Energa SA's Management Board Report on the activities of the Energa Capital Group and Energa SA in 2024

Gdańsk, 14 April 2025

LETTER FROM THE CEO OF ENERGA

Dear Sir/Madam,

we are now past the intense, though challenging 2024. A year during which we continued our key investments in renewable energy sources and low-carbon generation units designed to balance these RES, and pushed on with the upgrading and expansion of distribution networks, which are crucial to the future of Poland's energy transition. It was also a time when we had to face dynamic market, macroeconomic and legislative developments.

We brought last year to a close with solid financial standing. This is best evidenced by our record EBITDA, which closed at an impressive PLN 3.3 billion. This means that we wrapped up 2024 with solid prospects for further growth, which is mirrored by our CAPEX of PLN 5.1 billion, 14% more than in 2023. The money allowed us to further successfully our ongoing RES projects and initiate new investments in renewables, both our own and those effected through acquisitions. Over the course of 2024, the installed electrical capacity of Energa Group's RES-based power generation units increased by about 266 MW. We also carried on our investments in the Grudziądz and Ostrołęka gas and steam units, which are key to the balancing of the National Electricity System. We also upgraded and expanded approx. 3,600 km of distribution lines, as a result of which one third of all RES units are now connected to Energa Operator's grid, with a total capacity of about 9.6 GW, including some 300,000 prosumer micro-installations.

Based on the results we present to you in this report, we are in a position to take further key strategic actions for the energy transition. The portfolio of our development company, Energa Green Development, features renewable projects at various stages of advancement, with a total capacity of about 1 GW. They will make a major contribution to the decarbonisation of the Polish energy sector. We are focusing on launching a new business line dedicated to the development of energy storage, which is a segment of growing importance for the flexibility of operations of power systems. Being a power industry leader, we seek to establish a strong position on the energy market.

In addition to investments in support of the energy transition, we are also active in pursuing sustainability goals, which are deeply embedded in the company's values and strategy. The group has seen a steady improvement in this area year after year, which is reflected by our rising score in Sustainable Fitch's rating. We were rated '2' on the five-point ESG Entity Rating scale, which has been the top score on record for our Group.

The past year was also special on account of us filing the first mandatory sustainability report under the EU's ESRS reporting standards. This was a major challenge due to the intricacies of the mandatory IRO process, also known as double materiality assessment, and due to the very large number of new disclosures. For the third year in a row, we reported qualifications in line with the EU Taxonomy. In this area, we place a heavy emphasis on redirecting our capital from environmentally damaging investments to more sustainable and environmentally friendly alternatives. Our activities are aligned with the Minimum Safeguards related to human rights, which are consistent with both the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

Climate issues also receive a great deal of attention. Our climate risk management system is monitored on an ongoing basis. We work towards climate change mitigation and adaptation.

The Energa Group has always been a frontrunner in Poland's sustainable energy transition, and 2024 has made it clear that our position as a leader in this respect remains unchallenged. I am confident that by maintaining the investment momentum and with our unwavering dedication to our social and pro-environmental commitments, we will be able to make the same statement next year.

Sławomir Staszak
President of the Management Board of Energa SA

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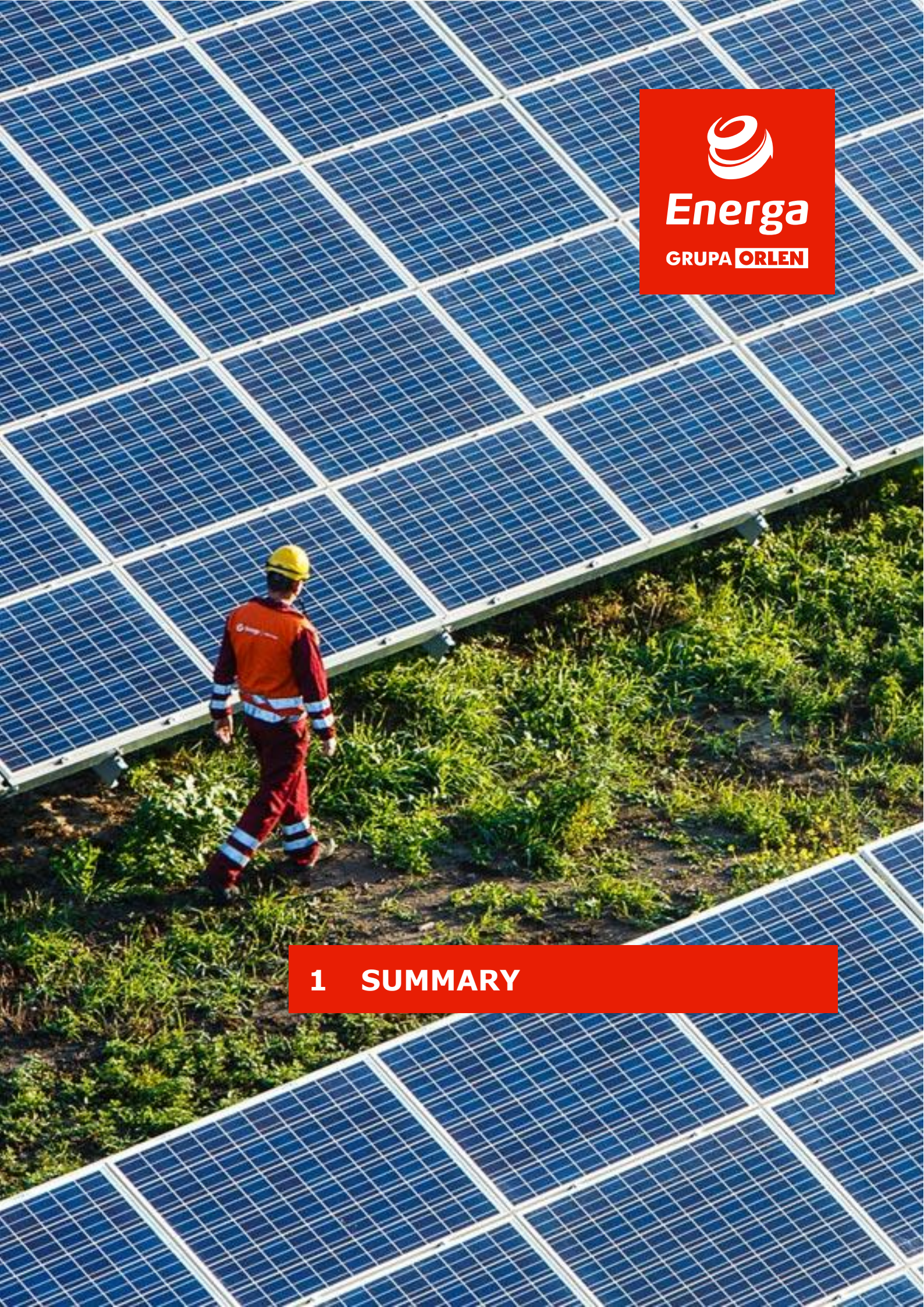
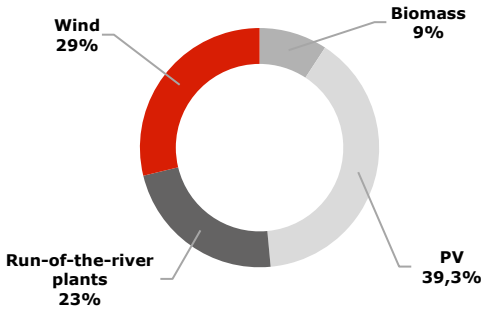


1 SUMMARY

ENERGA GROUP IN 2024

One of the leading energy groups and a reliable supplier of electricity and services for ¼ of Poland, with a 55% share of RES in own production.

Financial data		
Revenues	**EBITDA**	**EBITDA margin**
PLN 22,753 m	**PLN 3,302 m**	**14.5%**

Renewable energy sources		
RES production	**Installed capacity**	**Installed capacity by source**
1,481 GWh	**890 MWe**	

Operating data		
Volume of electricity supplied	**Gross electricity production**	**Retail sales of electricity**
22.7 TWh	**2.7 TWh**	**16.7 TWh**

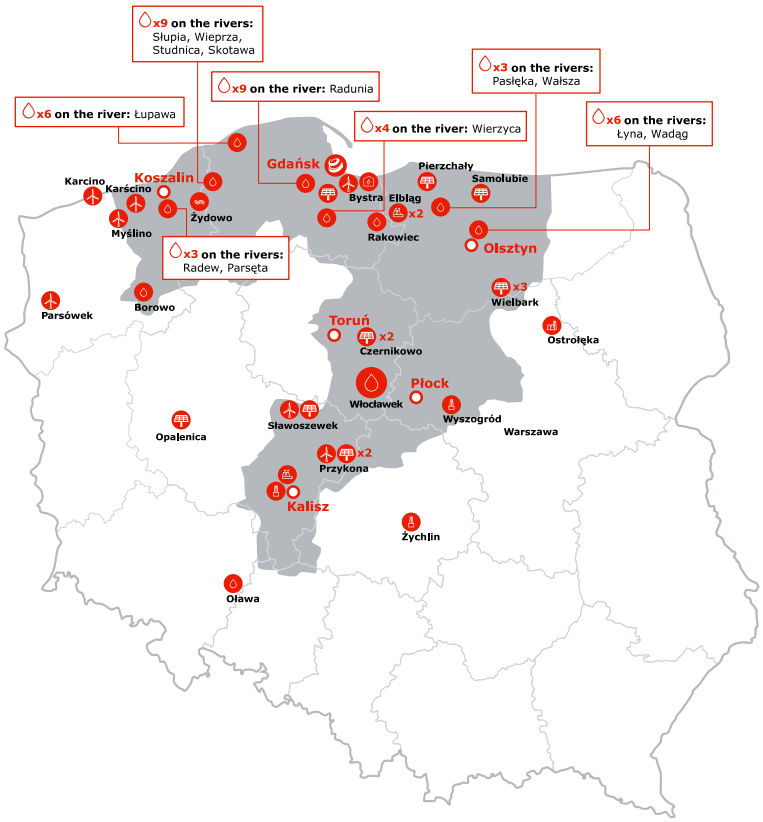
Capitalization and ratings of Energa SA*			
Capitalization	**Share price**	**Rating Fitch**	**Rating Moody's**
PLN 5.7 billion	**PLN 13.7**	**BBB+**	**Baa1**

** As at 30 December 2024*

Key resources

Distribution grid	Installed capacity	Number of clients	Number of employees
200 k km	**1,68 GWe** of which 53% are RES	Distribution: **3.4 mln** Sales: **3.3 mln**	**9,1 k**

- wind farm
- pumped storage power plant
- photovoltaic farms
- electrical power and heating plant
- baseload power plant
- heating plant
- sieć ciepłownicza
- small hydroelectric power plant
- large hydroelectric power plant
- energy storage
- electricity distribution
- Energa SA headquarters
- Energa-Operator branches



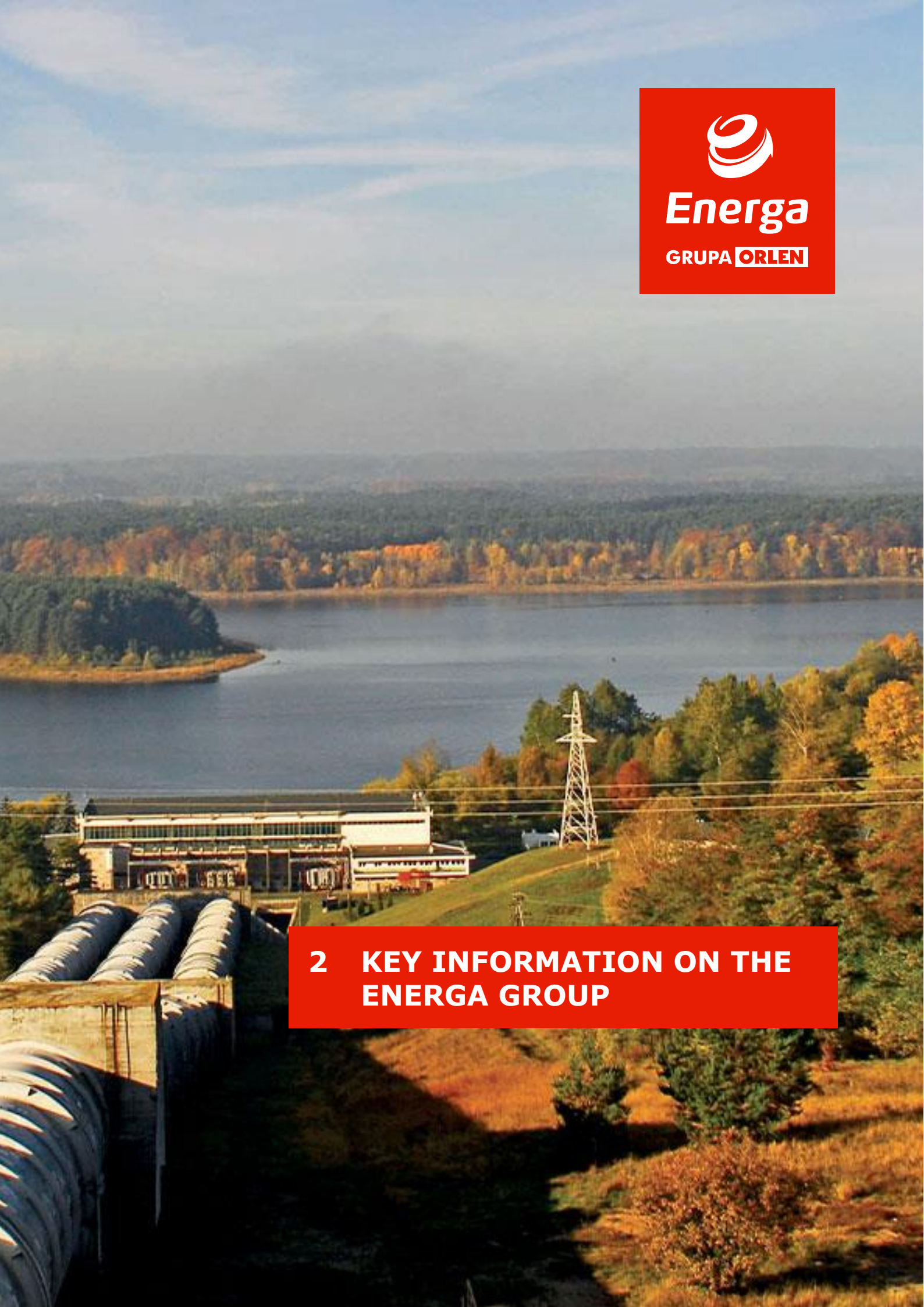
Kluczowe Linie Biznesowe

Distribution	Generation	Sales
Energa Operator	**Energa Wytwarzanie**	**Energa Obrót**
EBITDA: PLN 2,840 m	**EBITDA: PLN 513 m**	**EBITDA: PLN 32 m**

Inwestycje

Investments	New customer connections	Modernization of HV, MV and LV lines	New RES*
5,062 m Of which Distribution: 2,948 m	**62 K**	**3,667 km**	**1,068 MW**

** connected to the distribution grid*



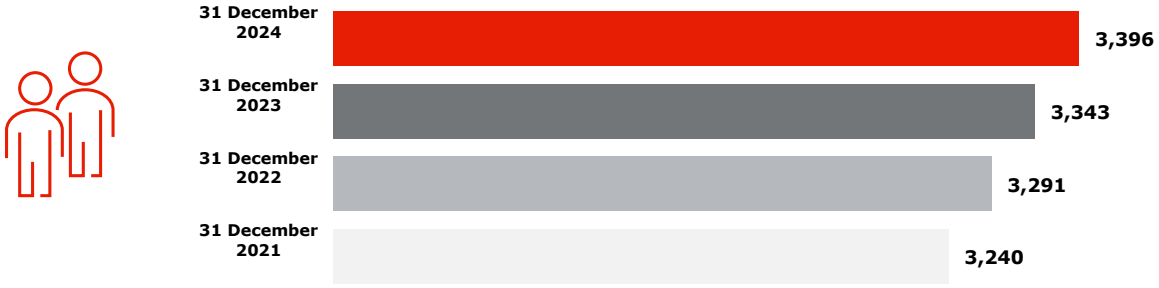
2 KEY INFORMATION ON THE ENERGA GROUP

2.1 DESCRIPTION OF ACTIVITIES OF THE GROUP

The core business of the Energa Group ("Group", "Energa Group") involves the distribution, generation and the sale of electricity and heat. Activities of the Group concentrate on the following business lines:

Distribution Business Line. This is the Business Line of key importance to the Group's profitability, involved in the distribution of electricity (which is a regulated activity in Poland) conducted on the basis of tariffs approved by the President of the Energy Regulatory Office ("ERO"). Energa Operator SA ("Energa Operator", "EOP") acts as the leading entity in this Line. The Energa Group has a natural monopoly position in the northern and central part of Poland which hosts the Group's distribution assets through which the Group supplies electricity to 3.4 million customers, approximately 3.2 million of whom are customers with universal agreements and 173 thousand are TPA (Third Party Access) customers. At the end of 2024, the total length of the power lines operated by the Group was almost 200 thousand km and covered almost 75 thousand sq. km, i.e. approximately 24% of the area of country.

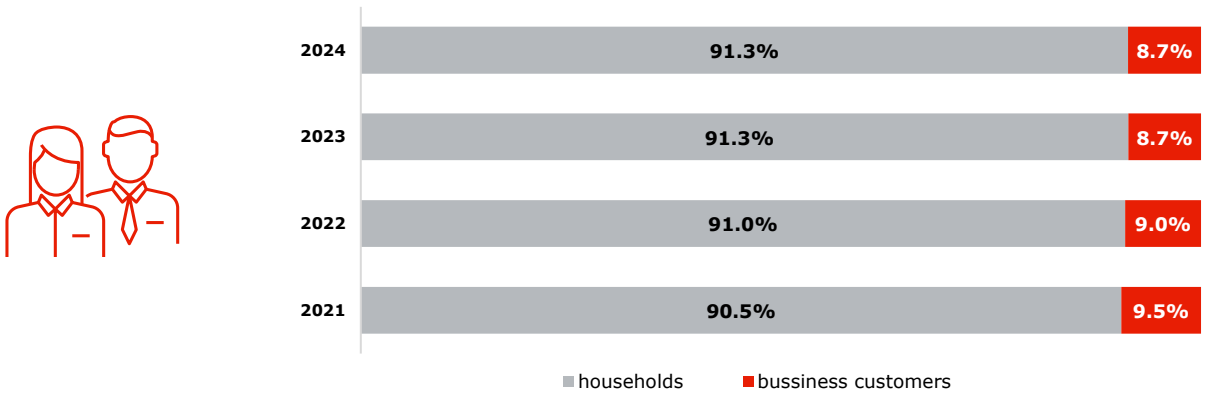
Figure 1. Number of Energa Operator SA customers as at 31 December 2021-2024 (000s)



Generation Business Line operates on the basis of four Generation Areas: the Ostrołęka Power Plant, Hydro, Wind and Other (including cogeneration – CHP and PV). At the end of 2024, the total installed generation capacity in the Group's power plants was approx. 1.7 GW. The leading entity in this Business Line is Energa Wytwarzanie SA ("Energa Wytwarzanie", "EWYT"). In 2024 the Group generated approx. 2.7 TWh of gross electricity, of which 40% originated from coal, 35% from hydro, 18% from wind, 3% from biomass and 4% from PV. The Energa Group owes its leading position, in terms of the percentage of electricity from renewable energy sources in the total energy generated, primarily to the generation of energy by its hydro power plants and wind power plants. Green energy is produced by 45 hydro power plants, 7 wind farms, as well as biomass-fired installations (i.a. in Energa Kogeneracja Sp. z o.o. entity) and photovoltaic installations owned by the Group. As at the end of 2024, the Group had c.a. 0.9 GW of renewable capacity, with a gross production of electricity totalling 1.5 TWh throughout the entire 2024.

Sales Business Line. Its leading entity is Energa Obrót SA ("Energa Obrót", "EOB"). It sells electricity and additional services (e.g., photovoltaic installations, energy storage, electric vehicle recharging stations, heat pumps, energy auditing, and financing advisory services) both as separate products and in bundles to all customer segments – from industry through large, medium and small enterprises, to households. As at the end of 2024, the Energa Group had approximately 3.3 million customers, including c.a. 3.1 million classified as G tariff customers, with the remainder being customers from: C, B and A tariff groups, in a decreasing order. In 2024, 50% of the electricity sold by Energa Obrót SA came from renewable energy sources.

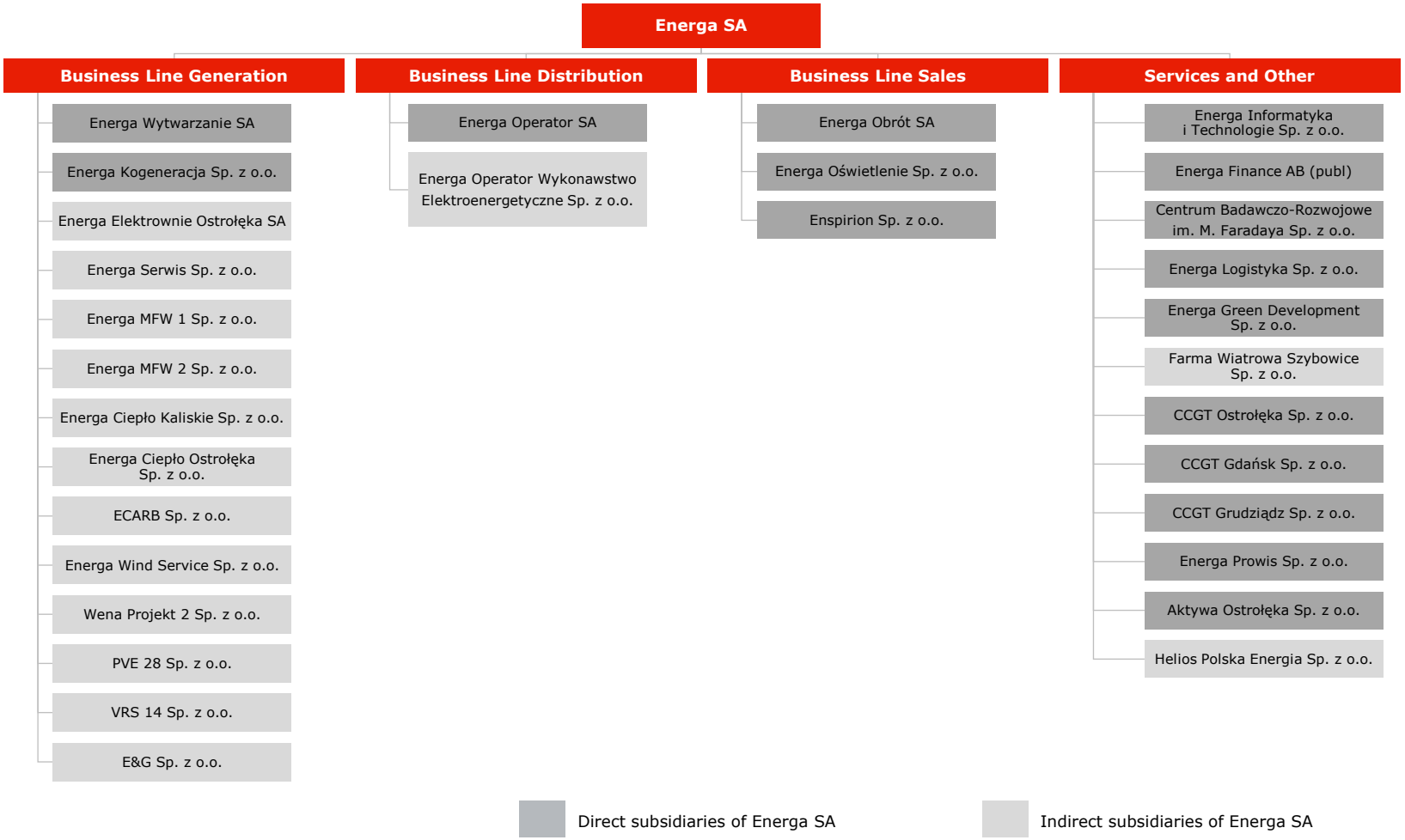
Figure 2. Structure of Energa Obrót's end customers by customer type



2.2 GROUP'S STRUCTURE AND GOVERNANCE MODEL

As at 31 December 2024, the Group consisted of 32 companies, including its parent company, Energa SA („Energa", „Company", „Issuer").

Figure 3. Simplified organisational chart of the Energa Group as at 31 December 2024



As at 31 December 2024 the Group held shares in a joint venture Baltic Offshore Service Solution Sp. z o.o. and in an associate Polimex-Mostostal S.A. ("Polimex").

