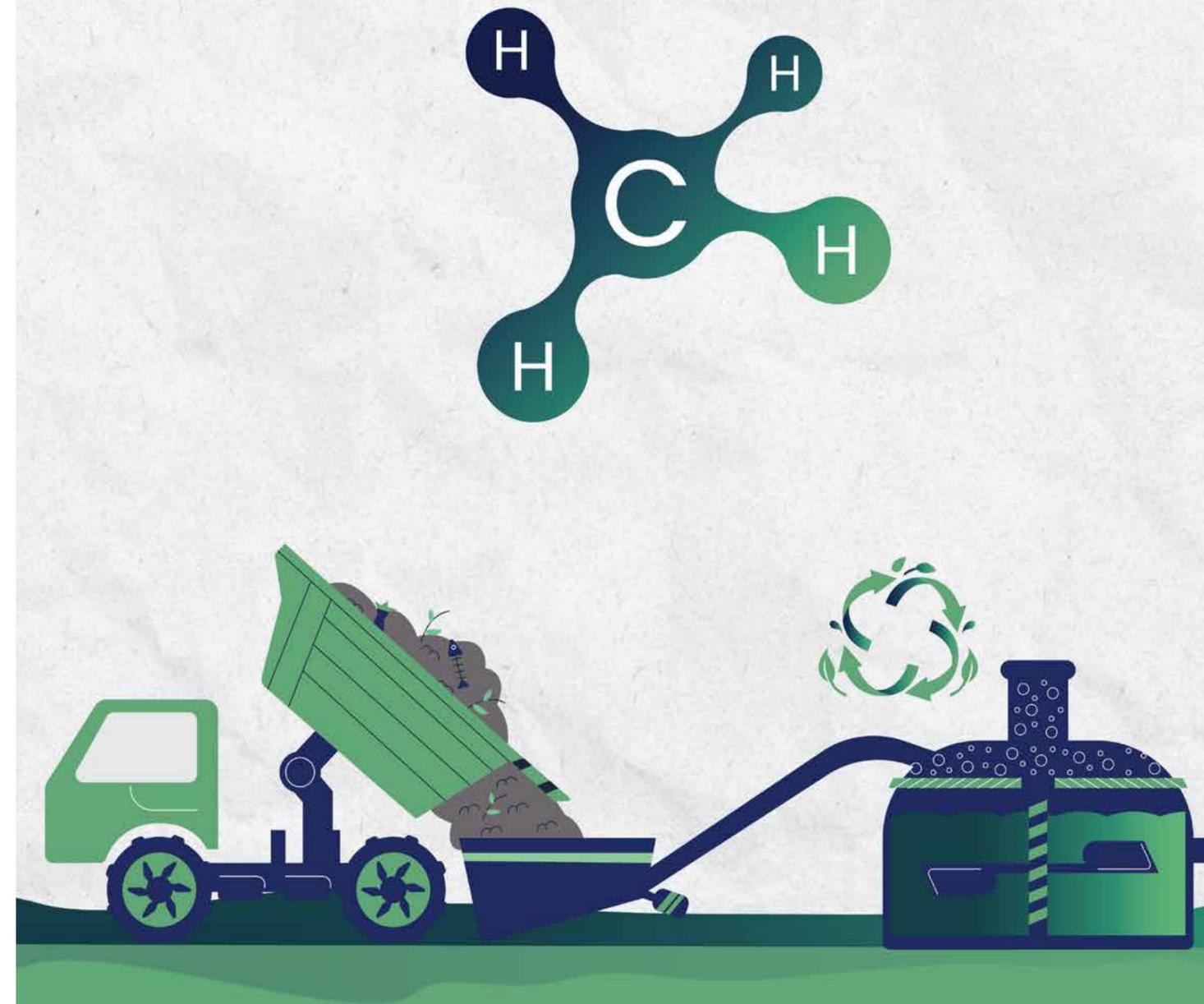
The first phase has finished and the decision regarding the second phase will be based on the final results. In addition, DESFA set up a project team with the aim to pursue initiatives that promote the use of renewable biomethane, by developing a large-scale biomethane production and grid injection plan.

The scope is to turn waste into biomethane gas to be used for its own consumption requirements as well as injected into the national gas grid to neutralize its emissions footprint.

Furthermore, DESFA participated as a member in the works of the National Committee responsible for the preparation of a proposal for the national strategy towards hydrogen and other renewable gases and participated actively in the works of:

- › The European Hydrogen Backbone initiative, a growing group of now 32 European gas infrastructure companies, working together to plan a pan-European dedicated hydrogen transport infrastructure. It is worth noting that, DESFA’s planned project for a dedicated hydrogen pipeline became part of the European Backbone and was presented at various events.
- › Gas for Climate initiative, a group of 11 leading European gas transport companies and two renewable gas industry associations, committed to achieving Net Zero greenhouse gas emissions in the EU by 2050. DESFA was involved in the conduct of several studies in 2022 including the “Facilitating hydrogen imports from non-EU countries”, “Action Plan for secure, clean and affordable energy in Europe” and “Biomethane production potential in EU”.
- › The European Clean Hydrogen Alliance.

DESFA continues participating in the works of associations like ENTSO, GIE, and Hydrogen Europe, contributing to the preparation of position papers and documents that support the role of the gas infrastructure and the gas TSOs for the energy transition towards a decarbonized economy.



4.2 Carbon footprint

MATERIAL TOPIC: GHG EMISSIONS

GRI 3-3



Our Approach in

GHG EMISSIONS

DESFA, based on Company policies and in line with the code of ethics, considers people’s health & safety, environmental protection, public safety and quality of services as priority objectives for its sustainable development.

In this framework, DESFA’s QHSE Policy is based on the following principles, regarding environmental stewardship:

- › To design, implement, manage and dispose of plants, buildings and activities, respecting the protection of health and safety of workers, the environment, and energy savings, and aligning with the best available and economically sustainable technologies.
- › To implement the sustainable use of natural resources, the prevention of pollution and the protection of ecosystems and biodiversity.
- › To control and reduce the environmental impact of Company operations as well as the rational use of natural resources and energy and to implement operational and management actions to reduce greenhouse gas emissions, with a climate change mitigation approach.
- › To manage waste in order to reduce waste production and promote waste recovery at the final destination.

POSITIVE IMPACTS

ACTUAL:

→ Monitoring of CO2 emissions (European Trading System related) on a monthly basis.

POTENTIAL:

→ Potential utilization of biomethane or hydrogen in the fuel mix.



NEGATIVE IMPACTS

ACTUAL:

→ From air emissions released during production and processing, e.g., flaring, fuel combustion for electricity generation and transportation of employees, supplies and products.

POTENTIAL:

→ From potential fugitive emissions.

4.2 Carbon footprint

CALCULATION, MONITORING AND VERIFICATION

For the monitoring of emissions, DESFA adopts a methodology that is based on an approved computer model by the competent service unit of the Hellenic Ministry of Environment and Energy. This methodology consists in determining the emissions based on the quantified activity data consumed. The data are obtained with the help of measurement systems and additional parameters resulting from the online chromatograph analyses.

For the accuracy of the measurements, the Company implements a program of maintenance and calibration of all the measuring equipment involved in the calculations in accordance with the requirements of the relevant European Regulation

The quantitative measurement of the carbon footprint allows control over the environmental management of DESFA's all processes and the maximum preservation of natural wealth. DESFA calculates its carbon footprint, according to the international standard ISO 14064.

The Monitoring Fields, through which the total Carbon Footprint of DESFA is calculated, according to the requirements of the ISO 14064:2018 International standard, are Scope 1 (Direct Emissions), Scope 2 (Indirect Emissions) and Scope 3 (Other Indirect Emissions).

The sources of greenhouse gas emissions (GHG) are mainly the facilities that implement a Greenhouse Gas Emission Targeting System (EU ETS), thus the Liquefied Natural Gas (LNG) Terminal on the island of Revithoussa and the Compressor unit in Nea Mesimvria. The results of the emission measurements obtained through the Monitoring and Measurements are verified annually by an independent licensed third-party verification body and are submitted to the Hellenic Ministry of Environment and Energy.

More specifically the ETS includes flare Emissions, High-Efficiency Cogeneration Unit (CHP) Emissions, Submerged Combustion Vaporizer (SCV) Emissions Pilots, Compressor and Diesel consumption. Furthermore, GHG emissions include the calculation of electricity consumption, natural gas leaks and the self-consumption of natural gas. Moreover, the calculation includes fuel consumption which is comprised of diesel gasoline and LPG consumption in vehicles as also the consumption of petroleum in fixed equipment.

2022

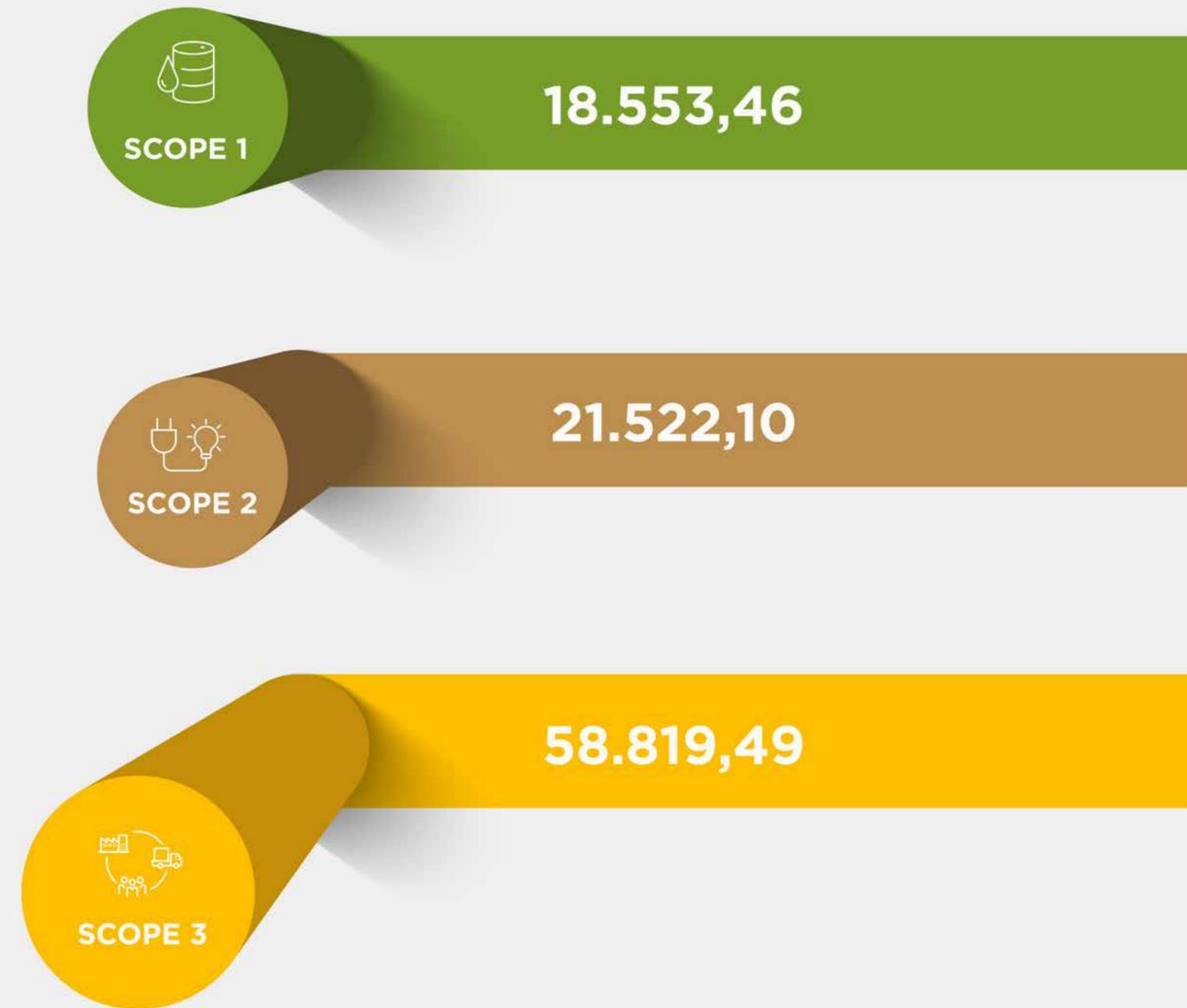


Chart 3: **CO₂ emissions per scope** (tCO₂ e)

More information can be found in Unit 7.2 ESG Key Performance Indicators (KPIs).

4.2 Carbon footprint

GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-5
 ATHEX ESG A-E1
 SASB EM-MD-110a.1

For the calculation of the Greenhouse emissions, source factors data from National Inventory Reports (NIR Greece) and the UK Department for Environment, Food and Rural Affairs (DEFRA) were used. Also, DESFA used the Greenhouse Gas Protocol, the Energy Mix of Suppliers 2022 from the Hellenic Administrator of Renewable Energy Sources and Guarantees of Origin. The calculation was conducted via the ETS Calculation Tool and the Carbon Footprint Tool.

During the reporting period, DESFA’s total emission amounted to 98.895,06 tCO₂e, including for the first time the calculation of Scope 3 emissions. The Scope 1 emissions consist of CO₂ (55,28%) and CH₄ (44,72%) having a total the 43,75% of them under emissions-limiting regulations.

Moreover, the total of Scope 1 and Scope 2 emissions were 40.075,56 tCO₂e, presenting a decrease since 2021, by 30,18% (57.399,9 tCO₂e). The reduced emissions are attributed to the reduced operation of facilities under the ETS.

2021

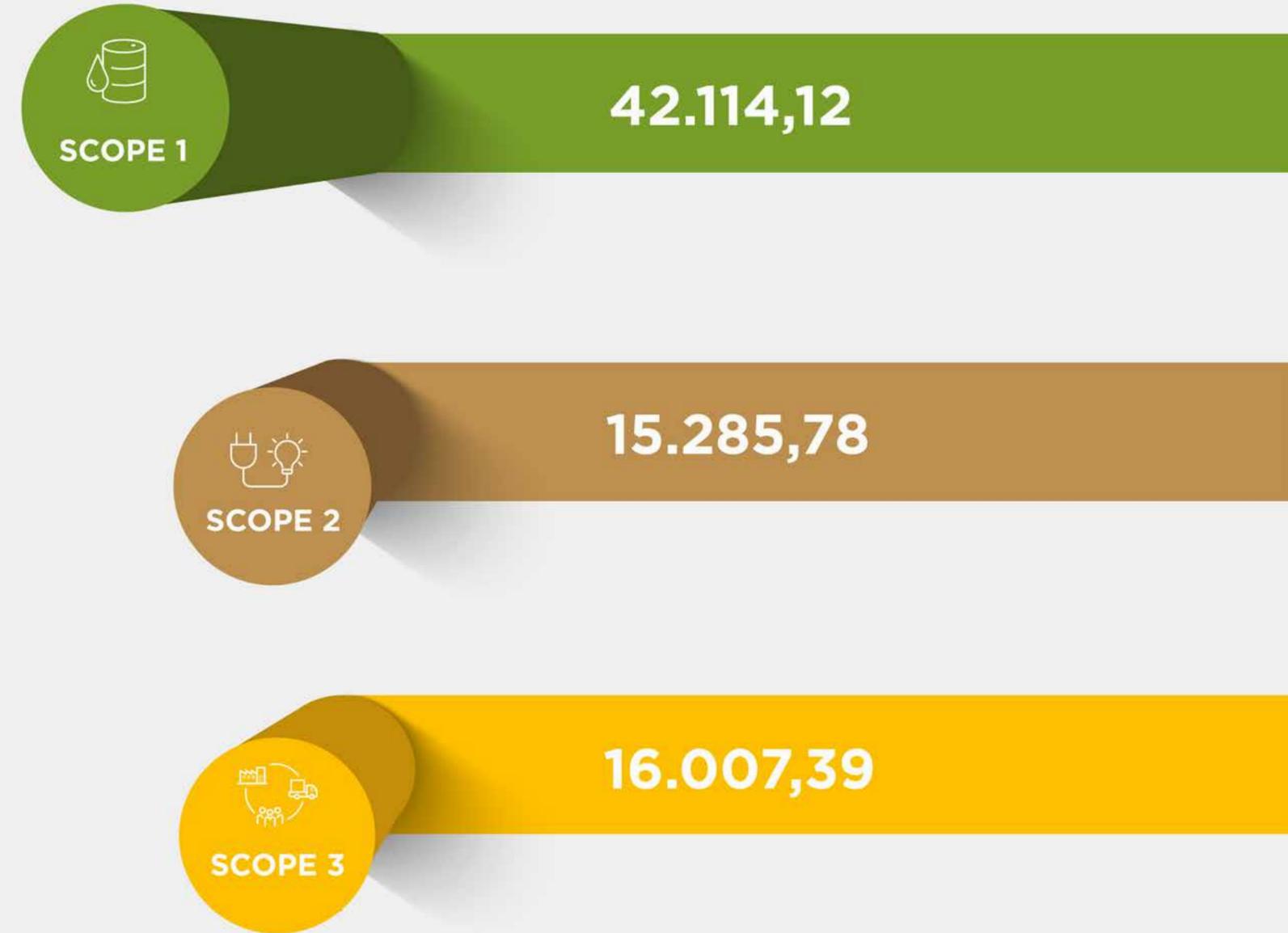


Chart 4:
Other indirect (Scope 3) GHG emissions segmentation (tCO₂e)

More information can be found in Unit 7.2 ESG Key Performance Indicators (KPIs).

4.2 Carbon footprint

Finally, Scope 3 emissions of the Company amounted to 58.819,49 tCO₂e, presenting an increase since 2021, by 267,5% (16.007,39 tCO₂e).

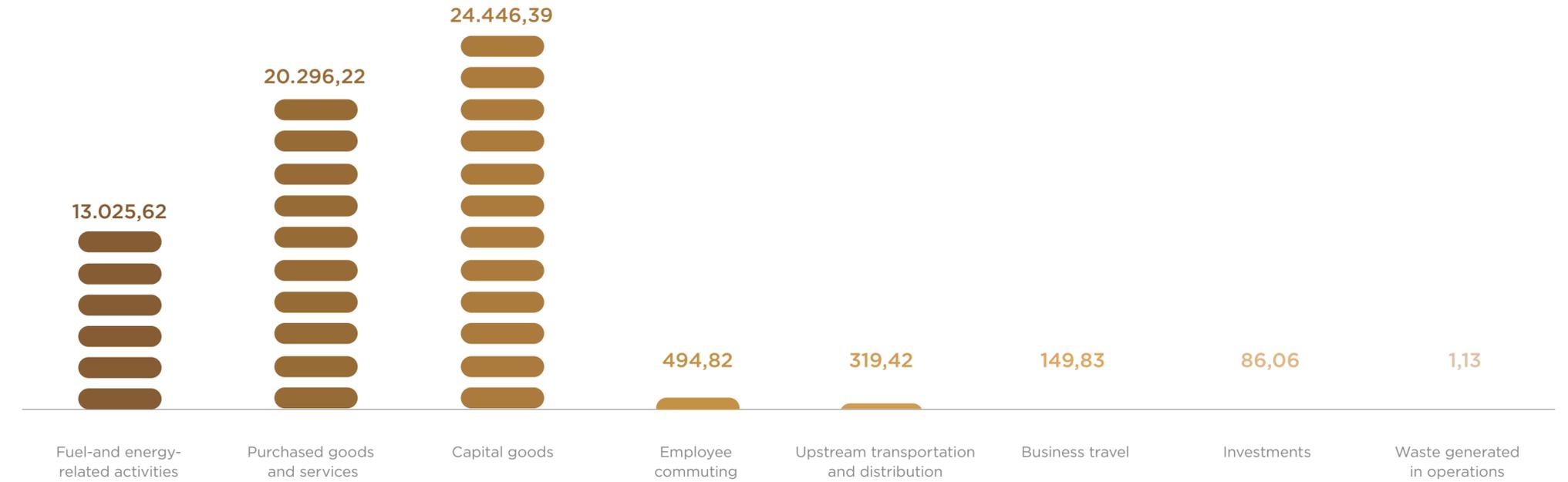
The increased emissions are attributed to higher prices of goods & services from suppliers, compared to the previous year and the energy crisis due to the Russian-Ukrainian war. Regarding the segmentation of Scope 3 emissions, almost all of those are due to upstream categories and the majority of them are caused mainly by fuel-and energy-related activities and from purchased goods and services.

GRI 305-4
ATHEX ESG C-E1, ATHEX ESG C-E2

DESFA uses for the calculation of the emissions intensity ratio of the amount of Scope 1 and Scope 2 emissions in grams of CO₂ equivalent per Nm³ of transferred natural gas. Within 2022, the ratios amounted to:

- › Scope 1 intensity ratio:
3,48 gramsCO₂e/Nm³ of transferred natural gas.
 - › Scope 2 intensity ratio (market-based emissions):
4,03 gramsCO₂e/Nm³ of transferred natural gas.
 - › Scope 3 intensity ratio:
11,02 gramsCO₂e/Nm³ of transferred natural gas.
- GHG emissions (sum of Scope 1 and Scope 2 emissions) intensity ratio:
7,51 gramsCO₂e/Nm³ of transferred natural gas.

2022



2021



Chart 4:
Other indirect (Scope 3) GHG emissions segmentation (tCO₂e)

More information can be found in Unit 7.2 ESG Key Performance Indicators (KPIs).

4.2 Carbon footprint

GRI 3-3

FUGITIVE EMISSIONS

ATHEX ESG SS-E1
SASB EM-MD-110a.2

Within the OGMP 2.0 framework, DESFA's target is to reduce methane emissions generated by its activities until 2025, with respect to the base year 2015.

The Company has established implementation plans for minimizing methane emissions, within the frame of the reporting guidelines of the OGMP 2.0 protocol. The technical actions under consideration by DESFA will include:

- › Leak Detection and Repair (LDAR) campaigns based on the EN 15446 standard, in order to quantify and reduce fugitive emissions at the Transmission Grid, Compressor Station and LNG Terminal.
- › LDAR support by Work Force Management (WFM) tool that DESFA is currently developing.
- › Manufacturer's data sheets and measurements.
- › More advanced techniques allowing for the performance of top-down site-level measurements at key facilities, such as the use of laser emissions detection devices installed on helicopters or drones, will be assessed.

EMISSIONS TRADING SYSTEM (ETS)

The Emissions Trading System (ETS) is a set of procedures, guidelines and computational approaches, approved by the Competent Authority, with the sole purpose of monitoring, recording, registering and verifying the Greenhouse Gas emissions of any facilities that are required to implement the said system, pertinent to the European and Greek legislation.

As an operator of fixed installations, DESFA monitors the emissions of greenhouse gases from its installations and submits relevant reports in pursuance of the 2003/87/EC Directive of the European Parliament & Council. Adopts and implements a Greenhouse Gas Emission Management & Monitoring System in accordance with European Regulation 601/2012/EC for those activities defined in the above 2003/87/EC Directive.

More specifically, the Company proceeds to the following actions:

- › Development of a Greenhouse Gas Emissions Monitoring System for each facility.
- › Development of the Emissions Monitoring System for each facility, and operation of the system on a daily or monthly basis.
- › Development of the Emissions Monitoring System for each facility, and operation of the system on a daily or monthly basis, and support in the implementation of the relevant legislative requirements for each facility.

