

## EPH GROUP POLICY

### Asset Integrity Policy

#### 1. DEFINITIONS

For the purposes of this Policy the below mentioned terms are defined as follows:

<b>Asset Integrity</b>	means asset's capacity to run effectively and accurately, whilst also protecting the environment and wellbeing of all personnel and equipment with which it interacts, as well as the measures in place to assure the asset's life cycle; asset integrity applies to the entirety of an asset's operation, from its design phase to its decommissioning and replacement;
<b>EPH</b>	means Energetický a průmyslový holding, a.s. and all companies that are directly or indirectly controlled by it;
<b>EPH Group Company</b>	means any company which forms part of EPH;
<b>Employees</b>	means all employees, directors and officers of EPH Group and all persons working on a contract basis, whether on a temporary or a permanent basis, part-time or full-time;
<b>Policy</b>	means this Asset Integrity Policy;

#### 2. PURPOSE OF THE POLICY

The Policy's purpose is to outline the principles and practices that govern decisions on asset management at EPH to ensure that EPH responsibly manages asset integrity risks across all facilities that we design, construct or operate and thus accomplishes its mission of providing high-quality products and services in a sustainable and safe environment.

#### 3. SCOPE

The Policy applies to all Employees in all countries and territories that EPH Group operates in.

The Policy applies to all assets owned by EPH and all aspects of each asset, including design, construction, operation, maintenance and disposal. In addition, EPH may rely on natural assets or other assets it does not own. Where operations are supported by these assets, we will work collaboratively with the asset owners and promote the principles outlined in this Policy.

#### 4. BASIC PRINCIPLES

EPH acknowledges that the constant business challenge in the area of asset integrity management is how to balance the designing, maintenance, and replacement of assets throughout their life cycle

(including managing of the degradation of assets) with the costs to business, in terms of finance, time, and resources.

EPH is committed to ensure all Employees and functions of EPH are aligned with the principles of the Policy and to ensure assets are managed in a manner that maximizes benefits, reduces risk and provides satisfactory levels of service to customers in a safe and sustainable manner.

## **5. COMMITMENTS AND PROCESSES**

### **5.1. Commitments**

In managing the assets belonging to EPH we are committed to:

- i. Taking steps to connect the appropriate departments, functions, and support activities in order to build effective working relationships and encourage information-sharing.
- ii. Using asset management decision-making to drive optimum value for customers.
- iii. Ensuring decisions are made collaboratively.
- iv. Ensuring decisions consider all life-cycle stages and interrelationships between asset, operational and service performance.
- v. Focusing on decision-making that recognizes the interconnected nature of asset systems and how decisions about one set of assets may potentially interact with or affect assets controlled by other departments and functions.

### **5.2. Processes**

EPH strives for developing and maintaining appropriate plans for the renewal, purchase, construction and decommissioning of assets.

This may include:

- i. Understanding the sources of asset integrity risks and managing them effectively with the aim of minimizing them.
- ii. Developing long-term projections of investment needs and applying rigorous analysis, including consideration of risk, to identify short-term needs.
- iii. Implementing processes to ensure investments address needs efficiently and effectively and address operational budget implications of capital investments.
- iv. Exploring efficiency opportunities where appropriate, including new technologies.
- v. Analyzing investment plans and associated funding requirements and putting in place mechanisms to ensure long-term financial sustainability.
- vi. Evaluating relevant asset investment decisions based on consideration of the costs associated with managing an asset through its entire lifecycle.
- vii. Returning the land disturbed by our activities to as close to its natural and beneficial state as possible and creating viable habitats for native species of the local area.
- viii. Fulfilling all obligations resulting from relevant national jurisdictions in respect of creation of reserves, provisions and setting aside sufficient funds to cover site closure and landscape rehabilitation.
- ix. Developing prioritized capital investment plans that reflect community and stakeholder expectations with regard to the level of service and other strategic objectives.
- x. Promoting a strong asset integrity leadership culture and encouraging all Employees to share our asset integrity commitments and take personal responsibility for protecting assets.

### **5.3. Continuous Improvement and Compliance**

EPH views continual improvement and compliance with legislation and internationally-recognized standards as a key part of our asset management approach. The EPH Group aims for maintaining or obtaining its certification standards at minimum meeting the regulatory requirements and if feasible also on par with international levels at major group companies.

In achieving these goals we do our best to:

- i. Maintain and apply appropriate standards and mitigate risks.
- ii. Use new technologies and innovate where suitable, to further increase their efficiency and lessen their environmental impacts.
- iii. Monitor and review the effectiveness of asset management processes and the wider asset management system in supporting the delivery of strategic objectives.
- iv. Assess competencies necessary to implement proper asset management and provide support, education, and training to fulfil these competencies.
- v. Review this Policy and make any necessary adjustments as needed.

### **6. IMPLEMENTATION**

The Policy is implemented by all EPH Group Companies into their internal processes and rules of operations.

EPH Group Company shall implement the Policy no later than 30 June 2021.

*Document approved by the Board of Directors of Energetický a průmyslový holding, a.s. at its meeting on March 31, 2021.*