KEY CHANGES IN THE GROUP'S STRUCTURE AND ORGANISATION

In Ferbruary 2024, Energa Wytwarzanie and Northland Power International Holdings BV, a subsidiary of Northland Power, established the Baltic Offshore Service Solution ("BOSS") joint venture, which was registered in the National Court Register in March 2024. BOSS will operate in two locations: Łeba and the Tri-City (Gdańsk, Gdynia, Sopot) area. The new joint venture is the first international consortium in Poland whose goal is to develop and implement a strategy for managing Baltic Sea offshore wind energy assets. It will provide specialized services for the offshore wind energy sector, including, but not limited to, technical, operational, commercial and contractual aspects of wind farms in the Baltic Sea. The joint venture will also be responsible for operating the 24/7 Offshore Wind Farm Management Centre, which will be established by the ORLEN Group. The business unit will control, monitor and coordinate the activities of offshore assets.

On 8 March 2024, Energa Green Development Sp. z o.o. ("EGD") finalised the purchase of 100% of the shares in Farma Wiatrowa Szybowice Sp. z o.o. from Onde and Goalscreen Holdings Limited.

On 4 April 2024, Energa acquired from ENEA S.A. 50% of the shares in Elektrownia Ostrołęka Sp. z o.o. (Ostrołęka Power Plant), which was established for the purpose of a project to build a coal-fueled power plant in Ostrołęka ("Coal Project"). The value of the deal was PLN 42 million. The purpose of the transaction was to take full control of the Ostrołęka Power Plant in order to leverage its potential and resources, including its real estate, in the implementation of Energa Group's strategic investment projects. Currently, the Issuer holds 100% of the shares in this entity. On 4 September 2024, the name of Elektrownia Ostrołęka Sp. z o.o. was officially changed and the company currently operates as Aktywa Ostrołęka Sp. z o.o.

On 12 April 2024, Energa Wytwarzanie acquired from Lightsource bp 100% of the shares in the special purpose vehicle Wena Projekt 2 sp. z o.o., Warsaw, which holds the rights to a photovoltaic installation project with a total capacity of approximately 130 MW.

On 27 April 2024, Energa Slovakia s.r.o. 'in liquidation' was struck off the Slovak business register.

On 29 August 2024, Energa Wytwarzanie acquired from Greenvolt Group companies 100% of shares in special purpose vehicles PVE 28 Sp. z o.o. and VRS 14 Sp. z o.o., which carry out investment projects in photovoltaics.

THE GROUP GOVERNANCE MODEL

"The Energa Group Cooperation Agreement" ("Cooperation Agreement"), signed on 20 December 2017 by 31 Energa Group companies (as at the date of this report, 23 Energa Group companies, remain parties to this agreement, including Energa SA, as a result of corporate restructuring within the Energa Group, conducted in connection with integration with and transformation of ORLEN Group ("OCG") 23 Energa Group entities remain parties to the Cooperation Agreement - including Energa SA) is the basic document of the Energa Group defining the general principles of its governance.

The Cooperation Agreement is a civil-law instrument which:

- ensures cooperation between the Energa Group companies and guarantees effective performance of the Group,
- reflects the need to ensure, to the extent required by law, the independence of the distribution system operator within the Energa Group,
- forms the basis for the development of long-term cooperation across all Energa Group companies,
- reflects the necessity to have a uniform and consistent operating policy for all Energa Group companies in place.

The Cooperation Agreement took into consideration the need to define the rights and obligations of Energa SA as the Energa Group's Dominant Entity with respect to setting of objectives, business strategies, as well as control and oversight of subsidiaries, which became the foundation for the provisions of the Cooperation Agreement. The Cooperation Agreement enables simultaneous introduction across the Energa Group companies of the regulations developed at Energa and consulted with the Energa Group companies by the dates set in the Cooperation Agreement, while taking into consideration the interests of the Energa Group. As at the date of its signing, the Cooperation Agreement comprised 32 appendices, which were regulations (procedures/policies/rules) defining the functioning of the Group in individual business areas, including the rules of co-operation of the Energa Group companies with the companies of the Energa Group operating as specialist support services structures ("SUW").

The assumptions underlying the transformation of Energa Group companies and their integration with ORLEN S.A. ("ORLEN") and with the ORLEN Capital Group, which continued to be effected in 2024, necessitated amendments to the Cooperation Agreement to ensure the proper implementation of the organisational standards and policies in place at ORLEN and the OCG.

In 2024, a total of 6 amendments to the Cooperation Agreement were effected following consultation processes. The revisions amended 10 regulations (by-laws) already in force and effected 3 new regulations implementing ORLEN and OCG Standards and Policies. As at the end of 2024, the Agreement included 79 effective regulations.

In particular, the changes in the Energa Group's regulatory environment pursued further to the cooperation agreement focused on such areas as:

- The Strategy – through the implementation of a new regulation titled Rules for the application of the organisational standard on the principles of operation of project management offices in the ORLEN Capital Group and updating the Energa Group's Asset Management Policy regulation;
- Security – through the implementation of a new by-law titled Energa Group's Whistleblower Protection Policy;
- ESG – effected through the implementation of a new document titled Energa Group's policy for managing relations with local communities, and through revision of the following by-laws: (1) Energa Group Sustainable Development Strategy 2024-2030, (2) Energa Group Environmental and Energy Policy;

but they also concerned the following areas: (A) occupational health and safety – through a revision of annexes to the Energa Group Occupational Health and Safety Policy; (B) finance – through a revision of the Energa Group Accounting Policy; (C) HR – through an update of the Energa Group Companies Recruitment Rules; (D) IT – by way of a revision of the Energa Group IT Policy; (E) innovation – through an update of (1) Energa Group R&D and Innovation Policy, and (2) Energa Group's Methodology for Evaluation and Selection of R&D Projects.

The changes were aimed at adapting the legal and ownership environment to ensure the provision of governance and coordination of activities throughout the Energa Group.

Energa SA, as the dominant company of the Energa Group making up the Group together with its subsidiaries and affiliates, operated in the manner ensuring pursuit of the ORLEN Group's policy following the purchase of Energa SA shares representing over 80% of share capital of the Company by ORLEN S.A. in April 2020 (ORLEN increased this share to 90.92% in November 2020). As a result, Energa SA (and indirectly its subsidiaries) became a subsidiary of ORLEN S.A.

The provisions of the holding agreement ("Holding Agreement") made on 29 October 2020 consistently specified in 2024 rules of cooperation between the Parties, i.e. ORLEN S.A. and Energa SA as well as the Energa Group companies, on behalf of whom Energa submitted the statement of consent to the wording of and accession to the Holding Agreement, in the field of co-ordination, optimisation and partial centralisation of activities. Rules and scope of co-operation were defined to:

- build the value,
- pursue the interest and objectives of the ORLEN Group,
- integrate the activities of the ORLEN Group,
- develop a single decision-making model for the ORLEN Group,
- keep the division of tasks and responsibilities between the Parties, as the parent company (ORLEN) and subsidiary (Energa as a parent company in the Energa Group),
- ensure the availability and exchange of information between the parties.

The Holding Agreement establishes foundations for the centralization of organisational, planning and analytical processes which contribute to the development of the Energa Group and the ORLEN Group, as well as decision-making rules at the Energa Group companies, by defining collaboration in the areas such as:

- Segment Management and Operational Supervision,
- Implementation of organisational policies and standards,
- Corporate governance,
- Financial reporting.

Collaboration arising from the provisions of the Agreement is pursued at the operational level, covering specifically the scope of operation of ORLEN Committees, consulting of "Group resolutions" and collaboration between the relevant areas of Energa SA and the relevant areas of ORLEN, including with respect to agreement of the wording of the regulations implemented and novated under the Energa Group Cooperation Agreement, also in connection with their adaptation to the regulations in force within the ORLEN Group.

The Organisational Regulations of Energa SA together with the company's organisational chart define the grounds for and scope of operation of Energa SA, also within the Energa Group as the Dominant Entity in the area of supervision and coordination. The

document regulates such areas as the Company's governance, organisational structure as well as obligations and responsibilities of the Company's individual organisational units. The chart below presents the structure of Energa SA up to the level of organisational units reporting directly to the members of the Management Board, as at 31 December 2024.

KEY INTANGIBLE RESOURCES

The Energa Group's business model is closely linked to its intangible assets, which form one of the foundations of the Group's operations and a major source of value. The Energa Group's key intangible assets include:

- Brand – the strong Energa brand (ranked fourth in the Energy and Resources category of the Top Brand 2024 ranking run by the Press magazine and the Media Monitoring Institute) ensures recognition, trust and loyalty of customers for the Group and secures long-lasting relationships, which has a positive effect on cash-flow stability,
- Human Capital – the high qualifications, competence, knowledge and experience of Energa Group companies' workforce translate into high-quality product and service offering and drive customer satisfaction, which gives the Group a competitive edge,
- Customer and Supplier Relationships – unshaken business partnerships based on transparent principles, which ensures continuity of business processes,
- Geography – The Group has a natural monopolist in northern and central Poland, where it operates its distribution assets that provide electricity for 3.4 million customers,
- Intellectual Property and know-how – the Group's know-how, IT systems and resources enable it, among other things, to manage its processes efficiently and optimise costs,
- Innovation – the Energa Group is a leader in deploying innovative solutions, inter alia Energa Operator implements innovative solutions in areas such as: smart grid, smart metering, advanced network asset management and cable diagnostics systems, and vendor and customer support system,
- Organisational Culture – values and standards based on the Code of Ethics and other Energa Group's bylaws,
- Relations with the environment – driven by CSR efforts and the charitable work of the Energa Foundation.

MAIN MEASURES TO IMPROVE FINANCIAL AND OPERATIONAL PERFORMANCE

Boosting financial performance is a priority activity the Company's current Management Board committed to right after they took charge of the Energa Group. This translated into the implementation of the Group's Financial Performance Improvement Program as early as April/May 2024. The Program objectives are as follows:

- reduce the Group's fixed OPEX,
- boost the generated margin levels,
- streamline processes and eliminate inefficiencies.

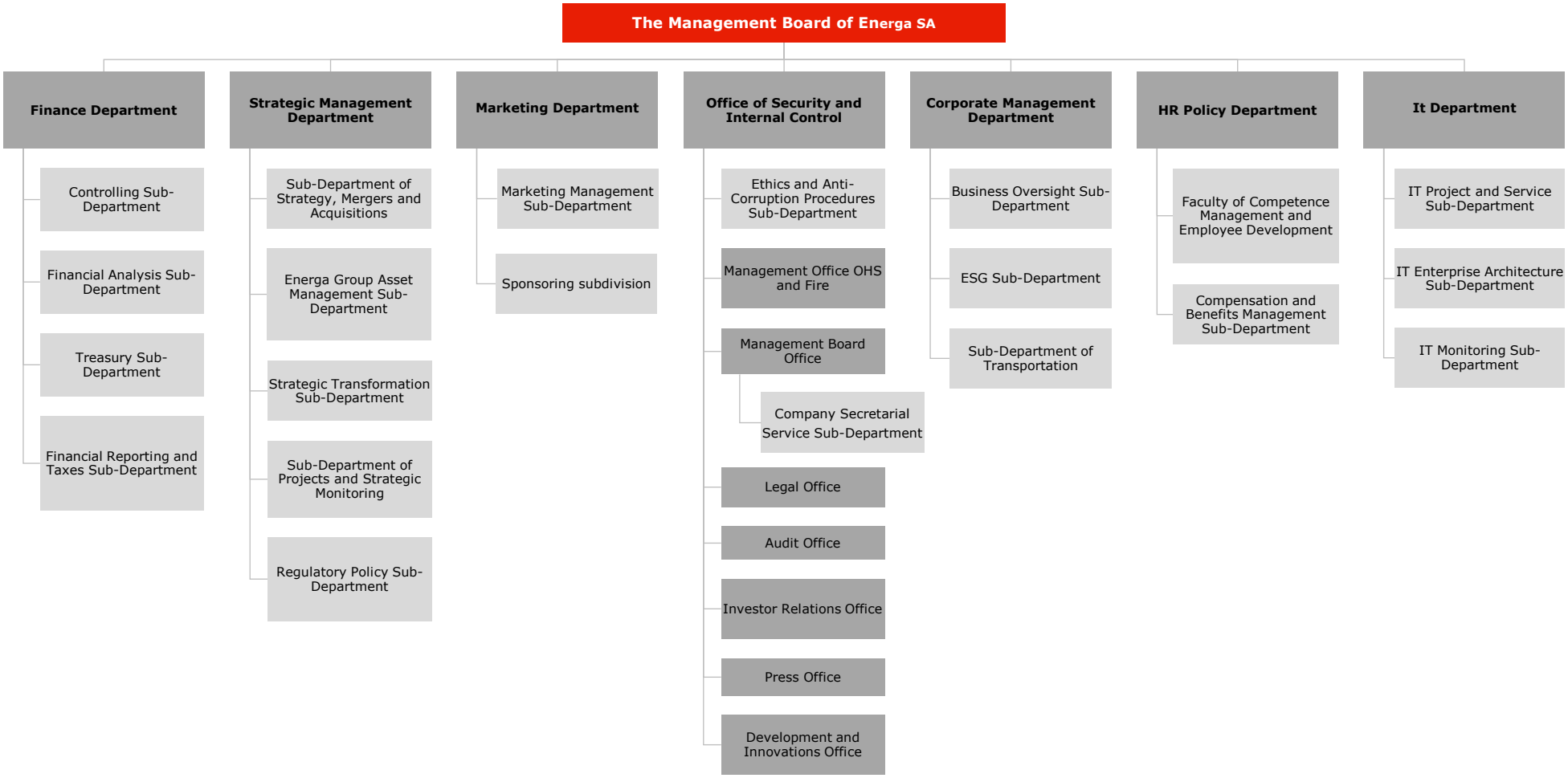
The Program adopted 46 initiatives for implementation in 2024, with their estimated aggregate positive effect on the 2024 bottom line of around PLN 35 million. One measure undertaken to this end has sought to improve the performance of the management and supervisory functions in Energa Group companies. In 2024, efforts were exercised to optimise the costs of the companies' corporate bodies. Both the size of the management and supervisory boards and their compensation levels were analysed. The measures generated savings of about PLN 14 million. The Energa Group pushes on with the robotisation and automation of its daily operations with a view to making people's work easier and more efficient. A number of other actions have helped reduce operating costs, notably so with regard to the district heating business, where, given the nature of its operation, cost efficiency is key to heat consumers. The Energa Group's sponsorship expenses are also managed under the Program, with the Company seeking to ensure that every decision in this respect is reasonable, well-thought-out and substantiated. The Financial Performance Improvement Program is an ongoing activity and is bound to be scaled up in the future.

The year 2024 saw the initiation of 44 internal and external audits and controls of the Group's operations in previous years, the aim of which was to verify the reasonableness and legitimacy of the Group's investments and current operations. Investment projects already under way have been analysed in business and legal terms. Most of the audits have already been completed or are at a very advanced stage. One of the completed audits has prompted the Company's Management Board to pursue claims for compensation for damage caused in the exercise of executive or supervisory duties by persons who had been in charge of decisions on the construction of the Ostrołęka C 1,000 MW coal-fired power unit (see section 2.3.1 for more information).

As regards the IT area, in 2024, the Group pressed on with its wide-ranging digital transformation effort by launching a variety of initiatives aimed at synergising the digital transition with the energy transition. One highlight in this area is the ongoing work towards making the Energa Group's systems compatible with the Central Energy Market Information System ("CSIRE"), which is being developed by Polskie Sieci Elektroenergetyczne. Currently, the efforts focus on migrating the initial data and aligning the

Group's existing IT systems with CSIRE-related requirements (for more information see section 2.6.2). Energa is the nationwide frontrunner in this area. Energa has also largely upgraded its information systems for them to support net-billing for prosumer customers. The year 2024 also saw the launch of feasibility studies into the deployment of artificial intelligence ("AI") and cloud solutions in the power industry.

Figure 4. Organisational chart of Energa as at 31 December 2024



2.3 MATERIAL EVENTS IN 2024 AND AFTER THE BALANCE SHEET DATE AS WELL AS OTHER INFORMATION HAVING A SIGNIFICANT IMPACT ON THE ASSESSMENT OF THE PROPERTY AND FINANCIAL SITUATION AND FINANCIAL RESULT OF THE GROUP

2.3.1 MATERIAL EVENTS AFTER THE BALANCE SHEET DATE

INFORMATION ON THE NECESSITY TO CREATE A PROVISION FOR ELECTRICITY SALE AGREEMENTS FOR THE G TARIFF GROUPS NOT COVERED BY THE PRESIDENT OF ERO TARIFF

On 19 January 2024 the Company received the information from Energa Obrót on the necessity to create a provision for the electricity sale agreements for the G tariff groups not covered by the President of Energy Regulatory Office tariff, which results from the entry into force of the Act of 7 December 2023 amending acts to support consumers of electricity, gas fuels and heat. The main goal of this act is to limit the impact of increases in electricity, gas and heat prices on the most sensitive recipients of these products in the first half of 2024. EOB evaluated the impact of the above mentioned act and identified a potential loss due to the performance of contracts in the first half of 2024, which was estimated at PLN 252.1 million, and resulted in the creation of a provision in the financial statements for 2023. The above event translated directly into a decrease by the above-mentioned amount in the consolidated EBITDA of the Energa Group's for 2023.

JUDGMENT OF THE COURT ON STATEMENT OF CLAIM FOR REPEALING THE RESOLUTION OF THE ORDINARY GENERAL MEETING OF ENERGA SA ON DISTRIBUTION OF THE NET PROFIT FOR 2021

On 23 January 2024 the Company received information that the Regional Court in Gdańsk, 9th Commercial Division, issued a judgement dismissing the statement of claim for repealing the resolution No. 5 of the Ordinary General Meeting of the Company on 20 May 2022 on the distribution of the net profit for the financial year 2021 and allocation of this profit in full to the reserve capital and awarding the court costs from the plaintiffs in favour of the Company. The court refrained from providing oral reasons for the decision. The judgment is not final.

CHANGES IN THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD OF ENERGA SA

On 31 January 2024 the Supervisory Board of the Company adopted a resolution to dismiss as of 31 January 2024 Ms. Adrianna Sikorska, performing the function of the Vice-President of the Management Board of Energa SA for Communication, from the composition of the Management Board of the Company of the 7th term of office.

Ms. Sylwia Kobyłkiewicz submitted a statement of resignation from the position of Member of the Supervisory Board of the Company, effective as of 31 January 2024.

Ms. Barbara Hajdas submitted a statement of resignation from the position of Member of the Supervisory Board of the Company, effective as of the end of 1 March 2024.

On 25 March 2024 the Supervisory Board of the Company adopted the resolutions to dismiss as of 25 March 2024 Ms. Zofia Paryła, performing the function of the President of the Management Board of Energa SA and Mr. Janusz Szurski, performing the function of the Vice-President of the Management Board of Energa SA for Corporate Affairs, from the composition of the Management Board of the Company of the 7th term of office. At the same time, the Supervisory Board of the Company adopted a resolution to entrust the duties of the President of the Management Board Energa SA to Mr. Michał Perlik, Vice-President of the Management Board of Energa SA for Finance and Climate, until the appointment of a new President of the Management Board of the Company.

On 4 April 2024 the Extraordinary General Meeting of the Company adopted resolutions on:

1. dismissal, as of the end of 4 April 2024, Ms. Agnieszka Terlikowska-Kulesza and Artur Michalski from the composition of the Company's Supervisory Board and from the functions held by these persons in the Company's Supervisory Board,
2. appointment, with effect from the beginning of 5 April 2024, the following persons to the composition of the Supervisory Board of Energa SA:
   - Ms. Dominika Martyna Lechowska for the function of the Member of the Supervisory Board,
   - Ms. Agata Justyna Piotrowska for the function of the Member of the Supervisory Board,
   - Mr. Zbigniew Tadeusz Lubośny for the function of the Member of the Supervisory Board,
   - Mr. Dariusz Trojanowski for the function of the Member of the Supervisory Board..

On 4 April 2024 the majority shareholder of the Company, ORLEN, submitted a statement informing that - pursuant to Article 385 § 2 of the Polish Code of Commercial Companies and § 17 section 3 of the Company's Articles of Association - it dismissed, as of the end of 4 April 2024, Ms. Anna Barbara Ziobroń and Ms. Agnieszka Sylwia Żyro from the composition of the Company's Supervisory Board as well as from the function of the Member of the Company's Supervisory Board.

On 19 April 2024 the Supervisory Board of the Company appointed Mr. Roman Szyszko and Mr. Sławomir Staszak to the Company's Management Board of the 7th term of office as of 20 April 2024, entrusting them with the functions of Vice-Presidents of the Management Board.

On 25 April 2024 the majority shareholder of the Company, ORLEN, submitted a statement informing that - pursuant to Article 385 § 2 of the Polish Code of Commercial Companies and § 17 section 3 of the Company's Articles of Association - it dismissed, as of the end of 25 April 2024, Mr. Jarosław Dybowski from the composition of the Company's Supervisory Board as well as from the function of the Member of the Company's Supervisory Board.

On 22 May 2024 the Supervisory Board of the Company appointed Mr. Piotr Szymanek to hold as of 1 June 2024 the position of the Vice-President of the Management Board of the 7th term of office.

On 27 May 2024 Mr. Michał Perlik submitted a statement of resignation from the Management Board of the Company and from the position of Vice-President for Finance and Climate, effective as of the end of 28 May 2024.

On 31 May 2024 the Supervisory Board of the Company adopted a resolution to entrust the duties of the President of the Management Board of Energa SA to Mr. Sławomir Staszak, Vice-President of the Management Board of Energa SA, until the appointment of a new President of the Management Board of the Company.

On 17 June 2024 the majority shareholder of the Company, ORLEN, submitted a statement informing that - pursuant to Article 385 § 2 of the Polish Code of Commercial Companies and § 17 section 3 of the Company's Articles of Association – as of the beginning of 18 June 2024 it appointed Mr. Ireneusz Jan Fąfara to the Company's Supervisory Board of joint term of office.

On 4 November 2024 the Supervisory Board of the Company appointed Mr. Sławomir Staszak, the Vice-President of the Management Board of the Company, to hold as of the same day the position of the President of Energa SA's Management Board of the 7th term of office.

Ms. Paula Ziemiecka-Księżak submitted a statement of resignation from the position of Member of the Supervisory Board of the Company, effective as of 6 November 2024.

On 19 December 2024 Mr. Roman Szyszko submitted a statement of resignation from the position of Vice-President of the Management Board of the Company, effective as of 31 December 2024.

DECISION OF THE COURT OF APPEAL IN THE CASE OF ANNULLING OR REPEALING THE RESOLUTION OF THE EXTRAORDINARY GENERAL MEETING OF ENERGA SA OF 29 OCTOBER 2020 ON THE WITHDRAWAL OF THE COMPANY'S SHARES FROM TRADING ON WSE AND FURTHER ACTIONS OF ENERGA IN CONNECTION WITH THIS DECISION

On 21 March 2024 the Court of Appeal in Gdańsk, 1st Civil Division, issued a judgement in the case about which the Company informed in current reports No. 82/2020 of 16 December 2020, No. 7/2021 of 14 April 2021 and No. 46/2022 of 1 December 2022. The court fully dismissed the appeal filed by the Company against the judgment of the court of first instance repealing the resolution No. 3 of the Extraordinary General Meeting of Energa SA of 29 October 2020 on the withdrawal from trading on the regulated market operated by Giełda Papierów Wartościowych w Warszawie S.A. (Warsaw Stock Exchange, "WSE") of 269,139,114 series AA ordinary bearer shares in the Company and marked in Krajowy Depozyt Papierów Wartościowych S.A. with ISIN PLENERG00022 code ("Shares"). In the above-mentioned judgment the court awarded the costs of the appeal proceedings, including the costs of legal representation from the Company in favour of plaintiffs. The judgment is final on the day of its issuance.

On 19 June 2024 the Company applied to the Polish Financial Supervision Authority ("KNF") to cancel the motion to withdraw the Shares from trading on WSE and discontinuation of the administrative proceedings on the authorization to withdraw the Shares from trading on WSE. In accordance with the Company's request, the proceedings were discontinued in their entirety by the decision of the KNF 14 of August 2024.

On 27 September 2024 The Management Board of the Issuer decided not to file a cassation appeal against the above mentioned judgement of the Court of Appeal.