By March 31st of each year, an Emission Report is being submitted to the competent authority covering the reporting period and shall be verified in accordance with European Regulation 600/2011/EU by an independent third-party verification body.

The facilities that implement a Greenhouse Gas Emission Targeting System are the Liquefied Natural Gas (LNG) Terminal on the island of Revithoussa and the Compressor unit in Nea Mesimvria.

4.2 Carbon footprint

ENERGY CONSUMPTION

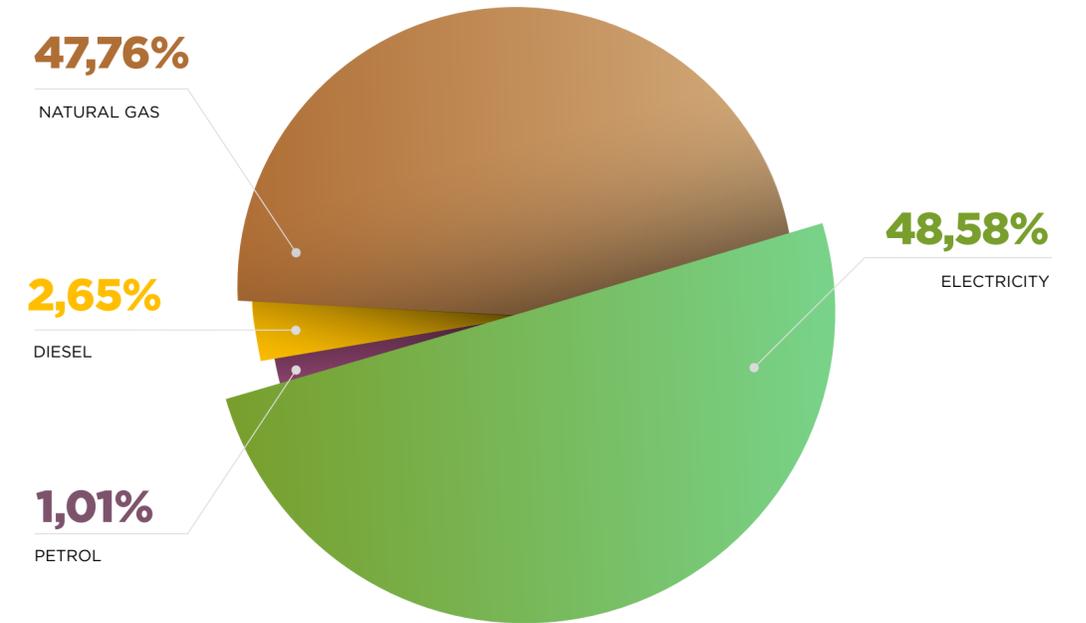
GRI 302-1
ATHEX ESG C-E3

Within 2022, DESFA consumed energy equal to 386.597.451,79 MJ, which is split between natural gas consumption for its operational needs and purchased electricity. Additionally, DESFA consumes fuels for its vehicles fleet as also for the heating of corporate facilities and other uses such as diesel generators in case of emergency. The purchased electricity constituted 48,58% of total energy of which zero quantity comes from renewable energy sources.

There is a significant decrease in the displayed energy consumption due to the fact that the 2021 calculation used the LHV (Low Heating Value) for Natural Gas which during 2022 has been replaced by the respective HHV (High Heating Value). Also, there is a worth-mentioning decrease in natural gas consumption that is caused by to lower operational profile of CHP and Compressor Station.

2022

Note:
In Electricity the sold quantity has been excluded.



2021

Notes:

- › In Electricity the sold quantity has been excluded.
- › In 2021 energy segmentation there was a small consumption of LPG and therefore its portion is considered negligible to be displayed.

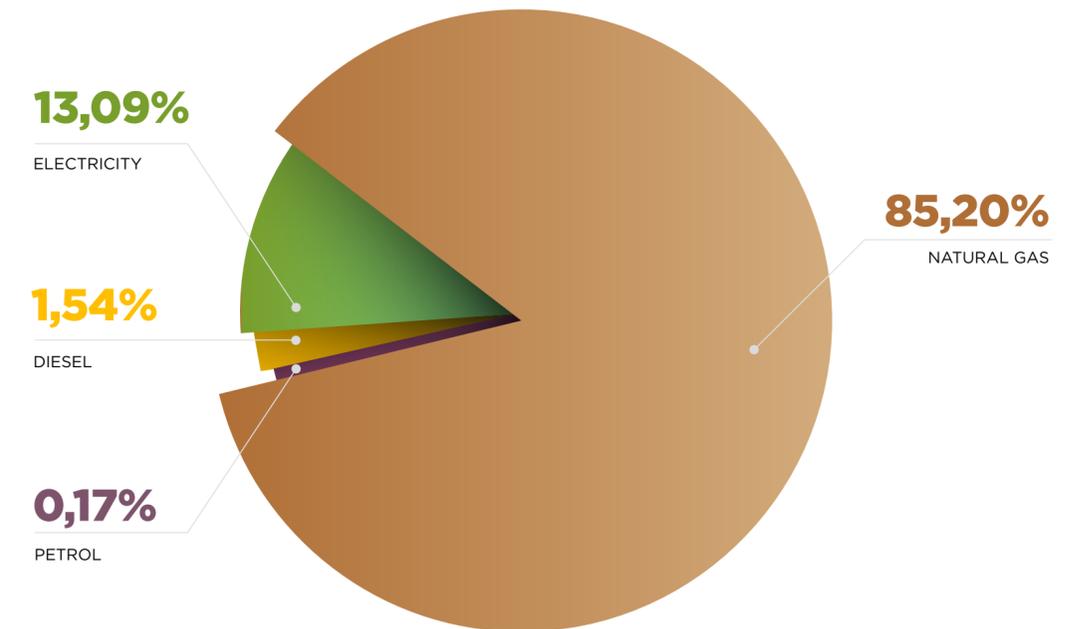


Chart 5:
Energy consumption

More information can be found in Unit 7.2 ESG Key Performance Indicators (KPIs).

4.2 Carbon footprint

GRI 302-3

DESFA uses for the calculation of energy intensity ratio the amount of the total consumed energy within the organization (including fuels, electricity and heating) in MJ per Nm³ of transferred natural gas. For the reporting period of 2022, the ratio amounted to 0,07 MJ/ Nm³ of transferred natural gas, while in 2021 the energy intensity was amounted to 0,13 MJ/ Nm³.

REDUCTION INITIATIVES AND FUTURE TARGETS

DESFA is installing a new compressor station for boil-off gases (BOG) in the LNG Terminal of Revithoussa to increase the pressure and inject them into the national natural gas system. This project will enable the Company to manage in the best possible way the produced BOG in the LNG Terminal of Revithoussa from the cryogenic facilities, avoiding the combustion of the gases in the flair of the facility in the case of no send-out operation during the unloading/loading phase.

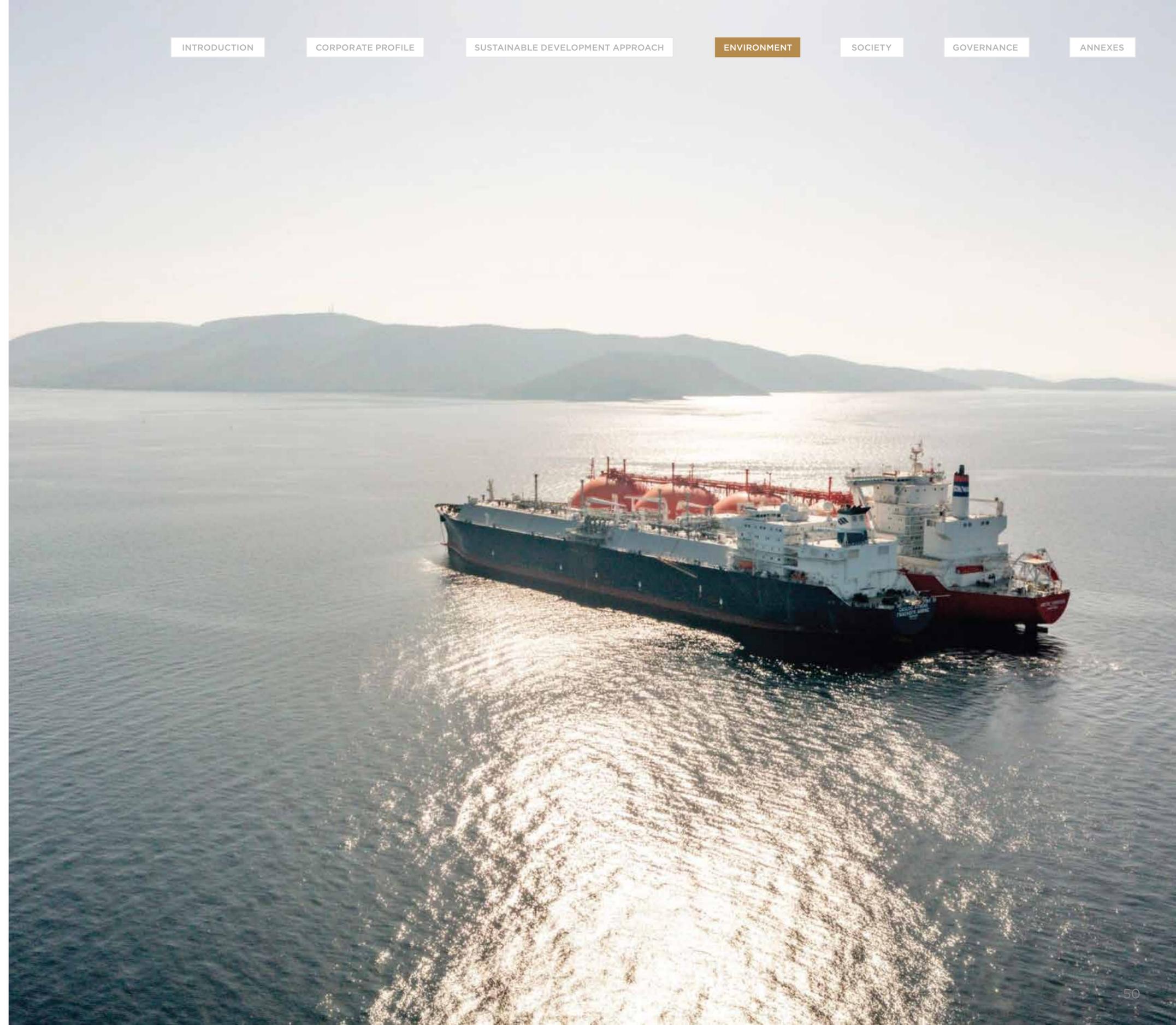
The above project is expected to offer multiple benefits including the NNGS efficiency, the environmental performance of the Company.

Also, DESFA has developed a Mid-term (2030) and long-term (2040/2050) horizon including a dynamic tool for the re-evaluation and reformulation of its Net Zero Master Plan. The Company is preparing an emissions reduction execution plan, and proposal for actions for Scope 1 & 2 reductions, including:

- › CAPEX assessment of technological solutions
- › Emission forecasting for proposed actions

Additionally, a proposal has been under development for short-term activities on the reduction of Scope 3 emissions in DESFA's span of influence. Finally, the Company is developing an emission offsetting roadmap including emission forecast and proposals for offsetting initiatives, including a 10-year financial assessment.

Regarding the future, DESFA has defined a series of challenging and ambitious targets for reducing its carbon footprint aiming to kick start its journey for a carbon-neutral operation in the future. Specifically, the Company has developed targets that include the reduction of CO₂ and CH₄ as also the achievement of Emissions Trading System Compliance Status "A". More information about DESFA's targets, may be found on "Target Setting" subchapter.



SOCIETY

5.

- EMPLOYMENT PRACTICES.
 - OCCUPATIONAL HEALTH AND SAFETY.
 - LOCAL COMMUNITIES.
 - ECONOMIC IMPACTS.
-



5.1 Employment practices

MATERIAL TOPIC: EMPLOYMENT PRACTICES.
MATERIAL TOPIC: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING.

GRI 3-3



Our Approach in

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

DESFA's employees preserve a vital role in the implementation of its operations and achievement of high performance. With respect to all employees and contractors, the Company strongly supports diversity, equal opportunities, respects human rights, providing benefits, and adopting policies and actions that apply to all its activities and stakeholders.

POSITIVE IMPACTS

ACTUAL:

- Creation of direct and indirect jobs, the recruitment of employees from the local community.
- Technical capacity building training program leading to professional qualifications for DESFA's employees.

POTENTIAL:

- From DESFA's planned Technical Training Center that will provide technical training services in relation to the operation and maintenance of the natural gas transmission system.
- Planned implementation of an employee performance evaluation process.
- Increase of women's labor force participation.



NEGATIVE IMPACTS

POTENTIAL:

- From potential lack of utilization of human resources from the local community and potential inability to create direct and indirect jobs due to cancellation or delays in DESFA's development plan.
- From potential inefficiencies of the process to evaluate the outcome of training and educational programs.

5.1 Employment practices

GRI 2-23
ATHEX ESG C-S6

More specifically, DESFA is committed to implementing all national and international regulations aimed at protecting human rights at work. The Company promotes equal opportunities in terms of recruitment, remuneration and professional development, irrespective of age, ethnicity, nationality, religion, gender, disability, sexual orientation, political affiliation, economic status or other status. Thus, DESFA creates a respectful and non-discriminatory work environment where different ideas, views and beliefs are protected.

DESFA promotes and supports diversity at the workplace, valuing employees' differences and inviting them to bring to the workplace their own view, experiences and interactions thus participating and achieving their potential as well as maximizing their contribution to organizational goals.

FEMALE
MALE

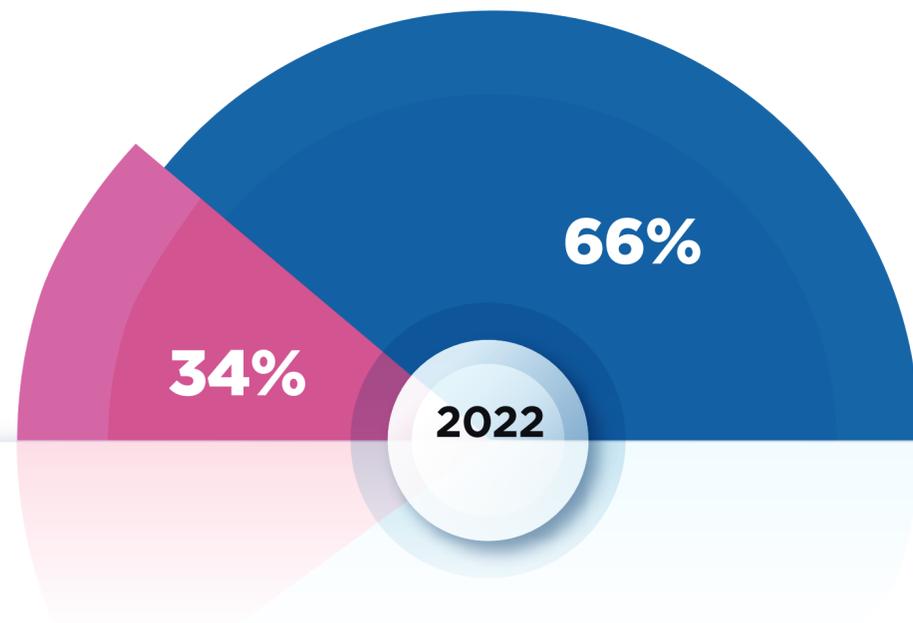


Chart 6:
Gender breakdown

The Company is committed to an inclusive working environment in which all employees shall be treated with dignity and respect with practices that enable a diverse range of people to work together effectively. In this context, DESFA shows zero tolerance for any behavior or action that could violate these principles, even indirectly, and forbids specifically any form of harassment or intimidation. In this respect, in 2021 the company adopted a specific Policy against Violence and Harassment in the workplace.

GRI 402-1

DESFA understands the value of relationships among management and employees which are based on mutual trust, respect, understanding, honesty and open communication.

To preserve timely and smooth communication among its members, the Company applies approximately four weeks as the minimum notice period that employees and their representatives are typically informed prior to the implementation of significant operational changes that could substantially affect them. The notice period for consultation and negotiations is not clearly specified but it takes approximately three months based on current business practice.

HUMAN RESOURCES

GRI 2-7, GRI 2-8, GRI 2-30
ATHEX ESG C-S2, ATHEX ESG C-S7

In 2022, the workforce of DESFA amounted to 563 permanent and full-time employees with a gender breakdown of 371 men and 192 women calculated with the headcount method on 31.12.2022. There was a 10% increase in the workforce in comparison 2021 due to the operational needs of the Company.

Furthermore, the third-party personnel who are not employees amounted to 272 as the sum of the full-time employees who are permanent during the year (security and cleaning staff and permanent workers of contractors such as gardeners and workers on disinfection). The temporary workers of the collaborating contractors whose number varies on a monthly basis according to the operational needs of DESFA and are calculated as an average headcount per month.

More information can be found in Unit 7.2 ESG Key Performance Indicators (KPIs).

**5.1
Employment
practices**

The geographical location of DESFA employees covers the total of Greece with the workforce at Spathovouni, Patima, Ampelia, Nea Mesimvria, Sidirokastro, Revithoussa, Kipi, Vistonida, Ptolemaida and Athens. Contracts of all employees comply with the legal framework of the Greek state, and 89,70% of the employees are covered by the National General Collective Agreement.

DESFA monitors and records the total number of its employees by gender (female, male) on an annual basis, by type of contract (permanent or temporary employees) and type of employment (full-time, part-time, freelancers).

ATHEX ESG C-S3

In 2022, 30% of managerial positions were held by female employees, having a continuous increase from 2019. The Company proves in praxis that equal opportunities shall be offered to employees based on their values regardless of differentiation aspects.

GRI 401-1
ATHEX ESG C-S4

DESFA also records the total recruitment and departures of employees and monitors the recruitment and departures indicators (voluntary and non-voluntary) for Greece. During the reporting period, DESFA proceeded to 53 hires and on the other hand, 8 employees left the Company voluntarily. The ratio of new employee hires was 14% and the ratio of employee turnover was 4%.



Chart 7:
Number of employees by employment type

More information can be found in Unit 7.2 ESG Key Performance Indicators (KPIs).

**5.1
Employment
practices**

GRI 401-2

DESFA considers its employees as an important factor for its success, retaining working flexibility and the expansion of the voluntary remote working schedule for its people (when applicable). Within 2022, DESFA conducted an employee satisfaction survey, aiming to understand their needs in a better way and identify areas for improvement. The employee engagement rate is or amounted to 69% according to the survey.

The Company provides a variety of benefits to its employees in Greece, such as:

- › Health care services.
- › Flexible working.
- › Private health insurance.
- › Pension plan.
- › Monthly Food vouchers.
- › Kindergarten and summer camp allowances.
- › School and student transportation allowances.
- › Christmas and Easter vouchers.
- › Studies allowance.
- › Yearly health check-up.
- › Tolls and public transportation cards.
- › Marriage and childbirth allowances.

GRI 401-3

DESFA complies with its obligations regarding parental leaves providing maternity and paternity leaves in accordance with the legal requirements. In 2022, all 20 employees entitled to parental leave, received it, with a 80% return to work rate to be recorded, while the retention rate achieved 114% in total for both male and female employees.

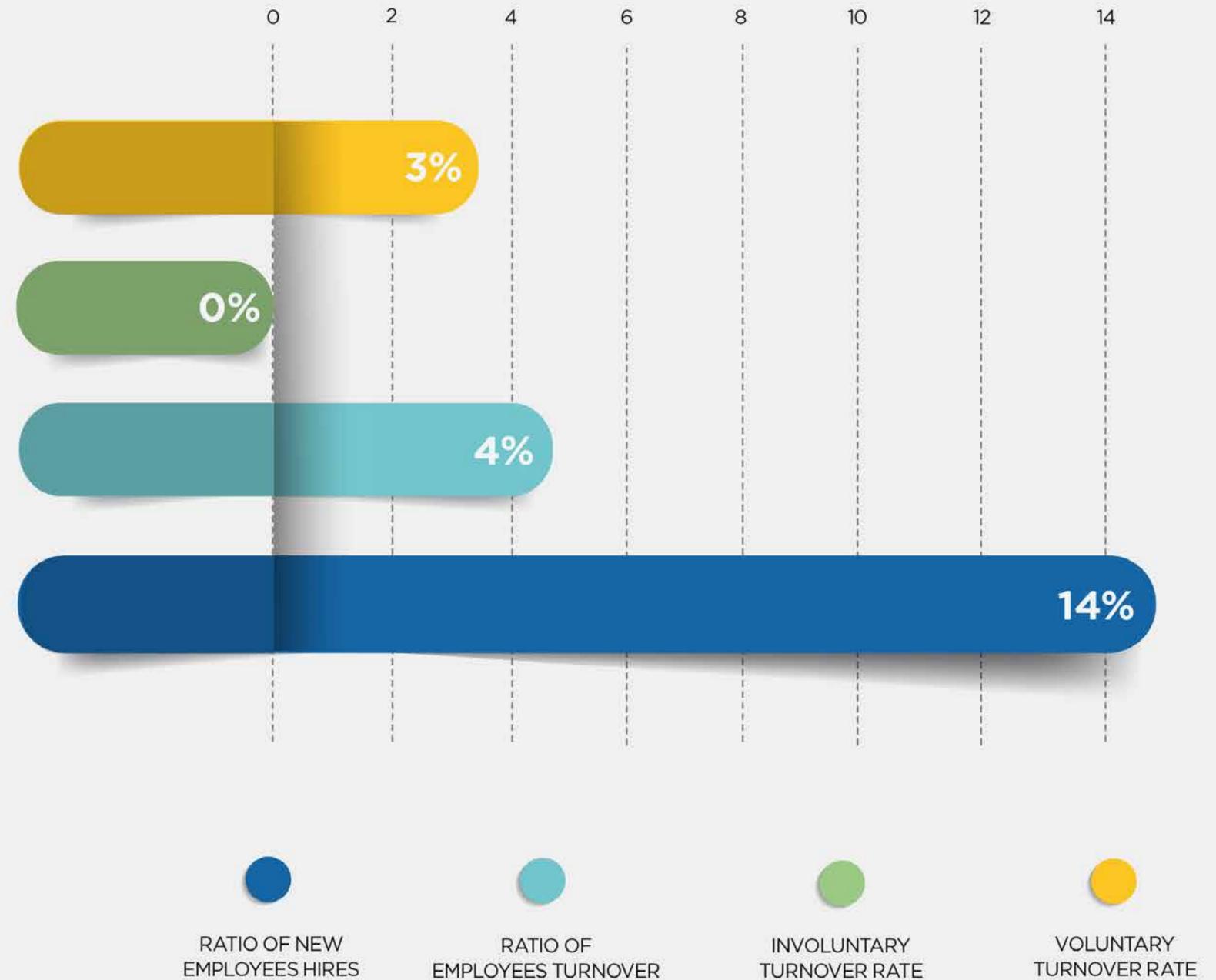


Chart 8:
Ratio of employees hires and turnover

More information can be found in Unit 7.2 ESG Key Performance Indicators (KPIs).