JUDGMENT OF THE COURT ON STATEMENT OF CLAIM FOR REPEALING THE RESOLUTION OF THE ORDINARY GENERAL MEETING OF ENERGA SA ON DISTRIBUTION OF THE NET PROFIT FOR 2022

On 27 March 2024 the Company received information that on 25 March 2024 the Regional Court in Gdańsk, 9th Commercial Division, issued a judgement dismissing the statement of claim for repealing the resolution No. 5 of the Ordinary General Meeting of the Company on 15 June 2023 on the distribution of the net profit for the financial year 2022 and allocation of this profit to increase of the supplementary capital and awarding the court costs from the plaintiffs in favour of the Company. The judgement was passed in a closed session. The judgment is not final.

DISTRIBUTION OF THE COMPANY'S NET PROFIT FOR 2023

On 23 April 2024 it decided to recommend to the General Meeting of Energa SA ("GM") to transfer the Company's net profit for 2023 in the amount of PLN 37,571,895.67 to increase the supplementary capital. On 25 April 2024 the Supervisory Board of the Company positively assessed this recommendation. On 20 June 2024 the GM decided on distribution of the Company's net profit for 2023 in accordance with the recommendation of the Company's Management Board.

INFORMATION ON THE APPROVAL BY THE PRESIDENT OF THE ENERGY REGULATORY OFFICE OF ELECTRICITY TARIFF FOR G TARIFF GROUP CUSTOMERS FROM 1 JULY 2024 TO 31 DECEMBER 2025

On 5 July 2024 the Issuer was informed by Energa Obrót that it had assessed the impact on the financial result of the trading business of the electricity tariff approved on 28 June 2024 by the President of the Energy Regulatory Office ("President of URE") for G tariff group customers for the period from 1 July 2024 to 31 December 2025 for EOB at an average of PLN 623 per MWh. After analyses based on forecasts for the entire tariff period from 1 July 2024 to 31 December 2025, EOB did not identified the necessity to establish an additional provision for onerous contracts, with the proviso that the impairment of the Company's result in H2 2024 as a result of the above decision of the President of URE was estimated at approximately PLN 350 million. The above estimates were based on the volume and price of electricity contracted to date by Energa Obrót for G tariff group customers for the tariff period stated above and forecasts for future contracting.

STATEMENT OF CLAIM FOR THE REPEAL OF THE RESOLUTION OF ENERGA SA'S ORDINARY GENERAL MEETING ON THE DISTRIBUTION OF NET PROFIT FOR 2023

On 23 August 2024 the Company informed about receiving from the Regional Court in Gdańsk, 9th Commercial Division, a copy of the statement of claim for the repeal of the resolution No. 5 of the Ordinary General Meeting of Energa SA on 20 June 2024 on the distribution of the net profit for the financial year 2023 and allocation of this profit in full to the supplementary capital. The Company does not agree with the statement of claim and submitted a statement of defense.

NADZORU DECISION ON THE INTENTION TO SEEK COMPENSATION FOR DAMAGE CAUSED INTHE EXERCISE OF EXECUTIVE OR SUPERVISORY DUTIES

On 14 November 2024, the Issuer's Management Board decided to seek compensation for damage caused in the exercise of executive or supervisory duties by persons who had been in charge of decisions on the construction of the Ostrołęka C 1,000 MW coal-fired power unit. The above decision of the Company's Board of Directors was made after analysing opinions received from external law firms, which indicate that the behaviour of some of the former members of the Company's bodies in connection with the implementation of the project caused the Company to suffer material loss. Further to the above, the Company's Management Board requested the Company's General Meeting of Shareholders to allow the Company to pursue claims for compensation therefor through judicial or extrajudicial means. On 30 December 2024, the Company's Extraordinary Meeting adopted the relevant resolutions in correspondence to the Company's Management Board's request.

AFFIRMATION OF ENERGA SA'S RATING BY FITCH RATINGS

On 4 December 2024 Fitch Ratings ("Fitch") affirmed the Company's long-term foreign and local currency Issuer Default Ratings (IDRs) at 'BBB+' with a stable outlook. (More information is presented in Section 8.4 Ratings).

SUMMARY OF THE CAPACITY MARKET MAIN AUCTION FOR 2029 FOR ENTITIES BELONGING TO THE ENERGA GROUP

On 17 December 2024 Polskie Sieci Elektroenergetyczne S.A. published preliminary results of the capacity market main auction for 2029 (they were in line with the final results announced by the President of the Energy Regulatory Office on 3 January 2025), including the closing price for the capacity auction which is 264.90 PLN/kW/year.

The Energa Group companies concluded the following capacity agreements:

1. 542,999 MW for existing units and Demand Side Response (with a 1 year capacity contract),
2. 18,620 MW for new units (with a 17 years capacity contract).

The total revenues of the Energa Group in the year 2029 from the above-mentioned contracts may amount to ca. PLN 148,77 million.

With regard to the long-term contracts, the Issuer informs that the expected annual revenues, starting from year 2029, may amount to at least PLN 4,93 million (total revenues over the period of 17 years may amount to at least PLN 83,85 million) for new units, whereas the price of the capacity obligation for long-term capacity contracts will be subject to an annual indexation of the average annual consumer price index.

The total value of the Energa Group capacity obligations for 2029 delivery resulting from the above-mentioned contracts and long term contracts from previous auctions is 1,933.888 MW.

OTHER

Additional information is presented in the Consolidated Financial Statements in Note 38 Other information having a significant impact on the assessment of the Group's assets, financial position and financial results.

2.3.2 MATERIAL EVENTS AFTER THE BALANCE SHEET DATE

CHANGES IN THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD OF ENERGA SA

On 6 January 2025 Mr. Ireneusz Fąfara submitted a statement of resignation from the Company's Supervisory Board and from the position of President of the Company's Supervisory Board, effective as of the end of 6 January 2025.

On 14 January 2025 the majority shareholder of the Company, ORLEN, submitted a statement informing that - pursuant to Article 385 § 2 of the Polish Code of Commercial Companies, § 17 section 3 and § 18 section 1 of the Company's Articles of Association – effective from 14 January 2025 at 2:00 p.m. it appointed Ms. Renata Agnieszka Rosiak to the Company's Supervisory Board, entrusting her with the function of the Chairwoman of the the Company's Supervisory Board.

On 24 January 2025 the Company received from its majority shareholder, ORLEN, a statement informing that - pursuant to Article 385 § 2 of the Polish Code of Commercial Companies, and § 17 section 3 of the Company's Articles of Association – as of the beginning of 1 February 2025 it appointed Mr. Paweł Olechnowicz to the Company's Supervisory Board for the function of the Company's Supervisory Board Member.

On 30 January 2025 the Supervisory Board of the Company appointed Ms. Magdalena Kamińska to the Management Board of the Company of the 7th term of office for the position of the Vice-President of the Management Board, with effect from 4 February 2025.

MAINTAINING ENERGA SA'S RATING BY MOODY'S

On 17 January 2025 the rating agency Moody's Investors Service ("Moody's") maintained the Company's Long-Term Issuer Ratings - Domestic Currency at the level "Baa1" with a stable outlook and other ratings that are associated with the Issuer. (More information is presented in Section 8.4 Ratings).

REGISTRATION OF AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF ENERGA SA

On 21 January 2025, the District Court Gdańsk North, the 7th Economic Division of the National Court Register registered amendments to the Company's Articles of Association adopted by resolution No. 12 of the Extraordinary General Meeting of the Company on 30 December 2024.

SIGNING A LOAN AGREEMENT WITH BANK GOSPODARSTWA KRAJOWEGO WITHIN THE NATIONAL RECOVERY AND RESILIENCE PLAN

On 19 February 2025, Energa Operator signed with Bank Gospodarstwa Krajowego ("BGK") a loan agreement for funds from the National Recovery and Resilience Plan as part of Investment G3.1.4 Support for the national energy system (Energy Support Fund) under component G for the development of smart power grids by EOP in the years 2022-2036, supporting the energy transformation of Poland.

The object of the above mentioned agreement is for EOP to incur a long-term liability up to the amount of PLN 7,661,757,198.22 in order to refinance qualified expenditures incurred by EOP for the implementation of the above mentioned development of smart power grids. The amount of the loan may be increased, which requires the conclusion of an appropriate annex to the agreement. The loan bears interest at a fixed interest rate of 0.5% per annum. EOP is obliged to repay the loan within 300 months from the date of signing the agreement. The first disbursement will be made after fulfilment of the conditions precedent, standard for bank financing.

At the same time, on 19 February 2025 the Issuer signed a surety agreement with BGK for EOP's obligations resulting from the above mentioned agreement.

INFORMATION ON THE RESULTS OF IMPAIRMENT TESTS

On 18 March 2025 the Management Board of the Compnay received the information about the results of impairment tests of the Group's fixed assets, which were conducted as at 31 December 2024 in accordance with IAS 36.

The results of the abovementioned tests indicated the necessity to create the impairment losses in the total amount of approximately PLN 0.43 billion. Out of this amount, approximately PLN 0.36 billion is attributable to RES assets in the area of electricity generation, for which the Group made binding transaction decisions in 2023. The remaining part of the impairment losses relates mainly to coal and heating assets.

Then, on 4 April 2025 the Management Board of the Company received the information about the necessity to change the assumptions adopted for the purposes of calculating impairment losses on the above mentioned assets, which increased the value of impairment losses by a total amount of approximately PLN 0.20 billion. The above increase related to RES assets in the area of electricity generation, for which the Group made binding transaction decisions in 2023.

The above events were of a non-cash nature. They decreased the profit before tax for 2024 of the Energa Group by approximately PLN 0.63 billion without affecting the EBITDA result.

2.3.3 OTHER INFORMATION HAVING A SIGNIFICANT IMPACT ON THE ASSESSMENT OF THE PROPERTY AND FINANCIAL SITUATION AND THE FINANCIAL RESULT OF THE GROUP

IMPACT OF ARMED CONFLICTS ON THE GROUP'S BUSINESS

The Company monitors the situation in Ukraine and the Gaza Strip on an ongoing basis in terms of its impact on business operations. However, the situation is very volatile and forecasting economic consequences of the war is subject to a high risk of making erroneous assumptions. Considering the highly fluid geopolitical and economic situations, and difficulties in developing or obtaining unreserved and highly likely economic and financial forecasts, it is not possible at the moment to measure the potential impact of the conflict on the Group's business and financial results.

Further military actions, the scope and effectiveness of sanctions imposed on the parties involved, as well as the response from central banks and other financial institutions to the crisis will be of key relevance for a full assessment of the impact of the current situation for the future financial results of the Group.

Bearing in mind the above, the Group has identified the following market risks:

- The risk of the Polish currency's depreciating against major currencies, including specifically against the euro. The Group hedges currency risk to liabilities held in foreign currencies and takes measures aimed at hedging currency risk with respect to planned investment projects.
- The risk of another increase in prices of energy inputs (coal and gas) as a result of their limited availability. It needs to be stressed that the Group no longer purchases fuels from operators based in Russia, Belarus, Ukraine or Israel. The Group monitors the availability and level of prices of that fuel on an ongoing basis for the respective periods and takes actions to secure the supply and prices that allow uninterrupted and profitable operations of the Generation Business Line. The existing production sources of the Group hardly rely on gaseous fuel in their operations (currently, only peak load and reserve boilers in Elbląg are exposed to this risk).
- The liquidity risk of the settlement system under the newly adopted energy market regulations, as a result of which part of the compensation due may potentially not be obtained, with a negative impact on the Group's performance. So far, the Group companies have not recorded any significant problems in obtaining the advances and compensation due to them from Zarządca Rozliczeń.
- The risk of increase in prices of electrical engineering materials being purchased as well as other components. Price growth in that area may lead to higher costs of ongoing repairs and higher expenditure on ongoing investment projects of distribution and generation infrastructure. In particular, the Group monitors the situation as regards timely delivery of measuring infrastructure items and takes the relevant adaptive actions to ensure the continuity of its operating activities in terms of the installation of meters in the distribution network.
- Greater risk of attacks against the IT, generation and distribution infrastructure which is required to achieve the Group's main business goals, which necessitates higher expenditure on protection of IT systems, facilities, buildings and civil structures, and the use of more advanced tools, equipment and security systems.
- The risk of growth of inflation and interest rates, and consequently the risk of reduced access to or less favorable terms of external funding, may drive up the Group's borrowing costs.
- In addition, the economic situation (high inflation, worsening GDP forecasts, high borrowing costs) may affect the liquidity situation of businesses and households in Poland, potentially resulting in a deterioration of payment behaviors of the Group's customers. At the time of preparing this report, the Group does not identify any risk of significant delays

in the collection of receivables from its customers, however, it takes this possibility into account, and therefore appropriate actions are taken to monitor the payment performance of individual customer groups. Liquidity in the Sales Business Line, related to the arising of compensation receivables from Zarządca Rozliczeń, was significantly affected by the enactment of the Solidarity Shield Act and the Price Cap Act.

On the other hand, the Group has not identified any direct adverse impact of the war in Ukraine and the situation in the Gaza Strip on its financial results in 2024.

The Group companies have no business relations with business operators registered in the territory of Ukraine, Russia, Belarus or Israel.

IMPACT OF STATUTORY CAPS ON ELECTRICITY AND

In connection with the Act of 7 December 2023 amending the act to support electricity, gaseous fuels and heat customers, which extended to 30 June 2024:

- the period of support for electricity customers in G tariff groups in the form of a freeze on electricity prices (amendment to the Act of 7 October 2022 on specific solutions to protect electricity customers in 2023 in connection with the situation in the electricity market), and
- the validity of mechanisms to freeze electricity prices for selected customers at an official price cap (amendment to the Act of 27 October 2022 on urgent measures to cap electricity prices and support certain customers in 2023);

as well as in connection with the decision of the President of the Energy Regulatory Office of 15 December 2023 to approve the 2024 tariff for electricity sold to G tariff customers, in 2024 the Group settled the entire provision for onerous contracts in the amount of PLN 466 m (out of the provision recognized in 2023).

On 19 September 2023, the Regulation of the Minister of Climate and Environment of 9 September 2023 amending the regulation setting out the rules of structuring and calculating tariffs and billings in electricity trading became effective (hereinafter: Regulation), introducing an electricity bill reduction (bonus) for households in the amount of PLN 125.34, calculated as 12% of the product of the average price in the tariffs of suppliers of last resort for the G11 tariff group for 2022 (i.e., 0.4140 PLN/kWh) and the electricity volume of 2,523 kWh.

In 2024, the Group settled the accrued bonuses of PLN 319 m, compared to the estimated amount of PLN 313 m in the financial statements for 2023.

According to the current wording of:

- the Act of 7 October 2022 on specific solutions to protect electricity customers in 2023 and in 2024 in connection with the situation in the electricity market (hereinafter: Act of 7 October 2022), and
- the Act of 27 October 2022 on urgent measures to cap electricity prices and support certain customers in 2023 and 2024 (hereinafter: the Act of 27 October 2022),

The Group is obliged to give a discount in 2024 to the eligible customers specified in these acts, who demonstrate adequate savings in electricity consumption.

The amount of the discount for a given electricity delivery point of an eligible customer is:

- equivalent to 10% of the total amount of the settlement of electricity sales and the electricity distribution service incurred by the eligible customer in the period from 1 October 2022 to 31 December 2023 (applicable to eligible customers to whom the discount is granted in accordance with the Act of 7 October 2022),
- equivalent to 10% of the total amount of the settlement of electricity sales incurred by the eligible customer in the period from 1 January 2023 to 31 December 2023 (applicable to eligible customers to whom the discount is granted in accordance with the Act of 20 October 2022).

The amounts of the above-mentioned discounts are covered by the compensation mechanism for suppliers.

The deadlines for the seller to apply for compensation for the discount granted under the Act of 7 October 2022 and the Act of 20 October 2022 have been set:

- until 30 November 2024 - for eligible customers with the discount granted or with the 2023 annual settlement by 30 June 2024,
- until 31 January 2025 - for eligible customers with the discount granted or with the 2023 annual settlement by 31 December 2024.

In 2024, the Group presented discounts relating to the sales portion as a reduction in trade receivables and a reduction in revenue from sales of goods, while discounts relating to the distribution portion (granted in accordance with the Act of 7 October 2022), as a reduction in trade receivables and a reduction in revenue on sales of services. The values of the discounts amounted to PLN 151 m on the sales part and PLN 43 m on the distribution part, respectively.

In addition, 13 June 2024 saw the entry into force of the Act of 23 May 2024 on the energy voucher and on amending certain acts in order to reduce electricity, natural gas and district heat prices (hereinafter: the Voucher Act).

In particular, the Voucher Act extended the operation of the electricity price cap mechanism in the second half of 2024, setting it at PLN 500/MWh for households and so-called building tariff customers, and at PLN 693/MWh for local governments, public utilities and micro-, small- and medium-sized enterprises.

The provisions of the Voucher Act also extended for the second half of 2024 the restriction consisting in the obligation to apply only the price cap in settlements with customers with contracts without a fixed price guarantee, without the possibility of charging additional fees included in the offers (commercial fees) to these customers. These fees are not covered by compensation, which reduces the profitability of previously concluded contracts with G and C tariff customers.

In addition, the Voucher Act has put energy companies under an obligation to submit the revised tariffs, valid at least until 31 December 2025, for approval to the President of the Energy Regulatory Authority.

In response to the application submitted by Energa-Obrót SA, on 28 June 2024, the President of the Energy Regulatory Office approved the electricity tariff for G tariff customers for the period from 1 July 2024 to 31 December 2025 for an average price of PLN 623 per MWh.

At the same time, in accordance with another act - the Act of 27 November 2024 amending the Act on exceptional measures to cap electricity prices and support certain customers in 2023 and 2024, and amending certain other acts, the electricity cap price of 500 PLN/MWh for households and the so-called building tariff customers will continue to apply from 1 January 2025 to 30 September 2025, as well as the cap price of PLN 693/MWh for local governments, public utility units (entities), and entities supplying (re-invoicing) electricity to these units for a period of 3 months of 2025.

An analysis of the regulatory impact of the enactment of the Voucher Act, the Act of 27 November 2024 and of the approval on 28 June 2024 of a new tariff rate by the ERO President for the period from July 2024 to December 2025, did not reveal any contracts generating liabilities in the period of 18 months.

The Group is entitled to compensation for cap prices.

Based on applicable regulations, the Group presented proceeds from compensation due to electricity trading companies and distribution system operators as a consequence of applying frozen electricity and gas prices and fees for distribution services to eligible customers under the Revenue from the Price Difference Payout Fund line of the statement of profit or loss, in the amount of PLN 1,866 m.

In 2024, the Group also recognized the Contribution to the Price Difference Payout Fund in the amount of PLN 13 m, under the Taxes and Fees in costs by type and to Selling Expenses in costs by function.

2.4 RESEARCH, DEVELOPMENT AND INNOVATION (RDI)

In 2024, Energa Group companies implemented 19 Research, Development and Innovation (RDI) projects, including: 7 new projects, 7 continuing projects from previous years, and 5 projects ended in 2024. The Group's entities spent more than PLN 3.4 m net of VAT on the 19 projects in question. An overview of the RDI highlights is presented in Section 2.4.1 below.

2.4.1 KEY RESEARCH, DEVELOPMENT AND INNOVATION (RDI) PROJECTS PURSUED BY ENERGA GROUP COMPANIES IN 2024

SERENE

Energa Operator is implementing SERENE, a research project which aims to develop mechanisms and business models for new network services to increase the flexibility of the MV and LV distribution networks and to employ technical solutions to actively manage the LV network using AMI meters. The project has been run by a consortium of 14 European energy sector companies and supported under the Horizon 2020 programme. Following the project launch and the first consultations in August 2019, the European consortium began its work in May 2021. SERENE has involved the creation of demonstration areas in three countries: Denmark, the Netherlands, and Poland. The experience gained at the demonstration sites will be analysed and evaluated for replicability, primarily in Europe. The Polish demonstrator is being built in the Municipality of Przywidz. The essential objective for EOP is to check how to build future cooperation for the benefit of local energy communities. Importantly, the activities have worked towards building consumer awareness and encouraging active participation through regular meetings with the residents of Przywidz. Responding to the needs of the future energy community, the consortium's work in 2024 focused on using the

demonstration area to carry out tests of the charging stations, energy storage, heat pumps, and the equipment designed to monitor and control the operation of the grid and consumer installations. A contract has been signed with a view to upgrading a substation located in a residential area of single-family homes with PV systems. The installation work is to be completed in April 2025. The project is scheduled to be finished by the end of December 2025.

EUniversal

Energa Operator was carrying out the EUniversal project dedicated to grid flexibility development and use of flexibility services on the energy market. Co-funded by the Horizon 2020 programme, the project brings together a consortium of 18 European energy sector companies. It has prepared solutions in support of the transformation of Poland's power system with a view to countering the bottlenecks it is affected by currently. A universal interface (UMEI) for the provision of flexibility services has also been created. The R&D work has been under way in three demonstration areas in Germany, Poland, and Portugal. The Polish demonstration area has been built by EOP, the Energy Institute Gdansk Branch, the Mikronika company, and the Norwegian company NODES. The project was launched in June 2020 and ended formally in April 2024.

OneNet

Energa Operator was implementing OneNet, a research project which aims to develop operating mechanisms and business models for the provision of new network services with a view to increasing the flexibility of the HV, MV and LV transmission and distribution networks. This project was pursued by a European consortium (17 members) and co-funded under Horizon 2020. It was launched in November 2019, and the European project consortium began its work in October 2020. OneNet involved large-scale research and demonstration of flexibility services for the Distribution System Operator (DSO) and the Transmission System Operator (TSO), such that allow them to use resources available in the energy market to support the operation of the grid, while creating transparent and open conditions for consumers. The project concept was tested comprehensively in 4 clusters, with each cluster having demonstration areas in each of the participant countries. EOP, which was part of the Eastern Cluster, worked directly with the Czech Republic, Slovenia, and Hungary. The Polish demonstration area, which had been built in cooperation inter alia with Polskie Sieci Elektroenergetyczne S.A., was used for demonstrating and testing the potential for providing large-scale services in northern Poland. The year 2024 saw the completion of a cost-benefit analysis (CBA) for the Eastern Cluster. The final work in 2024 involved the drafting of a technical and financial report for the European Commission. The project was rounded off in November 2024.

SUSTENANCE

In July 2021, Energa Operator embarked on the SUSTENANCE project – a sustainable power system aiming to create new carbon-neutral energy communities, which lasted to the end of February 2025. The project has been implemented by a consortium of 44 European members and benefits from Horizon 2020 co-funding. The overarching objective was to create sustainable energy systems with a view to building new carbon-neutral energy communities. The initiative focused on developing smart technology concepts that ensure green transformation of energy systems based on a higher share of local renewable energy and more efficient integrated energy solutions for electricity, heat, water, waste and transport infrastructure. The new solutions planned to be developed will also have a good socio-economic effect on local communities and will provide environmentally friendly solutions and good infrastructure to support the sustenance of the basic elements of life. The demonstration activities were planned in Denmark, India, the Netherlands, and Poland, which are countries with different local energy resources, socioeconomic conditions, user behaviour, political structures, market conditions, and regulations. The project showed how the same technical concepts, such as combining different types of energy, storage solutions, demand response, intelligent control schemes and digitisation, can be applied across the demonstration cases, despite the huge diversity of local conditions and regulations. The Polish demonstration site was developed in an urban area in Sopot. In 2024, SUSTENANCE tested the demonstration area, including the operation of a PV installation, an electric car charging station, and the use of energy storage. Importantly, the activities involved wide-ranging publicity of the project among customers to make them aware of the principles behind the concept of energy communities, both in the domestic and international markets. The final work planned for 2025 included the preparation of a report on the cooperation between the DSO and the energy community and of a financial and technical report, based on which the project will be cleared by the European Commission.

DEVELOPMENT OF SCADA/ADMS – NN/OMS/SIMULATOR – E2

In Q1 2024, EOP launched the innovative project 'Development of SCADA/ADMS – nn/OMS/Simulator – E2,' which is designed to implement a central SCADA/ADMS system for the LV network. This is the next phase of work which complements the deployment of the SCADA/ADMS system for the HV and MV networks. The project will put in place 48 functional requirements that will include modules relevant to the management of distributed generation, editing of LV power grid data and diagrams, automatic switching sequence generation, planning and coordination of outages, and handling of notifications, complaints and failures. The activities will also include the creation of a training simulator for dispatchers of the Central Power Dispatch Centre and Regional Power Dispatch Centres. The work in 2025 will comprise of preparing a pre-implementation analysis and the technical design for the system to be rolled out. The completion is scheduled for March 2027.

INNOVATIVE PHASE-CHANGE HEAT AND COLD STORAGE IN AN ADVANCED DISTRICT HEATING SYSTEM

Energa Ciepło Ostrołęka Sp. z o.o. was implementing the research project titled 'Innovative phase-change heat and cold storage in an advanced district heating system,' which aimed at developing a dedicated phase-change thermal energy storage facility to work with a small gas power station. The project, which was carried out by a consortium and was co-funded by a National Centre for Research and Development ("NCBiR") program, verified the assumptions and models of heat and cold storage under real conditions. In the coming years, Energa Ciepło Ostrołęka Sp. z o.o. plans to incorporate them into its core business. In the first place, the storage facilities will be used to stabilise parameters at the farthermost locations of the district heating network so that the company is able to provide final consumers with suitable parameters, especially during transitional periods. If situated properly, the storage facilities will reduce grid losses, which will translate into a tangible financial effect for the company. The project began in March 2017 and ended in July 2024.

CONSTRUCTION AND IMPLEMENTATION OF AN ELECTRICITY PRICING SYSTEM

In February 2024, Energa Obrót started off the project 'Construction and implementation of an electricity pricing system.' The aim of the project is to bring onto the market a commercial service whereby customers will be able to have their electricity consumption billed on the basis of a virtual prosumer model. In addition, the system will feature tools capable of supporting the management of purchased and sold volumes of the individual utilities. This will enable the company to create new products that will enhance sales performance. The new pricing system will be integrated with external systems that use pricing information, such as the Indexed Offers Platform (Platforma Ofert Indeksowanych) and the Intelligent Bidding Support system. The project is scheduled to be completed by the end of February 2027.

2.5 CAPITAL EXPENDITURES AND EXECUTION OF KEY PROJECTS

In 2024, capital expenditures of the Energa Group totalled PLN 5,062 million, of which the majority were investments in the Distribution Business Line, totalling PLN 2,948 million.

The investments of the Distribution Business Line included expansion of the grid with a view to connecting new customers and generators as well as upgrades aimed at improving the reliability of electricity supply. Expenditure was also incurred on innovative technologies and grid solutions, such as a smart grid conversion project.

In the Generation Business Line, CAPEX amounted to PLN 699 million, a significant portion of which was spent on the construction of new renewable energy capacities (mainly PV) and the development and maintenance of the Group's district heating assets.

The greatest amounts in the Sales Business Line were spent on lighting assets and IT systems.

The 'Other' Business Line expended funds mainly on a projects of the construction of gas power plants in Ostrołęka (CCGT Ostrołęka) and Grudziądz (CCGT Grudziądz).

Table 1. Status of implementation of the investment programme in 2024

Project description	Capital expenditure in 2024 (PLN m)
Distribution Business Line	**2,948**
Connection of electricity consumers and sources and the related construction of new grids	1,061
Modernization and reconstruction of the existing assets related to the improvement of the quality of services and/or the increase in the demand for power	1,459
Other capital expenditures, collisions and corrections	428
Generation Business Line	**699**
Construction of new RES capacities (including PV Mitra)	531
Construction of new CHP capacities (in Kalisz)	47
Other investments	121
Sales Business Line	**98**
Capital expenditures for lighting assets	45
Other capital expenditures	53
Other companies, projects and corrections	**1,317**
CCGT Ostrołęka	488
CCGT Grudziądz	751
Other investments and corrections	78

Total	**5,062**

INVESTMENT PROGRAMME IN THE AREA OF HEAT ASSETS

Preparatory work is underway in Elbląg for the 3xSG10 gas engine development. In September 2024, Energa Kogeneracja Sp. z o.o. ("EKO") submitted a bid in the CHP auction and received support in the form of a cogeneration bonus for 15 years from the first day, after the date of the auction decision, of generation, introduction into the grid and sale of electricity from the new generation unit (after obtaining or amending its electricity generation license). September 2024 saw the entry into effect of the contract with the general contractor, which has commenced its work towards freeing up the land for the planned development.

A contract for the construction of a peak-load/reserve boiler house and a water treatment plant is being executed at the Kalisz site. At the end of 2024, a 10 MWt boiler was approved for use. An official process for the commissioning of a new water treatment station installation and two 20 MWt boilers was underway. Work is also underway on the construction of a cogeneration system based on 2xSG10 gas engines. In 2024, work continued on the fitting of gas installations, process installations in engine chambers, engine towers, electrical installations, within electrical switchgears. Pressure tests of the gas system were carried out.

At the Ostrołęka location, preparatory work was carried out on the construction of a new heat source, a cogeneration heat source to supply the heating system of the city of Ostrołęka after 2025. A tender procedure was launched for the selection of the general contractor of the reserve-peak boiler house and for a cogeneration system design.

In 2024 development and upgrade investments were also made in the area of district heating networks.

CCGT OSTROŁĘKA POWER PLANT DEVELOPMENT PROJECT

On 25 June 2021, CCGT Ostrołęka Sp. z o.o. signed the gas-related addendum with the general contractor of the investment project, namely a consortium of GE Group companies. In December 2021, as a result of the main auction of the capacity market for the year 2026, CCGT Ostrołęka Sp. z o.o. signed a capacity contract for a period of 17 years (capacity requirement of 695.951 MW). On 24 March 2022 the company CCGT Ostrołęka Sp. z o.o. had issued the Commencement Order (a notice to proceed - NTP) related to the construction of a gas-fired combined cycle gas turbine (CCGT) power plant for the general contractor of this investment. On 29 June 2023, a loan agreement was concluded for financing the construction with a consortium of Polish and foreign financial institutions. On 3 October 2023 an annex was signed to the agreement of 25 June 2021 with the general contractor of the investment, under which, among others, the remuneration of the general contractor was increased from approx. PLN 2.5 billion to approx. PLN 2.85 billion. Construction is currently underway. Year 2024 saw the completion and acceptance of the successive milestones of the general contractor's work, namely the installation of the turbine set (the gas and steam turbine and generator), as well as of the heat recovery steam generator (HRSG), and cooling water pumps. The nearly 28-kilometre-long supply pipeline that will deliver natural gas from the Poland-Lithuania interconnector to the Ostrołęka CCGT unit was successfully filled with gas. The connection was also issued use permits for both provinces through which it runs (Podlaskie and Mazowieckie).

CCGT GRUDZIĄDZ POWER PLANT DEVELOPMENT PROJECT

In December 2021, as a result of the main auction of the capacity market for 2026, CCGT Grudziądz Sp. z o.o. signed a capacity contract (518.370 MW) for a period of 17 years. On 18 May 2022, CCGT Grudziądz sp. z o.o. signed a contract with a consortium of Siemens Group companies and Mytilineos, which acts as the general contractor. On 24 June 2022, the company handed over the construction site for the project to the general contractor. On 18 May 2023, the groundbreaking took place. The construction of the power unit is underway. Year 2024 saw the completion and acceptance of the successive milestones of the general contractor's work. The contractor continued the installation of not just the turbine set, but also of other power unit components, including the heat recovery steam generator (HRSG), transformers, electrical switchgear, and control systems. The efforts at the site saw work on the gas preparation station, the water preparation station, the auxiliary boiler, and the cooling system with the fan cooler unit. In 2024, work was underway on the construction of a water intake from the Vistula River along with a water main. The gas connection and the power evacuation line were also being constructed.

CCGT GDAŃSK PROJECT

On 16 September 2022, Energa and ORLEN S.A. signed an agreement regarding the financing of the construction of a CCGT plant in Gdańsk. In 2024, a procedure was carried through to select the general contractor (EPC) and the operation service provider (LTSA) for the CCGT Gdańsk gas-steam unit with a capacity of up to 456 MWe. In 2024, the company was taking preparatory actions ahead of the Main Capacity Market Auction for the 2029 supply year. In the Capacity Market Main Auction held on 12 December 2024, the project had not received the expected support.

PV MITRA PROJECT

The goal of the project was to prepare, build and put into service a photovoltaic installation consisting of a complex of photovoltaic power plants with a total installed capacity of approximately 65 MW. In 2024, all the design work was completed, and last

December the farm received the operating permit. On 16 December 2024, an annex to the contract was signed with the investment contractor, which sets the project completion date at 12 weeks from the date of voltage supply.

M&A PROJECTS IN THE AREA OF RES

In 2023, Energa Wytwarzanie signed with Greenvolt a preliminary agreement for the purchase of wind farm and four PV installations of a total capacity of 59 MW. The transaction involves two portfolios of RES projects carried out in the Wielkopolska province. One is the Opalenica portfolio, involving three photovoltaic farms with a total capacity of 22 MW. The other one is the Sompolno hybrid project, combining 26 MW of wind turbines and a 10 MW photovoltaic installation. The assets purchased during the year can produce 111 GWh of energy, which is equivalent to the consumption of over 55 thousand households. Greenvolt Power, a company that is part of the Greenvolt Group, is responsible for the construction and bringing both projects to the operational phase. The conclusion of final agreements for the Opalenica portfolio was completed on 29 August 2024, and for the Sompolno portfolio is planned for Q1 2025, after construction and obtaining licenses for the production of electricity for individual RES installations.

In 2023, Energa Wytwarzanie and Lewandpol Holding sp. z o.o. signed the preliminary agreement for the purchase of 100% of shares in E&G sp. z o.o., which implements Kleczew Solar & Wind project for the construction of photovoltaic installations and wind farm with a total capacity of from ca. 270 MW in the Wielkopolska province. The project creates the possibility of possible expansion with additional wind capacity in the future, in the cable pooling formula. The transaction is subject to the fulfillment of a number of conditions precedent and was closed in Q4 2024.

On 8 March 2024, Energa Green Development Sp. z o.o. acquired from ONDE (GK Erbud) and Goalscreen Holdings Limited (Neo Energy Group company) 100% of shares in the special purpose vehicle Farma Wiatrowa Szybowice Sp. z o.o., which owns the Szybowice wind farm construction project (Opole Province, Prudnik District). The Szybowice Wind Farm (WF) is to consist of 17 Vestas turbines, each with a capacity of 2.2 MW and a height of 180 m. The construction of the farm is to be completed within 21 months from the notice to proceed with the construction, which was issued by the investor on 20 March 2024.

On 12 April 2024, Energa Wytwarzanie SA acquired from Lightsource bp 100% of the shares in the special purpose vehicle Wena Projekt 2 sp. z o.o., Warsaw, which holds the rights to a photovoltaic installation project with a total capacity of approximately 130 MW. Also on 12 April 2024, Notices to Proceed were issued to the General Contractor. The photovoltaic installation is to be built in the municipality of Kotla, Głogów District, Dolnośląskie Province. The photovoltaic installation is expected to be put into service before the end of 2025.

On 5 November 2024, Energa Green Development Sp. z o.o. acquired from EGN Polska T. Bąkowski W. Kalisz B. Królikowski sp. k. 100% of shares in the company Helios Polska Energia Sp. z o.o. with its office in Konin, developing photovoltaic farm project PV Łosienice with an installed capacity of 39,9 MW, located in municipality of Kościerzyna. On the same day, an order to start construction works (NTP) was issued to the general contractor. The company expects that the use permit for the completed installation will be issued by the end of February 2026. The purchase price of 100% of shares amounted to approximately PLN 26 m. The Group estimates that the total expenditures related to the project will amount to approximately PLN 141 m.

2.6 STRATEGY AND DIRECTIONS OF DEVELOPMENT OF THE ENERGA GROUP

2.6.1 ENERGA GROUP'S DEVELOPMENT STRATEGY

In 2024, the "Strategic Development Plan of the Energa Group for 2024-2030" ("SDP"), which had been approved in December 2023, was in effect. The SDP replaced the "Strategic Development Plan of the Energa Group for 2021-2030". The update of the SDP went hand in hand with the approval of the "Long-Term Strategic Investment Plan of the Energa Group for 2024-2030" ("LSIP"), which is a forecast document for the SDP reflecting the current assumptions regarding investments in the Group.

Updating the SDP and LSIP was necessary due to the changes in market and regulatory environments that have occurred in recent years, which affect the electricity market in Poland. Evolving technology, digitization pressure, taxonomy, business models redefining the energy sector, business and social awareness in line with ESG, development of energy efficiency areas, signing of the Charter for the Efficient Transformation, diversification of generation sources and the decarbonization process are the main challenges affecting the Group's long-term development, defined in SDP and LSIP. In order to remain competitive while committing to protecting the environment and pursuing sustainable development, the Group has to align its business profile and asset structure with the new challenges as well as conduct energy transformation, mainly by continuing the decarbonization process. In addition, the SDP and LSIP reflect the changes made to the "ORLEN Capital Group strategy by 2030".

The Energa Group's main strategic goals for the years 2024-2030, as set out in the SDP, include:

1. in the Distribution business::

a. development of HV, MV, LV grids necessary for connecting renewable energy sources ("RES"), energy storage and electromobility, which will translate into an increase in the installed capacity of RES connected to the grid to approx. 13.2 GW by 2028,
b. expanding the grid to increase the potential for connecting electric vehicle charging stations,
c. increase in MV line cabling,
d. improving SAIDI and SAIFI indicators,
e. achieving 100% share of remote reading meters among customers starting from 2026,

2. in the Generation business:
   a. development of new RES capacities (both through own investments and mergers and acquisitions) – the Group plans to reach approx. 3.6 GW of installed RES capacity in 2030,
   b. replacing coal fuel with low-carbon fuel (gas) by continuing the construction of combined cycle power plants (CCGT) in Grudziądz and Ostrołęka with a total installed capacity of approx. 1.3 GW,
   c. reducing the share of coal assets in the installed capacity to 2% in 2030,
   d. reducing CO2 emissions by at least 40% by 2030 compared to 2019,
3. in the Sales business: the main strategic goal in this business line is to carry out an in-depth digitization and cost reduction program in order to increase EBITDA result (operating profit before amortization and impairment of non-financial non-current assets). The activities will include:
   a. increasing the profitability of electricity sales,
   b. increasing the ability to respond quickly to changes in the market environment by digitizing business processes and building a flexible process culture,
   c. increasing the share of green energy in sales,
   d. developing the lighting service with a focus on asset additions and upgrades,
   e. developing energy flexibility services (DSR service, among others).

According to the LSIP, total outlays on the Group's core and additional investments planned for the years 2024-2030 will amount to approx. PLN 47.9 billion, of which approx. PLN 23.4 billion accounts for the Distribution Business Line, approx. PLN 22.8 billion for the Generation Business Line (of which approx. PLN 14.3 billion for RES-related investments and approx. PLN 3.2 billion for construction and maintenance of CCGT units in Grudziądz and Ostrołęka), approx. PLN 1.6 billion for the Sales Business Line and other services.

The implementation of such an ambitious investment plan is necessary to maintain the Group's competitiveness in the medium and long term. The anticipated source of financing for the aforementioned investments is own funds generated by the Group as well as debt instruments. In order to achieve the full scale of funds necessary to implement the investments described in the LSIP, retention of profits in the Company will also be required, which means that the Company will not pay dividend. Additional support from ORLEN S.A. is also expected. All investment activities carried out by the Energa Group must meet the criteria of minimum investment attractiveness, compliance with ESG requirements and lack of risk of compromising the Group's financial stability.

It is estimated that the achievement of the aforementioned SDP goals and the investments envisaged in the LSIP will result in a more than two-and-a-half-fold increase in consolidated EBITDA in 2030 as compared to 2022, which should consequently translate into an increase in the Company's value for shareholders.

2.6.2 IMPLEMENTATION OF THE ENERGA GROUP'S STRATEGY IN 2024 AND DEVELOPMENT PROSPECTS FOR 2025

The overarching objective of the Company is to grow the value of the company, guaranteeing a return on capital employed for shareholders. Furthermore, the Company performs functions associated with assurance of energy security of Poland. Because of the high proportion of regulated activities in its business structure, the Group maintains the status of a company with a balanced risk profile.

DISTRIBUTION BUSINESS LINE

Energa Group's Distribution Business Line is consistently seeking to become a leading Distribution System Operator ("DSO") by improving its power grid performance and reliability, and providing top quality customer service. Hence inter alia the correspondingly higher funds allocated by the 2025 investment plan.

The amount of Energa Operator's CAPEX budgeted for 2025 takes into account the following:

a. CAPEX approved by the President of the Energy Regulatory Authority in the Development Plan,
b. the amount of expenditure budgeted for work needed to avoid collision, which is refinanced by external entities,
c. the value of commercial connections of entities as per Article 7(9) of the Energy Law, which are to be refinanced by external entities,
d. CAPEX under leases that had been recognised under OPEX prior to the effective date for the amendment of IFRS16.

The 2025 plan takes into account the need to satisfy the ongoing needs of the electricity consumers and generators that seek connection to EOP's distribution network in 2025, and will allow Energa to pursue the following tasks:

a. develop the electricity network at all voltage levels in order to ensure that it can handle increased grid flows and connection of new generation units, especially RES,
b. maintain network and equipment efficiency, in particular maintain the power supply continuity and network losses ratios, and make the LV network fit for accommodating the growing number of microinstallations,
c. expand supervision over the operated equipment, as well as grid status and power and electricity flow monitoring and analysis,
d. support the development of electromobility through the expansion of grids for them to accommodate new recharging infrastructure for road public transport,
e. develop smart metering infrastructure,
f. expand the IT systems that support the operations of the DSOs so that the systems comply with the applicable legislative and regulatory requirements and are capable of responding to the current business needs of EOP,
g. upgrade and renew the vehicle fleet and back-office facilities.

Securing sufficient CAPEX will allow Energa to comply with the statutory obligations related to the connection of new customers and new electricity sources, and will translate into tangible benefits for Energa Operator by allowing it to avoid penalties for failure to meet the statutory requirements, and thereby mitigate the risk of reduced return on capital under the tariff and limit the amount of discounts to be granted to customers for power outage.

As regards HV network projects, EOP is obliged to carry out investments following from the Concept for Operation of the LV Transmission and HV Distribution Networks as a Closed System within the area served by the company, which is being developed jointly with Sieci Elektroenergetyczne. The company also pursues other tasks regarding its HV network (e.g., by constructing new 110/15 kV substations), which are conducive to the development of the local economy (at the municipal level) and roll-out of RES. Energa Operator also works to adapt its HV grid to increased power flows anticipated as a result of the conclusion of grid connection contracts and increasing demand for power from existing consumers. The country's growing economy and increased demand for electricity, including the planned development of electromobility, requires the grid to be adapted to the changing load at all voltage levels. In addition, activities are under way to expand and upgrade the cable-line infrastructure (mainly of the medium-voltage grid) so as to enhance the resilience of EOP's network to adverse weather events, which are increasingly common in Poland and throughout Europe, and thereby improve the power supply continuity indicators (SAIDI and SAIFI) with a view to bringing them to a level not worse than that specified in the qualitative regulation document. Spending on the continued development of smart metering infrastructure is another component of the CAPEX planned for 2025. The deployment and development of new technologies in the company will be a key contributor to improved efficiency of investment and operation work.

In 2025, EOP plans to intensify high-voltage network investment activities. In 2025, a major challenge will be posed by the contracting and delivery of the breadth of HV network projects (design tasks or work based on existing design documentation) foreseen in the investment plan, which are aimed at developing the network in order to prepare it for a surge in renewable energy generation, enhancing the potential for connecting new customers with a high installed capacity, and developing electromobility, mainly by boosting the capacity of the high voltage grid, building new power lines and constructing new or upgrading existing 110/15 kV substations. Additionally, a portion of the investments in HV lines is needed to ensure full evacuation of power from the offshore wind farms to be connected to the transmission network. High voltage grid investments provide added value by reducing technical network losses.

Energa Operator's other key investment areas in 2025 include:

- further connections of new customers and new generation units, as well as the related construction of new networks,
- network expansion and redevelopment to meet increased power demand,

- rebuilding/modernising the distribution grid, at all voltage levels, to improve continuity of customer supply (SAIDI/SAIFI) and comply with the required quality parameters for electricity supply and to reduce grid losses.
- purchase and installation of smart metering infrastructure necessitated by legislative amendments.

In addition to the above investing areas, in 2025, EOP plans to continue further development of its ICT networks and systems supporting the company's key business processes. This will include the purchase of a new database solution for the Central Measurement Base, and of the associated database licenses. Buying the above is necessary for maintenance reasons (growing data volumes and the need to ensure sufficient computing capacity) and the plan to develop a system that will be connected to the Central Energy Market Information System (Centralny System Informacji o Rynku Energii).

In September 2023, the company (along with the other DSOs) filed the 2024-2028 Update to the 2023-2028 Development Plan for approval. On 15 December 2023, the President of ERO approved it and notified the company that he had validated the expenditure in full. This means that the Development Plan of Energa Operator S.A. has been approved by the President of ERO in its entirety for the years 2023-2028. The revision referred to above resulted from the need to align the information contained in the Development Plan to the goals resulting from the signing of the Charter for the Effective Transformation of Distribution Networks of the Polish Energy Industry (Karta Efektywnej Transformacji Sieci Dystrybucyjnych Polskiej Energetyki) on 7 November 2022.

In 2024, the company developed the 'demand handling and system assumptions' needed to accommodate the new entities on the electricity market, such as energy cooperatives and virtual prosumers, and to handle so-called 'direct power lines', energy clusters, cable pooling, and civic energy communities (CECs). Following the upgrades, the system is capable of receiving notifications from members of energy cooperatives and handling the associated settlements. EOP's work with regard to agreeing the method of communication with the seller, determining the scope of data to be transferred and the required changes to be implemented in the information systems, was completed in April 2024. In this context, December 2024 saw the commencement of testing of the last implementation phase of the system functionalities necessary for EOP to serve energy cooperatives. In June 2024, the consultation process was brought to an end and the requirements for the system functionalities dedicated to energy clusters were defined. They include features relevant to settlements and reporting in terms of contracts, metering, invoicing and reports. The implementation of the system changes had been divided into 3 phases, and the testing of phase 1 functionalities was commenced in December 2024.

Following revisions to the Energy Law, since 24 August 2024, EOP has made it possible for all customers with a remote reading meter to benefit from a dynamic price contract with the electricity seller. To this end, EOP has implemented a special type of notification that allows the commencement of 15-minute-interval publication of readings. Suitable transmission of meter readings is essential for sellers to bill correctly those customers who have signed a dynamic-pricing contract. In 2024, EOP received 16 notifications from sellers further to the conclusion of dynamic-pricing contracts. All of them were approved, following which 15-minute measurement data publication was started.

In 2024, work continued towards the modification of Energa Operator's business processes and information systems to align them with the Central Energy Market Information System ('CSIRE'). The main assumptions for the upgrades of business processes were elaborated, and workshops were provided by the system vendor. Data cleaning operations for the migration were also under way.

In 2024, in order to adjust EOP to the new energy market operation model on the basis of new rules and standards, as well as on close integration with the CSIRE, initial migrations of data from EOP's systems to CSIRE were carried out, the planned changes to the company's IT systems were described, the Enterprise Service Bus was put in place to handle communication with the CSIRE, and the SID and CC&B systems were preliminarily redesigned to streamline the migration of data to the CSIRE. The target changes to the IT systems have begun, with the testing planned for 2025. Further changes to the systems are planned for 2025 in order to prepare them for interoperability with the CSIRE and to handle more data migrations to the CSIRE. Additionally, purchasing a license for a business process monitoring (BPM) solution is also planned.

In 2024, the "Mój Prąd 6.0" (My Electricity 6.0) government scheme encouraged the connection of renewable energy sources by co-funding newly connected microinstallations. The programme will continue in 2025.

In 2025, Energa Operator will face the considerable challenge of maintaining safe operation of the power supply grid at low voltage in spite of the rising prosumer generating capacity. Maintaining the energy parameters and continuity of supply to all customers connected to the nn-0.4 kV grid will require taking measures increasing the grid's flexibility, including investment. Therefore, there may be a need for upgrading the LV-0.4 kV network (increasing the cross-section of cables and shortening the length of circuits by building new MV/LV substations) and deploying state-of-the-art voltage adjustment solutions.

An upsurge in interest in the construction and connection of new renewable capacities continues to be observed. As of 31 December 2024, 2,304 renewable energy producers (other than micro-installations) with a total capacity of over 6,900 MW were being connected to the Energa Operator network through the formalised connection process.

Connecting RES to the grid will continue to be a major challenge facing Energa Operator in 2025 and beyond. In addition, an increasing share of the number of applications for connection to the EOP power grid are being filed for energy storage facilities, and their number is bound to grow, given the development of energy storage technologies. Judging by the number of applications submitted for photovoltaic installations, EOP continues to see strong interest in the connection of such sources, increasingly also in combination with existing wind farm installations (cable pooling).

The year 2025 will be the next (last) year governed by the 2018-2025 qualitative regulation model introduced by the President of ERO in 2019 and described in the document entitled 'Qualitative Regulation for Distribution System Operators in 2018-2025'. This Regulation has introduced far-reaching changes, for instance in the division and calculation of power supply reliability indicators, ROE calculation, level of operating expenses reflected in the tariff, and qualitative regulation. The President of ERO set very ambitious objectives for the improvement of key performance indicators, the delivery of which (mostly of regulatory area-based power supply reliability indicators: CTP and CP as well as the CRP connection time indicators) will have a direct impact on the regulated revenue of the Company as regards return on equity – performance in 2025 will be reflected in the tariff for 2027.