5.1 Employment practices

GRI 404-2

TRAINING AND EDUCATION

Training & Development function across the Company conducts business and technical trainings based on identified business needs. During the reporting period, DESFA provided dedicated training regarding several topics which indicatively can be found below:

Work-related Skills:

- › Economics of Natural Resources and the Environment.
- › Uncertainty Calculations & Monte Carlo Simulations.
- › Financial Evaluation of Customers Suppliers.
- › Auditing Staff Health.
- › Welfare and Wellbeing Risk.
- › Compliance Policies (Code of Ethics, Anticorruption Policy, Whistleblowing Policy).
- › Governance / Risk / Compliance (GRC) concepts.
- › Occupational Health & Safety Committees.
- › Finance for Non-Finance Directors.
- › Data Protection (GDPR) and Information Security.
- › MS Office.

Business Skills (industry specialized skills):

- › EU gas network codes.
- › EU Emissions Trading System (ETS) – PHASE 4.
- › Certified training on GRI Standards.
- › Master Clean Hydrogen.

Managerial & Leadership Skills:

- › Women in Leadership.
- › Executive Development.
- › Strategy for Directors.
- › Leader as Coach.
- › Leading Team Dynamics.

Soft skills:

- › Coaching for Change.
- › Auditing Culture.
- › Empowering Security Manager.

Within the reporting period, DESFA employees were certified with the below professional certifications:

- › HEnEx Energy Traders Certification - Gas (ETCg).
- › Visual Inspection SNT (level 2) certification.
- › Ultrasonic Inspection with Phased Array.
- › Inspection of welds with ultrasound level 2.
- › Radiography interpretation level 2.
- › Certified Credit Risk Officer (C-CRRO).
- › Re-certification in Level II ultrasound plate thickness measurement.
- › National Examination Board in Occupational Safety and Health (NEBOSH) International Oil & Gas Operational Safety certification.

TECHNICAL TRAINING AND R&D CENTER

The Technical Training and R&D Center in Nea Mesimvria outside Thessaloniki is the first in-house Training Center in the Balkan area and is strategically placed at the epicenter of southeastern European gas markets and designed to accommodate Transmission and Distribution System Operators in Greece and abroad.

The Training Center can be used as an R&D facility testing the equipment for the maximum percentage of hydrogen which can safely be injected into the gas network. Also, the role of the center is first and foremost to enhance the competency management of technical personnel of DESFA and secondary to provide technical training to personnel of third parties, such as gas industry professionals in Greece and abroad through custom-made courses:

- › QHSE issues for the gas industry.
- › Pipeline Transmission system.
- › The Liquefied Natural Gas system.
- › Dispatching operation.
- › Gas Technology.
- › Regulatory framework.

The above trainings can be offered through a simulation environment, hand-on training, training on equipment and on-the-job training based on the needs and characteristics. In this context, DESFA is able to provide continuing vocational services, analyzing training needs and designing custom-based trainings for its clients.

**5.1
Employment
practices**

Having a long-term and high level of specialization and know-how in the natural gas industry the Company is offering training services by its certified trainers and with the collaboration of external associates when it is necessary, on:

- › Metrology.
- › Anti-corrosion and lightning protection of pipelines.
- › Development, operation and maintenance of natural gas facilities.
- › Workplace safety.
- › Fire prevention & treatment.

The Technical Training Center aspires to provide accredited certification. Already, one module (Cathodic Protection) is certified as KEDIVIM (Lifelong Training Center Accreditation with by the International Hellenic University.

Once the facility construction will be completed, DESFA will also proceed to its certification as a Vocational Center by the EOPPEP. Following that, the process of accreditation of trainers and training material will be initiated.



Figure 4: **Training pillars**

**5.1
Employment
practices**

GRI 404-1
ATHEX ESG C-S5

Within the reporting period, employees of DESFA participated in trainings of 8.398 hours with a breakdown of 16 training hours on average for male employees and 12,8 for female employees, presenting a decrease in comparison 2021 by 20,31% (10.296 training hours) due to obligations, the availability of the employees and the workload of other corporate activities.

RESPONSIBLE PROCUREMENT

ATHEX ESG C-S8

In the general terms of the contracts, DESFA invites vendors to accept clauses that ensure compliance with all the relevant labor laws applicable to the vendors' personnel, including laws relating to their employment, health, safety, welfare, immigration and emigration, as well as DESFA's Code of Ethics.

For 2022 no events were reported by Contract Managers whose responsibilities include the provision of feedback on the Contractor's/Vendor's performance. The Vendors Qualification System will be in force in 2024. In 2023, DESFA are conducting the Pilot Project qualifying selected vendors testing the whole process.

DESFA is developing, a Vendor Qualification Procedure, which will be effective from 2024 onwards, while in 2023 the Company will conduct the Pilot Project qualifying selected vendors testing the whole process. Upon the completion and application of the procedure, DESFA will be in a position to better screen its value chain and ensure that existing and potential vendors are compliant with the corporate approach to ESG.

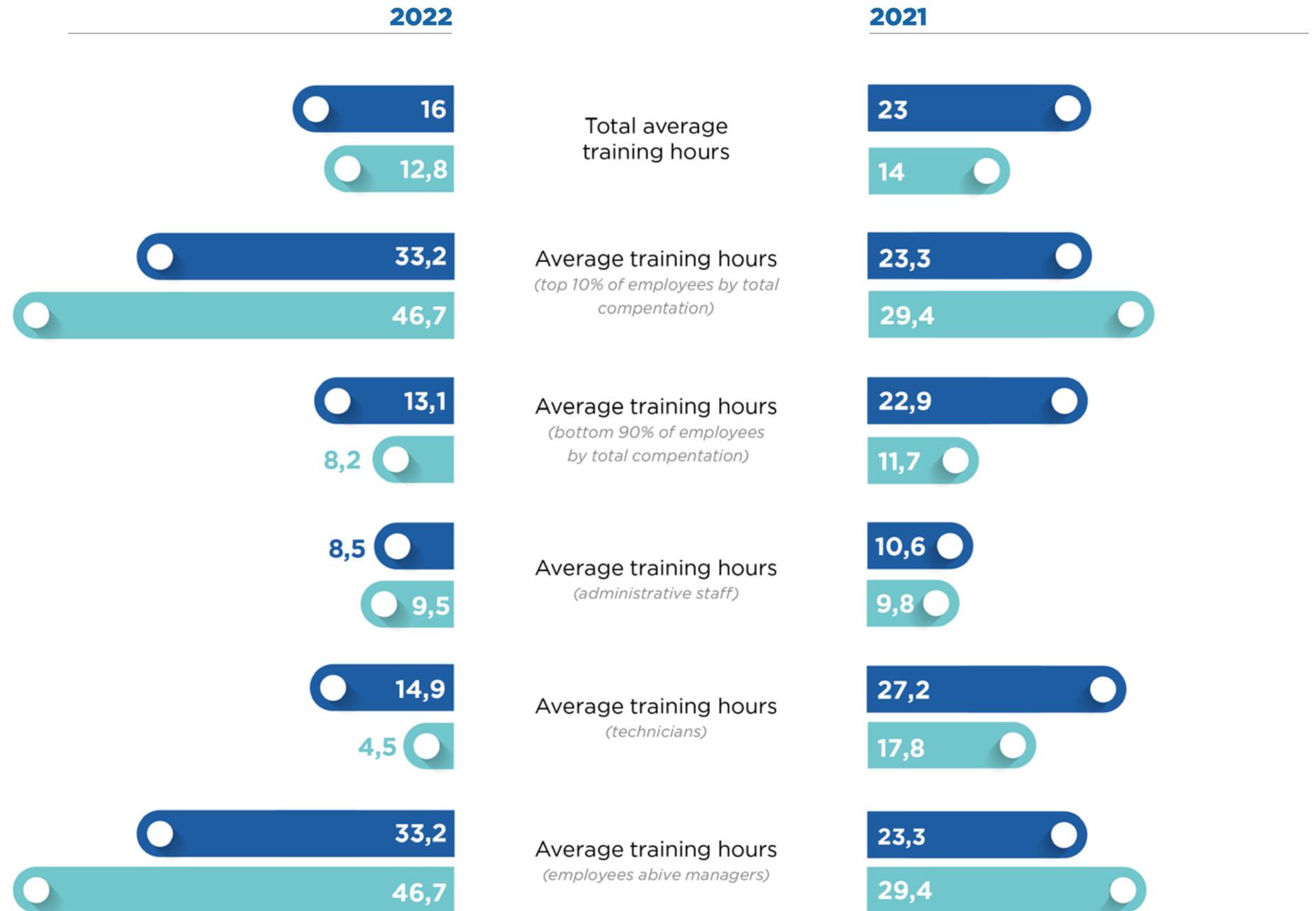


Chart 9:
Average hours of training per employee

More information can be found in Unit 7.2 ESG Key Performance Indicators (KPIs).

**5.1
Employment
practices**

All DESFAs Vendors, during tender processes, declare their compliance with social criteria topics including employment practices, occupational health and safety, child labor, forced or compulsory labor. Moreover, almost all of DESFA's contracts have provisions for analogous provisions applying to subcontractors.

Regarding the general terms of the contracts with its Vendors, and more specifically the provider's compliance, DESFA ensures the inclusion of all the relevant labor laws applicable to the Vendor's personnel.

**DURING
THE REPORTING
PERIOD OF 2022**



NO CASES OF VENDORS WITH SIGNIFICANT ACTUAL & POTENTIAL NEGATIVE SOCIAL IMPACTS HAVE BEEN IDENTIFIED



NO SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE SOCIAL IMPACTS WERE IDENTIFIED IN THE SUPPLY CHAIN



NO SUPPLIERS WERE IDENTIFIED TO HAVE SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE SOCIAL IMPACTS WITH WHICH IMPROVEMENTS OR RELATIONSHIPS WERE AGREED UPON DUE TO THE ASSESSMENT.



5.2 Occupational health & safety

MATERIAL TOPIC: OCCUPATIONAL HEALTH AND SAFETY

MATERIAL TOPIC: ASSET INTEGRITY AND CRITICAL INCIDENT MANAGEMENT

GRI 3-3



Our Approach in

ASSET INTEGRITY AND CRITICAL INCIDENT MANAGEMENT

Based on its corporate policies and in line with the Code of Ethics, DESFA considers people’s health and safety (H&S), environmental protection, public safety and quality of services as priority objectives for its sustainable development.

Ensuring occupational Health and Safety is a high priority for DESFA, implementing a plethora of actions with H&S services to employees, over and above the legal requirements including, among other measures for local community members’ safety, systematic training of all employees in Health and Safety issues.

POSITIVE IMPACTS

ACTUAL:

- Implementation of an occupational health and safety management system according to best industry practice.
- Systematic training of all employees on Health and Safety issues.

POTENTIAL:

- Implementation of the planned Vendor Qualification process that will incorporate suppliers and subcontractors’ assessment on ESG (Environmental, Social, Governance) issues, including health and safety.



NEGATIVE IMPACTS

POTENTIAL:

- From health and safety incidents of employees or local community members which may occur, despite the established strict processes

5.2 Occupational health & safety

MANAGEMENT OF OCCUPATIONAL HEALTH & SAFETY

GRI 403-1

The Company is committed to safeguard occupational health and safety (H&S) by adopting and continuously improving a Quality, Health & Safety and Environmental Management Policy (QHSE) which is approved by the CEO, publicly available on the corporate website and communicated to all stakeholders, in order to guarantee transparency and collaboration.

The implementation of the System was devised to display the commitment of the corporate management to all H&S issues relative to DESFA operations.

The Occupational H&S System has been developed according to ISO 45001 standard, certified by an independent third party accordingly and it covers all facilities, activities and employees. In particular, the scope of the system is the management, operation and maintenance of NNGS and liquefied natural gas facilities. Also, it covers the management of NNGS construction and the support of facilities and infrastructure, the management of E.U. co-funded projects and additional services relevant and non-relevant to the natural gas sector.

GRI 403-7

Furthermore, the Occupational H&S System includes, except the employees, the involved contractors and subcontractors. DESFA, additionally to the legislative framework, requires its contractors to have a certified occupational H&S management system according to ISO 45001. Also, they are obliged to submit an H&S plan which shall be approved by the Company prior to the commencement of activities.

HAZARDS AND RISKS

GRI 403-2

The identification of work-related hazards and the relevant controls are being performed at least annually and ad-hoc when there are specific reasons to do so as indicatively, new controls available, accidents and training.

All activities related to the National Natural Gas System (NNGS) are performed under a permit-to-work system, including an ad-hoc risk assessment. Specifically, before the commencement of an activity, a small meeting called “tool-box-talk” with all personnel is held. During this talk, risks are being presented participants agree with the measures or propose any additional actions and sign the relevant form.

The H&S risk assessment has been developed and is implemented for the identification of risks and hazards, including the quantification of probability and severity to determine those risks posing the highest danger. The risk assessment constitutes an input of the systems review performed twice a year. During the review, actions to improve performance are being decided and their effectiveness is assessed.

Moreover, employees are encouraged to report H&S issues as a means to reduce incidents and accidents, to increase awareness, and enhance the H&S Culture of the Company, with one of the following methods:

- › Written report.
- › E-mail.
- › Anonymous HSE grievance boxes.
- › HSE committees.
- › Meeting with Safety Technician / Occupational Physician.
- › Incident / Accident Report.

NETWORK INSPECTION

GRI 306-3

SASB EM-MD-540a.1, SASB EM-MD-540a.2, SASB EM-MD-540a.4

DESFA executes a preventive maintenance program of its critical equipment, applying a series of management systems to integrate a culture of safety and emergency preparedness throughout the value chain and project lifecycles. Specifically, corporate management includes emergency procedures, ISO compliance with relative standards, personnel training & safety drills as also annual internal & external auditing by independent auditors.

The patrolling activity includes inspections per month, both in the pipeline and the above-ground installations. DESFA also executes In-Line Inspection according to international standards for geometric measurement, pipeline mapping, metal loss, crack or other anomaly detection during ILI tools' passage through NNGS pipelines.

The In-Line Inspection network pigging inspection target is to conclude a total inspection of each onshore section of the system every 10 years, therefore, each year the percentage of the inspected pipeline differs. The acceptable limits are determined through the comparative evaluation between TSOs.

The above-ground inspection covered 28,40% of the network for 2021, with several methodologies like on foot, by car, by helicopter, and by using satellite imaging and the performance of the period (2012-2021) amounted to 57,20%.

5.2 Occupational health & safety

In 2022, this inspection coverage was zero, due to the Russian-Ukrainian war, where reverse flows were serving neighboring countries in natural gas, which did not allow in-line (ILI) inspection of the pipeline, the planned 2022 inspection will be carried out within 2023.

Furthermore, DESFA defines incidents of significant spills as the release of natural gas caused by a failure in the pipeline system. Within the reporting year, one release incident occurred across the network.

Specifically, on the morning of March 24, 2022, a rupture was observed at a pipeline branch in the greater area of Attica (Aliveri Section), due to increased local stress caused by landslide.

DESFA took immediate actions to ensure the safety of people, environment and properties and mobilized all necessary sources to limit further impact. Next, the Company replaced more than 50m of the pipeline and proceeded to earthworks, welding, cleaning, and coating activities by more than 60 experts, technicians and specialized engineers, in a period of less than 30 days to reinstate and upgrade the subject area.

During this period, all engineering studies were conducted, including but not limited to, geotechnical, geological, satellite image analysis and determination of upgrade measures for future prevention of similar phenomenon.

OCCUPATIONAL H&S PROVISIONS TO EMPLOYEES

GRI 403-3, GRI 403-6

The certified Health & Safety Management System implemented in DESFA includes several functions that contribute to the identification and elimination of hazards and minimization of risks to the health of workers, indicatively including:

- › Risk Assessment: Health factors are assessed and incorporated in our risk assessment. Additionally, this RA is reviewed regularly and updated if needed i.e., during the recent pandemic.
- › First-aid Stations: All facilities have a fully equipped first-aid station, monitored by the relevant occupational physician and in accordance with the recognized risks.
- › Occupational Physicians: Facilities are monitored by dedicated physicians on a monthly basis. Part of their duty includes the issuance of fit-to-work certificates.
- › PPEs: All workers, based on their field, are provided with the necessary personal protective equipment.
- › The HSSEQ Division has created and maintains communication lines with all employees.
- › Company Commitment: As stated in the Company QHSE Policy, the health and safety of our workers is our number one priority.

Moreover, the Company provides health insurance, including the employee's family members, which covers almost the majority of diagnostic expenses, including an annual check-up on paid working hours. Furthermore, several health promotion programs are offered regularly, including:

- › Psychological support line.
- › Health support line.
- › Back to the office exercise.
- › Myosceletical assessment.

EMPLOYEE'S CONSULTATION AND COMPETENCY ON H&S

GRI 403-4, GRI 403-5

In each facility a Health and Safety committee is formed, consisting of elected employees, and with the responsibilities that are presented by relevant legislation. Recommendations from the committee are being presented quarterly to the head of each facility, during a dedicated meeting.

Furthermore, DESFA gives particular importance to adequate competency on H&S issues. A dedicated Competence Management System is in-place, detecting and organizing the required competencies including the theoretical and practical training, the retraining period, the assessment and the reassessment period.

Next, employees are set in groups based on their function and capacity level and training schedule are planned to be executed. Trainings are performed during paid hours and are mandatory for relative employees.

The content of the trainings is being configured according to the demands and needs of the divisions including subject-oriented trainings, such as:

- › First aid.
- › Emergency plan.
- › Safe driving.
- › Proper use of Personal Protective Equipment.
- › Fire safety & Fire protection in ATEX zones (workplaces and equipment used in explosive atmospheres).
- › Use of handheld tools
- › Isolation procedures
- › Working at heights

After the training, three assessment cycles are performed. The first is the exams right after the training. The second one takes place three months after the training and is performed by the workers line manager. The third cycle is performed by a HSE expert 6 to 9 months after the training. The second and third assessments are being consisted by interviews and documentation assessments with structured questionnaires and all training records are being documented.

5.2 Occupational health & safety

RECORDABLE H&S INCIDENTS

GRI 403-8, GRI 403-9, GRI 403-10
ATHEX ESG SS-S6

Within the reporting period, 8 cases of recordable work-related injuries were reported, while 1 case was third-party personnel, but whose work and/or workplace is controlled by the organization.

The rate of accident severity¹³ was 5,3, while third-party personnel but whose work and/or workplace is controlled by the organization was zero, since for the occurred accidents no sick leave was necessary. The rate of recordable work-related injuries for employees was 1,8, while 0,5 for workers who are not employees and whose work is controlled by the organization. Moreover, 100% of employees and workers who are not employees are covered by a health and safety management system which is internally and externally audited.

The risk assessment performed by DESFA has identified possible negative impacts on health both for its employees and third-party personnel. The hazards are minimal and only refer to ergonomic issues. Measures have been in place including training, awareness campaigns and suitable equipment. Within the reporting period, there were no fatalities or cases as a result of work-related ill health.

Note:
13) Accident severity rate indicates the number of work-days lost due to work-related accidents in relation to number of hours worked by all employees in calendar year times multiplied the coefficient of 200,000 work-hours.

2022

2021

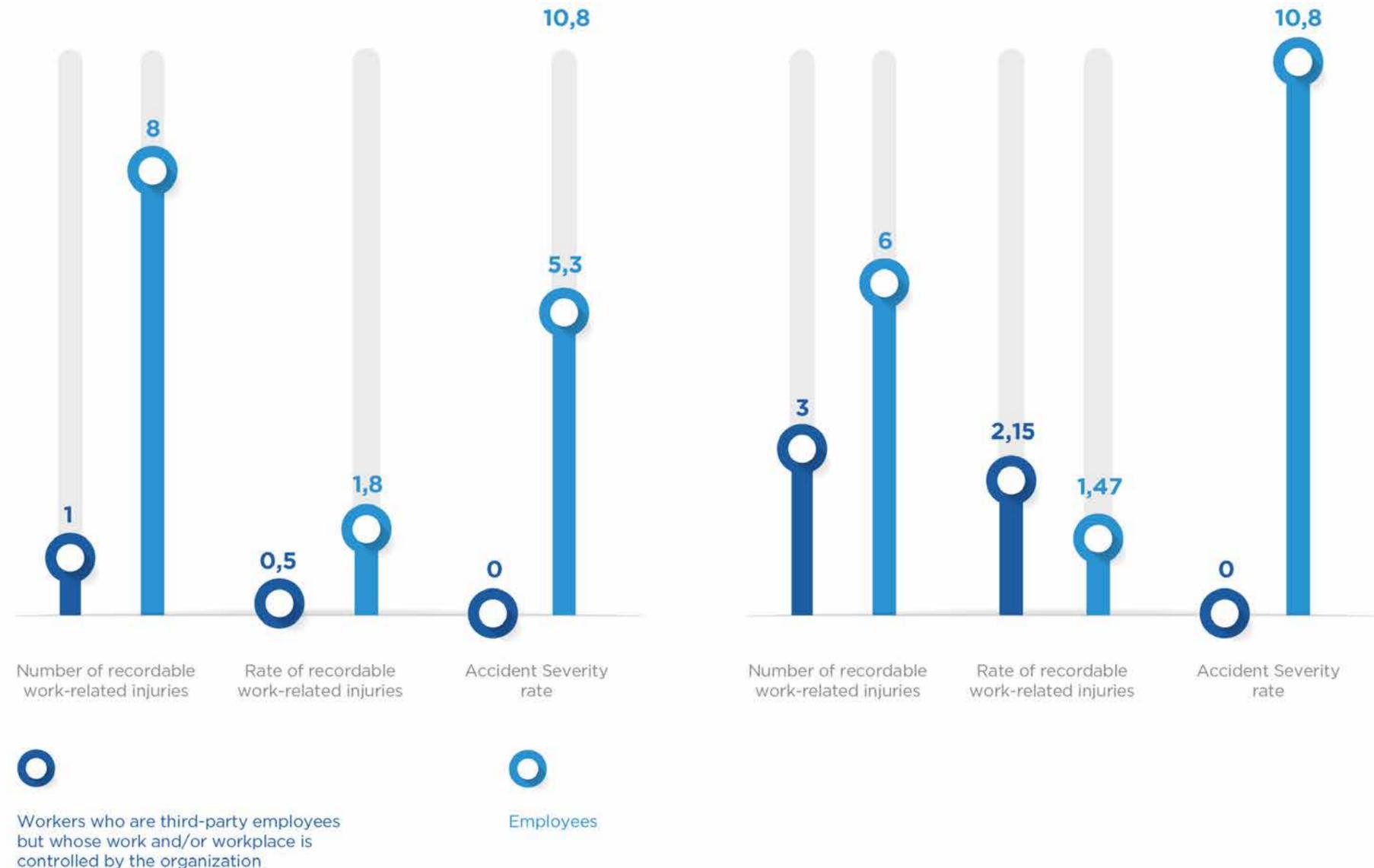


Chart 10:
Work-related injures

More information can be found in Unit 7.2 ESG Key Performance Indicators (KPIs).