Brought together within the Polish Power Transmission and Distribution Association (PTPiREE), the DSOs and the President of ERO have begun discussing on how to update the qualitative regulation model.

27 May 2022 saw the initiation of a strategic project titled "Balancing of Energa Operator S.A.'s MV/LV substations", which is to ensure compliance with the legal requirements deriving from the amended Energy Law, which had taken effect on 3 July 2021. The amended legislation requires all distribution system operators to install by 31 December 2025 remote reading meters at all MV/LV substations within the operators' distribution grid, which must be connected to a remote reading system.

Late 2023 and early 2024 saw the conclusion of the first contracts for delivery of 10,000 units of integrated balancing systems by December 2024, which were delivered on schedule.

In addition, further contracts were made on the supply of 617 of integrated balancing systems by the end of December 2024, and the deliveries of 6,999 units by October 2025 were contracted in July 2024.

The gradual installation of the integrated balancing systems is currently under way. As part of the project, 9,097 units of integrated balancing systems were installed within EOP's network and connected to the Central Metering Base in 2024, with 8,519 units remaining to be deployed in 2025.

The transition of the energy market poses new challenges also to the DSO, whose power grid connects the energy market players. New challenges call for the development and creation of new technical, organisational and process solutions. The ambition of the Distribution Business Line is to lead the deployment of innovative solutions and to cooperate in that respect with other European countries. Energa Operator implements innovative solutions in such areas as smart grid, smart metering, advanced network asset management and cable diagnostics systems and vendor and customer support system. The DSO's activities additionally involve cooperation with other DSOs on international research and development projects. The goal of such projects is to devise mechanisms for the development and integration of the future energy market and to set up the conditions for new services on the market on the DSO side. These include, in particular, flexibility services, as well as supporting customers in playing active energy market roles, in particular designing new solutions for energy communities.

In 2025, two international projects related to cooperation between DSOs and local energy communities (SERENE and Sustenance) are planned to be completed. The results will be put to use by EOP in its operations. The projects are implemented in the Przywidz Municipality and in Sopot.

The 2025 plans also comprise of activities towards the stabilisation of the central SCADA/ADMS HV and MV networks system implemented in 2024, as well as the preparation of a pre-implementation analysis for the LV network, which will be the basis for the rollout of further innovative system functionalities in subsequent years. The deployment of the system was a key element in the implementation of a project dedicated to the deployment of smart grids.

In the area of research and development, it is important to build relationships with universities and scientific institutions. Cooperation with local research institutions: the Gdańsk University of Technology, the Gdańsk Branch of the Institute of Power Engineering, and the Institute of Fluid-Flow Machinery at the Polish Academy of Sciences is being developed in the framework of the activities. EOP is also an active participant in the Orlen Skylight Accelerator Programme, where it seeks solutions related to the use of AI to manage the clearing of vegetation that threatens power lines.

Energa Operator Wykonawstwo Elektroenergetyczne Sp. z o.o. ("EOWE") is the company that provides the strategic reserve of contracting capacities for the Distribution Business Line. Under the framework agreement concluded, the company carries out construction and installation works within the framework of the agreed internal tasks plan, which is mainly based on investment projects in EOP's distribution network. In addition, in the event of mass failures, EOWE provides the work necessary to recover network operation and ensure that electricity is supplied to affected customers. EOWE's 2025 Internal Task Plan provides for the delivery of investment and repair/renovation contracts within the bounds of the company's capacity to perform contracted work.

GENERATION BUSINESS LINE

Energa Wytwarzanie SA operates in the power sector, within an established legal environment based primarily on the following legislation: Energy Act, Water Act, Capacity Market Act, RES Act, Construction Act, Environmental Protection Act. The company is active in the domestic electricity generation market, generates electricity from renewable energy sources, and sells electricity. In 2024, EWYT also provided system services to the transmission system operator PSE S.A. – compensation operation and ARNE (automatic voltage and reactive power control) services, using the hydropower units of the Żydowo Pumped-Storage Plant, and the National Electricity System recovery service, using the hydropower units of the Włocławek Hydro PP. Moreover, the Żydowo Pumped-Storage Plant (ESP Żydowo) hydropower units, as centrally dispatched generating units (JWCD), participate in the balancing of the National Electricity System.

Energa Wytwarzanie is one of the leading generators of renewable hydropower in terms of the amount of electricity generated. It has a large generating potential and its leadership position is not going to be threatened in the coming years. The Generation Business Line, in which EWYT is the lead entity, carries out activities related to the generation of electricity and heat, the provision of system services, and the transmission and distribution of heat.

The industry in which EWYT operates depends on the price of products generated and the cost of investments, as well as the cost of ongoing upgrades ensuring maximum availability of units. The Generation Business Line companies that have conventional generation units are largely dependent on the fuel prices, which are subject to significant increases, and on the price of CO2 emission allowances.

The development lines of Energa Wytwarzanie follow the strategic documents of the Energa Group and ORLEN Group. In 2025, the pursued tasks will focus on:

- **Offshore wind energy** – in 2024, Energa Wytwarzanie and Northland Power incorporated the Baltic Offshore Service Solution company, which offers comprehensive management of offshore wind farm projects. It will provide specialised services for the offshore wind energy sector, including, but not limited to, the technical, operational, commercial and contractual aspects of its operation. In 2024, the roll-out of offshore wind farm projects at sites 14.E.1 and 14.E.2 continued. On 8 July 2024, Polskie Sieci Elektroenergetyczne, based on the received applications for the issue of connection terms and conditions, issued Energa MFW 1 Sp. z o.o. and Energa MFW 2 Sp. z o.o. with the preliminary connection terms and conditions for their offshore wind farms, in which they defined the connection capacity and the power parameters for the 14.E.1 and 14.E.2 farms. The preliminary connection terms and conditions granted are a major milestone in the development of the project.
- **The Bystra battery energy storage system** – it is being redeveloped in order for the system to be reintegrated with the power system through a direct connection to the 110 kV network, with the existing connector to the Bystra wind farm bypassed.
- **PV Mitra** – On 23 August 2023, the investment agreement with Energa Green Development sp. z o.o. was signed for the PV Mitra project, which provides for the construction of a photovoltaic farm with a capacity of about 65 MW. According to the schedule, all the acceptance tests and the powering up of the installation are to be completed by the end of April 2025 (for more information see Section 2.5).
- **PV Kolincz** – On 11 January 2023, EKO-SOLAR Ltd. was hired as the prime contractor of the PV Kolincz photovoltaic installation development project, the end result of which will be a PV farm with an installed panel capacity of about 700 kW.
- **Acquisitions** – in 2024 EWYT carried out a number of projects related to acquisitions of PV and WF installations, which have boosted its installed capacity by a total of about 266 MW. For a description of the acquisition projects, see Section 2.5.
- **Projects implemented within Energa Group** – in 2024, Energa Wytwarzanie continued the construction of PV installations on its own land, which had been started in previous years. In early 2024, Energa Wytwarzanie finalised a project involving the construction of five small PV farms of up to 1 MW each. Towards the end of 2024, the company acquired the already built Żuki PV plant (2.4 MW) from EGD.
- **Pumped-storage plants** – in 2022, Energa Wytwarzanie commenced work towards the preparation of investments in new pumped-storage plants. The pre-design work formulated the key technical and economic assumptions for two potential sites of pumped storage plants with a capacity of 1,000 MW and 100 MW. In 2024, the Group completed analyses to assess the cost-effectiveness of the investments compared to battery technologies. The project will be re-updated in keeping with the ORLEN Group strategy revised in 2025.
- **Hybrid SHPPs (Small Hydropower Plants)** – the end of 2024 saw the launch of a small hydro project aimed, inter alia, at choosing the optimum SHPP generation unit to be used in a pilot hybridisation project. The pilot project will be assessed for the cost-effectiveness of the plant operation and economic effectiveness of the investment. If the results of the pilot are satisfactory, the project is likely to help tap the hybrid potential of more SHPPs.

- **A digital twin for wind turbines** – in December 2024, Energa Wytwarzanie set into motion an initiative to design a digital twin for wind turbines. A wind turbine digital twin is a virtual representation of an actual turbine, which uses real-time and historical data in order to simulate, monitor, and optimise the operation of the turbine.

In 2025, the Generation Business Line will carry out a range of operational and organisational activities. It will also continue activities initiated in previous years under projects started further to the integration with ORLEN. Innovation plans will also be developed and initiated to reinforce the Group's market position in the coming years. In this respect, the Generation Business Line will continue and deliver the following projects and initiatives:

- 3xSG10MW project – construction of gas engines in Elblag,
- 2xSG10MW project – construction of gas engines in Kalisz,
- Project 2xKRS 20 MWt + 1x10 MWt + SUW – constructing peak-back-up boilers in Kalisz,
- Retrofit of the Wyszogród Heat Plant,
- CHP project – construction of a new heat plant for Ostrołęka's district heating system,
- Overhaul of Unit 3 at Energa Elektrownie Ostrołęka S.A.,
- Retrofit of Boiler 3 for it to burn biomass at a share of 50% at Energa Elektrownie Ostrołęka S.A.

SALES BUSINESS LINE

Energa Obrót SA (EOB),which is the leading entity in the Sales Business Line, sells electricity to individual, institutional and business customers. 2023 saw the launch of EOB's transformation program, which followed from the reorganisation of the Orlen Group. The main goal of the program is to align the company with the strategic goals of ORLEN 2030. In 2024, Energa Obrót reviewed the transformation program. During the evaluation stage, steps were taken to identify additional work needed to align the company's business model to ongoing market developments. The target operating model will allow the company to become a leader in green energy sales in Poland. In addition, neighbouring markets were assessed for future trade opportunities in the Baltics. Once the strategy document is adopted, the company will proceed to quantifying the initiatives and determining the impact on its financial performance. In addition, in Q4 2024, work was underway to update the ORLEN Group's strategy. The company participated in work related to a retail-focused initiative for the ORLEN Group. The concept behind EOB's business model incorporates an element of ORLEN Group's strategy related to the "Energy as a service" strategic initiative.

Energa Obrót SA's main strategic challenges:

- **The Central Energy Market Information System ("CSIRE")** – in 2024, the company continued the project. The CSIRE is required to be deployed further to a revision of the Energy Law that regulated the activity of energy market information operators within the meaning of the new Article 3(72) of the Energy Law. Polskie Sieci Elektroenergetyczne S.A. has been designated as an Energy Market Information Operator (OIRE). Pursuant to the Law, an Energy Market Information Operator is tasked inter alia with building and launching the CSIRE system, in which energy market information will be processed. The Law requires EOB, as an electricity seller, to ensure exchange of information with the System by 1 July 2025. On 16 December 2024, the Ministry of Climate and Environment published a communication announcing urgent legislative work to amend certain acts in connection with the introduction of the central energy market information system, which is designed to support the completion by different categories of energy market users of the corresponding tasks through the CSIRE. The joining to the CSIRE is to be effected from 1 July 2025 to 19 October 2026, depending on the size of the entity. In this context, care has been taken to meet the deadline for the implementation of the provisions on the virtual prosumer from 2 July 2025, while allowing virtual prosumers to operate on an interim basis within the territory of a single DSO until October 2026. The optimised approach to the implementation of the CSIRE will enable a smooth transition to the new system, with priority given to secure and seamless exchange of data. The launch of the CSIRE will entail the replacement of the existing model of the retail energy market, in which a participant obtains the information necessary to conclude and amend a contract or handle settlements with customers, based on the information exchange standards of the distribution system operator concerned, with a standardised model based on a central system for obtaining, processing and sharing information for the implementation of energy market processes. The CSIRE will also provide end consumers with secure and easy access to their own metering data, speeding up and simplifying the seller switching process. The CSIRE will be the largest system of its kind in Europe. The CSIRE represents another milestone in a comprehensive transformation of the national power system. The proposed optimisation remains neutral to the security of customer billing and data exchange, as well as to the energy transition of Poland and the achievement of climate goals. In view of the above obligations, in 2024, Energa Obrót followed the implementation schedule for Phase 2 of the project. The company's management effectively responded to the changes on an ongoing basis, and, to this end, effected measures that enabled the project to be implemented on schedule. EOB plans to pursue further intensive efforts in 2025, with the system to be launched in 2026.

- **Electromobility** – as a provider of charging services at publicly accessible recharging stations, Energa Obrót makes consistent efforts to promote electromobility through presentations during events for customers, e.g. the Moto Safety Day, and information published on the Energa's blog 'Zielone Pojęcie' (Green Idea). The company is actively expanding its own charging network – as of the end of 2024, it managed 341 of its own electric vehicle recharging stations and additional partner stations. Owing to the integration of the Energa Group with the ORLEN Group, the Company's EV charging stations are available on the ORLEN Charge network, which covers the entire territory of Poland. Customers can use the ORLEN Charge application to quickly and conveniently find the nearest charging station, check which terminals are currently available and track the charging process and its parameters on a smartphone. All Energa Group's stations are supplied with green electricity. In 2025, the company intends to continue the eTank project by acquiring 100 plots of land for the construction of electric vehicle charging stations and charging HUBs.
- **Customer centrism** – the energy industry keeps evolving, with the needs of customers becoming ever more diverse and sophisticated. In order to respond to these developments, in 2025 and beyond, EOB intends to provide customers with unique value and experience that cater for their individual needs and requirements. Customer centrism is putting the customer at the centre of all activities and decisions, which will allow the company not only to better understand their needs and expectations, but also to build lasting and valuable customer relationships. Mainstreaming this idea across EOB is a key step towards ensuring better customer satisfaction and, consequently, the company's long-term success.
- **The National e-Invoice System** – the project to deploy a nationwide e-invoicing system has been initiated by the Ministry of Finance with a view to complying with applicable legislation, i.e.:
  - **a.** the Act of 29 October 2021 amending the Act on Value Added Tax and Certain Other Acts,
  - **b.** Regulation on the use of the National e-Invoicing System,
  - **c.** Council Implementing Decision (EU) 2022/1003 of 17 June 2022 authorising the Republic of Poland to apply a special measure derogating from Articles 218 and 232 of Directive 2006/112/EC on the common system of value added tax.

Within the framework of its programme entitled 'Preparation of an e-invoicing solution for the Energa Group', the Group is delivering projects aimed at ensuring that it maintains business continuity while meeting the legislative requirements. To achieve this, it is upgrading its computerised systems so that they can issue sales invoices and receive cost invoices in line with the National e-Invoice System requirements.

- **The development of digital sales and customer service channels** – in April 2024, as part of the Project "Upgrade of digital customer contact channels", pursued in cooperation with Energa Informatyka i Technologie Sp. z o.o., a new Selfcare feature was made available to the company's individual and SOHO customers (called Energa24) in the Orlen Vitay application. In 2025, EOB plans to integrate, on a continuous basis, new features into the energa.pl and Energa24 applications, the first of which will be electricity consumption charts in Energa24.

Other companies in the Sales Business Line are:

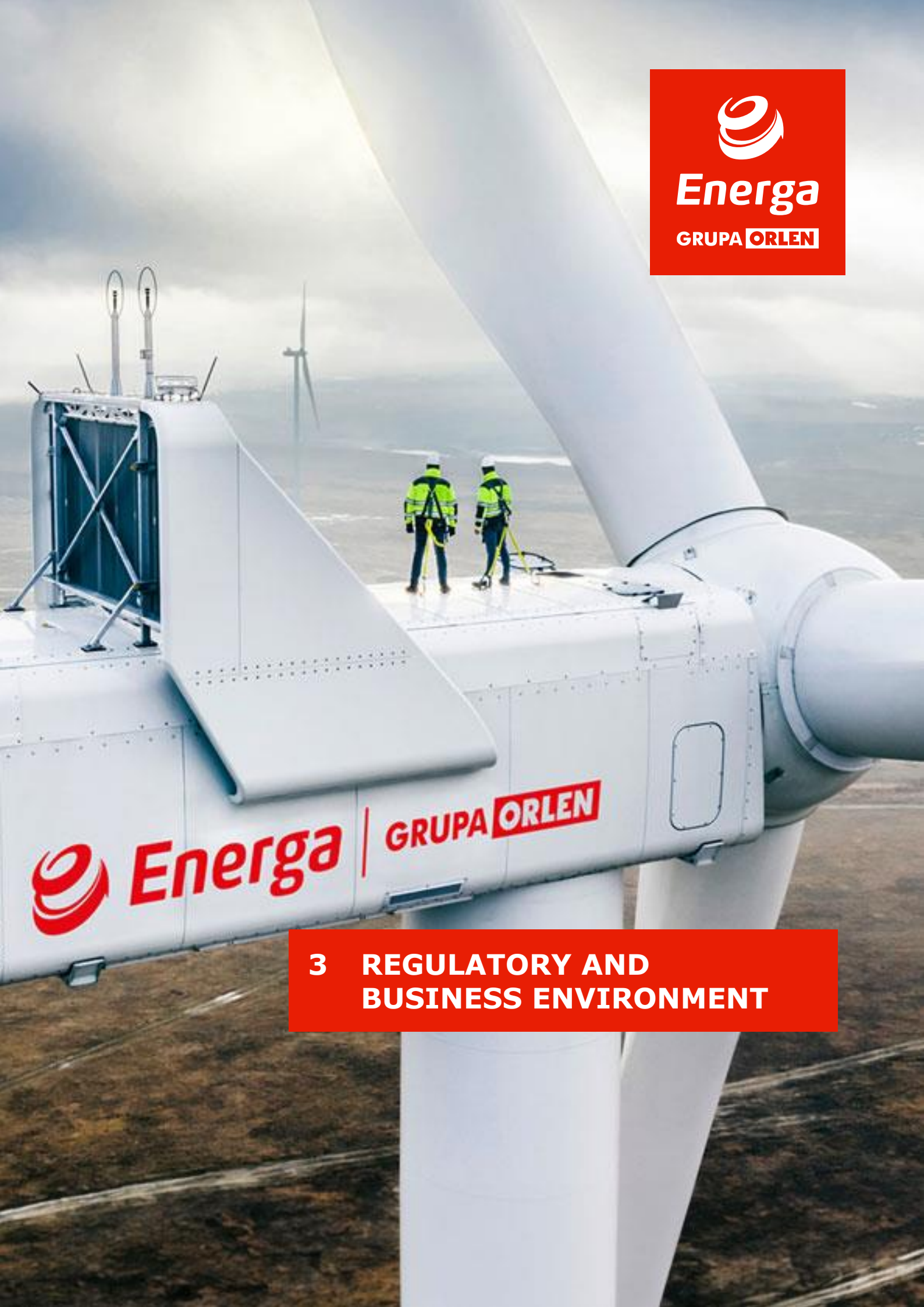
1. Enspirion Sp. z o.o. – domestic leader in security support for the power industry and telecommunications via Demand Side Response services and TETRA mission-critical communications. The overarching objective of Enspirion's strategy is to add value to the Energa Group by commercialising unique market services,
2. Energa Oświetlenie Sp. z o.o. – road, street and other outdoor lighting is the main service rendered to customers. The company also sells advertising space on lighting poles, provides building and structure illumination services and offers seasonal festive decorations. The company renders lighting maintenance services.

2.7 AWARDS AND DISTINCTIONS

The details of awards and distinctions have been presented in the table below.

Table 2. Energa Group's awards in 2024

No.	Award/distinction name/title	Description - what the prize was awarded for	Date of award of the prize/distinction (month)	Company
1.	Olivia Prize 2023 in the Olivia Impact category	Implementation of an extensive ESG program and supporting important initiatives in the region, Poland and globally, including through the Good Energy Homes and Planet Energy programs.	January 2024	Energa
2.	Power Deal of the Year 2023 in Europe	The Ostrołęka CCGT project financing transaction won a prize of *IJ Global Awards* magazine in the Power Deal of the Year 2023 in Europe category. The IJ Global Awards is a prestigious award in the financial and investment industry. The competition recognises the achievements of companies, financial institutions, investment teams and projects in areas such as project finance, infrastructure, renewable energy, transport, real estate and the public sector.	March 2024	Energa
3.	"Good Work Safety Practices 2023 in ORLEN Group" for Energa Group's Energa Ciepło Ostrołęka	The jury appreciated the "technical good practice" of its manhole cover securing system.	April 2024	Energa Ciepło Ostrołęka
4.	2nd place in the "ESG Responsible Management Ranking" under the Industry Leaders category for "fuels, energy, mining" in the Responsible Companies Ranking	Energa was a runner-up in the 18th edition of the "ESG Ranking. Responsible Management" in the category of Industry Leaders for "fuels, energy, mining", which is the new edition of the Responsible Companies Ranking	June 2024	Energa
5.	ESG White Leaf	ESG White Leaf for Energa in the 13th edition of the Polityka weekly's competition, awarded to entities that already implement significant ESG governance elements	June 2024	Energa
6.	Employer Worthy of Trust in the 'ESG leader' category	For the implementation of the integrated 2024-2030 Sustainable Development Strategy based on the five key pillars: Minimising climate impact, Environment and biodiversity conservation, Ensuring safety and good working environment, Building relationships with the environment and communities, and Responsible management	November 2024	Energa
7.	'ESG Innovator 2024 Platinum Award' in the 'G' category	The award was earned for the implementation of a state-of-the-art Compliance Reporting Platform, which highly improves Energa Group's compliance management standards.	November 2024	Energa
8.	The Golden Hundred of Pomerania – award for the best investor	The Golden Hundred of Pomerania – award for the best investor granted by Dziennik Bałtycki	November 2024	Energa
9.	SAG Award – Special Achievement in GIS Award from the Esri company for Energa Operator	for innovation and achievements in geoinformation and GIS technology development	December 2024	Energa Operator
10.	'Climate Positive' honourable mention	In recognition of the commitment to climate action and the promotion of sustainable development for the benefit of future generations	December 2024	Energa



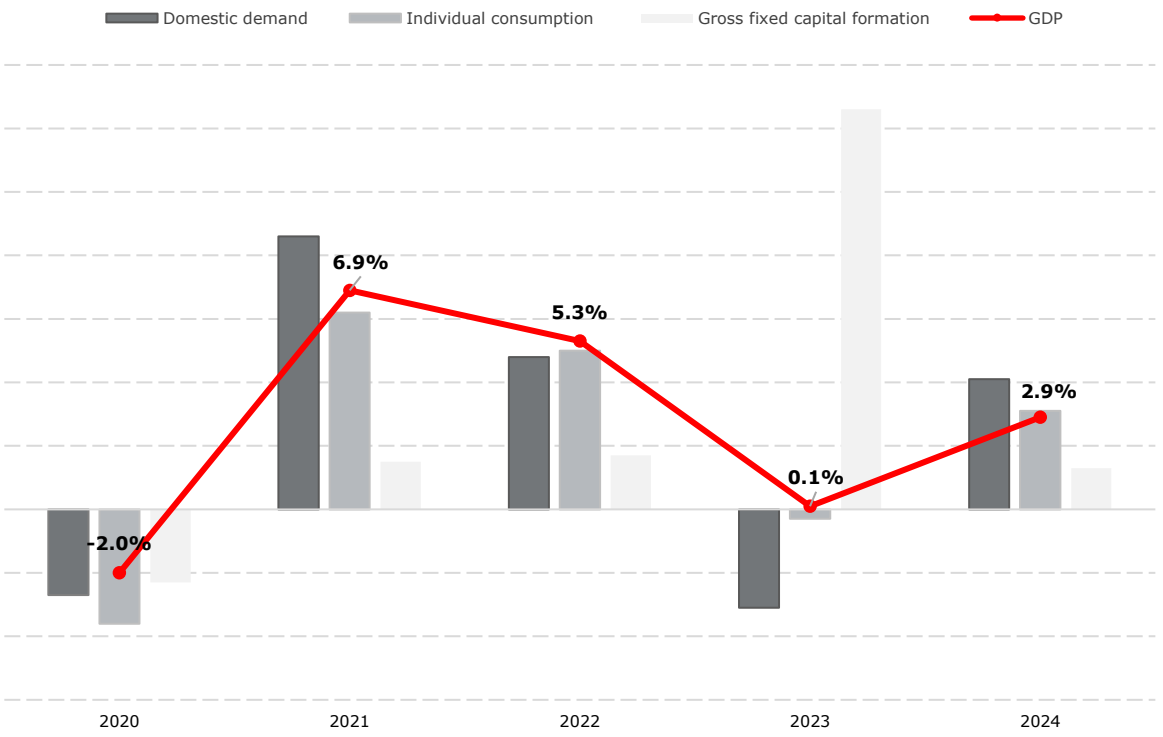
3 REGULATORY AND BUSINESS ENVIRONMENT

3.1 MACROECONOMIC SITUATION

The domestic market is the primary marketplace for Energa Group companies. Therefore, market cycles, expressed by means of changes in GDP, inflation, and unemployment rate, have a bearing on the prices of electricity, heat and gas and the development of demand for products supplied to end customers.

According to the preliminary estimate of the Central Statistical Office (GUS), the GDP in Poland is bound to increase in real terms by 2.9% y-o-y in 2024, compared to a marginal increase of 0.1% in 2023. This means that the Polish economy recovered after the stagnation a year earlier. The growth was chiefly driven by domestic demand (up 4.1% y-o-y) and household consumption (up 3.1% y-o-y). By contrast, investments grew much slower – gross fixed capital formation increased by 1.3% relative to 2023.

Figure 5. Annual changes in the GDP, domestic demand, individual consumption and investments



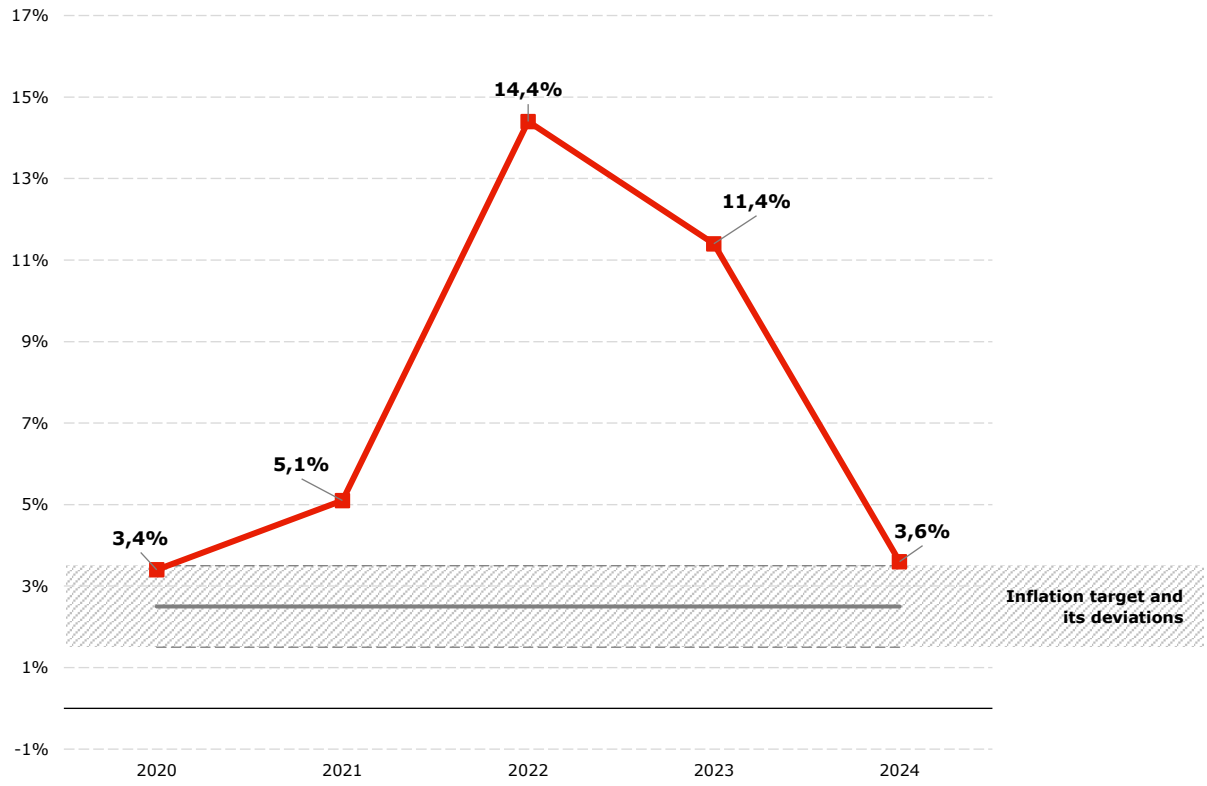
Source: Data from the GUS (January 2025)

S&P Global's PMI index (a forward-looking indicator of Polish industry) ranged from 45.0 to 49.2 points in 2024, reaching 48.2 points in December last year. The evolution in the index reflected the prolonged adverse business environment – when it drops below 50.0 points, the PMI Index implies that the managers surveyed do not expect the situation of the sector to improve. In January 2025, the index rose to 48.8 points, while in February this year, it exceeded 50 points for the first time since April 2022, and stood at 50.6 points. This implies a recovery in the sector. As S&P Global points out, the rise in the PMI Index reflects a rebound in new orders, production and employment, as well as a stabilisation in inventories of purchased raw materials.

According to Statistics Poland (GUS), the situation on the labour market in 2024 was highly similar to that of the previous year. The registered unemployment rate at the end of 2024 was 5.1%, the same as at the end of 2023. In December 2024, the average employment in the enterprise sector amounted to 6,495,700 full-time jobs, i.e. 0.6% less than in December 2023. In December 2024, the average monthly gross pay in enterprises was PLN 8,821.25, which meant a nominal increase of 9.8% y-o-y, driven mainly by the inflation rate, which was above the inflation target set by the National Bank of Poland.

In 2024, the average annual consumer price index dropped to 3.6% compared to 11.4% in 2023, The 2024 rise in the index was mainly attributable to rises in the costs of rent and utilities for households and energy commodity prices.

Figure 6. Annual growth rate of the quarterly consumer price index



Source: Data from the GUS (January 2025)

In 2024, the Monetary Policy Council ("MPC") did not change interest rates, keeping the NBP's reference rate at 5.75%, the Lombard rate at 6.25%, the deposit rate at 5.25%, the rediscount rate at 5.80%, and the discount rate at 5.85%.

In February 2025, the Organisation for Economic Co-operation and Development (OECD) published its GDP growth forecast for Poland. According to the OECD, Poland will record a higher GDP growth in 2025 than in 2024, which will be mainly driven by domestic demand. Private consumption should be driven up by higher incomes and declining interest rates. A strong recovery this year, after a slowdown in 2024, should also be observed by investments, which are to be stimulated mainly by the disbursement of new EU funds. The OECD expects real GDP to grow by 3.4% in 2025 and by 3% in 2026. The OECD believes that inflation in Poland will be around 5% in 2025 and 3.9% in 2026.

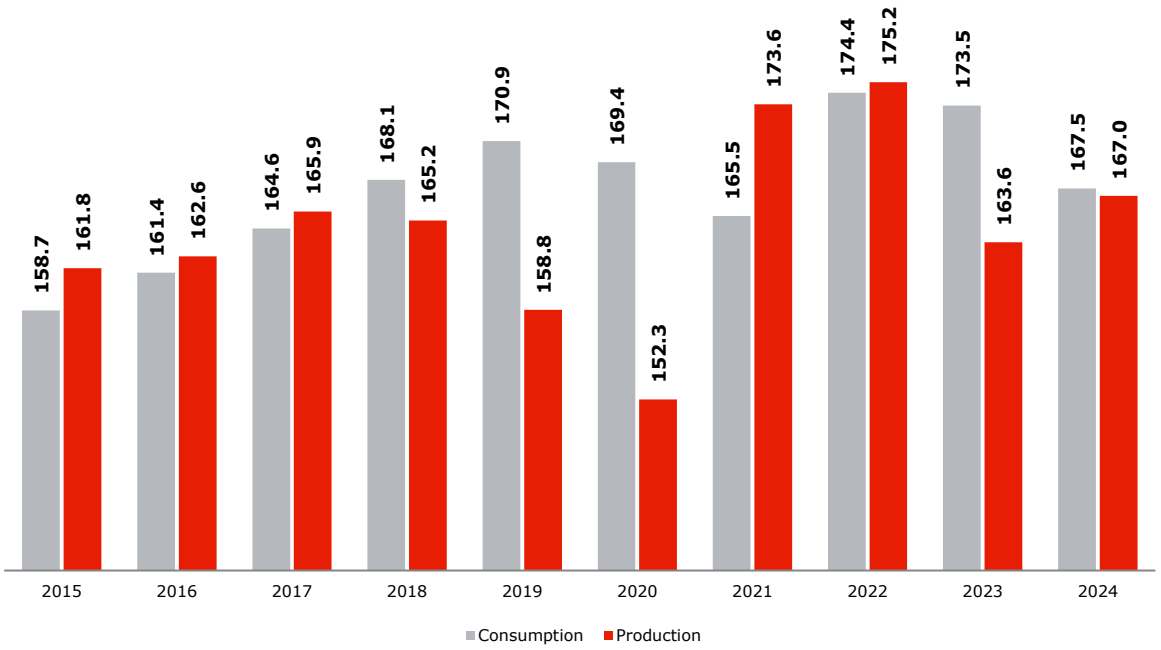
3.2 ELECTRICITY MARKET IN POLAND

Developments in the market environment are of key importance for the financial performance of the Group. In this context, particular attention should be paid to price quotations for electricity, property rights, CO2 emission allowances and coal (which continues to be the main fuel for electricity production in Poland). Furthermore, the Group's results were determined by the market regulation mechanisms, such as the Capacity Market, as well as non-regulatory factors, e.g. weather, in particular hydrometeorological and wind conditions. A major role will be played by the rising geopolitical tensions due to the Russian invasion on Ukraine and the associated sanctions on imports of energy commodities from Russia to the EU.

DOMESTIC PRODUCTION AND CONSUMPTION OF ELECTRICITY

According to data published by PSE, in 2024, electricity consumption in Poland increased relative to 2023 by 1.5 TWh (0.9% y-o-y), to 169.0 TWh. The increase in consumption went hand in hand with a corresponding increase in production, which rose by 3.4 TWh compared to 2023, to 167.0 TWh.

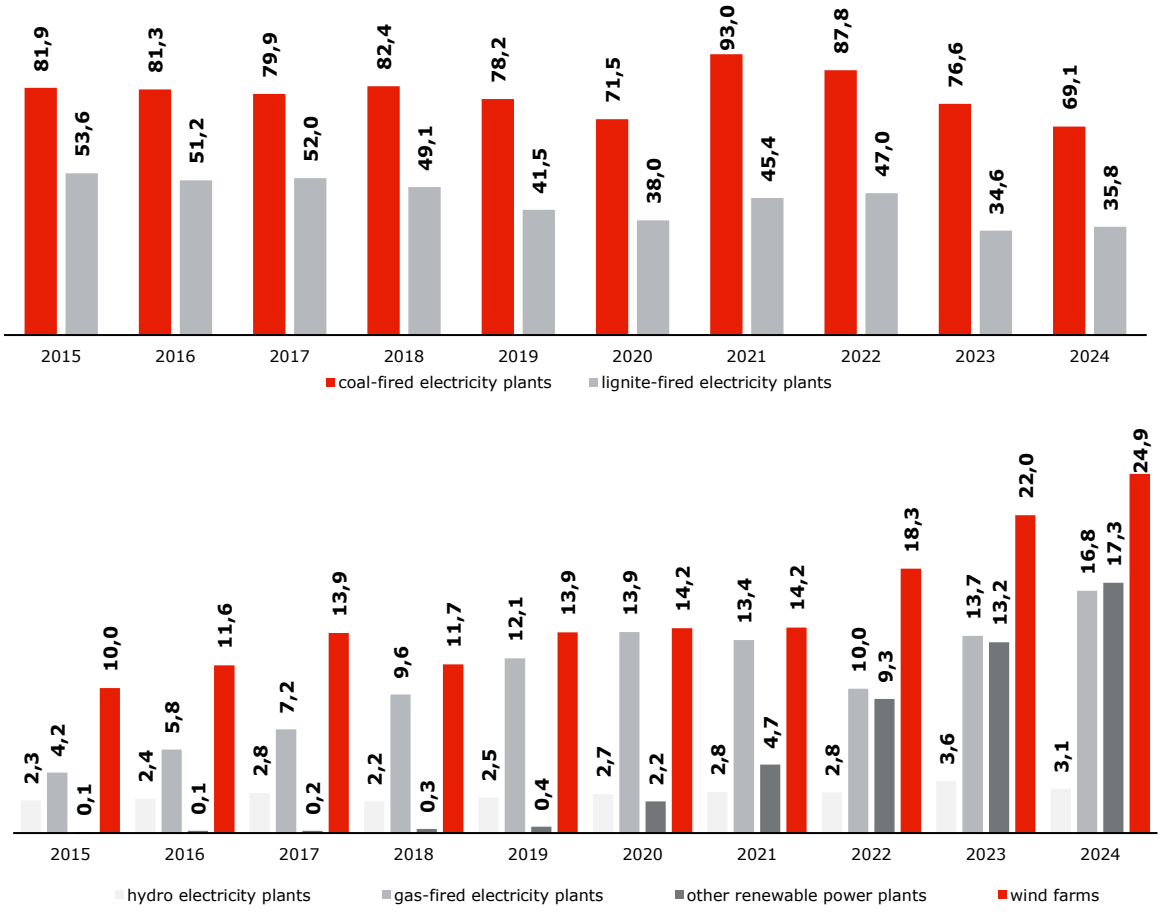
Figure 7. Production and consumption of electricity in Poland in 2015-2024 (TWh)



Source: PSE

In 2024, production of electricity by wind farms was on the rise again. The share of wind energy in the generation mix was 14.9%, and the production of wind power increased by approx. 13.1% in relation to 2023.

Figure 8. Structure of electricity generation in Poland in 2015-2024 (TWh)



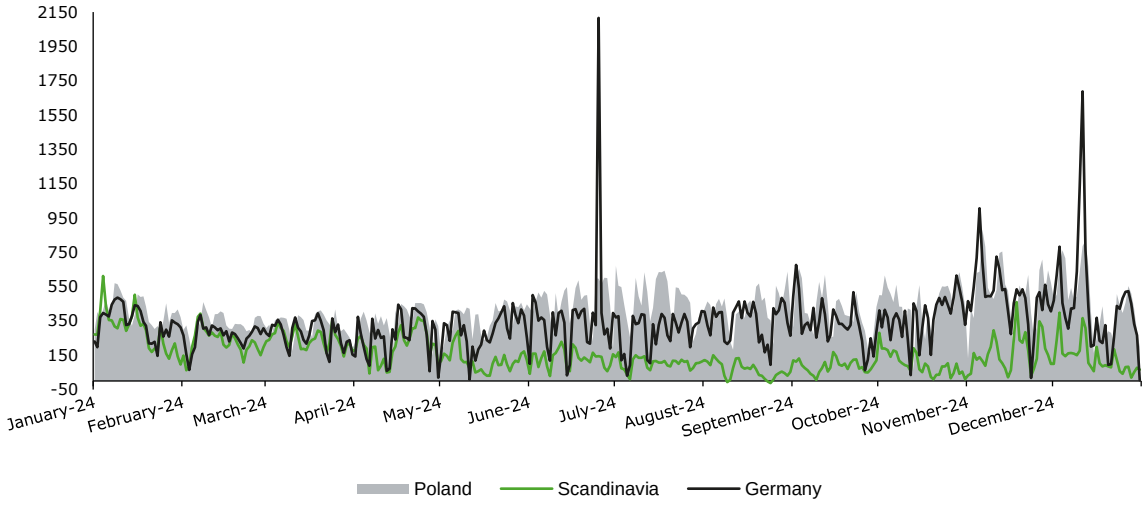
Source: PSE

Coal-fired utility power plants had the highest share in the power generation mix last year. They accounted for 41.4% of the total production, while the share of lignite-fired main activity producer electricity plants was 21.5%. In 2024, the highest percentage increase in production was recorded in other renewable sources, in addition to wind farms and baseload hydropower plants, where generation increased by more than 31% y-o-y to 17.3 TWh. For the most part, the Group owes this to an increase in the installed PV capacity in the national energy mix based on the successively activated support programmes.

ENERGY PRICES IN SELECTED COUNTRIES NEIGHBOURING WITH POLAND

In order to compare electricity prices in Poland against prices in neighbouring countries, SPOT market prices were used as the reference product. The price level in Poland was higher than in neighbouring countries. The highest price differences were found in comparison to the Scandinavian market (+168.08% or PLN 260.99/MWh), and lower differences were identified relative to the German market (+21.57%, PLN 73.84/MWh). Q4 2024 alone saw the prices approach those in Germany with the gap shrinking to 9.07%, i.e. PLN 39.84/MWh. The increase in RES-based production coupled with a decrease in coal-based generation (-9.78% y-o-y), as well as efforts towards ensuring energy security for Europe and the associated drop in prices and satisfaction of the demand for gas and coal, supported by a decrease in system losses, caused the prices on Poland's and its neighbours' markets to decline.

Figure 9. Prices of energy in the SPOT market in Poland and in neighbouring countries in 2024 (PLN/MWh)

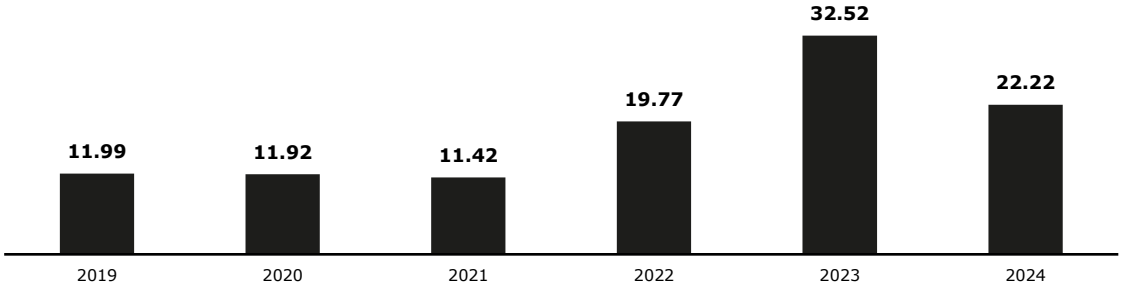


Source: Bloomberg, TGE

COAL PRICES IN POLAND

Over recent years, Poland has observed a steady decline in coal prices driven by global factors, i.e. the worldwide decline in the price of this commodity and the oversupply of coal in Poland. Because of the promotion of low- and zero-carbon energy, especially in Europe, the demand for coal was declining, displaced from the energy mix mainly by wind, photovoltaic and gas-fired power stations. In 2023, coal prices quoted at major transshipment ports (ARA, Newcastle, Richards Bay) remained at lower levels than in the corresponding period of 2023. The lower consumption of coal by the power sector was influenced by the global economic slowdown and the resupplying of the European energy commodity market following the introduction earlier of sanctions on imports from Russia to the EU. The drop in gas prices once European storage facilities had been refilled and energy security had been ensured ahead of the winter season also translated into coal prices. On the Polish market, coal selling prices for commercial power plants and industrial users were gradually declining. Poland's 2024 coal output and sales were the lowest in many years, which is partly attributable to the decline in demand for coal from the power industry.

Figure 10. Prices of coal including cost of transport for coal-fired power plants at year-end in 2019-2024 (PLN/GJ)

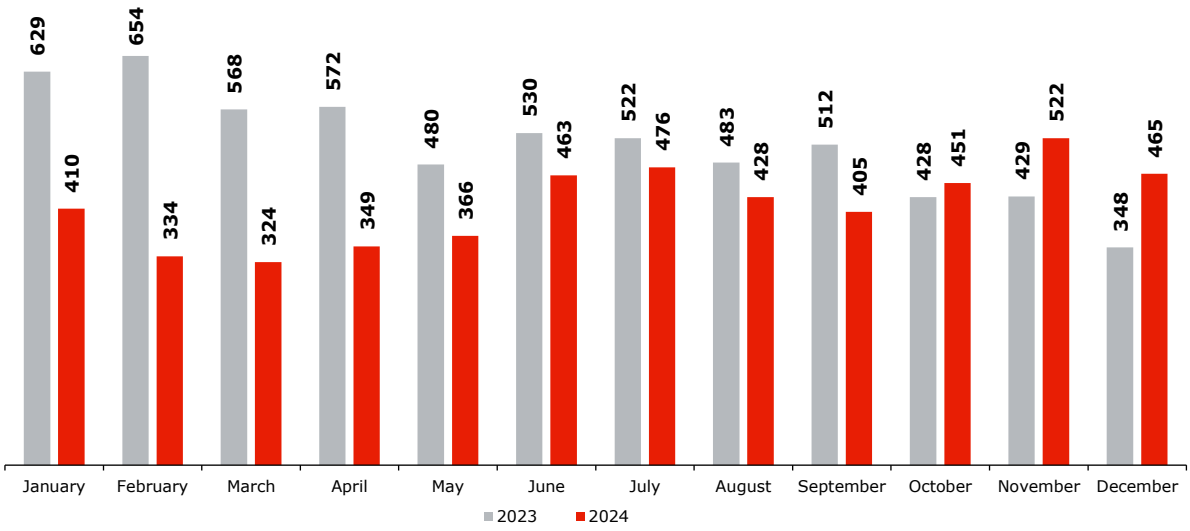


Source: Polski Rynek Węgla

DAY-AHEAD MARKET OF ELECTRICITY IN POLAND

The average level of the TGeBase index for 2024 was PLN 416.26/MWh and was PLN 95.55/MWh lower than in 2023 (PLN 511.81/MWh). The growing, yet still low demand for power was partly attributable to an increase in RES production (an increase in the share of production to 29%), which, combined with the energy security measures taken in Europe following the earlier supply shock on the commodity market, drove prices down compared to the previous year.

Figure 11. Prices of the TGeBase index from 2023 to 2024 (PLN/MWh)



Source: TGE

The highest average monthly price for electricity on the commodity market was recorded in November last year, when the average TGeBase index stood at PLN 522.14/MWh. The minimum of PLN 324.13/MWh was seen in March 2024. In Q4 2024, electricity prices were higher than in the same period of 2023.

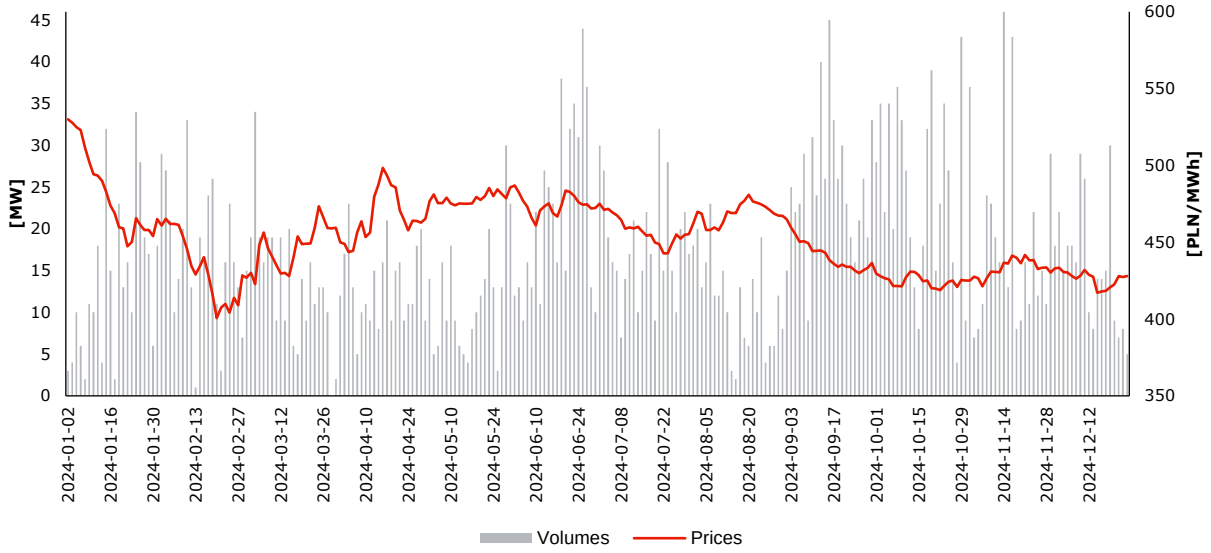
ELECTRICITY FUTURES MARKET IN POLAND

In order to assess the futures market in Poland, a one-year base-load future contract for 2024 (BASE 2025) has been selected as a reference product. In 2024, the price level followed a downward trend, and peaked on the first day of the year at PLN 530.00/MWh, after which it fell to the minimum price on February 20, 2024, at PLN 400.61/MWh, and did not return to the level of PLN 500/MWh until the end of 2024. The filling of gas storage facilities ahead of the winter period in Europe and securing coal supplies coupled with an increase in RES production (good windiness) in a situation of rising emission allowances prices and declining coal-based production, as well as higher temperatures than the multi-year average translated into a year-end price of PLN 428.02/MWh. The trend on the futures market is particularly important from the perspective of the Group's contracting for the next year.