5.2 Occupational health & safety

RESPONSE TO COVID-19 PANDEMIC

DESFA has acknowledged the uncertainty arising from the COVID-19 pandemic and implements appropriate measures, focusing on protecting its employees, ensuring the continuous and smooth operation of the facilities, the smooth operation and development of the gas market and monitoring the potential performance impact.

More specifically, DESFA has adopted an Emergency Response Plan, for the development and implementation of detailed measures, as a responsible response to international as well as national recommendations.

The Company was immediately activated, by setting guidelines and updates, informing its employees about social distancing, remote working, hygiene measures, restrictions on personal movements, disinfectants, oximeters, special uniforms, oxygen support devices, etc.

Furthermore, the Company implemented a three-line support, through:

- › Medical
- › Psychological
- › QHSE hotline

The three-line support was responsible for testing suspect cases, controlling entry at facilities, isolation rooms, daily survey to track medical conditions, provision of masks and other relevant protective devices.

Furthermore, DESFA gives particular importance to adequate competency on HSE issues, a dedicated Competence Management System is in-place, detecting and organizing the required competencies including the theoretical and practical training, the retraining period, the assessment and reassessment period. The system was developed internally and aims at detecting the critical competences that personnel should have in order to perform their duties effectively, without risk to their Health, Safety, the assets and the environment where they operate, while setting the means to monitor the continuous retention of said competences.

To mitigate risks during 2022, DESFA took all the necessary measures, while all essential operations were carried out for that purpose. In the context of reducing the risk of contagion in vehicles, DESFA has implemented several measures, such as monitoring access in facilities, distribution of PPEs and disinfectants, teleworking, frequent testing of shift personnel, isolation rooms, 100% tracking of all cases and vehicles disinfection.

DESFA is continuously monitoring trends and data on national, European and global level, regarding infectious viruses and has in place a plan and is ready to act in such a way, in order to minimize the negative impact on its Personnel and its various areas of operation.



5.3 Local communities

MATERIAL TOPIC: LOCAL COMMUNITIES
MATERIAL TOPIC: LAND RIGHTS

GRI 3-3



Our Approach in

DESFA commits itself to promote projects that further promote growth and prosperity, with an emphasis on local communities and vulnerable population groups, as well as on the development of the territory, where DESFA performs its activities and develops its plans.

In this context, the Company maintains open channels of communication about its actions with the local communities in which it conducts its operation, and provides substantial support by actively supporting their cultural, intellectual and social development, through actions that promote education, environmental protection, cultural and socio-economic development.

POSITIVE IMPACTS

ACTUAL:

- Established processes for the protection of cultural heritage during construction works and the respective collaboration with local Ephorates of Antiquities to enhance all archaeological finds.
- Securing energy supply to cover electricity and other needs (heating and cooling) of business customers and local communities, the improvement of local infrastructure along the transmission's system route.

POTENTIAL:

- Potential excavation and preservation works of any cultural heritage findings.
- Potential development and implementation of a stakeholders engagement plan and a grievance mechanism for third party (including local communities) grievances.



NEGATIVE IMPACTS

ACTUAL:

- Lack of an established and approved by the Company's management mechanism to register and manage local community concerns (grievance mechanism).

POTENTIAL:

- From potential incidents regarding construction, operation and maintenance in areas of historical, cultural and archaeological importance.
- From potential damage in public or private property (crops, land, roads, etc.) during construction, operation, maintenance and repair works, despite the established strict processes.

5.3
Local communities

The Company’s social activity is in line with its vision and attention to sustainable development, therefore fosters, supports, and promotes non-profit activities that demonstrate its commitment to meet the needs of the communities in which it operates.

DESFA gives particular attention to proper land use in which the network pipeline and the operating facilities are located. The pipeline is an underground structure with minor restrictions in its row, which has no negative impacts on the communities, as it does not modify the existing land uses of the areas crossed by it, nor has any air, noise, water or ground pollution, and visual impacts.

In the same aspect, the NNGS installations are not constructed in locations, where they could have impacts on local communities. Specifically, during the planning of an installation the Company performs consultation with the local urban planning, archaeological, and forest and biodiversity authorities in order to ensure that network will not be developed inside town planning areas, identified archaeological resources and/or areas of significant cultural heritage and environmentally protected areas.

LOCAL COMMUNITY ENGAGEMENT

GRI 413-1

DESFA commits to building strong, trustworthy and good-faith neighboring relationships, with the local communities where it operates. In 2022, DESFA continued to cover 100% of its operations with implemented local community engagement methods, including indicatively the below:

- › Environmental and Social impact assessments and ongoing monitoring and public disclosure.
- › Consultation during preparation of Environmental and Social Impact Assessment (ESIA) and Public Disclosure of the results of the ESIA’s.
- › Stakeholder engagement plans based on stakeholder mapping.
- › Broad-based public participation processes that include vulnerable groups.

DESFA understands that effective stakeholder engagement and public consultation is a cornerstone of successful Project development and smooth relationships with local communities. Therefore, the company is committed to engage with stakeholders throughout any Project lifecycle.

DESFA is developing a Stakeholder Engagement Framework which shall be applicable to all new projects and operations development. However, it should be taken into account, that the level of engagement per facility, differs due to needs and local characteristics. Also, it has to be noted that for recent most complicated projects and operations, the involvement continuously increases. The following key guiding principles are applicable:

- › To be open and transparent with stakeholders.
- › To be accountable for any potential impacts associated with DESFA’s activities.
- › To have a relationship with stakeholders that is based on trust and mutual commitment for productive dialogue.
- › To respect stakeholders’ interests, opinions and expectations, ensuring equal and appropriate cultural participation.
- › To cooperate with stakeholders to find commonly agreed solutions.
- › To engage with stakeholders in such a way that they feel they are treated fairly, and their issues and concerns are based on human rights equality.
- › To be inclusive and proactively anticipate, identify and include all stakeholders.

For every new project, DESFA is preparing a Stakeholder Engagement Framework which will describe the guidelines for project-specific Stakeholder Engagement Plans. In such cases, DESFA already engages directly with stakeholders’ statutory representatives, indicatively Mayors, Heads of Local Communities, and Regional Councils, and also with individuals through DESFA’s site representative or indirectly through DESFA’s Contractor(s) in an informal way.

GRI SECTOR STANDARD REF. NO. 11.15.4

Furthermore, in order to deal with local community inquiries, the development of a formal grievance mechanism process is being prepared in DESFA, estimated to be tested within 2022/2023. This process will include specific roles, responsibilities, timelines for response, remediation and closure mechanisms.

In 2021, DESFA decided to establish a Grievance Management Procedure, to help the company record local community’s complaints. The Grievance Management Procedure, under development in 2022, will define how the collection of inquiries is followed by the classification of issues in different fields and submission to the relevant departments for dealing with. During the reporting year 100% of received grievances from the existing communications channels and procedures were recorded, resolved and documented.

In principle, a cloud-based Stakeholder Engagement Database shall be designed, allowing a dedicated Team to plan, perform, manage and monitor the overall dialogue, and escalate as necessary stakeholder-related issues (complementary to the Grievance Mechanism currently being developed).

5.3
Local communities

LAND USE

GRI 413-2
GRI SECTOR STANDARD REF. NO. 11.16.2

DESFA respects local communities by incorporating its activities in a smooth way into local communities. An essential part of this effort is the proper use of land. Facilities footprint is carefully selected to avoid sensitive land uses as indicatively tree crops or areas of commercial value. Where unavoidable impacts or restrictions are imposed, DESFA follows the legal framework to indemnify landowners, aiming to proceed transparently and fairly. The location of any network or facility development is carefully selected, following a Quantitative Risk Assessment, which defines the distance from all buildings of special interest of assemblies of the public, minimizing safety concerns of local communities. As a result of the above approach, there was no operation of DESFA that caused any involuntary resettlement.

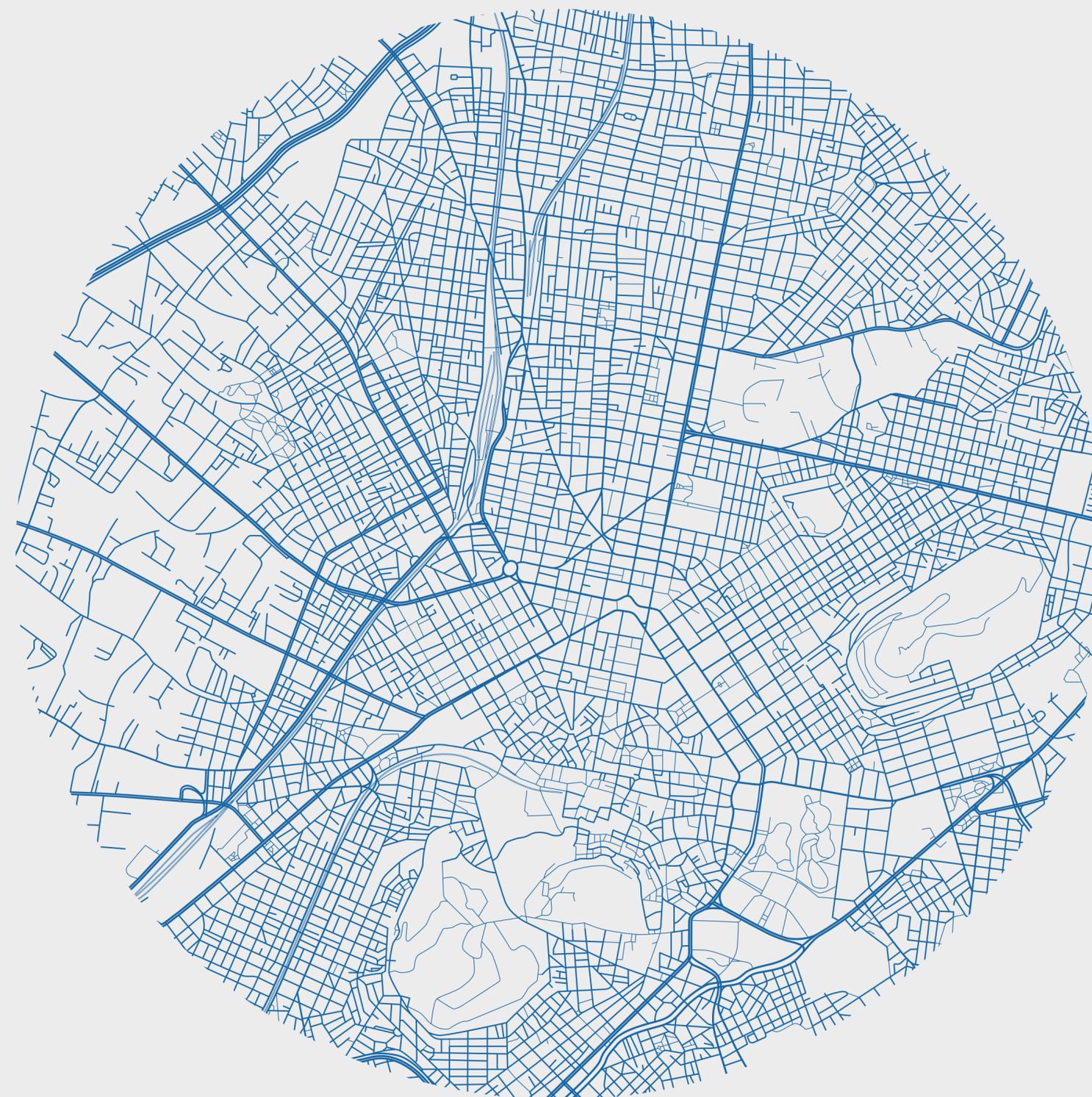
Although not forbidden by the law, DESFA's policy is to avoid protected areas for its projects and operations. More specifically, in the Interconnection pipeline Greece - North Macedonia (Greek part Nea Mesimvria – Idomeni), where the pipeline will be built adjacent to protected areas and not crossing them DESFA made special assessments regarding ecological evaluation back, "Appropriate Assessments", in 2017. Also, the Environmental and Social Baseline of Revithoussa Isle, focus, among thers on topography and geology, and cultural heritage, including archaeological sites

and constraints identification, as well as on Vourkari protected area, although at a significant distance from Revithoussa.

The West Macedonia pipeline, currently under construction, was carefully designed to maximize distance from residential areas and settlements and minimizing negative impacts on local land uses.

No vulnerable or isolated groups were affected by the projects or operations of DESFA. Community infrastructure, activities and erVICES have been kept unaffected. Local Natural Resources use was limited, not impacting any resource shortage. No public land use was converted; areas where major stations are constructed are purchased. Limited impact on agricultural activity and income was compensated, whilst temporary nuisances included noise and traffic deviations.

In general, DESFA applies a preventative approach, in order to minimize impacts to local communities, land and resources rights for all its new projects, whilst developing a Stakeholder Engagement Framework and a Grievance Mechanism to improve communication with local communities.



5.3
Local communities

ENVIRONMENTAL & SOCIAL INITIATIVES

DESFA has carried out a series of initiatives, through sponsorship, donations and volunteering to positively affect the local communities where it operates, to fight climate change and to provide equal opportunities to people, in alignment with the guidelines of the corporate ESG strategy and the principles of the Company’s Donations & Sponsorships procedure. Placing the topic of volunteering at the heart of our corporate culture, in 2022 DESFA ran a series of actions, providing the chance for employees to participate in meaningful actions which create a positive impact in the lives of people in need and the fight against climate change.

Last year, initiatives were focused on refugees, food poverty, social and environmental care, innovation, sports and culture, giving also an emphasis on initiatives related to the war in Ukraine.

Food poverty 

DESFA provided food supplies to the Social Grocery of Salamina and continued its valued collaboration with the NGO “The Love Van”, with a series of cooking for homeless people in the center of Athens, where 120 volunteers offered approximately 1.600 portions of food, dedicating 300 hours of volunteering throughout the year.



	INTRODUCTION	CORPORATE PROFILE	SUSTAINABLE DEVELOPMENT APPROACH	ENVIRONMENT	SOCIETY	GOVERNANCE	ANNEXES
							
The smile of the child	Lighthouse of the World	Alma	Social Groceries in N. Chalkidona and Aspropirgos		Social welfare center of the region of eastern Macedonia and Thrace		Symplefsi
							
	Estia Aghios Nikolaos		Hellenic Children's Village in Filiro				Merimna
		Center for Training & Rehabilitation of the Blind					
					The Parents Association of Mentally Disabled -EGNYA		

5.3
Local communities

Social and Environmental care



DESFA is actively participating in social contribution initiatives aiming to support vulnerable people and enhance its ties with local communities through actions with positive impacts.

Specifically, the Company, within 2022, supported:

- › The Smile of a Child and Hellenic Children’s Village in Filiro, while also advocated for organizations that focus on children with special needs.
- › The educational needs of schools and municipal organizations through the donation of refurbished desktop computers. Supported local authorities in Farsala and Elefsina with the purchase of equipment necessary for their operational needs (e.g., IT equipment, patrol SUV vehicle).

Also, volunteers participated in an expedition of the NGO + plefsi in the islands of Ereikousa, Othoni and Mathraki, in Corfu region, supporting the provision of medical services to isolated people in need, while donating necessary medical supplies and participating in the two beach cleanings. Furthermore, in collaboration with the NGOs We4All and Save Your Hood, DESFA carried out tree plantings and beach clean-ups and with We4All ran in 8 schools the environmental programs “Green Future” and “Green Hope” that included environmental education and awareness to young students along with a tree planting activity.

The above activities, which led to the Company being recognized as an “Earth Protector” by the Guardian, resulted in 33,000 kg of CO₂ being absorbed and 175,500 kg of O₂ being released during the year.

In the autumn of 2022, DESFA, in collaboration with the National Kapodistrian University of Athens, implemented an educational program to develop skills related to forest protection and forest fire fighting, with the participation of approximately 60 participants.

Innovation



Aiming to support and promote the concept of innovation, DESFA supported financially The Inventors, an Academy of Robotics and Innovation, by providing educational material to be used in innovative teaching models, connecting knowledge with hands-on activities.

Sports



In 2022, DESFA, chose to support sporting initiatives that promote equal opportunities, inclusion and well-being to people with disabilities, such as the organization of Special Olympics Hellas in Loutraki, and initiatives promoting local communities and economies, such as the organization of the 9th Rally Greece Offroad in the area of Argos Orectic, the Lepanto Formula Kite European Championships in Nafpaktos and also Alma Zois through our participation in Race for the Cure.

Culture



DESFA supported cultural activities that are close to its core business and identity, indicatively including the celebration of the National Day of Italy organized by its Embassy in Athens, promoting the business bonds between the two countries, as well as the celebration of the 90th anniversary of the Greek Guiding Association, which encourages young people to personal development, social participation, life in nature and ecological consciousness.

Focus on Ukraine



At the beginning of the year, as DESFA witnessed the sudden outbreak of the war in Ukraine, it triggered the company’s intention to support the people of Ukraine, dedicating a part of its donations budget and our efforts towards this end throughout the year.

DESFA provided financial support to the Hellenic Red Cross, aiming to support the humanitarian work and needs of the Ukrainian Red Cross. Support was also provided to the joint initiative undertaken by the Pharmacists of the World and the Municipality of Thessaloniki, on the supply of medical and pharmaceutical equipment, hygiene products, food supplies and personal equipment to Ukraine. DESFA also joined efforts with UNHCR (United Nations High Commissioner for Refugees) in Greece to run an internal voluntary campaign and raise funds to support the organization’s work regarding the refugees of Ukraine. The financial contribution of the Company’s employees was doubled by DESFA, enhancing its support to refugees.

DESFA also supported twice the TSO of Ukraine (GTSOU) by purchasing and donating, electrical generators as well as primary necessity items (first aid kits, protective masks, filters) and other technical equipment.

5.4 Economic impacts

GRI 3-3



Our Approach in

ECONOMIC IMPACTS

DESFA creates direct and indirect economic value for its stakeholders through its business activities, contributing to the economy, employment and society. At a national level, DESFA offers jobs and provides income, generates tax revenue and builds relationships with customers, contractors, tenants, suppliers and business partners throughout its value chain. In this context, the Company does not only generate but also distributes economic value, creating a positive footprint both in the Greek economy and the local communities around its operation projects. The Company aims to support employment on a local scale enhancing their economies. During operation, every effort is done, so that personnel will be hired by the nearby towns/villages.

POSITIVE IMPACTS

ACTUAL:

- Through the timely payment of taxes, salaries, payments to partners and suppliers, land compensations to landowners.
- Indirect impacts created in local markets by employees, contractors and suppliers, from securing energy supply to cover the energy needs of business customers and local communities.

POTENTIAL:

- Potential increase of direct financial flows to stakeholders (e.g., increase of salaries, employee benefits, etc.).
- Potential creation of new jobs in the supply chain.



NEGATIVE IMPACTS

POTENTIAL:

- From potential reduction of immediate distributed economic value to the local community due to reduced activities at local level (e.g., sponsorships, social investments).
- From potential reduced distributed economic value which would indirectly affect local markets, suppliers, etc.

5.4 Economic impacts

GRI 201-1

During the reporting period, DESFA had EUR 278.337 thousand in turnover (including other operating and interest income), the corporate revenues amounted to EUR 323.350 thousand, in which the distributed value within the reporting period amounted to EUR 185.915 thousand¹².

ECONOMIC IMPACTS ON LOCAL LEVEL

GRI 202-2, GRI 203-1

DESFA's construction and operation, positively affects local communities' investments and services, since the existing use of land is not affected by the pipelines and the operation of the installations. Moreover, there is no disturbance on air, noise, water, ground, and also no disturbance on the communities' activities and work patterns. Subsequently, the construction and operation of the Company's investments have minor negative impacts on local communities and even less important negative ones on local economies.

During construction, contractors are encouraged to ensure that the rules, procedures and qualification and evaluation criteria they apply to appoint their personnel and procure goods, do not exclude or discriminate against people and businesses from the local communities and to purchase goods from local shops and companies. During operation, every effort is done, so that people from nearby towns and villages are notified of hiring opportunities and are considered for hiring on a non-discriminatory basis. The case of Revithoussa is highlighted, where approximately 50% of employees come from Megara and neighboring areas. Also, 15% of the senior management at significant locations of operation are hired from the local community.

Note:
14) The distributed analysis is depicting P&L figures and not cash movements for the reporting period, therefore, dividends paid are not included.

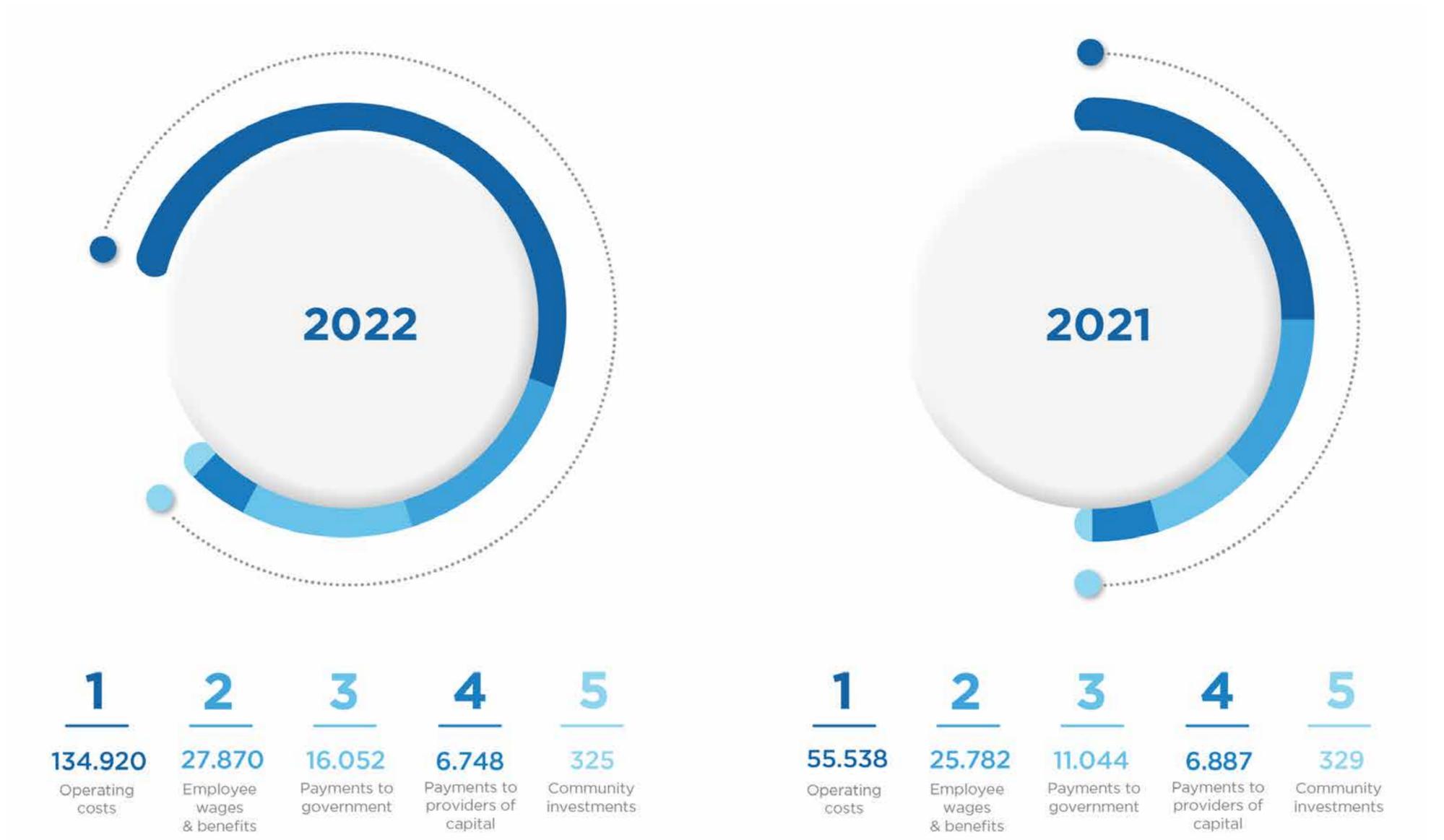


Chart 11: **Direct distributed economic value (thousand EUR)**

More information can be found in Unit 7.2 ESG Key Performance Indicators (KPIs).