The stabilisation on the futures market (low volatility and narrow fluctuation brackets) in Q4 was determined by the following:

- easing of concerns about ensuring the energy security of European countries ahead of the winter season,
- higher SPOT market prices,
- a slight increase in the level of system losses,
- growth in emission allowances prices.

Figure 12. Base-load electricity futures price with delivery in 2025

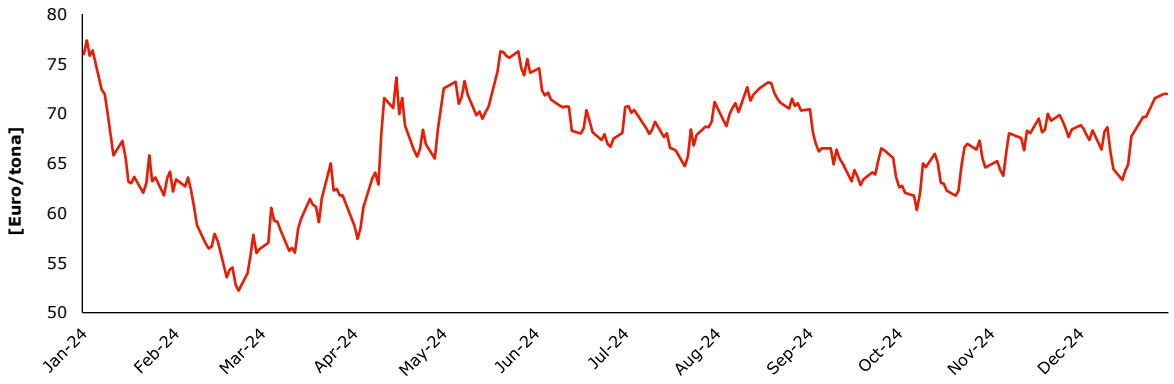


Source: TGE

EMISSION ALLOWANCE MARKET

On 1 June 2024, the European Commission (EC) reported that more than 1,112 m emission allowances had been in circulation at the end of 2023 (a decline by approx. 23 m). This value formed the baseline to determine the EU Emissions Trading Scheme (EU ETS) Market Stability Reserve (MSR), which was launched in January 2019. In accordance with the rules of the MSR, almost 266.82 mln allowances in total will have been allocated to the Market Stability Reserve over the 12-month period from 1 September 2024 to 31 August 2025. On 1 January 2024, according to the EC's publication, of the approximately 808.75 m allowances held in the reserve, some 381.75 mln were cancelled. On 21 February 2023, the EU Council adopted a part of the REPowerEU plan, which is aimed at accelerating the sale of EUR 20 b worth of emission allowances. Under the terms of REPowerEU, the EUR 20 bn is to be sourced from the auctioning of emission allowances in 2027-2030 (EUR 8 bn) and from the Innovation Fund (EUR 12 b). Aiming to maintain its plan to achieve net zero emissions by 2050, on 6 February 2024, the European Commission called for a net reduction of EU greenhouse gas emissions by 90% by 2040 from 1990 levels. Carbon allowance quotations in the first quarter of this year averaged 61.67 EUR/ton, below the 75 EUR/ton level assumed by the European Commission when developing the REPowerEU program. By the end of Q1 this year (from start of the sale on 3 July 2023), a total of EUR 4.132 b, or about 21% of the target amount, had been collected In Q2 2024, the quotations bounced back, but only briefly exceeded the level of EUR 75/t. In August, unlike in previous years, auction volumes were not halved, and their actual level was only 9% less as compared to July. The increase in the EUA rates in Q4 only slightly brought the average 2024 price up (66.48 EUR/t), which was 22.1% lower than the average 2023 price (85.35 EUR/t). In 2024, the total supply of EUAs on the primary market was 600.2 m, an increase of 14.7% compared to 2023.

Figure 13. Prices for emission allowances (EUA DEC 2024) in 2024



Source: Bloomberg

MARKET FOR PROPERTY RIGHTS

The table below presents the average prices of property right indices listed on the Polish Power Exchange.

Table 3. Average price levels of green property rights listed on the Polish Power Exchange

Index (type of certificate)	Index value		Percentage of obligation (%)	Substitution fee (PLN)
	2023 (PLN/MWh) index	2024 (PLN/MWh) index		
OZEX_A (green)	149.24	46.45	5.5*	300.03*

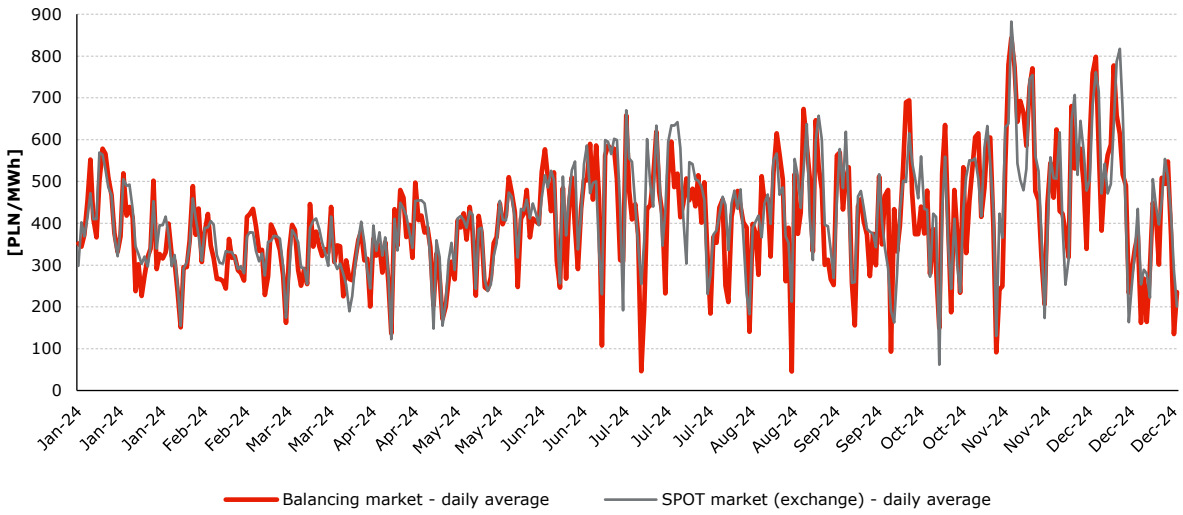
** value of the substitution fee and redemption obligation for 2024.*

From the perspective of the Group's generation mix (high share of renewable energy sources), the prices of what is referred to as 'green property rights' are of key importance. PM RES prices had been declining steadily from the beginning of 2024, reaching the lowest value of PLN 28.88/MWh in late December, but they rebounded slightly in the last session of 2024 to PLN 40.90/MWh. This market situation was driven by the decision of the Minister of Climate and Environment to change the value of the certificate redemption obligation to 5% and 0.5% in 2024. The volume of RES PR certificates issued increased to 15.86 TWh from 15.7 TWh in 2023.

THE ELECTRICITY BALANCING MARKET AND THE SPOT MARKET

The figure below shows the average daily prices for electricity on the electricity balancing market and SPOT market.

Figure 14. Comparison of prices on the balancing market and SPOT market (exchange) in 2024 (PLN/MWh)



Source: PSE

On 14 June 2024, the new Balancing Conditions came into effect, reducing the settlement periods for balancing energy and for imbalance from one hour to fifteen minutes. Following those changes, the second half of June saw higher price levels in both the SPOT and balancing markets. In addition, the daily profile in both markets was characterised by higher price bumps in the evening. However, a low price level could still be observed during the hours with the highest PV generation. For most of 2024, the prices in the balancing market were similar to the day-ahead market prices. The average 2024 price on the electricity balancing market was PLN 403.46/MWh vs. PLN 525.08/MWh in 2023.

3.3 REGULATORY ENVIRONMENT

LEGISLATIVE PROCESSES ENDED IN 2024

Table 4. Overview of legislation having a material effect on the Group

Legal act	Description and purpose of the regulations
Proposal for a Regulation of the European Parliament and of the Council amending Regulations (EU) 2019/943 and (EU) 2019/942 as well as Directives (EU) 2018/2001 and (EU) 2019/944 to improve the Union's electricity market design **Legislation ref.: OJ L 2024/1747, 26.6.2024, and OJ L 2024/1711, 26.6.2024**	The Regulation and Directive were published on 26 June 2024 in the Official Journal of the EU. **Key dates for the transposition of the Electricity Directive:** ■ All provisions, with the exception of Article 4 (free choice of supplier and fixed-price fixed-term contracts) and Article 15a (energy sharing), must be transposed by 17 January 2025. ■ Articles 4 and 15a must be transposed by 17 July 2026. **The entry into force of the Regulation will lead to the following actions:** January 2025: ■ The European Commission will publish a report on streamlining procedures for adopting capacity remuneration mechanisms (Article 69). April 2025: ■ Based on the findings of the report on streamlining procedures for adopting capacity remuneration mechanisms, the Commission may issue a legislative proposal (Article 69). ■ In addition, ENTSO-E and EU DSO Entity will submit proposals for a methodology to assess flexibility needs (Article 19d-f). July 2025: ■ The European Union Agency for the Cooperation of Energy Operators (ACER) must approve or modify the methodology proposed by ENTSO-E and the EU DSO Entity within three months (Article 19d-f). January 2026: ■ The European Commission will conduct an impact assessment of measures to improve the European futures market (Article 9), and each Member State will set indicative national flexibility targets for non-fossil fuels (Article 19d-f). June 2026: ■ The European Commission will assess the implementation of the Electricity Regulation, its effectiveness with regard to the operation of short-term markets, the national regulatory framework for distribution networks, and the potential of EU market platforms for power purchase agreements – PPAs (Article 69). January 2027: ■ The ACER will issue a report in which it will assess the indicative national objectives for non-fossil flexibility and issue cross-border recommendations if necessary (Article 19d-f). December 2027: ■ The European Commission will issue a report on the effects of reducing the intraday cross-zonal gate closure time (Article 8). **Key assumptions:** ■ The reform will make the EU electricity market more stable, affordable and sustainable: The legislation will protect consumers from volatile prices. MEPs have ensured that consumers will be able to opt for fixed or dynamic price contracts and receive important information about the options they sign up to. Suppliers will not be able to unilaterally change the terms of the contract. MEPs have also assured that EU countries will be able to prohibit suppliers from cutting off electricity supply to customers in need of support (vulnerable customers), including during disputes between suppliers and customers. ■ Contracts for difference. The legislation provides for so-called Contracts for Difference (CfD) or equivalent schemes having the same effects to encourage energy investment. In the case of a CfD contract, the public authority compensates the energy producer for an excessively sharp fall in market prices, but collects payments from the producer if prices are too high. The use of CfD will be allowed in all investments in new electricity generation, whether from renewable or nuclear energy. ■ Electricity price crisis. The legislation sets out the mechanism for declaringf an electricity price crisis. In a situation of very high prices and under certain conditions, the EU may declare a regional or EU-wide electricity price crisis, allowing Member States to take temporary measures to fix electricity prices for SMEs and energy-intensive industrial consumers. ■ Key power market derogation for Poland: Added paragraph 2b in Article 64 of the Regulation: By way of derogation from Article 22(4)(b), Member States may request that generating capacity that started commercial production before 4 July 2019, emitting more than 550 g of fossil-fuel CO_2 per kWh of electricity and more than 350 kg of fossil-fuel CO2 on average per year per kWe of installed capacity, may, subject to compliance with Articles 107 and 108 TFEU, by way of exception, have commitments or receive payments or commitments for future payments after 1 July 2025 under a capacity mechanism approved by the Commission before 4 July 2019.

Legal act	Description and purpose of the regulations
Regulation of the European Parliament and of the Council on establishing a framework of measures for strengthening Europe's net-zero technology products manufacturing ecosystem (Net Zero Industry Act) **Legislation Ref.: OJ L 2024/1735, 28.6.2024**	**On 25 April 2024, the European Parliament adopted with 361 votes in favour, 121 against and 45 abstentions the Net Zero Industry Act. The legislation's aim is to strengthen the EU manufacturing capacity of net-zero technologies.** ■ The act is one of the three key legislative initiatives of the Green Deal Industrial Plan, along with the Critical Raw Materials Act and the electricity market design reform. They are intended to enhance the competitiveness of Europe's carbon-neutral industry and support a rapid transition to climate neutrality. ■ The new regulations will improve the environment for investment in green technologies by simplifying licensing procedures and supporting strategic projects. ■ The regulation, which has already been informally agreed with the Council, sets a target for Europe to meet 40% of its annual electricity needs based on the deployment of net zero-carbon technologies by 2030, based on national energy and climate plans. **Key assumptions:** ■ The Act will accelerate the attainment of the EU's 2030 climate and energy targets and of climate neutrality. In addition, it is bound to: **a.** boost the competitiveness of European industry; **b.** help create quality jobs; **c.** support the EU in its efforts for energy independence. ■ Scope and list of technologies: **a.** The new resolution is intended to provide better conditions for developers of and investors in carbon-neutral technology manufacturing projects. Projects deemed to have greater decarbonisation potential will benefit from expedited construction or expansion permits and guidance on how to raise funding. **b.** Technologies to be supported include all renewable technologies, nuclear energy, industrial decarbonisation, grids, energy storage technologies and biotechnology. The legislation will simplify the permitting process by setting maximum time limits for project approvals depending on the scope and outcome of the project. **c.** Given that Member States have the right to choose between different energy sources, they will not be required to qualify as strategic projects related to technologies that are not accepted as part of their energy mix. ■ More expedient issuance of permits: **a.** The deadline for issuing construction permits for the construction or extension of large-scale carbon-neutral technology production projects (more than 1 gigawatt), as well as projects whose production capacity is not measured in gigawatts, will be a maximum of 18 months; **b.** For smaller projects (less than 1 gigawatt), the deadline for issuing a permit will be 12 months. Shorter deadlines will be set for strategic projects. In addition, regardless of the deadlines, procedures will ensure the safety, security and environmental sustainability of such projects and their compliance with environmental, social and safety requirements. ■ Industrial valleys: **a.** The regulation will promote the creation of industrial valleys that will accelerate the implementation of carbon-neutral technology production projects. These are territories that bring together several businesses involved in the development of a particular technology. **b.** The purpose of creating these valleys, will be to set up centres of carbon-neutral industrial activity to increase the attractiveness of the EU as a location for manufacturing activity and to further streamline administrative procedures for creating carbon-neutral manufacturing capacity. They will contribute to the re-industrialisation of the regions. ■ Public procurement: **a.** The rules governing how public authorities will procure goods, works and services related to strategic carbon-neutral technologies are designed to ensure better transparency, feasibility and harmonisation of requirements, as well as diversification of the supply of these technologies to the EU, while providing contracting authorities with sufficient flexibility. **b.** The agreed legislation will regulate the application of schemes of incentives to buy zero-carbon technology products. It also specifies what contribution is to be made to sustainability and resilience by bidders for public contracts. Contribution to environmental sustainability will be a mandatory minimum requirement. Contribution to resilience, on the other hand, will apply when reliance on third countries for a specific strategic carbon-neutral technology (or its components) is more than 50%. This criterion will be taken into account only if the Commission conducts a prior assessment of the degree of dependence on each third-country technology. **c.** If the application of contribution to resilience and sustainability results in disproportionate differences in costs, or if appropriate bids or proposals are not submitted, contracting authorities will be able to decide not to apply these criteria. ■ Auctions for deployment of RES technologies: **a.** According to the preliminary agreement, when a Member State plans an auction for the deployment of renewable energy technologies, it will be able to use both prequalification and award criteria that are not linked to price - such as environmental sustainability, contribution to innovation or energy systems integration. **b.** Criteria as above will apply to at least 30% of the volume auctioned each year / per Member State. **c.** The Commission will be able to define the criteria for auctions and procurement and change the volume auctioned based on an assessment of the system's performance.

Legal act	Description and purpose of the regulations
Regulations of the Capacity Market. Decision of the President of the Energy Regulatory Office, ref.: DRR.WAR.770.4.8.2024.PRa dated 5 February 2024 **Legislation ref.: DRR.WAR.770.4.8.2024.PRa dated 5 February 2024**	On February 6, 2024, the Communication of Polskie Sieci Elektroenergetyczne S.A. on the approval by the President of the Energy Regulatory Office of amendments to the Capacity Market Regulations specified in Update Sheet No. RRM/Z/7/2023 was published. **Key assumptions:** At the request of Polskie Sieci Elektroenergetyczne, the President of the ERO modified the Regulations of the Capacity Market, approving the amendments specified in Update Sheet No. 7 (and appendix to the Sheet). These amendments were approved by the Minister for Climate and Environment. The package of amendments is driven by the need to bring the regulations in line with current legislation, as well as to clarify their provisions and clarify interpretative doubts related to certification processes, replacement of demand reduction units with planned ones, performance of power obligation, settlements and rules of cooperation with distribution system operators. The amendments include: ■ Adaptation of the Regulations to the amended Energy Law, with a view to addressing changes in the following processes: **a.** Participation of foreign capacity in the capacity market; **b.** General certification for capacity market participants; **c.** Secondary market; ■ Modifications in the implementation of the process of replacing demand reduction units planned; ■ Option of applying an individual availability adjustment factor to physical generating units covering more than one electricity generation or storage technology; ■ Clarifying the provisions for the performance of the power obligation during the capacity market call period and the capacity market test call period; ■ Changes in the settlement process, including clarification of the method for determining remuneration and power obligation price reduced by deductible state aid, as well as specifying the deadlines for deducting such state aid and adjusting for inflation. ■ Principles of cooperation with distribution system operators (DSOs) in the transmission of information on network constraints and DSO orders. The amendments set forth in Update Sheet No RRM/Z/7/2023 of the Regulations are to be effected: ■ for amendments other than to Chapter 7 and Section 10.2.4 – as it was requested by the party, that is 30 calendar days from the date on which PSE S.A. notifies capacity market participants that the President of the Energy Regulatory Office has approved the amendments to the Regulations set forth in Update Sheet No. RRM/Z/7/2023 by a valid administrative decision approving the amendments; ■ for amendments to Chapter 7, as it was requested by the applicant, that is as from 1 August 2024; ■ for amendments to Section 10.2.4, as from 1 January 2027.
Regulation (EU) 2024/1106 of the European Parliament and of the Council of 11 April 2024 amending Regulations (EU) No 1227/2011 and (EU) 2019/942 as regards improving the Union's protection against market manipulation on the wholesale energy market (Text with EEA relevance) / (REMIT II) **Legislation ref.: OJ L 2024/1106, 17.4.2024**	**Entry into force and application:** Article 3 ■ This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union. ■ By way of derogation from paragraph 1, the following dates of application shall apply: **a.** Article 1, points (6) and (13), as regards Article 4a (1) to (7) and Article 9a (1) to (5) of Regulation (EU) No 1227/2011, shall apply from the date on which the delegated acts adopted pursuant to those points enter into force; **b.** Article 1, point (10), as regards Articles 7a to 7e of Regulation (EU) No 1227/2011, shall apply from 1 January 2025; **c.** Article 1, point (18), as regards Article 15(2) of Regulation (EU) No 1227/2011, shall apply from 8 November 2024. This Regulation shall be binding in its entirety and directly applicable in all Member States. **Key assumptions:** ■ Streamline the market surveillance regimes in place under MAR and MIFID II and REMIT; ■ Ensure more effective enforcement in cases of potential cross-border market abuse and thereby address the shortcomings identified in the current regulatory framework. ■ REMIT II further introduces a broad definition of an 'organised market place' (OMP). It covers not only energy exchanges, but also: energy brokers, energy capacity platforms, and any other system or mechanism whereby multiple third-party statements of intent to buy or sell wholesale energy products interact in a manner that may result in a transaction. The OMP status will be given to a system that allows the interaction of orders for the sale of electricity or gas, including systems that operate 'internally', as it were, within the corporate group of one entity. The OMP status comes with certain factual and formal obligations; ■ The definition of the concept of wholesale energy products (i.e. products covered by REMIT) is amended. The definition is now extended to include energy contracts concluded under market coupling and intra-EU energy and natural gas storage contracts. These products will be subject to the reporting obligations referred to in REMIT and those contracting for these products will be required to comply with the registration obligations referred to in this regulation. ■ The definition of so-called "inside information", i.e. information that is subject to mandatory disclosure by market participants before it is made public, is being expanded. In the latter context, it is worth verifying whether the company's system for disclosing the information continues to comply with the REMIT requirements. ■ The legislative amendments have empowered the Agency for the Cooperation of Energy Regulators (ACER) to investigate REMIT violations by specific market participants directly on the territory of Member States. Until now, competences in this area have remained exclusively with the national regulators and the control authorities of the individual Member States (in Poland, the President of ERO). The provisions of REMIT II contain a detailed and very broad list of measures that ACER can take in its investigations. These include the authority to enter premises, examine books and other records relating to the business, obtain copies or extracts from such books or records, seal premises, and obtain any information from and interview members the company's staff. The activities indicated above may be carried out by ACER on an ad hoc basis, without giving due notice to the company; Non-compliance with the provisions of REMIT may result in high financial penalties (the amount of the periodic penalty is, in the case of legal persons, 3% of the average daily turnover in the preceding financial year or, in the case of natural persons, 2% of the average daily income in the preceding calendar year (Articles 13g,13h,13i).

Legal act	Description and purpose of the regulations
Regulation of the Minister of Climate and Environment of 18 March 2024 on requirements for the method of calculating, measuring and recording the amount of electricity, heat and cold generated in renewable energy source installations **Legislation ref.: Journal of Laws 2024, item 435**	The need to issue the proposed regulation stems from the amendment to the Act on Renewable Energy Sources by the Act of 17 August 2023 amending the RES Act and certain other acts (Journal of Laws, item 1762), which changed the wording of Article 61 of the RES Act of 20 February 2015. **Key assumptions:** It follows from the Regulation, among other things, that the measurement of the amount of electricity, heat and cold produced by RES installations that generate electricity on the basis of the energy commodities referred to in Article 2(22) of the RES Act and other fuels must be made as follows: ■ For electricity – in accordance with the requirements set forth in Regulation of the Minister of Climate and Environment dated 22/3/2022 on the metering system (Journal of Laws of 2022, item 788), except for electricity supplied: a. Through a direct line (Article 3(11f) of The Energy Law) – where measurements are made at the point of connection of the direct line with the customer's installation or with the network, equipment or installations of an entity engaged in the business of electricity trading. b. Directly to the RES installation producing renewable hydrogen or biomethane – where measurements are made at the point of connection of these installations with the RES installation. ■ For heat and cooling – at the point of connection of the heat or cooling source to the heat or cooling network on the basis of readings of metering and billing devices, and in the case of a local heat or cooling source – on the basis of indications of metering and billing devices installed at the heat or cooling source. The amount of generated heat or cold, expressed in GJ, is converted into energy expressed in MWh, rounded to whole numbers, using the following ratio: 1 GJ = 0.278 MWh; In addition, measurements of the amount of electricity for the purpose of determining the deliverable settlement of the obligation to generate electricity from renewable energy sources by the generator that won the auction, according to §13(1) of the Regulation, will apply as of 1 July 2025.
Act of 23 May 2024 on the energy voucher and on amendment of certain acts to reduce the price of electricity, natural gas and system heat **Legislation ref.: Journal of Laws, item 859**	**Key assumptions:** Energy Voucher: ■ Creation of a new cash allowance (energy voucher), available on a one-off basis to households that satisfy the following income criteria: a. Single-person households where the average monthly income within the meaning of Article 3 point 1 of the Welfare Benefits Act of 28 November 2003 did not exceed PLN 2,500 for 2023. b. Multi-person households where the average monthly income per person in 2023 did not exceed PLN 1,700. ■ Limiting price increases for electricity, natural gas and district heat between 1 July 2024 and 31 December 2024: a. The Act provides for the introduction of an energy voucher, which is to support energy consumers at risk of fuel poverty, for the second half of 2024. b. A beneficiary will be able to receive the allowance once the income criterion is met; c. If the average income per person for 2023 exceeds the amounts referred to above, the energy voucher will be applied to the difference between the amount of the energy voucher and the amount by which the average income per person for 2023 was exceeded. d. The Act adopted the "one zloty for one zloty" rule. This means that the voucher will be awarded even if the income criterion is exceeded, but its value will be reduced by the amount of the excess. ■ The minimum disbursable energy voucher amount will be PLN 20. A voucher will not be disbursable if its value calculated as per the Act is less than PLN 20. The voucher amount varies depending on the number of household members: a. PLN 300 – one-person household. b. PLN 400 – household with 2 to 3 people. c. PLN 500 – household with 4 to 5 people. d. PLN 600 – household with at least 6 people. ■ Increased support will be available to poorer households heated with electrical devices (e.g., heat pumps, storage heaters), as long as the heating device is registered in or notified to the Central Building Emissions Inventory (CEEB). In such case, the amount of the voucher is as follows: a. PLN 600 – one-person household. b. PLN 800 – household with 2 to 3 people. c. PLN 1,000 – household with 4 to 5 people. d. PLN 1,200 – household with at least 6 people. ■ From 1 July 2024 to 31 December 2024, the voucher will be disbursed as a one-time payment. The Act imposes an obligation on energy companies to submit tariff changes for approval to the President of the Energy Regulatory Office with the tariff term ending 31 December 2025 at the earliest, which is expected to reduce the level of tariff-based electricity prices for households. In particular, the Act: ■ Extends the maximum price mechanism for electricity in the second half of 2024, setting it at PLN 500/MWh for households and at PLN 693/MWh for local authorities, public utilities and micro, small and medium-sized entrepreneurs, for which energy companies will be compensated; ■ Provides for a change to the maximum price of gaseous fuels to the level of the tariff for gaseous fuels approved for the energy company referred to in Article 62c(1) of the Energy Law of 10 April 1997 (Journal of Laws 2024, item 266), or at the level of the tariff in force for this enterprise on 1 January 2022; ■ Extends the current arrangements for heat customers into the second half of 2024 and the first half of 2025 – energy companies will be obliged to apply to eligible customers a price and rate for heat supplied that is no higher than the cap set by the Act, receiving compensation in return; ■ Introduces revisions further to the launch of the Central Energy Market Information System (CSIRE), i.e. an information system for the processing of energy market information for the implementation of energy market processes and the exchange of information between power system users. The Act also provides for a temporary suspension (for a period of 6 months) of the so-called "capacity fee" charged to household customers. Pursuant to the Act, the capacity fee for households from 1 July to 31 December 2024 will be PLN 0.