5.4 Economic impacts

GRI 204-1

In 2022, the total spending of DESFA in its supply chain amounted to EUR 388.769 thousand, increased significantly in comparison to 2021 due to contracts for supplies regarding NNGS maintenance and development activities. In this context the Company enhances local economies in Greece, when feasible, spending 47,53% of the 2022 procurement budget on suppliers in Central Greece, Peloponnese, Thessaly, Macedonia, Thrace, Crete and Epirus where there is purchase requisition/demand by the corporate facilities. Thus, the Company proves its commitment to supporting the Greek economy and the prosperity of local areas aiming to retain a value chain that creates multiple positive impacts where it operates. However, due to the development of some major works, such as the Compression Station in Komotini and in Nea Mesimvria that require specialized parts for their construction, which are only available from international vendors, we notice a decrease in local suppliers. Also, the decarbonization of the Greek energy system, required advisory services from European experts in the field of other gases like hydrogen, an example is the study to analyze DESFA Natural Gas Transmission System's capability to transport hydrogen blended with natural gas.

FINANCIAL ASSISTANCE RECEIVED FROM THE GOVERNMENT

GRI 201-4

DESFA recognizes its role in the Greek economy, complies with its obligations to the Greek State regarding tax payments, insurance payments and retains transparent and smooth relationships with public institutions.

DESFA receives grants from the co-funding of projects under the EU's operational programs. DESFA's project management approach has been fully accepted by the Greek state authorities of co-funding programs, enabling DESFA to receive over EUR 100 million from the EU's programs in the last decade.

DESFA has been certified by an external Auditor with the certification of Management Adequacy of effective and efficient management of the co-financed projects, as required by the Greek legislation. This certification is checked and renewed periodically.

In 2022, DESFA received EUR 7,396 million in investment grants under the Partnership Agreement (PA) 2014-2020 co-funding program, for the implementation of the following projects (investments).

- › M/R Station in Nea Mesimvria for the Connection of NNGTS to TAP.
- › Compressor Station in Ampelia.
- › Upgrade of Compressor Station in Nea Messimvria.
- › Small Scale LNG Truck Loading System.
- › Upgrade of the supervision Control and Data Acquisition System (SCADA) for the main and backup dispatching Centers (Phase B).

● NATIONAL SUPPLIERS
● INTERNATIONAL SUPPLIERS

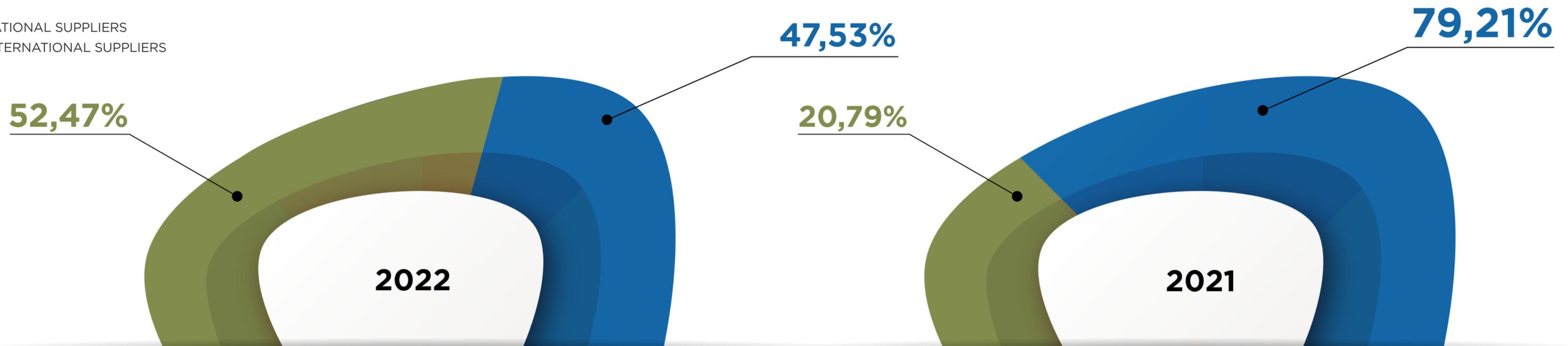


Chart 12:
Proportion of spending on local suppliers

More information can be found in Unit 7.2 ESG Key Performance Indicators (KPIs).

GOVERNANCE

6.

- CORPORATE GOVERNANCE.
 - BUSINESS CONDUCT.
 - SYSTEM INTEGRITY AND BUSINESS CONTINUITY.
-



6.1 Corporate governance

GRI 2-12, GRI 2-13

The Corporate Governance Code of the Company was developed as a self-regulation tool on the basis of Greek and international best practices and sets out a framework which, though not legally mandatory, promotes continuity, consistency, and effectiveness in the way the Company's Board of Directors functions.

The following diagram illustrates the organizational structure of DESFA:

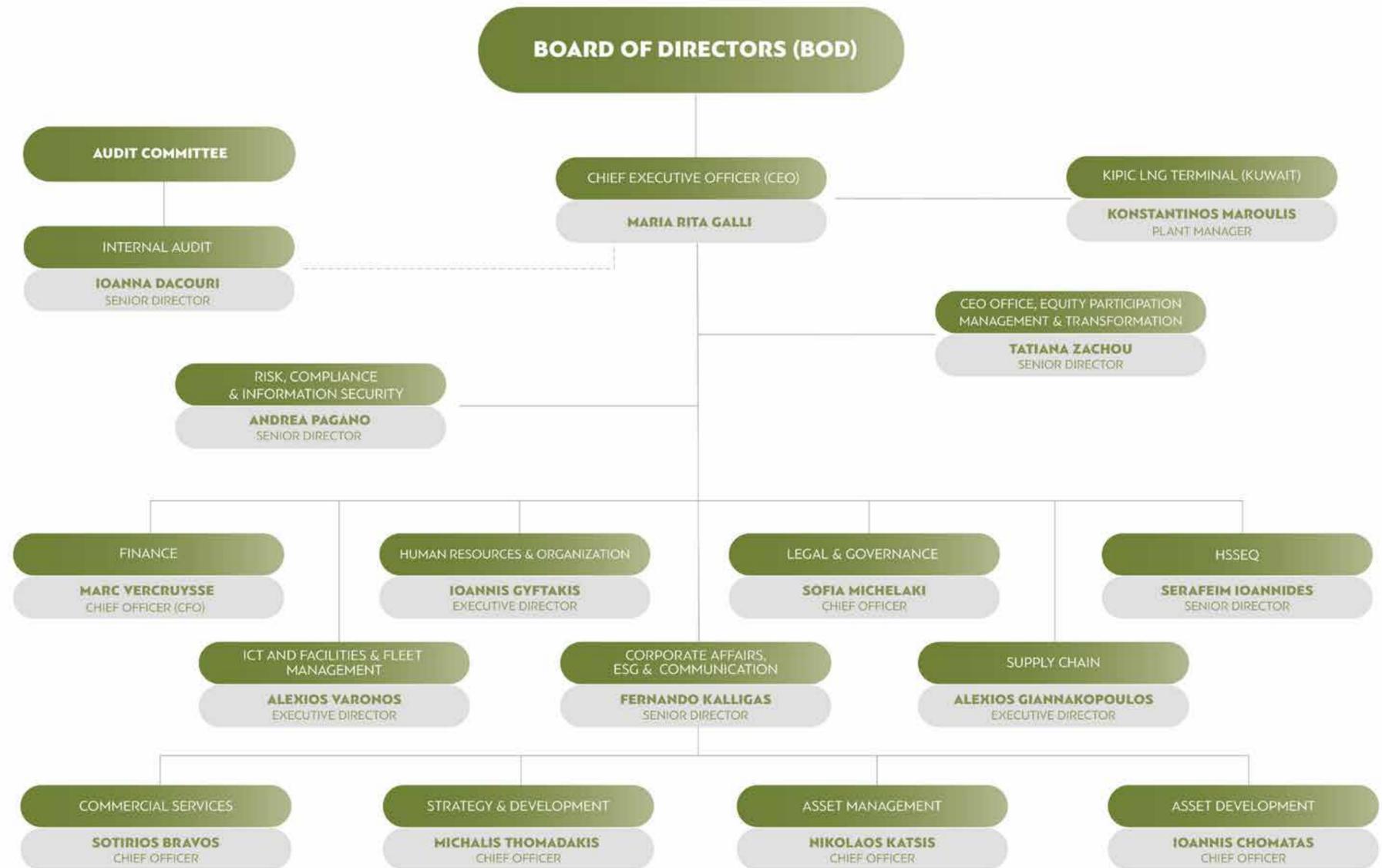


Figure 5:
Organizational Chart

**6.1
Corporate
governance**

BOARD OF DIRECTORS

GRI 2-9, GRI 2-10, GRI 2-11, GRI 2-17
ATHEX ESG C-G1

The Members of the BoD are appointed as per the provisions of the Articles of Association on the basis of the current allocation of voting rights between Shareholders. Furthermore, compliance with the criteria set forth in Art.9(d) of Directive 2009/73/EC is a prerequisite for the appointment of DESFA's BoD Members.

DESFA's BoD members are being regularly updated for sustainability related issues. It is noted that competency on ESG issues is not currently included in the selection criteria for BoD Members. The current BoD consists of 100% non-executive members (18,2% not designated by either of the Shareholders as per the provisions of the Articles of Association), with a gender breakdown of 81,80% of male and 18,20% of female, with tenure from June 2022 until June 2025.

The BoD Members are as follows:

- › Mr. Kosmadakis Konstantinos, Chairman.
- › Mr. De Waele Ben, Vice Chairman.
- › Mr. Carlos Rodenas de la Vega, Member.
- › Ms. Bellagamba Marta, Member.
- › Mr. Molisani Sergio, Member.
- › Mr. Branca Salvatore, Member.
- › Ms. Anna Mantakou, Member.
- › Mr. Venier Ugo, Member.
- › Mr. Tsakiris Theodoros, Member.
- › Mr. Tambourlos Panagiotis, Member.
- › Mr. Kritikos Eleftherios, Member.

MANAGEMENT TEAM

The Management team is responsible for the day-to-day and operational management of the Company. The Management team also makes investment proposals to the BoD within the framework of the Company's strategy and articles of association.

- › Ms. Maria Rita Galli, Chief Executive Officer (CEO).
- › Mr. Marc Vercruysse, Chief Financial Officer (CFO).
- › Mr. Ioannis Gyftakis, Human Resources & Organization Executive Director.
- › Ms. Sophia Michelaki, Chief Legal & Governance Officer.
- › Mr. Nikos Katsis, Chief Asset Management Officer.
- › Mr. Michael Thomadakis, Chief Strategy & Development Officer.
- › Mr. Sotirios Bravos, Chief Commercial Services Officer.
- › Mr. Ioannis Chomatas, Chief Asset Development Officer.
- › Mr. Alex Varonos, ICT and Facilities & Fleet Management Executive Director.
- › Mr. Fernando Kalligas, Corporate Affairs, ESG & Communication Senior Director.
- › Mr. Serafeim Ioannidis, HSSEQ Senior Director.
- › Mr. Alexios Giannakopoulos, Supply Chain Executive Director.
- › Mr. Konstantinos Maroulis, KIPIC LNG Terminal (Kuwait) Plant Manager.
- › Ms. Ioanna (Giovanna) Dacouri, Head of Internal Audit.
- › Ms. Tatiana Zachou, CEO Office, Equity Participation Management & Transformation Senior Director.
- › Mr. Andrea Pagano, Risk, Compliance & Information Security Senior Director.

BOARD COMMITTEES

The Committees of the BoD have an advisory role. All the Members of the Board Committees have a non-executive role.

The Board Committees are chaired, respectively, by the two Members of the Board that are not designated by either of the Shareholders, as per the provisions of the Articles of Association. Currently, those members, having been appointed as the "chairpersons" of each committee respectively are, Mr. Panagiotis Tambourlos for the Audit Committee and Ms. Anna Mantakou for the Nomination and Remuneration Committee.

Audit Committee

The Audit Committee has a consulting role and is responsible for:

- › The review of the financial statements of the Company prior to their approval by the BoD, taking into account the views of the external auditor, ensures that the principles and policies applied are in accordance with the requirements of the law and the International Financial Reporting Standards (IFRS).
- › The submission of recommendations to the BoD regarding the appointment of external auditors and the amount of their fees.
- › The monitoring of all services assigned to the external auditor in order to evaluate the external auditor's independence.
- › The reception and submission of recommendations, at least once a year, on the procedures of internal control and risk management set up by the Management of the Company, in order to ensure that the most important risks are identified, managed and communicated in accordance with the framework approved by the BoD.
- › The review and submission of recommendations to the BoD regarding the annual internal audit program of the Company.
- › The review, discussion and submission of recommendations to the BoD regarding the audit reports drafted by the Company's internal audit services.

**6.1
Corporate
governance**

The Committee consists of the following members, as presented below:

- › Mr. Panagiotis Tampourlos, Chairperson.
- › Mr. Carlos Rodenas de la Vega, Member.
- › Ms. Marta Bellagamba, Member.
- › Mr. Eleftherios Kritikos, Member.

NOMINATION AND REMUNERATION COMMITTEE

GRI 2-10

The Nomination & Remuneration Committee has a consulting role and is responsible for:

- › Presentation and submission of recommendations to the BoD and setting of the minimum criteria for the selection of members of it and the senior executives of the Company.
- › The submission of recommendations to the BoD on the payroll and benefits policy concerning the members of it and the senior executives of the Company.
- › The submission of recommendations to the BoD on annual basis, regarding the corporate performance targets for the coming year and the performance bonus of the CEO based on to which extent she achieved the targets for the past year.
- › The submission of recommendations to the BoD on annual basis, regarding the overall budget for salary increases and bonuses of the senior executive personnel of the Company.

The Nominations and Remuneration Committee consists of the following members:

- › Ms. Anna Mantakou, Chairperson.
- › Mr. Theodoros Tsakiris, Member.
- › Mr. Ben De Waele, Member.
- › Mr. Ugo Venier, Member.

CONFLICT OF INTERESTS

GRI 2-15

DESFA acknowledges and respects the right of its employees, to take part in investments, business and other kinds of activities other than the activity performed in the interest of DESFA, provided that such activities are permitted by law and are compatible with the obligations assumed towards DESFA.

In this context, DESFA's employees should notify promptly any potential conflict of interest between personal and family economic activities and their tasks within the Company and avoid any situation that may imply difficulty in making impartial decisions in the best interest of the Company in line with the principles and the content of the Code of Ethics, as well as the Anti-Corruption Policy.

REMUNERATION POLICIES AND PROCESS

GRI 2-19, GRI 2-20

The methodology determining the remuneration of the Board Members is approved by the General Assembly of the Shareholders on an annual basis further to the proposal of the BoD based on the respective recommendation of the Nomination & Remuneration Committee.

The Nomination and Remuneration Committee recommends to the Board the payroll and the benefit policy, concerning the members of the Board of Directors and the senior executive personnel of the Company. In case external support or benchmark analysis is needed, support may be sought.

The remuneration and benefits policy currently applicable to Senior Executives includes a fixed and variable part of remuneration and benefits in accordance with best national and EU standards and benchmarks. The policy has been approved by the BoD further to the recommendation of the Remuneration Committee. The annual corporate targets are recommended each year by the Nomination & Remuneration Committee to the BoD consistent with the business strategy and the long-term sustainability goals of the Company.

The variable remuneration paid to the Senior Executives is directly linked to the level of achievement of corporate and individual targets. Corporate objectives are aligned with the Company's strategy and business objectives and include specific ESG objectives.

6.2 Business conduct

MATERIAL TOPIC: BUSINESS CONDUCT
MATERIAL TOPIC: PRIVACY

GRI 3-3
GRI 2-23, GRI 2-24, GRI 2-25
ATHEX C-G5



Ethical behavior is a prerequisite for maintaining employees', shareholders', business partners' and other stakeholders' engagement, as well as the communities adjacent to the Company's operations. DESFA integrates the ethical and reputational dimension into business decisions and all business activities, considering this as one of the key elements for both efficient management and sustainable development of the Company.

DESFA acknowledges that it is necessary for the shareholders to be able to contribute to the decision-making in key areas that fall under their competence. In that context, the Company defines, implements and progressively adjusts a coordinated set of rules concerning both its internal organizational structure and its relations with shareholders and other parties.

The Company holds a Code of Ethics, an Anticorruption and a Whistleblowing policy, which were approved at the BoD level and are being communicated to all employees, business partners and all third parties, with which DESFA has transactions. In the Anticorruption Policy, DESFA specifically states that it adheres to Anticorruption Laws (national legislation and international conventions ratified by Greek law) and acknowledges international Best Practices (FCPA, UK Bribery Act).

Finally, DESFA addresses the privacy issues by adopting suitable preventive information security measures to avoid any risks of destruction, loss, unauthorized access related to confidential information, and personal data protection.

POSITIVE IMPACTS

ACTUAL:

- Adoption and implementation of the Policy against Violence and Harassment in the workplace, the training of employees regarding the Code of Ethics and Whistleblowing policy.
- Highly regulated framework under which the Company operates, the public consultation of the 10-year Development Plan, the Anti-Corruption and Whistleblowing Policies, the Corporate Governance Code and the Code of Ethics and Sponsorship and Donations Procedure.
- Data Protection Policy, the relevant approved procedures, and the GDPR training conducted for employees.

POTENTIAL:

- From the planned Vendor Qualification process that will incorporate suppliers' and subcontractors' assessment of ESG issues
- From the increase of women's labor force participation.



NEGATIVE IMPACTS

POTENTIAL:

- From potential human rights violations involving DESFA's employees or subcontractors, despite the established strict processes.
- From the potential failure of employees and subcontractors to follow DESFA's established policies and procedures.
- From a potential breach of physical security or data protection systems.

6.2 Business conduct

CODE OF ETHICS

In a corporate environment constantly changing, DESFA has a Code of Ethics, that provides a clear description of the Company’s set of principles for all DESFA people. It seeks to uphold the Company’s interests on a long-term basis for the benefit of customers, shareholders, employees and all other stakeholders, while complying with the applicable European and Greek regulatory framework.

The Code of Ethics includes the following thematic elements:

- › Human rights.
- › Health and Safety.
- › Environmental protection.
- › Alcohol & drug abuse and smoking ban.
- › Protection of information & communication.
- › Prohibition of donations to political parties.
- › Conflict of interest.
- › Bribery and corruption.
- › Sponsorship and donations.
- › Relations with stakeholders.

In this framework an Ethics Committee has been established to provide opinion on updates or amendments of this code to the BoD, to request checks by the Internal Audit on the effectiveness of the Code and to decide on reports submitted to it according to the Whistleblowing Policy.

The Management Team is required as their primary responsibility to set the example of compliance with the Code of Ethics, inspiring respect among the staff by adopting high standards of business ethics, to demonstrate honesty protect corporate interests, boost employee morale, respect the principles of dignity, courtesy, decency and morality, and carry out the tasks dictated by the Company’s business in an honest, ethical and fair manner. DESFA undertakes to maintain and strengthen a governance system in line with the applicable legislation, international best practice standards,

procedural rules, guidelines, procedures and policies established by the Company, as well as the challenges that the Company has to face in order to accomplish sustainable development. In this context, DESFA employees are required to perform their duties in line with the internal procedures and always behave in an honest, fair, integral and respectful manner.

ANTI-CORRUPTION AND TRANSPARENCY

GRI 205-1, GRI 205-2, GRI 205-3

DESFA because of its mission and pivotal role in the region, undertakes to disseminate ethical principles in every working context, as well as to implement suitable tools aimed to prevent any form of corrupt conduct in the course of relations with public and private entities.

Anti-Corruption Policy 

DESFA’s Anti-Corruption Policy is inspired by the principles of integrity, transparency, fairness and professionalism already mentioned in its Code of Ethics and forms part of the implemented Internal Control System.

This Policy aims to identify the risk areas relevant for anticorruption purposes, behaviors to hold and measures to be applied in order to fight the risk of corruption, highlighting the roles, responsibilities, principles to be observed in the overall framework of corporate affairs to fight corruption. In addition, this Policy means to further increase awareness and improve the responsiveness of DESFA’s employees to play an active part in preventing, remediating and reporting possible breaches of anti-corruption rules.

Due to the essential value of the proper and efficient application of the policy, all BoD members, employees and business partners were notified of and informed about anti-corruption policies and procedures within the reporting period by a percentage that reached 70% of the personnel.

Currently, there is no training for business partners, suppliers, and clients, but the company communicates, at a rate that approaches 100%, the policies available on the corporate website, requesting them to comply on the contractual terms.

Since 2019, Anticorruption & Business Ethics has been identified and monitored in Enterprise Risk Assessment (ERA), as an enterprise-wide risk for the company. In 2021, DESFA ran an organization-wide Anticorruption Risk Assessment (ARA), where all Company operations were assessed, beginning from the 2020 Enterprise Risk Assessment (ERA) results. In the 2021 ARA, 16 Sensitive Activities were identified and evaluated as to the risk of corruption, covering all aspects of Company operations (interactions with public officials, negotiations, supply chain). Following that, in 2022 the company developed and approved the Anticorruption Model, which includes the controls to be adopted corresponding to each of the Sensitive Activities.

During the reporting period, there were no incidents in which employees were dismissed or disciplined for corruption, as also there were zero incidents about contracts with business partners which were terminated or not renewed due to violations related to corruption. Moreover, there were zero public legal cases regarding corruption brought against the organization or its employees during the reporting period and the outcomes of such cases.

6.2 Business conduct

ANTI-CORRUPTION AND TRANSPARENCY

GRI SECTOR STANDARD REF. NO. 11.20.5

DESFA also aims to preserve a transparent contract framework, using standard framework agreements for all the users of the NNGS, which are approved by the Regulatory Authority for Energy (RAE).

These standard agreements for regulated services have standardized content for all customers which are publicly available on the corporate website (Standard Framework Agreement for Transmission, Standard LNG Facility Usage Agreement and TLS Framework Agreement).

Public institutions and payments



GRI 415-1

DESFA promotes continuous dialogue with public institutions, public and regulatory authorities in line with the legal and regulatory framework on the basis of the principles of transparency, proper conduct and loyal collaboration. In this respect, DESFA manages all liaisons with authorities, enhancing transparency and traceability.

Any form of unofficial payments made to public administration bodies or private entities or intermediaries, in order to speed up, encourage and generally facilitate the performance of their activities are prohibited by DESFA.

Moreover, the Company does not allow any form of corporate contribution, direct or indirect, to political parties, movements, committees, political organizations, including their representatives and candidates and even if made in relation to activities carried out abroad and/ or in respect of foreign parties.

Also, Anticorruption Policy refers to adequate accounting controls, allowing:

- › Preparation of the financial statements, in accordance with the accounting principles, which are reviewed by the Audit Committee.
- › Independent statutory audit process by external auditors.
- › Correct accounting of all Company assets.
- › Access to accounting of Company assets only with a management authorization.
- › Comparison of the values of the Company assets on the balance sheet with those actually existing recorded.

Compliance with laws and regulations



GRI 2-27, GRI 206-1
ATHEX ESG A-G2, ATHEX ESG SS-S4

Compliance is involved in all tasks regarding the Internal Control System development, including monitoring, and supporting the responsible functions, communication and training, to ensure that laws and regulations are abided by and internal policies, and procedures are well designed, understood and followed by all DESFA employees.

Also, one of the most important roles of Compliance is the dissemination of the business ethics culture, because DESFA firmly believes that a key component of sustainable growth is ethical business conduct and integrates the ethical and reputational dimension into all business decisions and business activities.

To that end, the Ethics & Compliance Department is also responsible to provide the proper content to the Human Resources & Organization Division in order to perform training sessions and awareness initiatives towards not only the spread of an ethical culture but also towards compliance of the Company with all relevant responsibilities.

6.2 Business conduct

ATHEX ESG SS-G1

WHISTLEBLOWING POLICY

GRI 2-26

One of the key drivers of an ethical culture is a robust Whistleblowing Policy, which is in the case of DESFA is publicly available on corporate website.

Whistleblowing Policy regulates the process associated with the receipt, analysis and processing of the reports sent by the employees and private counterparties, including eponymous and anonymous reports, and provides for guarantees of the confidentiality of investigation and protection of the reporting person from the risk of retaliation.

Issues covered by that policy, include actions or omissions that are not in line with the Code of Ethics, Anticorruption Policy or other corporate policies and procedures. Also, the policy covers any kind of violation of the Internal Control System or serious improper conduct like criminal offenses in the course of professional duties.

Within the reporting period all BoD members, employees and business partners were notified of and informed about the Whistleblowing Policy of the Company by a percentage that reached 70% of the personnel.

Communication Channels



GRI 2-16

Within the organization, awareness of the Policy is achieved through adequate training to its employees with regard to the Whistleblowing Policy, the process, their rights and access to the channels.

DESFA encourages its employees to use its reporting channels, in order to effectively, diligently and within a reasonable timeframe submit whistleblowing reports. DESFA has established multiple, easily accessible and available reporting channels to enable reporting: in writing by mail to a dedicated Post Office Box, electronically by email to a specific email address, or orally by the telephone hotline.

An investigation process is to be run by the Internal Audit function and the decision is to be made by the Ethics Committee of the Company, while the Audit Committee receives regular reporting. Within the reporting period, one case was recorded according to the Whistleblowing Policy.

Investigation process



Internal Audit upon reception of a report from the whistleblowing process informs the Ethics Committee and carries out the preliminary investigation to establish whether the report is “verifiable” and “within scope”. If the preliminary result leads to further investigation, as per the decision of the Ethics Committee Internal Audit undertakes all investigations aimed at ensuring that it will be possible to identify, analyze and evaluate any elements that might confirm whether the reported events are well-founded and, in the end, it makes the respective recommendation to the Ethics Committee.

PERSONAL DATA PROTECTION

GRI 418-1

ATHEX ESG C-G6

DESFA processes in a lawful and fair way the personal data under its responsibility, collecting and storing only the data necessary for specific explicit and lawful purposes and no longer than the required period for the purposes of collection.

The standing Data Protection Policy was approved within the reporting period and aligns with Regulation (EU) 2016/679, as well as with GDPR’s transposition into the Greek Legislation (L. 4624/2019) and the relevant guidelines and good practices on data protection.

The Policy applies to all forms of personal data (electronic and physical), as well as to the relevant information systems, business processes and operations within DESFA that involve the processing of personal data. Moreover, the Policy also applies to all personnel of DESFA as well as to any third parties who process in any manner personal data on behalf of DESFA.

The above Data Protection Policy is supported by a number of related procedures, guidelines and other assets (registers, tools) that have been approved within 2021, such as:

- › Data Protection Impact Assessment procedure.
- › Data Subjects Request Management.
- › Consent Management Procedure.
- › Data Breach Management Procedure.
- › Data Protection by Design and by Default Operating Instructions (2022).

Within the reporting period of 2022, there was one incident in which the company identified and reported a leak of personal data. The incident was repeatedly reported to the BoD within the year. The Company did not receive any substantiated complaints concerning breaches of customer privacy.

CONFIDENTIAL INFORMATION

It is the duty of all employees to safeguard all information, including DESFA’s confidential and classified information, regardless of the manner and reason that such information has become known to them, and not to disclose it to persons outside the Company, including family and friends.

In particular, with regard to commercially sensitive information, DESFA must protect the confidentiality of commercially sensitive information provided by NNGS users, in the context of their contractual relationship. To that end, specific confidentiality clauses are included in all business contracts and confidentiality obligations are specifically highlighted in the Company’s Code of Ethics, to which the employees are subject.

6.3 Systems integrity and business continuity

The intense uncertainty that has caused due to the pandemic crisis of COVID-19, especially during the winter period (2020–2021), but also the extent of the economic recession made it necessary for actors with a particularly critical role in the security of supply to take measures in order to ensure, in all cases, the continuation of their smooth operation.

In this context, RAE did proceed with preventive action and emergency plans especially for gas and electricity operators and electricity generation license holders, in order to support the effort made by the involved parties and at the same time to ensure their suitability in relation to security of supply.

An emergency plan is established by the Regulatory Authority of Energy (RAE) after DESFA’s relevant proposal, in accordance with the Regulation (EU) 2017/1938 of the European Parliament and of the Council of 25 October 2017 concerning measures to safeguard the security of gas supply and in accordance with the provisions of Law 4001/2011 and Chapter 10 of the NNGS Network Code.

This Plan aims to determine the responsibilities, obligations and actions in order to effectively address the supply disruption or the exceptionally high gas demand, which has resulted in a significant deterioration of supply in the Greek market of natural gas. Another reason for this plan was to establish the information obligations, as also the procedures and measures to be followed for several crisis levels. Furthermore, the plan is implemented upon occurrence of crisis situations which affect or might affect the smooth operation of the Natural Gas Greek market and/or security of supply. A crisis can be caused either by extrinsic or intrinsic risks, such as technical problems in the infrastructure of NNGS, upstream and downstream interconnected systems, sabotage, vandalism, thefts, reduced or interrupted gas supply, unexpected high demand, civil disorder, war, terrorism and natural disasters.

The Emergency Plan contains the measures to be taken by DESFA to remove or mitigate the impact of a potential gas supply disruption and shall:

- › Build upon the three crisis levels: Early Warning, Alert and Emergency.
- › Define the role and responsibilities of System Operators, RAE, Competent Authorities and Natural Gas market participants at each crisis level.
- › Ensure that Natural Gas undertakings and Major Natural Gas Customers are given sufficient opportunity to respond at each crisis level.
- › Identify the measures to be taken to mitigate the potential impact of a gas supply disruption.
- › Establish detailed procedures and measures to be followed for each crisis level.
- › Define procedures to implement non-market-based measures, ensuring that non-market-based measures are to be used only when market-based mechanisms alone can no longer ensure supplies, in particular to protected customers.
- › Detail the reporting obligations imposed on Natural Gas undertakings at alert and emergency levels.
- › Describe the mechanisms used in case of requiring assistance from the European Union and its Member States.

Moreover, to be noted that during the cybersecurity incident within 2022, DESFA ensured the appropriate operation of NNGS.

ANNEXES

7.

- ABOUT THIS REPORT.
 - ESG KEY PERFORMANCE INDICATORS (KPIs).
 - GRI CONTENT TABLE.
 - ATHEX ESG GUIDE CONTENT TABLE.
 - SASB CONTENT TABLE OIL & GAS - MIDSTREAM
 - TCFD RECOMMENDATIONS TABLE.
 - IDENTIFIED IMPACTS.
-



7.1

About this report

GRI 2-2, GRI 2-3, GRI 2-4, GRI 2-5
 ATHEX ESG A-G5

This DESFA’s ESG Report for 2022 based on international standards for non-financial reporting, presenting information regarding the management approach and the performance on material sustainability topics relevant to DESFA business activities in Greece (which constitutes the significant location of operations) during the period of 01.01.2022-31.12.2022, aligned with its financial reporting period.

The Report aims to inform stakeholders of the impacts that DESFA creates or may create on the environment, people, and the economy, as well as to form a basis for comparing the performance of DESFA in sustainability matters for the coming years.

The scope of this report is limited to DESFA activities and does not include information for any other affiliated Company. It has been prepared in accordance with the new GRI Standards 2021 and GRI 11 Oil and Gas Sector 2021, the updated Athens Stock Exchange ESG Reporting Guide 2022 and the SASB Standard «Oil and Gas - Midstream 2018».

The report also partly covers the TCFD recommendations on climate-related financial disclosures and presents the impacts of the Company in the context of the Sustainable Development Goals of the United Nations (UN SDGs).

The report was prepared with the consulting support of the Climate Change and Sustainability Services department of EY Greece¹⁵.

Due to the fact that this is the first ESG Report of the Company, to be published, no restatements of information in comparison to previous versions are in place. Also, DESFA has not proceeded with external assurance for the content of this report. However, it considers the possibility of receiving external assurance in future reports.

DESFA considers that the opinion of each reader on the content of the ESG Report is essential for constructive dialogue as well as corporate growth. For this purpose, you can send your comments and/or any queries to the following contact details:

Natasha Chatziantoniou
Communications & CSR Senior Manager
 T: +30 213 088 4058
 M: +30 6958 463 607
 a.chatziantoniou@desfa.gr
 357-359, Messogion Avenue,
 152 31, Chalandri, Attica, Greece

Coordinating Division:

- › Corporate Affairs, ESG & Communication.

Participating Divisions:

- › Asset Development.
- › Asset Management.
- › Commercial Services.
- › Finance Division.
- › HSSEQ.
- › Human Resources & Organization.
- › ICT and Facilities & Fleet Management.
- › Legal Affairs & Governance.
- › Risks, Compliance & Information.
- › Security Strategy & Development.
- › Supply Chain.

Note:

¹⁵⁾ DESFA is responsible for the calculation and consolidation of quantitative data as well as for the accuracy and completeness of the quantitative and qualitative data included in this report. EY shall not bear any responsibility or liability against any third party for the contents of this report.

7.2 ESG key performance indicators (KPIs)

The below tables display the quantitative indicators of GRI Standards 2021, ESG ATHEX GUIDE 2022 and SASB Standard «Oil and Gas - Midstream 2018», presenting the corporate performance per material topic. The data cover the period 2021 - 2022 where the data are available (N/A indicating unavailability of required information) and applicable.

SASB STANDARD «OIL AND GAS - MIDSTREAM 2018» - ACTIVITY METRICS

SASB STANDARD «OIL AND GAS MIDSTREAM 2018»	ESG PERFORMANCE INDICATORS	UNIT	2021	2022
SASB EM-MD-000.A	Total metric ton-kilometers of natural gas	Metric ton (t) kilometers	1.125,88	504,77
	Total metric ton-kilometers of crude oil	Metric ton (t) kilometers	Not applicable	Not applicable
	Total metric ton-kilometers of refined petroleum products transported, by mode of transport	Metric ton (t) kilometers	Not applicable	Not applicable

7.2
ESG key performance
indicators (KPIs)

CARBON FOOTPRINT

GRI STANDARDS 2021 ESG ATHEX GUIDE 2022 SASB STANDARD «OIL AND GAS MIDSTREAM 2018»	ESG PERFORMANCE INDICATORS	UNIT	2021	2022
ENERGY CONSUMPTION WITHIN THE ORGANIZATION¹				
GRI 302-1	Fuel consumption within the organization from renewable sources	MJ	0	0
GRI 302-1	Fuel consumption (other than vehicles fleet) within the organization from non-renewable sources ²	MJ	687.941.518,46	198.877.294,99
GRI 302-1	Electricity purchased and consumed, not produced from renewable sources ^{3,4}	MJ	117.517.634,93	187.801.848,00
GRI 302-1	Electricity consumption within the organization from renewable energy sources – with guarantees of origin ⁵	MJ	0	0
GRI 302-1	Electricity sold	MJ	13.864.000,00	81.691,20
GRI 302-1	Energy consumption within the organization (in MJ)	MJ	791.595.153,39	386.597.451,79
ENERGY CONSUMPTION BREAKDOWN				
	Diesel ⁶	MJ	12.188.607,28	10.266.268,37
	Petrol ⁶	MJ	1.358.077,54	3.919.881,59
	LPG	MJ	1.098,23	0
	Natural Gas ⁷	MJ	674.393.735,41	184.691.145,03
	Electricity	MJ	117.517.634,93	187.801.848,00
ENERGY CONSUMPTION AND PRODUCTION				
ATHEX ESG C-E3	Total amount of energy consumed (MWh)	MWh	219.888	107.388
ATHEX ESG C-E3	Proportion of electricity consumed	%	14,85	48,58
ATHEX ESG C-E3	Proportion of energy consumed from renewable sources	%	0	0

Notes:

1) These values are calculated based on DEFRA (2021 & 2022) emission factors.

2) As per GRI 302-1 indicator requires, DESFA only reports energy consumed, therefore the natural gas that led to fugitive emissions, meaning that was not consumed as fuel, is not included in the energy consumption calculation but continues to be included for the greenhouse gas emissions calculation.

3) Electricity consumption within the organization, with and without guarantees of origin, excludes consumption of leased buildings.

4) During 2021 and 2022, a CHP unit providing electricity to the LNG terminal was underperforming due to maintenance.

5) Due to underperforming of CHP unit during the 2021 and the consumption of electricity energy from the grid, the management decided not to proceed with the purchase of guarantees of origins.

6) The consumption of diesel is referred to heating needs of corporate facilities, stationery and diesel generators for emergency conditions. The decrease of diesel consumption is due to lower operational profile of stationary equipment and diesel vehicles. The increased consumption of petrol is due to increased operational profile of gasoline vehicles.

7) The consumption of natural gas is referred to HHV (High Heating Value). In 2021 DESFA used the LHV (Low Heating Value) for Natural Gas which during 2022 has been replaced by the respective HHV, the decrease of natural gas consumption is due to lower operational profile of CHP and Compressor Station.



7.2
ESG key performance indicators (KPIs)

CARBON FOOTPRINT

GRI STANDARDS 2021 ESG ATHEX GUIDE 2022 SASB STANDARD «OIL AND GAS MIDSTREAM 2018»	ESG PERFORMANCE INDICATORS	UNIT	2021	2022
ATHEX ESG C-E3	Total energy produced from renewable sources	MWh	0	0
ATHEX ESG C-E3	Total energy produced from non-renewable sources	MWh	23.991,44	1.359,40
ATHEX ESG C-E3	Non-renewable energy produced	MWh (Electricity)	11.449,13	1.339,03
		MWh (Heating Power)	12.542,31	20,38
ATHEX ESG C-E3	Proportion of energy consumed from renewables	%	0	0
ATHEX ESG C-E3	Proportion of energy produced from renewables	%	0	0
ENERGY INTENSITY RATIO FOR THE ORGANIZATION				
GRI 302-3	Energy intensity ratio for the organization ⁸	MJ/Nm ³	0,13	0,07
DIRECT (SCOPE 1) GHG EMISSIONS				
ATHEX ESG C-E1 / GRI 305-1 SASB EM-MD-110a.1	Direct (Scope 1) GHG emissions ⁹	t CO ₂ e	42.114,12	18.553,46
SASB EM-MD-110a.1	Percentage Methane	%	17,4	44,72
SASB EM-MD-110a.1	Percentage covered under emissions-limiting regulations	%	57,08	43,75
ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS				
ATHEX ESG / C-E2 GRI 305-2	Location-based emissions ¹⁰	t CO ₂ e	18.416,31	19.637,49
	Market-based emissions ¹⁰	t CO ₂ e	15.285,78	21.522,10
	Which gases were included in the calculation of the indirect emissions		CO ₂ , CH ₄	CO ₂ , CH ₄

Notes:

(8) Calculation of energy intensity ratio includes the amount of the total consumed energy within the organization (including fuels, electricity and heating) in MJ per Nm³ of transferred natural gas.

(9) The decrease of Scope 1 emissions is due to lower operational profile of CHP and compressor station.

(10) The increase of Scope 2 emissions is due to decreased operational profile of CHP, DESFA needed higher amount of electricity from the grid.



7.2
ESG key performance
indicators (KPIs)

CARBON FOOTPRINT

GRI STANDARDS 2021 ESG ATHEX GUIDE 2022 SASB STANDARD «OIL AND GAS MIDSTREAM 2018»	ESG PERFORMANCE INDICATORS	UNIT	2021	2022
ENERGY INDIRECT (SCOPE 3) GHG EMISSIONS				
GRI 305-3	Other indirect (Scope 3) GHG emissions ¹¹	t CO ₂ e	16.007,39	58.819,49
ENERGY INDIRECT (SCOPE 3) GHG EMISSIONS BREAKDOWN				
UPSTREAM¹¹				
ATHEX ESG A-E1	Purchased goods and services	tCO ₂ e	2.432,59	20.296,22
ATHEX ESG A-E1	Capital goods	tCO ₂ e	560,00	24.446,39
ATHEX ESG A-E1	Fuel-and energy-related activities	tCO ₂ e	12.146,92	13.025,62
ATHEX ESG A-E1	Upstream transportation and distribution	tCO ₂ e	266,05	319,42
ATHEX ESG A-E1	Waste generated in operations	tCO ₂ e	1,16	1,13
ATHEX ESG A-E1	Business travel	tCO ₂ e	112,42	149,83
ATHEX ESG A-E1	Employee commuting	tCO ₂ e	448,89	494,82
DOWNSTREAM¹²				
ATHEX ESG A-E1	Investments	tCO ₂ e	40,38	86,06
ATHEX ESG C-E1	GHG emissions intensity (Scope 1)	gramsCO ₂ e / Nm ³	6,89	3,48
ATHEX ESG C-E2	GHG emissions intensity (Scope 2)	gramsCO ₂ e / Nm ³	2,50	4,03
GRI 305-4	GHG emissions (sum of Scope 1 and Scope 2 emissions) intensity ratio ¹³	gramsCO ₂ e / Nm ³	9,40	7,51
GRI 305-5²	Reduction of GHG emissions ^{1,14}	t CO ₂ e	3.451,14 (increase)	17.324,33

Notes:

(11) The increase of Scope 3 emissions is due to higher purchase order amount compared to 2021, in addition prices in 2022 were significantly higher than in 2021 for similar products and there was an increase in the wholesale energy prices globally.

(12) New large-scale Projects such as: The rental of FSU in the LNG Terminal, Construction & Procurement of Compressors (BOG, TAP Booster, CS in Ambelia), Construction of new Metering Stations, Installation of new Pipelines, Construction of a Truck Loading Unit (in the LNG Terminal) accounted for a significant surplus of our Scope 3 emissions for 2022.

(13) Calculation of emissions intensity ratio includes the amount of Scope 1 and Scope 2 emissions in grams of CO₂ equivalent per Nm³ of transferred natural gas.

(14) The calculation for the GHG emissions change, includes Scope 1 & Scope 2 emissions, including CO₂ and CH₄ with 2021 as a baseline year, since from then the company has the relevant data to display.

7.2
ESG key performance
indicators (KPIs)

EMPLOYMENT PRACTICES

GRI STANDARDS 2021 ATHEX ESG GUIDE 2022	ESG PERFORMANCE INDICATORS	UNIT	2021		2022	
EMPLOYEES						
GRI 2-7	Number of employees	#	510		563	
	Number of male employees	#	352		371	
	Number of female employees	#	158		192	
	Number of permanent employees	#	510		563	
	Number of temporary employees	#	0		0	
	Number of full-time employees	#	510		563	
	Number of part-time employees	#	0		0	
GRI 2-8	Total number of workers who are not employees and whose work is controlled by the organization (full-time employees)	#	105		105	
	Total number of workers who are not employees and whose work is controlled by the organization (average construction contractor personnel per month)	#	101		167	
ATHEX ESG C-S2	Percentage of female workers	%	31		34	
ATHEX ESG C-S3	Percentage of female employees in top 10% of employees by total compensation	%	29		30	
AVERAGE HOURS OF TRAINING PER EMPLOYEE			Male	Female	Male	Female
GRI 404-1	Average training hours per year per employee	h	23	14	16,0	12,8
GRI 404-1 / ATHEX ESG C-S5	Employees in the top 10% of employees by total compensation	h	23,3	29,4	33,2	46,7
	Employees in the bottom 90% of employees by total compensation	h	22,9	11,7	13,1	8,2
GRI 404-1	Administrative staff	h	10,6	9,8	8,5	9,5
	Technicians	h	27,2	17,8	14,9	4,5
	Craftsmen - other	h	23,3	29,4	33,2	46,7

7.2
ESG key performance
indicators (KPIs)

EMPLOYMENT PRACTICES

GRI STANDARDS 2021 ATHEX ESG GUIDE 2022	ESG PERFORMANCE INDICATORS	UNIT	2021					
			TOTAL	FEMALE	MALE	<30 years old	30-50 years old	>50 years old
GRI 401-1	Number of new employee hires	#	53	24	29	10	38	5
	Ratio of new employee hires	%	10	15	8	50	14	2
	Number of employee turnover ²	#	5	N/A	N/A	N/A	N/A	N/A
	Ratio of employee turnover	%	1	N/A	N/A	N/A	N/A	N/A
ATHEX ESG C-S4	Voluntary turnover rate	%	1	N/A	N/A	N/A	N/A	N/A
	Involuntary turnover rate	%	0	N/A	N/A	N/A	N/A	N/A

Notes:

(1) The "Other" and "Not Disclosed" percentages are zero for all categories for the years 2019-2021.

(2) Due to technical constraint of human resources data basis, DESFA was unable to provide data regarding employees' turnover per gender for the years 2019-2021.

GRI STANDARDS 2021 ATHEX ESG GUIDE 2022	ESG PERFORMANCE INDICATORS	UNIT	2022					
			TOTAL	FEMALE	MALE	<30 years old	30-50 years old	>50 years old
GRI 401-1	Number of new employee hires	#	78	42	36	5	53	20
	Ratio of new employee hires	%	14	22	10	36	18	8
	Number of employee turnover ²	#	24	6	18	2	11	11
	Ratio of employee turnover	%	4	3	5	14	4	4
ATHEX ESG C-S4	Voluntary turnover rate	%	3	N/A	N/A	N/A	N/A	N/A
	Involuntary turnover rate	%	0	N/A	N/A	N/A	N/A	N/A



7.2
ESG key performance
indicators (KPIs)

EMPLOYMENT PRACTICES

GRI STANDARDS 2021	ESG PERFORMANCE INDICATORS	UNIT	2021				
GRI 401-3	Total number of employees that were entitled to parental leave	#	15	13	2	0	0
	Total number of employees that took parental leave	#	15	13	2	0	0
	Total number of employees that returned to work after parental leave ended	#	14¹	12	2	0	0
	Total number of employees due to return to work after taking parental leave	#	15	13	2	0	0
	Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	#	14	12	2	0	0
	Return to work rate (%)	%	93	92	100	0	0
	Retention rate (%)	%	Not available	Not available	Not available	Not available	Not available

GRI STANDARDS 2021 ATHEX ESG GUIDE 2022	ESG PERFORMANCE INDICATORS	UNIT	2022				
GRI 401-3	Total number of employees that were entitled to parental leave	#	20	18	2	0	0
	Total number of employees that took parental leave	#	20	18	2	0	0
	Total number of employees that returned to work after parental leave ended	#	16²	14	2	0	0
	Total number of employees due to return to work after taking parental leave	#	20	18	2	0	0
	Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	#	16	14	2	0	0
	Return to work rate (%)	%	80	78	100	0	0
	Retention rate (%)	%	114	117	100	0	0

Notes:

- (1) The one woman who was due to her return to work, she returned within 2022.
- (2) The women who were due to their return to work, they returned within the 2023.

**7.2
ESG key performance
indicators (KPIs)**

OCCUPATIONAL HEALTH & SAFETY

GRI STANDARDS 2021 ESG ATHEX GUIDE 2022 SASB STANDARD «OIL AND GAS - MIDSTREAM 2018»	ESG PERFORMANCE INDICATORS	UNIT	2021	2022
WORKERS COVERED BY AN OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM				
GRI 403-8	Employees and workers who are not employees but whose work and / or workplace is controlled by the organization	#	775	775
GRI 403-8	Number and percentage of all employees and workers who are not employees but whose work and / or workplace is controlled by the organization, who are covered by a health and safety management system	#	775	775
		%	100	100
GRI 403-8	Number and percentage of all employees and workers who are not employees but whose work and / or workplace are controlled by the organization, who are covered by a health and safety system that has been internally audited	#	775	775
		%	100	100
GRI 403-8	Number and percentage of all employees and workers who are not employees but whose work and / or workplace is controlled by the organization, who are covered by a health and safety system that has been audited by an external body	#	775	775
		%	100	100
WORK-RELATED INJURIES / HEALTH & SAFETY PERFORMANCE				
EMPLOYEES				
GRI 403-9	Number of hours worked	#	815.055	908.834
GRI 403-9 / ATHEX ESG SS-S6	Number of fatalities as a result of work-related injury	#	0	0
GRI 403-9	Rate of fatalities as a result of work-related injury	%	0	0
GRI 403-10	The number of fatalities as a result of work-related ill health	#	0	0
GRI 403-9 / ATHEX ESG SS-S6	Number of high-consequence work-related injuries (excluding fatalities)	#	0	0
GRI 403-9 / ATHEX ESG SS-S6	Rate of high-consequence work-related injuries (excluding fatalities)	%	0	0
GRI 403-9 / ATHEX ESG SS-S6	Number of recordable work-related injuries ¹	#	6	8
GRI 403-9 / ATHEX ESG SS-S6	Rate of recordable work-related injuries ²	%	1,47	1,8
GRI 403-9 / ATHEX ESG SS-S6	Accident severity rate ³	%	10,80	5,3
GRI 403-10	The number of cases of recordable work-related ill health	#	0	0

Notes:

(1) For 2022 minor injuries resulting from slips and trips.

(2) Indicators are calculated at a rate of 200,000 ((total number of recordable work-related injuries or number of working days lost due to work-related accidents / total number of working hours of all employees per year] x 200,000). The rate of 200,000 indicates the number of hours worked by 100 full-time employees in a year.

(3) Accident severity rate based on terminology of the ESG Disclosure Guide 2022 of the Athens Stock Exchange.

7.2
ESG key performance indicators (KPIs)

GRI 403-9
ATHEX ESG SS-S6

GRI STANDARDS 2021 ESG ATHEX GUIDE 2022 SASB STANDARD «OIL AND GAS - MIDSTREAM 2018»	ESG PERFORMANCE INDICATORS	UNIT	2021	2022
WORKERS WHO ARE NOT EMPLOYEES BUT WHOSE WORK AND / OR WORKPLACE IS CONTROLLED BY THE ORGANIZATION				
GRI 403-9	Number of hours worked	#	278.452	379.632
GRI 403-9 / ATHEX ESG SS-S6	Number of fatalities as a result of work-related injury	#	0	0
GRI 403-9	Rate of fatalities as a result of work-related injury	%	0	0
GRI 403-10	The number of fatalities as a result of work-related ill health;	#	0	0
GRI 403-9 / ATHEX ESG SS-S6	Number of high-consequence work-related injuries (excluding fatalities)	#	0	0
GRI 403-9 / ATHEX ESG SS-S6	Rate of high-consequence work-related injuries (excluding fatalities)	%	0	0
GRI 403-9 / ATHEX ESG SS-S6	Number of recordable work-related injuries ¹	#	3	1
GRI 403-9 / ATHEX ESG SS-S6	Rate of recordable work-related injuries ²	%	2,15	0,5
GRI 403-9 / ATHEX ESG SS-S6	Accident severity rate ³	%	0	0
GRI 403-10	The number of cases of recordable work-related ill health	#	0	0
NUMBER OF REPORTABLE PIPELINE INCIDENTS, PERCENTAGE SIGNIFICANT				
SASB EM-MD-540a.1	Reportable pipeline incidents	#	0	1
		%	0	100
PERCENTAGE OF (1) NATURAL GAS AND (2) HAZARDOUS LIQUID PIPELINES INSPECTED				
SASB EM-MD-540a.2	Natural gas network inspected	%	28,4	0
	Hazardous liquid pipelines inspected	%	N/A	N/A

Notes:

(1) For 2022 minor injuries resulting from slips and trips.

(2) Indicators are calculated at a rate of 200,000 ((total number of recordable work-related injuries or number of working days lost due to work-related accidents / total number of working hours of all employees per year] x 200,000).

The rate of 200,000 indicates the number of hours worked by 100 full-time employees in a year.

(3) Accident severity rate based on terminology of the ESG Disclosure Guide 2022 of the Athens Stock Exchange.

**7.2
ESG key performance
indicators (KPIs)**

ECONOMIC IMPACTS

GRI STANDARDS 2021	ESG PERFORMANCE INDICATORS	UNIT	2021	2022
DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED				
DIRECT ECONOMIC VALUE GENERATED				
GRI 201-1	Revenues ¹	thousand EUR	214.639	323.350
ECONOMIC VALUE DISTRIBUTED				
GRI 201-1	Operating Costs	thousand EUR	55.538	134.920
	Employee wages and benefits		25.782	27.870
	Payments to providers of capital		6.887	6.748
	Payments to government		11.044	16.052
	Community investments		329	325
	Total economic value distributed		99.580	185.915
ECONOMIC VALUE RETAINED				
GRI 201-1	Direct economic value generated	thousand EUR	214.639	323.350
	Economic value distributed		99.580	185.915
	Total retained value		115.059	137.435
FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT				
GRI 201-4	Investment Grants	thousand EUR	627	7.396
PROPORTION OF SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY				
GRI 202-2	Proportion of senior management hired from the local community ^{2,3}	%	15	15

Notes:

(1) Also, total revenues of reporting period 2021 was amounted to 214.639 thousand EUR including the turnover (EUR 202.697 thousand) plus other operating income & interest income.

(2) DESFA defines senior management as the N-2 organizational roles of the Company and above, according to the respective divisional size and scope and the business geographical definition of local by the base locations of our Company such as Revythousa, Patima, New Mesimvria, Sidirokastro and the surrounding areas.

(3) DESFA's geographical definition refers to Greece and more specifically, Central Greece, Peloponnese, Thessaly, Macedonia, Thrace, Crete and Epirus. All network locations are considered as significant since they constitute distinctive organizational areas regarding the corporate operation.

7.2
ESG key performance
indicators (KPIs)

ECONOMIC IMPACTS

GRI STANDARDS 2021	ESG PERFORMANCE INDICATORS	2021		2022	
		VALUE OF PERIOD PURCHASES THOUSAND EUR	VALUE OF PERIOD PURCHASES (%)	VALUE OF PERIOD PURCHASES THOUSAND EUR	VALUE OF PERIOD PURCHASES (%)
PROPORTION OF SPENDING ON LOCAL SUPPLIERS					
GRI 204-1	NATIONAL SUPPLIERS	73.844,92	79,21%	184.772.006,66	47,53%
	Central Greece	73.527,02	88,95%	183.363.225,57	93,51%
	Peloponnese	1,10	0,24%	0	0,00%
	Macedonia	138,46	2,88%	1.336.631,88	2,99%
	Thessaly	43,97	1,90%	33.664,94	0,06%
	Thrace	134,36	4,47%	38.484,27	0,04%
	INTERNATIONAL SUPPLIERS	19.381,85	20,79%	203.997.339,61	52,47%
	Central Greece	9.135,59	11,05%	12.720.846,61	6,49%
	Peloponnese	446,90	99,76%	1.895.853,36	100,00%
	Macedonia	4.661,09	97,12%	43.404.094,09	97,01%
	Thessaly	2.267,54	98,10%	57.806.786,30	99,94%
	Thrace	2.870,74	95,53%	88.169.759,25	99,96%
	TOTAL	93.226,77	100,00%	388.769.346,27	100,00%
	Central Greece	82.662,61	100,00%	196.084.072,18	100,00%
	Peloponnese	448,00	100,00%	1.895.853,36	100,00%
	Macedonia	4.799,55	100,00%	44.740.725,97	100,00%
	Thessaly	2.311,51	100,00%	57.840.451,24	100,00%
Thrace	3.005,10	100,00%	88.208.243,52	100,00%	

Notes:

DESFA's geographical definition of local refers to regions of Greece and more specifically, Central Greece, Peloponnese, Thessaly, Macedonia, Thrace, Crete, Epirus and it is closely related to the Facilities of the Purchase Requisition/Demand. Therefore, DESFA considers local suppliers as those who are based within the demand regions and as non-local suppliers as those who are based outside the demand regions, i.e. other suppliers from the domestic market (Greece) as also suppliers from abroad (international).

**7.2
ESG key performance
indicators (KPIs)**

BUSINESS CONDUCT

GRI STANDARDS 2021 ESG ATHEX GUIDE 2022 SASB STANDARD «OIL AND GAS - MIDSTREAM 2018»	ESG PERFORMANCE INDICATORS	UNIT	2021	2022
GRI 2-27	Total number of fines for instances of non-compliance with laws and regulations ¹	#	1	0
	Monetary value of fines for instances of non-compliance with laws and regulations ¹	EUR	1.100.585,98	0
GRI 205-3	Confirmed incidents of corruption	#	0	0
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	#	0	0
ATHEX ESG A-G2	Total amount of monetary losses as a result of court proceedings associated with charges of bribery or corruption	EUR	0	0
	Total amount of monetary losses as a result of court proceedings associated with charges of anti-competitive practices	EUR	0	0
ATHEX ESG SS-S4	Labor law violations	EUR	265.500	0
SASB EM-MD-520a.1	Total amount of monetary losses as a result of legal proceedings associated with federal pipeline and storage regulations ²	EUR	Not Applicable	Not Applicable

Notes:

(1) The fine was imposed in 2012 and paid in 2021 but the relevant court decision is not final yet.

(2) There were not any monetary losses as a result of legal proceedings associated with federal pipeline and storage regulations since there are no such regulations applicable in Greece that apply in the case of DESFA.

7.3 GRI content table

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	REPORT REFERENCE	PAGE	OMISSION			GRI SECTOR STANDARD REF. NO .
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GENERAL DISCLOSURES							
GRI 2: General Disclosures 2021	2-1 Organisational details	2. Corporate Profile 2.1 Mission, vision and values	2-1: 9	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.			
	2-2 Entities included in the organisation's sustainability reporting	7. Annexes 7.1 About this report	2-2: 83				
	2-3 Reporting period, frequency and contact point	7. Annexes 7.1 About this report	2-3: 83				
	2-4 Restatements of information	7. Annexes 7.1 About this report	2-4: 83				
	2-5 External assurance	7. Annexes 7.1 About this report	2-5: 83				
	2-6 Activities, value chain and other business relationships	2. Corporate Profile 2.2 Activities, value chain and business relationships	2-6: 13-19				
	2-7 Employees	5. Society 5.1 Employment practices	2-7: 53-54, 88				
	2-8 Workers who are not employees	5. Society 5.1 Employment practices	2-8: 53-54, 88				
	2-9 Governance structure and composition	6. Governance 6.1 Corporate governance	2-9: 75-76				
	2-10 Nomination and selection of the highest governance body	6. Governance 6.1 Corporate governance	2-10: 75-76	2-10b	Not applicable	BoD members are appointed by the provisions of the Shareholders agreement.	
	2-11 Chair of the highest governance body	6. Governance 6.1 Corporate governance	2-11: 75				



7.3
GRI content table

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	REPORT REFERENCE	PAGE	OMISSION			GRI SECTOR STANDARD REF. NO .
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GENERAL DISCLOSURES							
GRI 2: General Disclosures 2021	2-12 Role of the highest governance body in overseeing the management of impacts	3. Sustainable development approach 3.1 Strategy 6. Governance 6.1 Corporate governance	2-12: 30, 74				
	2-13 Delegation of responsibility for managing impacts	3. Sustainable development approach 3.1 Strategy 6. Governance 6.1 Corporate governance	2-13: 30, 74				
	2-14 Role of the highest governance body in sustainability reporting		2-14: 36				
	2-15 Conflicts of interest	6. Governance	2-15: 76				
	2-16 Communication of critical concerns	6.1 Corporate governance	2-16: 80				
	2-17 Collective knowledge of the highest governance body	6. Governance 6.1 Corporate governance	2-17: 75				
	2-18 Evaluation of the performance of the highest governance body	6. Governance 6.1 Corporate governance	2-18: -	2-18 a, 2-18b, 2-18c	Not applicable	Evaluating the performance of the BoD in overseeing the management of the Company's impacts on the economy, environment, and people, is not foreseen at the moment.	
	2-19 Remuneration policies	6. Governance 6.1 Corporate governance	2-19: 76				
	2-20 Process to determine remuneration	6. Governance 6.1 Corporate governance	2-20: 76	2-20 b	Confidential		
	2-21 Annual total compensation ratio		2-21: -	2-21 a, b, c	Confidentiality constraints	DESFA considers the required information as confidential due to competition reasons and its employee's security.	
2-22 Statement on sustainable development strategy	1. Introduction 1.1 CEO message	2-22: 4-5					



7.3
GRI content table

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	REPORT REFERENCE	PAGE	OMISSION			GRI SECTOR STANDARD REF. NO .
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
GENERAL DISCLOSURES							
GRI 2: General Disclosures 2021	2-23 Policy commitments	5. Society 5.1 Employment practices, 6. Governance 6.2 Business conduct	2-23: 53, 77-80				
	2-24 Embedding policy commitments	6. Governance 6.2 Business conduct	2-24: 77-80				
	2-25 Processes to remediate negative impacts	6. Governance 6.2 Business conduct	2-25: 77-80				
	2-26 Mechanisms for seeking advice and raising concerns	6. Governance 6.2 Business conduct	2-26: 80				
	2-27 Compliance with laws and regulations	6. Governance 6.2 Business conduct	2-27: 79, 95				
	2-28 Membership associations	3. Sustainable development approach 3.2 Memberships and awards	2-28: 31-32				
	2-29 Approach to stakeholder engagement	3. Sustainable development approach 3 3.3 Stakeholder engagement	2-29: 33-35				
	2-30 Collective bargaining agreements	5. Society 5.1 Employment practices	2-30: 53				

7.3
GRI content table

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	REPORT REFERENCE	PAGE	OMISSION			GRI SECTOR STANDARD REF. NO .
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
MATERIAL TOPICS							
GRI 3: Material Topics 2021	3-1 Process to determine material topics	3. Sustainable development approach 3.4 Materiality analysis	3-1: 36-38	<i>A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.</i>			
	3-2 List of material topics	3. Sustainable development approach 3.4 Materiality analysis	3-2: 36-38				
	3-3 Management of material topics	3. Sustainable development approach 3.4 Materiality analysis	3-3: 36-38				
 ENVIRONMENT							
Climate adaptation, resilience, and transition/Innovation							
GRI 3: Material Topics 2021	3-3 Management of material topics	4. Environment 4.1 Climate adaptation, resilience and transition	3-3: 40-41				11.2.1
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	4. Environment 4.1 Climate adaptation, resilience and transition	201-2: 42-43				11.2.2
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	4. Environment 4.1 Climate adaptation, resilience and transition	203-1: 41				No reference
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	4. Environment 4.2 Carbon footprint	305-1: 46, 86				11.2.3
Additional sector disclosure	Describe the organization's approach to public policy development and lobbying on climate change	4. Environment 4.1 Climate adaptation, resilience and transition	11.2.4: 41				11.2.4



7.3
GRI content table

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	REPORT REFERENCE	PAGE	OMISSION			GRI SECTOR STANDARD REF. NO .
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
MATERIAL TOPICS							
Carbon Footprint							
GRI 3: Material Topics 2021	3-3 Management of material topics	4. Environment 4.2 Carbon footprint	3-3: 44-45, 48, 50				11.1
GRI 302: Energy 2016	302-1 Energy consumption within the organization	4. Environment 4.2 Carbon footprint	302-1: 49, 85				11.1.2
	302-2 Energy consumption outside of the organization		302-2: -	302-2a, 302-2b, 302-2c	Information unavailable/incomplete	DESFA uses the upstream and downstream categories and activities from the 'GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard' for identifying relevant energy consumption outside of the organization. "Fuel-and energy-related activities (other than fugitives)" category which constitutes 22,15% of Scope 3 emissions, is already included in GRI 302-1 (apart from fugitive emissions which are excluded from the scope). "Purchased goods and services", "Capital goods" and "Investments" constitute 76,07% of Scope 3 emissions and cannot be converted into "energy consumption outside the organization" due to the methodology used to calculate the emissions which is based on spent report. "Upstream transportation and distribution", "business travel" and "employee commuted" are not reported under 302-2 as they constitute 0,25% of the Scope 3 emissions and are deemed insignificant by the Company to proceed with the calculation.	11.1.3
	302-3 Energy intensity	4. Environment 4.2 Carbon footprint	302-3: 50, 86				11.1.4
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	4. Environment 4.2 Carbon footprint	305-1: 46, 86				11.1.5
	305-2 Energy indirect (Scope 2) GHG emissions	4. Environment 4.2 Carbon footprint	305-2: 46, 86				11.1.6
	305-3 Other indirect (Scope 3) GHG emissions	4. Environment 4.2 Carbon footprint	305-3: 46-47, 87				11.1.7
	305-4 GHG emissions intensity	4. Environment 4.2 Carbon footprint	305-4: 47, 87				11.1.8

7.3
GRI content table

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	REPORT REFERENCE	PAGE	OMISSION			GRI SECTOR STANDARD REF. NO .
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
MATERIAL TOPICS							
 SOCIETY							
Employment practices							
GRI 3: Material Topics 2021	3-3 Management of material topics	5. Society 5.1 Employment practices	3-3: 52-54, 56-59				11.10.1
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	5. Society 5.1 Employment practices	401-1: 54, 89				11.10.2
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	5. Society 5.1 Employment practices	401-2: 55				11.10.3
	401-3 Parental leave	5. Society 5.1 Employment practices	401-3: 55, 90				11.10.4
GRI 402: Labor / Management Relations 2016	402-1 Minimum notice periods regarding operational changes	5. Society 5.1 Employment practices	402-1: 53				11.10.5
GRI 404: Training & Education 2016	404-1 Average hours of training per year per employee	5. Society 5.1 Employment practices	404-1: 58, 88				11.10.6
	404-2 Programs for upgrading employee skills and transition assistance programs	5. Society 5.1 Employment practices	404-2: 56				11.10.7
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	5. Society 5.1 Employment practices	414-1: -	414-1a	Information unavailable/ incomplete	DESFA has not developed yet suppliers screening process. The Vendor Qualification Procedure will be implemented in 2023 for Pilot Vendors and in 2024 in full development.	11.10.8
	414-2 Negative social impacts in the supply chain and actions taken	5. Society 5.1 Employment practices	414-2: -	414-2a, 414-2b, 414-2c, 414-2d, 414-2e			11.10.9



7.3
GRI content table

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	REPORT REFERENCE	PAGE	OMISSION			GRI SECTOR STANDARD REF. NO .
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
MATERIAL TOPICS							
Freedom of association and collective bargaining							
GRI 3: Material Topics 2021	3-3 Management of material topics	5. Society 5.1 Employment practices	3-3: 52				11.13.1
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	5. Society 5.1 Employment practices	407-1: -	407-1a, 407-1b	Information unavailable/ incomplete	DESFA has not proceeded with screening regarding Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk. DESFA aims to include the requirements of the indicator in the next reporting period.	11.13.2
Occupational health and safety							
GRI 3: Material Topics 2021	3-3 Management of material topics	5. Society 5.2 Occupational health and safety	3-3: 60-62, 64				11.9.1
GRI 403: Occupational Health & Safety 2018	403-1 Occupational health and safety management system	5. Society 5.2 Occupational health and safety	403-1: 61				11.9.2
	403-2 Hazard identification, risk assessment, and incident investigation	5. Society 5.2 Occupational health and safety	403-2: 61				11.9.3
	403-3 Occupational health services	5. Society 5.2 Occupational health and safety	403-3: 62				11.9.4
	403-4 Worker participation, consultation, and communication on occupational health and safety	5. Society 5.2 Occupational health and safety	403-4: 62				11.9.5
	403-5 Worker training on occupational health and safety	5. Society 5.2 Occupational health and safety	403-5: 62				11.9.6
	403-6 Promotion of worker health	5. Society 5.2 Occupational health and safety	403-6: 62				11.9.7
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5. Society 5.2 Occupational health and safety	403-7: 61				11.9.8



7.3
GRI content table

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	REPORT REFERENCE	PAGE	OMISSION			GRI SECTOR STANDARD REF. NO .
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
MATERIAL TOPICS							
GRI 403: Occupational Health & Safety 2018	403-8 Workers covered by an occupational health and safety management system	5. Society 5.2 Occupational health and safety	403-8: 63, 91				11.9.9
	403-9 Work-related injuries	5. Society 5.2 Occupational health and safety	403-9: 63, 91-92				11.9.10
	403-10 Work-related ill health	5. Society 5.2 Occupational health and safety	403-10: 63, 91-92				11.9.11
Asset Integrity and critical incident management							
GRI 3: Material Topics 2021	3-3 Management of material topics	5. Society 5.2 Occupational health and safety	3-3: 60				11.8.1
GRI 306: Effluents and Waste 2016	306-3 Significant spills	5. Society 5.2 Occupational health and safety	306-3: 61				11.8.2
Additional sector disclosures	Total number of Tier 1 and Tier 2 process safety events		11.8.3: -		Not applicable	DESFA has not developed Tier 1 and Tier 2 process safety events since has not activities like exploration, development, production, closure and rehabilitation, refining, and processing.	11.8.3
	Training facilities for companies with oil sands mining operations		11.8.4: -		Not applicable	DESFA has not oil sands mining operations.	11.8.4
Local communities							
GRI 3: Material Topics 2021	3-3 Management of material topics	5. Society 5.3 Local communities	3-3: 65-66, 68-69				11.15.1
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	5. Society 5.3 Local communities	413-1: 66				11.15.2
	413-2 Operations with significant actual and potential negative impacts on local communities	5. Society 5.3 Local communities	413-2: 67				11.15.3
Additional sector disclosures	Report the number and type of grievances from local communities identified	5. Society 5.3 Local communities	11.15.4: 66				11.15.4



7.3
GRI content table

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	REPORT REFERENCE	PAGE	OMISSION			GRI SECTOR STANDARD REF. NO .
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
MATERIAL TOPICS							
Land rights							
GRI 3: Material Topics 2021	3-3 Management of material topics	5. Society 5.3 Local communities	3-3: 65-66				11.16.1
Additional sector disclosures	List the locations of operations that caused or contributed to involuntary resettlement or where such resettlement is ongoing	5. Society 5.3 Local communities	11.16.2: 67				11.16.2
Economic impacts							
GRI 3: Material Topics 2021	3-3 Management of material topics	5. Society 5.4 Economic impacts	3-3: 70				11.14.1
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	5. Society 5.4 Economic impacts	201-1: 71, 93				11.14.2
GRI 202: Market Presence 2016	202-2 Proportion of senior management hired from the local community	5. Society 5.4 Economic impacts	202-2: 71, 93				11.14.3
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	5. Society 5.4 Economic impacts	203-1: 71				11.14.4
	203-2 Significant indirect economic impacts		203-2: -	203-2a, 203-2b	Information unavailable/incomplete	DESFA did not record in a systematic way the significant indirect positive or negative economic impacts but it was assessed qualitatively, positive impacts on the local economy. DESFA aims to include the requirements of the indicator in the next reporting period.	11.14.5
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	5. Society 5.4 Economic impacts	204-1: 72, 94				11.14.6

**7.3
GRI content table**

GRI STANDARD/ OTHER SOURCE	DISCLOSURE	REPORT REFERENCE	PAGE	OMISSION			GRI SECTOR STANDARD REF. NO .
				REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
MATERIAL TOPICS							
 GOVERNANCE							
Business conduct¹⁴							
GRI 3: Material Topics 2021	3-3 Management of material topics	6.Governance 6.2 Business conduct	3-3: 77-78				11.19.1 11.20.1 11.21.1 11.22.1
GRI 201: Economic Performance 2016	201-4 Financial assistance received from government	5. Society 5.4 Economic impacts	201-4: 72, 93				11.21.3
GRI 205: Anti- corruption 2016	205-1 Operations assessed for risks related to corruption	6.Governance 6.2 Business conduct	205-1: 78				11.20.2
	205-2 Communication and training about anti-corruption policies and procedures	6.Governance 6.2 Business conduct	205-2: 78	205-2 b, 205-2 c, 205-2 d, 205-2 e	Information unavailable/incomplete	DESFA did not record the number and percentage of employees, partners and governance members to whom the company's corruption policies and procedures have been communicated, broken down by employee category, partner's type and region, as also the number of employees who have received training on anti-corruption, broken down by employee category and region. DESFA aims to include the index requirements in the next reporting period.	11.20.3
	205-3 Confirmed incidents of corruption and actions taken	6.Governance 6.2 Business conduct	205-3: 78, 95				11.20.4
Additional sector disclosures	Describe the approach to contract transparency	6.Governance 6.2 Business conduct	11.20.5: 79				11.20.5
	List the organization's beneficial owners		11.20.6: -		Not applicable	This indicator is not relevant to the activity of DESFA since the Company is not involved with the exploration or production oil, gas or mining license or contract.	11.20.6
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	6.Governance 6.2 Business conduct	206-1: 79				11.19.2
Additional sector disclosure	Oil and gas purchased from the state		11.21.8: -		Not applicable	DESFA did not purchase natural gas from the Greek state.	11.21.8
GRI 415: Public Policy 2016	415-1 Political contributions	6.Governance 6.2 Business conduct	415-1: 79				11.22.2
Privacy							
GRI 3: Material Topics 2021	3-3 Management of material topics	6.Governance 6.2 Business conduct	3-3:77-78				No reference
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	6.Governance 6.2 Business conduct	418-1: 80,95				No reference

Note:

(16) Material topic "Business conduct" includes the below material topics from the GRI Oil & Gas Sector Standard 2021: anticorruption, anti-competitive, public policy and payments to governments

7.3
GRI content table

TOPICS IN THE GRI 11 OIL & GAS SECTOR 2021 THAT ARE NOT MATERIAL FOR THE ORGANIZATION	
TOPIC	EXPLANATION
11.3 Air emissions	All relevant information regarding the corporate emissions of DESFA are included under the “Carbon Footprint” topic.
11.4 Biodiversity	In a length of 1.465,2 km of the NNGS pipeline and the above-ground and underground installations, the percentage of land owned, leased, and operated within areas of protected conservation status or endangered species habitat is 12%. Therefore, it is not considered a material topic for reporting purposes.
11.5 Waste	The corporate operation does not generate significant amounts of hazardous or nonhazardous waste, especially during a year without significant network expansion.
11.6 Water and effluents	The water discharges of the Company are minor, and the related withdrawal and consumption of water was not considered material topic for reporting purposes.
11.7 Closure and rehabilitation	The business of the Company does not include closure and rehabilitation of operational sites, therefore the respective impacts on the environment, local communities and workers were considered not applicable.
11.11 Non-discrimination and equal opportunity	DESFA applies a Code of Ethics and a Whistleblowing Policy that contributes essentially to safeguarding the provision of equal opportunities and the prevention of discrimination incidents and did not face any relevant incidents. Therefore the “Non-discrimination and equal opportunity” topic was not considered material for reporting purposes.
11.12 Forced labor and modern slavery	The country where DESFA operates has a strict regulated framework and applies clauses that ensure vendor’s compliance with all the relevant labor laws.
11.17 Rights of indigenous peoples	There are no indigenous people in Greece.
11.18 Conflict and security	The operation of DESFA neither triggered or intensified any types of conflicts, especially since DESFA does not operate in countries characterized by political and social instability.
11.21 Payments to governments	The topic was identified as material for the economic performance-relevant indicators, GRI 201-1 (11.21.2) and GRI 201-4 (11.21.3), but not for the tax-relevant indicators, GRI 207-1 - 207-4 (11.21.4 - 11.21.7), since the Company is not operating in a developing country or a country with tax benefits where there is increased risk for tax avoidance, evasion and information asymmetry.

7.4 ATHEX ESG guide content table

ESG CLASSIFICATION	ID	METRIC TITLE	REPORT REFERENCE	PAGE	NOTES
CORE METRICS					
 ENVIRONMENTAL	C-E1	Scope 1 emissions	4. Environment 4.2 Carbon footprint	C-E1: 47, 86-87	
	C-E2	Scope 2 emissions	4. Environment 4.2 Carbon footprint	C-E2: 7, 86-87	
	C-E3	Energy consumption and production	4. Environment 4.2 Carbon footprint	C-E3: 49, 85-86	
 SOCIAL	C-S1	Stakeholder engagement	3. Sustainable development approach 3.3 Stakeholder engagement	C-S1: 33-35	
	C-S2	Female employees	5. Society 5.1 Employment practices	C-S2: 53, 88	
	C-S3	Female employees in management positions	5. Society 5.1 Employment practices	C-S3: 54, 88	
	C-S4	Employee turnover	5. Society 5.1 Employment practices	C-S4: 54,89	
	C-S5	Employee training	5. Society 5.1 Employment practices	C-S5: 58, 88	
	C-S6	Human rights policy	5. Society 5.1 Employment practices	C-S6: 53	DESFA has not stand alone human rights policy.
	C-S7	Collective bargaining agreements	5. Society 5.1 Employment practices	C-S7: 53	
	C-S8	Supplier assessment	5. Society 5.1 Employment practices	C-S8: 58	ESG ATHEX table referring that ESG criteria are not yet available since the vendors qualification process was under development for 2022.
 GOVERNANCE	C-G1	Board composition	6. Governance 6.1 Corporate governance	C-G1: 75-76	The ESG related qualifications of the board members are not available
	C-G2	Sustainability oversight	3. Sustainable development approach 3.1 Strategy	C-G2: 30	
	C-G3	Materiality	3. Sustainable development approach 3.4 Materiality analysis	C-G3: 36-38	
	C-G4	Sustainability policy	3.Sustainable development approach 3.1 Strategy	C-G4: 21	
	C-G5	Business ethics policy	6.Governance 6.2 Business conduct	C-G5: 77-78	
	C-G6	Data security policy	6.Governance 6.2 Business conduct	C-G6: 80	



7.4
ATHEX ESG
guide content table

ESG CLASSIFICATION	ID	METRIC TITLE	REPORT REFERENCE	PAGE	NOTES
ADVANCED METRICS					
 ENVIRONMENTAL	A-E1	Scope 3 emissions	4. Environment 4.2 Carbon footprint	A-E1: 46-47, 87	
	A-E2	Climate change risks and opportunities	4. Environment 4.1 Climate adaptation, resilience & transition	A-E2: 42	
 GOVERNANCE	A-G1	Business model	2. Corporate Profile 2.2 Activities, value chain and business relationships	A-G1: 19	
	A-G2	Business ethics violations	6. Governance 6.2 Business conduct	A-G2: 79, 95	
	A-G3	ESG targets	3. Sustainable development approach 3.1 Strategy	A-G3: 22-29	
	A-G5	External assurance	7. Annexes 7.1 About this report	A-G5: 83	
SECTOR SPECIFIC METRICS					
 ENVIRONMENTAL	SS-E1	Emission strategy	4. Environment 4.2 Carbon footprint	SS-E1: 48	
 SOCIAL	SS-S4	Labour law violations	6. Governance 6.2 Business conduct	SS-S4: 79, 95	
	SS-S6	Health & Safety performance	5. Society 5.2 Occupational health and safety	SS-S6: 63, 91-92	
 GOVERNANCE	SS-G1	Whistleblowing Policy	6. Governance 6.2 Business conduct	SS-G1: 80	

7.5 SASB content table-Oil & Gas-Midstream

TOPIC	CODE	ACCOUNTING METRIC	REPORT REFERENCE	PAGE	NOTES
	SASB EM-MD-000.A	Total metric ton-kilometers of natural gas	1. Introduction 1.2 DESFA at a glance	SASB EM-MD-000.A: 6-7, 84	
		Total metric ton-kilometers of crude oil	-	SASB EM-MD-110a.1: 46, 86	Not applicable
		Total metric ton-kilometers of refined petroleum products transported, by mode of transport	-	SASB EM-MD-110a.2: 48	Not applicable
Greenhouse Gas Emissions	SASB EM-MD-110a.1	Gross global Scope 1 emissions, percentage methane, percentage covered under emissions-limiting regulations	4. Environment 4.2 Carbon footprint	SASB EM-MD-160a.1: 41	
	SASB EM-MD-110a.2	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	4. Environment 4.2 Carbon footprint	SASB EM-MD-520a.1: -	
Ecological Impacts	SASB EM-MD-160a.1	Description of environmental management policies and practices for active operations	4. Environment 4.1 Climate adaptation, resilience and transition	SASB EM-MD-540a.1: 61-62, 92	
Competitive Behavior	SASB EM-MD-520a.1	Total amount of monetary losses as a result of legal proceedings associated with federal pipeline and storage regulations	-	SASB EM-MD-540a.2: 61-62, 92	Not applicable
Operational Safety, Emergency Preparedness & Response	SASB EM-MD-540a.1	Number of reportable pipeline incidents, percentage significant	5. Society 5.2 Occupational health and safety	SASB EM-MD-540a.4: 61-62	
	SASB EM-MD-540a.2	Percentage of (1) natural gas and (2) hazardous liquid pipelines inspected	5. Society 5.2 Occupational health and safety		
	SASB EM-MD-540a.4	Discussion of management systems used to integrate a culture of safety and emergency preparedness throughout the value chain and throughout project lifecycles	5. Society 5.2 Occupational health and safety		

7.6 TCFD recommendations table

AREAS	RECOMMENDATIONS	REPORT REFERENCE	PAGE		
Governance	Describe the board's oversight of climate-related risks and opportunities	4. Environment 4.1 Climate adaptation, resilience and transition	42		
	Describe management's role in assessing and managing climate-related risks and opportunities				
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term				
	Describe the impact of climate related risks and opportunities on the organization's businesses, strategy, and financial planning				
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario				
Risk management	Describe the organization's processes for identifying and assessing climate-related risks				
	Describe the organization's processes for managing climate-related risks				
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management				
Metrics and Targets	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process			4. Environment 4.2 Carbon footprint	46-47
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks				
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	3. Sustainable development approach 3.1 Strategy 4. Environment 4.2 Carbon footprint	22-24, 46-47, 49-50		

7.7 Identified impacts

POSITIVE IMPACTS

#	IMPACTS	DESCRIPTION
1	Addressing climate change	Contribution of the natural gas transmission system in the energy transition to sources with reduced carbon footprint, the commitment to reduce fugitive emissions (20% by 2025), and actions within the decarbonization action plan.
2	Improving air quality	Monitoring of the CO ₂ emissions (European Trading System related) on a monthly basis, the implementation of dust suppressant measures in construction sites and utilization of biomethane or hydrogen in the fuel mix.
3	Protection of water resources	Online measurement system to monitor the temperature and PH of sea water discharged by the plant of Revithousa and utilization of grey water and rainwater for non-potable uses (irrigation, firefighting, etc.) in all DESFA's facilities.
4	Preservation of natural reserves of raw materials	Waste management practices that promote recycling over disposal and the use of materials with higher levels of recycled content.
5	Protection and restoration of biodiversity and ecosystems	Optimization of the transmission system's route in order to avoid crossing through areas of high biodiversity value (i.e., Natura).
6	Soil protection	Monitoring and proper handling of waste produced and the implementation of single use plastics reduction policy and the enhance of the company's waste management system in order to achieve zero waste.
7	Contribution to employment	Creation of direct and indirect jobs, the recruitment of employees from the local community and from DESFA's planned Technical Training Center that will provide technical training services in relation to the operation and maintenance of the natural gas transmission system.
8	Contribution to the development of employees	Technical capacity building training program leading to professional qualifications for DESFA's employees, and the planned implementation of an employee performance evaluation process.

Note: Potential ways that can create positive impacts are displayed in bold.

7.7
Identified impacts

#	IMPACTS	DESCRIPTION
9	Contribution to the development of knowledge and technology	Participation in hydrogen and biomethane projects, from the digitalization of the whole transmission system's maintenance and repair process, and the planned further data digitalization.
10	Protection and promotion of physical and mental health and wellbeing	Implementation of an occupational health and safety management system according to best industry practice, and the implementation of the planned Vendor Qualification process that will incorporate suppliers and subcontractors assessment on ESG (Environmental, Social, Governance), issues (including health and safety).
11	Protection of human rights, diversity and equal opportunities for all	Adoption and implementation of the Policy against harassment and violence in the workplace, the training of employees regarding the Code of Ethics and Whistleblowing policy and from the planned Vendor Qualification process that will incorporate suppliers and subcontractors assessment on ESG issues and from the increase of women's participation in the workforce.
12	Ensuring protection of personal data	Data Protection Policy, the relevant approved procedures, and the GDPR trainings conducted to employees.
13	Preservation and promotion of cultural heritage	Established processes for the protection of cultural heritage during construction works and the respective collaboration with local Ephorates of Antiquities, and excavation and preservation works of any cultural heritage findings.
14	Active contribution to the creation of resilient, sustainable, and safe cities and communities	Securing energy supply to cover electricity and other needs (heating and cooling) of business customers and local communities, the improvement of local infrastructure along the transmission's system route and development and implementation of a stakeholders engagement plan and a grievance mechanism for third party (including local communities) grievances.
15	Creating direct economic value	Through the timely payment of taxes, salaries, payments to partners and suppliers, land compensations to landowners and the increase of direct financial flows to stakeholders (e.g., increase of salaries, employee benefits, etc.).
16	Creating indirect economic value	Indirect impacts created in local markets by employees, contractors and suppliers, from securing energy supply to cover the energy needs of business customers and local communities, and the creation of new jobs in the supply chain.
17	Ensuring regulatory compliance and business ethics	Highly regulated framework under which the company operates, the open consultation of the 10-year Development Plan, the Anti-Corruption and Whistleblowing Policies, the Corporate Governance Code and the Code of Ethics, the sponsorship and donations procedure and the planned Vendor Qualification process that will incorporate suppliers and subcontractors assessment on ESG issues.

Note: Potential positive impacts which may be created are displayed in bold.

7.7
Identified impacts

NEGATIVE IMPACTS

#	IMPACTS	DESCRIPTION
1	Impact on climate change	Direct and indirect emissions of greenhouse gases (GHG) relevant to DESFA's current operation and also the planned development projects.
2	Air pollution	Air emissions released during production and processing, e.g., flaring, fuel combustion for electricity generation and transportation of employees, supplies and products and fugitive emissions.
3	Reduce of water resources	Water consumption for potable and non-potable uses.
4	Pollution of water resources	Transfer of pollutants to the water bodies in case of improper management of wastewater and solid waste.
5	Reduce of natural reserves of raw materials	Use of materials (e.g., plastic, metal, chemicals) derived from non-renewable raw materials.
6	Disruption of biodiversity and ecosystems	Impacts on biodiversity from noise, air emissions, odors and, dust, etc., created by the operation of facilities and from activities such as land clearance, construction activities, access roads and transportation of equipment and materials.
7	Soil pollution	Waste not diverted from landfill, (including excavation, construction and demolition waste), effluent waste and air emissions that return to the soil through i.e. rain and for example in case of an accident.
8	Low or non-contribution to employment	Lack of utilization of human resources from the local community and potential inability to create direct and indirect jobs due to cancellation or delays in DESFA's development plan.
9	Reduced contribution to capacity building and development of employees	Inefficiencies of the process to evaluate the outcome of training and educational programs.

Note: Potential ways that can create negative impacts are displayed in bold.

7.7
Identified impacts

#	IMPACTS	DESCRIPTION
10	Reduced contribution to the development of knowledge and technology	Delays in the implementation of the company’s digital transformation plan.
11	Reduced contribution to the protection of occupational physical, mental health and well-being	Health and safety incidents of employees or local community members which may occur despite the established strict processes.
12	Reduced contribution to the protection of human rights and the guarantee of equal opportunities	Human rights violations involving DESFA’s employees or subcontractors, despite the established strict processes.
13	Leakage of personal data	Breach of physical or information security.
14	Reduced contribution to the creation of sustainable and safe cities and communities	Lack of an established and approved by the company’s management mechanism to register and manage local community concerns (grievance mechanism) and damage in public or private property (crops, land, roads, etc.) during construction, operation, maintenance and repair works, despite the established strict processes.
15	Potential devaluation of cultural heritage	Incidents regarding construction, operation and maintenance in areas of historical, cultural and archaeological importance.
16	Reduced direct economic value	Reduction of immediate distributed economic value to the local community due to reduced activities at local level (e.g., sponsorships, social investments).
17	Reduced indirect economic value	Reduced distributed economic value which would indirectly affect local markets, suppliers, etc.
18	Lack of regulatory compliance	Failure of employees and subcontractors to follow DESFA’s established policies and procedure.

Note: Potential ways that can create negative impacts are displayed in bold.

**7.8
Glossary**

ARA: Anticorruption Risk Assessment
 ATHEX: Athens Exchange Group
 BoD: Board of Directors
 BOG: Boil-off gases
 CCS: Carbon capture and storage
 CERTH: Centre for Research and Technology Hellas
 C-CRRO: Certified Credit Risk Officer
 CEO: Chief Executive Officer
 CFO: Chief Financial Officer
 CNG: Compressed Natural Gas
 CHP: Cogeneration Unit
 CRI: Corporate Responsibility Index
 CSR: Corporate Social Responsibility
 DSO: Distribution System Operators
 ETS: Emission Targeting System
 ETCg: Energy Traders Certification - Gas
 ERA: Enterprise Risk Assessment
 ERA: Enterprise Risk Assessment
 ERM: Enterprise Risk Management
 ESG: Environment, Society, Governance
 EMS: Environmental Management System
 ESIA: Environmental and Social Impacts Assessment
 ETS: European Trading System
 EC: European Council
 EHB: European Hydrogen Backbone
 ENTSOG: European Network of Transmission System Operators for Gas
 EU: European Union
 FID: Final Investment Decision
 FSRU: Floating Storage Regasification Unit
 FSU: Floating Storage Unit
 FCPA: Foreign Corrupt Practices Act
 FTS: System of Fixed Communication
 GIE: Gas Infrastructure Europe
 GTSOU: Gas Transmission System Operator of Ukraine

GDPR: General Data Protection Regulation
 GRI: Global Reporting Initiative
 GRC: Governance / Risk / Compliance
 GHG: Greenhouse gases
 HSSEQ: Health & Safety, Security, Environment and Quality
 HSE: Health, Safety, Environment
 HAEE: Hellenic Association for Energy Economics
 HEnEx: Hellenic Energy Exchange
 SEV: Hellenic Federation of Enterprises
 HHV: High Heating Value
 IT: Information Technology
 IENE: Institute of Energy for South-East Europe
 IFRS: International Financial Reporting Standards
 KPIs: Key Performance Indicators
 LDAR: Leak Detection and Repair
 LNG: Liquefied Natural Gas
 LTI: Lost Time Incident
 LHV: Low Heating Value
 MJ: Megajoules
 M/R: Metering Regulating
 NEBOSH: National Examination Board in Occupational Safety and Health
 NIR Greece: National Inventory Reports
 NNGS: National Natural Gas System
 DESFA: National Natural Gas System Operator
 NGVA: Natural & bio Gas Vehicle Association
 NCRs: Non-Conformance Report
 OGMP: Oil & Gas Methane Partnership 2.0
 PA: Partnership Agreement
 PHEVs: Plug-in hybrid electric vehicles
 RAE: Regulatory Authority for Energy
 SMS: Short Message Service
 SIGTTO: Society of International Gas Tankers & Technical Operators Ltd
 SCV: Submerged Combustion Vaporizer

SCADA: Supervision Control and Data Acquisition System
 SASB: Sustainability Accounting Standards Board
 TCFD: Task Force on Climate-related Financial Disclosures
 TYDP: Ten-Year Development Plan
 TAP: Trans Adriatic Pipeline
 TSO: Transmission System Operator
 DEFRA: UK Department for Environment, Food and Rural Affairs
 UNHCR: United Nations High Commissioner for Refugees
 UN SDGs: United Nations Sustainable Development Goals of the United Nations
 WFM: Work Force Management

DESFA Head Office

357 -359 Mesogeion Av., 152 31 Chalandri

Tel: +30 213 0884000, Fax: +30 210 6749504

Email: desfa@desfa.gr