Legal act	Description and purpose of the regulations
Act of 27 November 2024 amending the RES Act and certain other acts **Legislation ref.: Journal of Laws 2024, item 1847**	**Key assumptions:** The aim of the Act is to harmonise national law with EU legislation, primarily with regard to the state aid provided under RES support schemes, inter alia through: ■ Bringing the discounts on electricity fees granted to energy-intensive consumers into line with the EU's Climate, Environmental and Energy Aid Guidelines (CEEAG); a. Introduction of a balancing charge. This charge will be imposed on energy-intensive consumers, only in the event that these consumers take advantage of discounts related to the redemption of certificates of origin, discounts on the RES fee and on the cogeneration fee, when the total rate of the fees, as a result of the application of these discounts, would drop below EUR 0.50 per MWh. ■ Alignment of national legislation with the GBER and EU Regulation 2019/943 on the internal market in electricity a. Adaptation of the support scheme for feed-in tariffs and market price subsidies (FiT and FiP schemes) for installations for the generation of electricity with an installed capacity of no more than 400 kW and, from 1 January 2026, no more than 200 kW. ■ Acceleration of licensing in the area of RES. Organisational changes further to the launch of the Central Energy Market Information System (CSIRE) The amendment assumes postponing the deadline for introducing the 'virtual prosumer' by one year – to 2 July 2025: ■ The Act of 28 July 2023 amending the Energy Law Act and certain other acts (Journal of Laws 2023, item 1681) postponed the launch of the Central Energy Market Information System (CSIRE) to 1 July 2025. Therefore, it is necessary to harmonise the regulations and to postpone the entry into force of regulations whose application depends on the functioning of CSiRE, i.e. those concerning the virtual prosumer, to the same date. The concept of the renewable energy virtual prosumer is complementary to CSIRE insofar that it cannot function independently without this system, because settlements with prosumers are impossible without CSIRE. ■ Another solution related to the virtual prosumer concept is proposed by the Windfarm Investments Act of 20 May 2016 (Journal of Laws 2021, item 724). An investor planning the construction of a wind farm within a given municipality is obliged to set aside at least 10% of the installed capacity of the planned project and enable any interested inhabitants of the municipality to take advantage of the generated energy as virtual prosumers. This social participation mechanism will not work until the entry into force of the provisions introducing the renewable energy virtual prosumer. Changes in the net-billing system: ■ By 30 June 2024, the value of electricity fed into the power grid by a renewable energy prosumer and a renewable energy collective prosumer had been calculated as per the prosumer deposit, i.e. at the Monthly Market Electricity Price (mMEP); ■ Since 1 July 2024, that value has been calculated on the basis of (MEP); ■ Prosumers billed on the basis of mMEP before 1 July 2024 will still be able to do so. However, they will also be able to switch to settlements based on the market price of electricity applicable during the imbalance settlement periods by submitting a statement to that effect to the seller. ■ To encourage prosumers to make the switch, the refund rate for surplus electricity fed into the grid and unused by the prosumer over the next 12 months (an "overpayment") can be increased to 30%. ■ If the prosumer still opts for the old settlement method, the overpayment to be refunded will not be increased and, as before, it will amount to 20% of the value of electricity supplied to the grid in the calendar month to which the overpayment refund pertains. Adjustment of the market electricity price Increasing the tolerance factor that triggers a market adjustment to the monthly market electricity price (RCEm) by Polskie Sieci Elektroenergetyczne S.A. (PSE S.A.). Changing the adjustment threshold from 0.1% to 2%, which should effect reduction in the number of RCEm adjustments. According to a transitional provision, the change is to be applied to periods that will begin after the entry into force of the amending act.
Act of 27 November 2024 amending the Act on exceptional measures to cap electricity prices and support certain customers in 2023 and 2024, and amending certain other acts **Legislation ref.: Journal of Laws 2024, item 1831**	**Key assumptions:** ■ Obligation on the part of energy sellers to file, by 30 April 2025, an application for revision of the electricity tariff for the period from 1 July 2024 to 31 December 2025. ■ Obligation for the President of ERO to publish new average tariff-based energy prices for the so-called "ex-officio sellers" to be effective for the second half of 2025. ■ Cap price mechanism: a. PLN 500/MWh for tariff group G and for tariffs for construction sites (for 9 months of 2025); b. PLN 693/MWh for local governments, public utility units (entities), and entities supplying (re-invoicing) electricity to these units (for a period of 3 months of 2025). ■ Deadlines and rules for making statements on the capped price by customers entitled to benefit from the capped price of PLN 693/MWh. Statements made previously will not be honoured. ■ Maintaining the current rules for calculating the compensation for the application of the capped price of PLN 500/MWh. ■ Clarification of the rules for the clearance of settlement reports with the Settlement Administrator with regard to contributions to the Price Difference Payment Fund (Fundusz Wypłaty Różnicy Ceny), including the rules for enforcement by the Administrator of amounts due under the report. ■ Amendments to the Voucher Act with regard to the rules on the provision by the seller of assistance for micro-, small and medium-sized enterprises benefiting from the capped price in the second half of 2024. ■ Extension to the first half of 2025 of the power charge rate (PLN 0) for G tariff groups customers connected to the low voltage network.

Legal act	Description and purpose of the regulations
Regulation of the Minister of Climate and Environment of 6 December 2024 amending Regulation on the methodology for modelling and calculating tariffs and methods of electricity trade-related settlements **Legislation ref.: Journal of Laws 2024, item 1814**	**Key assumptions:** ■ Change of the rules for calculating the rate of 'quality fee' charged by the Transmission System Operator (TSO) through the introduction of the so-called 'regulatory account' for settling this fee. The mechanism allows for the difference between the planned costs of the quality fee and the actual qualifying costs to be transferred through the tariff to future years. ■ Revision of the rules for determining the quality fee rate applied to the settlement of distribution services. The distribution fee rates applied by the DSO also include quality rates, the amount and terms of application of which result from the applicable TSO's tariff. The DSO tariff will incorporate the rates of distribution fees, a portion of which will be calculated by the DSO, with the quality fee rate to be applied by the DSO resulting from the approved and applicable TSO's tariff. This will make it possible for the quality fee rate to be adjusted during the year with no need for adjustment to the DSO's tariffs

REGULATORY ISSUES RELEVANT IN 2024 AND BEFORE (EU REGULATIONS) AND IN 2025

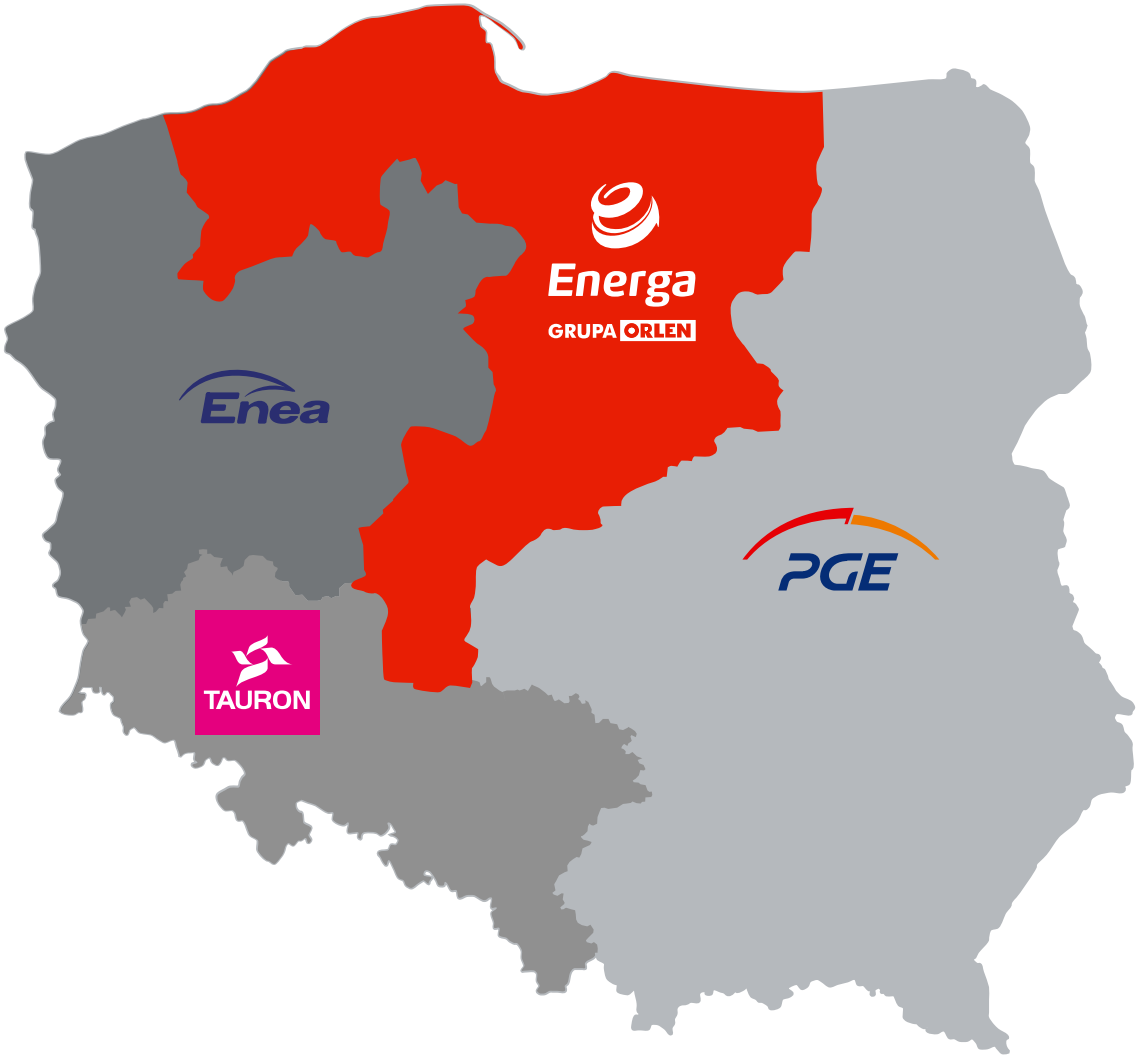
Table 5. Overview of legislation with a potential material effect on the Group

Legal act	Description and purpose of the regulations
Draft Act amending certain acts in order to deregulate economic and administrative law and improve economic law-making (government bill) **Bill ref.: Number on the list: UA8**	As at 7 February 2025, the Cabinet's Standing Committee worked on the bill. **Project key assumptions:** Amendments relevant to the power industry, inter alia, to: ■ The RES Act of 20 February 2015: Proposal to add a reservation reading "or not connected to the power grid" to the definitions of small installation and micro-installation, as they are set out in Article 2 points 18 and 19 of the RES Act, after the following wording that specifies the conditions for connection to the grid ("connected to the power grid with a rated voltage lower than 110 kV" and "connected to the power grid with a rated voltage lower than 110 kV"). This will extend the application of the definitions to off-grid installations that can occasionally be used by prosumers and enterprises. This, in turn, will allow these entities to take advantage of grant schemes operated by reference to these definitions; ■ The Building Law of 7 July 1994: The list of projects exempt from a construction permit but requiring notification instead is extended to include the structural elements of stand-alone wind turbines, also known as small wind farms, the total height of which is greater than 3 m and not greater than 12 m, the capacity of which does not exceed the capacity of a micro-installation, and which is positioned from the boundaries of the plot at a distance of no less than its total height (Article 29(1) point 34). At the notification stage, such investments will require a site plan and an architectural and construction design, and, at the groundbreaking stage, they will need a technical design and hiring of a construction manager. They will also be subject to mandatory as-built surveying. Turbines lower than 3 meters will be exempt from both a construction permit and notification (proposed Article 29(2) point 34).
Governmental bill amending the Capacity Market Act. **Bill ref.: Sejm Document No. 927**	The draft legislation was submitted to the Sejm on 31 December 2024. **Project key assumptions:** ■ It introduces a new capacity market support mechanism known as 'supplementary' or 'follow-up' auctions. ■ It will comprise 4 new auctions to be included in the schedule of annual capacity market processes, for the following electricity supply periods: 2H2025, 2026, 2027 and 2028. ■ Supplementary auctions will be technology-neutral and their participants will be divided into price-maker and price-taker units. ■ The proposed Act is designed to allow generating units that do not comply with the EPS 550 emissions limit to participate in auctions. ■ Where it is decided not to hold a supplementary auction in a given supply year, the units notified in the framework of the relevant general certification procedure will be entitled to bid on the secondary capacity market for the supply period concerned.
Bill amending the Wind farm Investments Act and certain other acts **Bill ref.: UD89**	The draft appeared on the platform of the Government Legislation Centre on 25 September 2024. **Project key assumptions:** ■ Abolition of the general rule known as '10H' (according to which a new wind farm must be located at a distance of at least ten times the height of the turbine from residential buildings or nature conservation sites). ■ Allowing shorter distances from high-voltage power grid infrastructure. ■ Revision of the rules for the distance of wind farms from nature conservation sites. ■ New minimum distance between onshore wind turbines and residential development set at 500 m. ■ Regulation of the siting of wind turbines on the basis of a special type of zoning plans known as Integrated Investment Plans. ■ Rules streamlining the mechanism for apportioning at least 10% of the wind farm capacity for interested residents who consume the electricity as virtual prosumers.

3.4 DESCRIPTION OF THE GROUP'S POSITION IN RELATION TO OTHER ENERGY GROUPS

The Energa Group is one of the four largest vertically integrated energy groups operating in Poland. The groups operate in separate geographies with respect to their electricity distribution territories. The distribution territory of the Energa Group covers the northern and central part of Poland.

Figure 15. Distribution territories of top energy groups

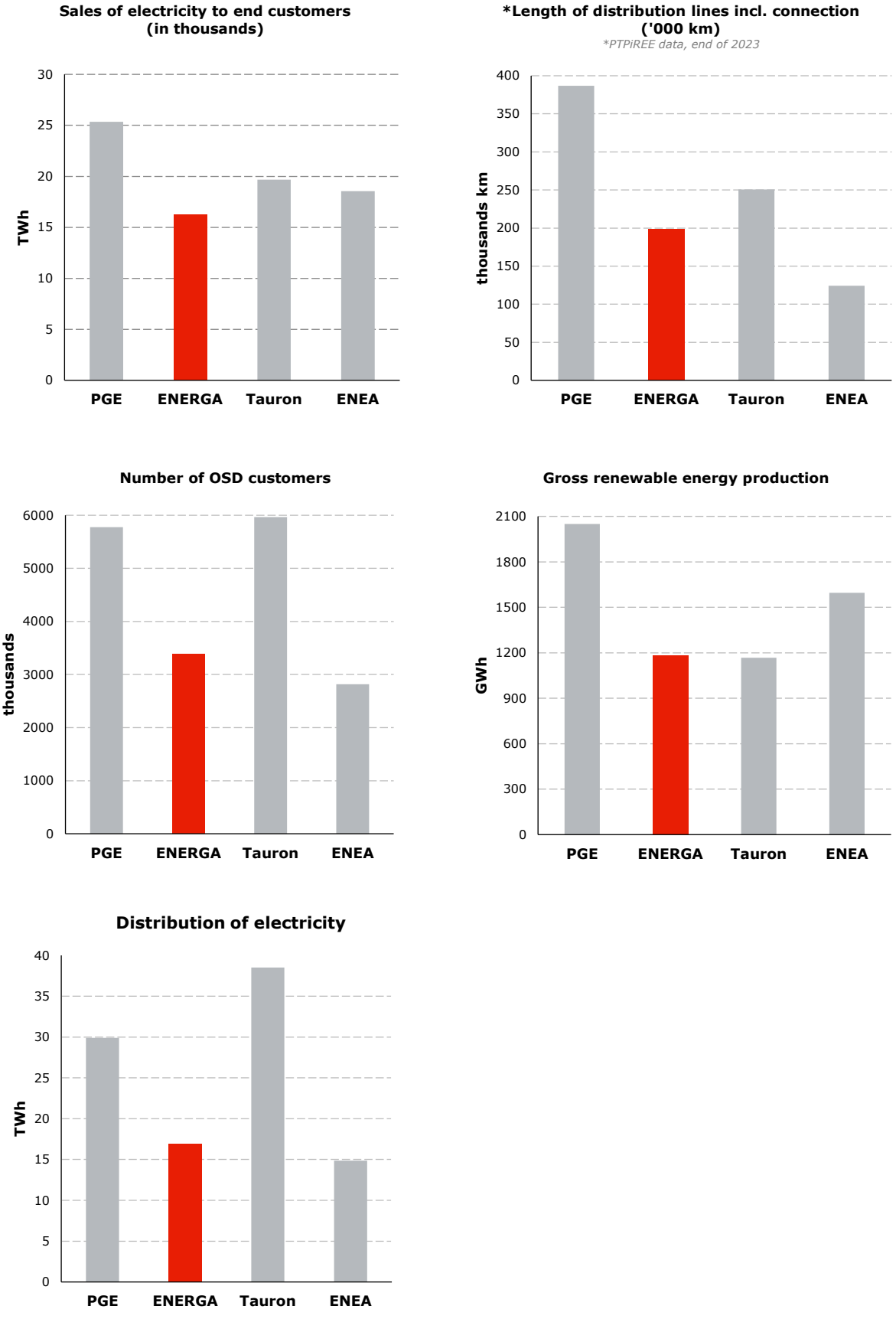


In the Distribution Segment, the Energa Group ranks third after the PGE Group and the Tauron Group in terms of the volume of electricity supplied, network length and number of customers. Owing to intensive upgrading efforts, the Energa Group's network quality indicators are among the best in Poland and are consistently improving. There was a decrease in the volume of distributed energy compared to the same period of the preceding year in all energy groups covered by the survey.

For historic reasons, the coverage of the distribution networks is correlated with the number of customers in the Sales Segment. Sales by value to end customers is more volatile than the number of customers, depending on the commercial strategy chosen for the largest users. Over the first three quarters of 2024, the Energa Group ranked fourth in terms of sales volume, outperformed by PGE, Tauron and Enea.

Compared to the other groups, the Energa Group has a low share in conventional generation. The Group has a single baseload unit with an installed capacity of 690 MWe (the Ostrołęka B Power Plant). This is significantly less than what the other groups have. In terms of energy production from renewable energy sources, the Energa Group has the highest share of this energy in own energy mix out of all groups covered by the survey, almost 60%.

Figure 16. Comparison of operating data for the ENERGA Group and the other energy groups (data from Q1 to Q3 2024) [1]

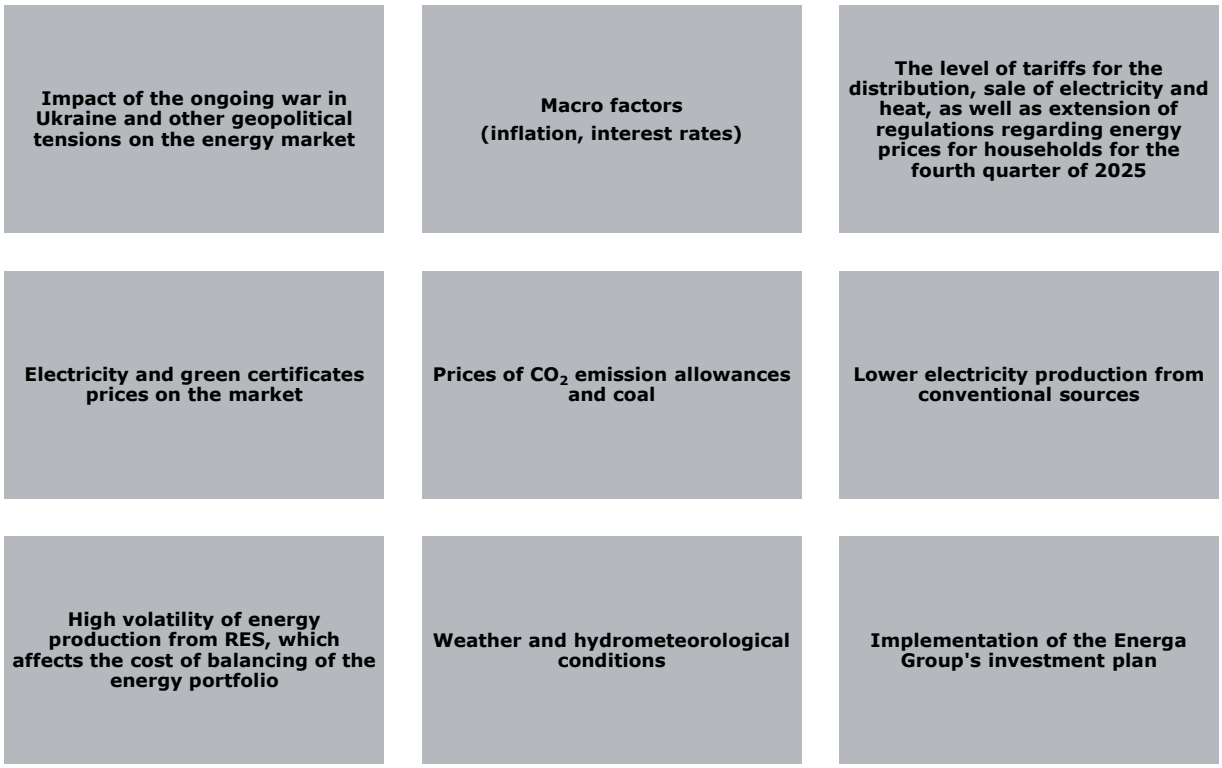


[1] *Data on sales of electricity to end customers for ENEA also include sales of natural gas.*

3.5 FACTORS RELEVANT TO THE DEVELOPMENT OF THE ENERGA GROUP

In the opinion of the Management Board of Energa SA, the factors described below will affect the results and activities of the Company and the Energa Group at least throughout 2025:

Figure 17. Factors relevant to the development of the Energa Group at least throughout 2025



4 FINANCIAL AND ASSETS SITUATION OF THE ENERGA GROUP

4.1 FINANCIAL AND ASSETS SITUATION OF THE ENERGA GROUP

The consolidated financial statements of the Energa Group for the year ended 31 December 2024 were prepared:

- in accordance with the International Financial Reporting Standards endorsed by the European Union,
- on a historical cost basis, except for financial instruments measured at fair value through profit or loss and hedging derivatives,
- in millions of Polish zlotys ("PLN m"),

based on the assumption that the Group would continue as a going concern in the foreseeable future. As at the date of the financial statements there is no evidence indicating that the continuation of the Energa Group's business activities as a going concern may be at risk.

The parent company's Management Board applied the standards and interpretations as well as the valuation approaches and principles for each item of the consolidated financial statements of the Energa Group to the best of their knowledge, in line with the IFRS EU for the year ended 31 December 2024. Due diligence was applied in the preparation of the accompanying supplementary information and notes.

The accounting principles (policy) applied to prepare the annual consolidated financial statements are presented in note 9 to the annual consolidated financial statements of the Energa Group for the year ended 31 December 2024.

4.2 EXPLANATION OF THE ECONOMIC AND FINANCIAL DATA DISCLOSED IN THE ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

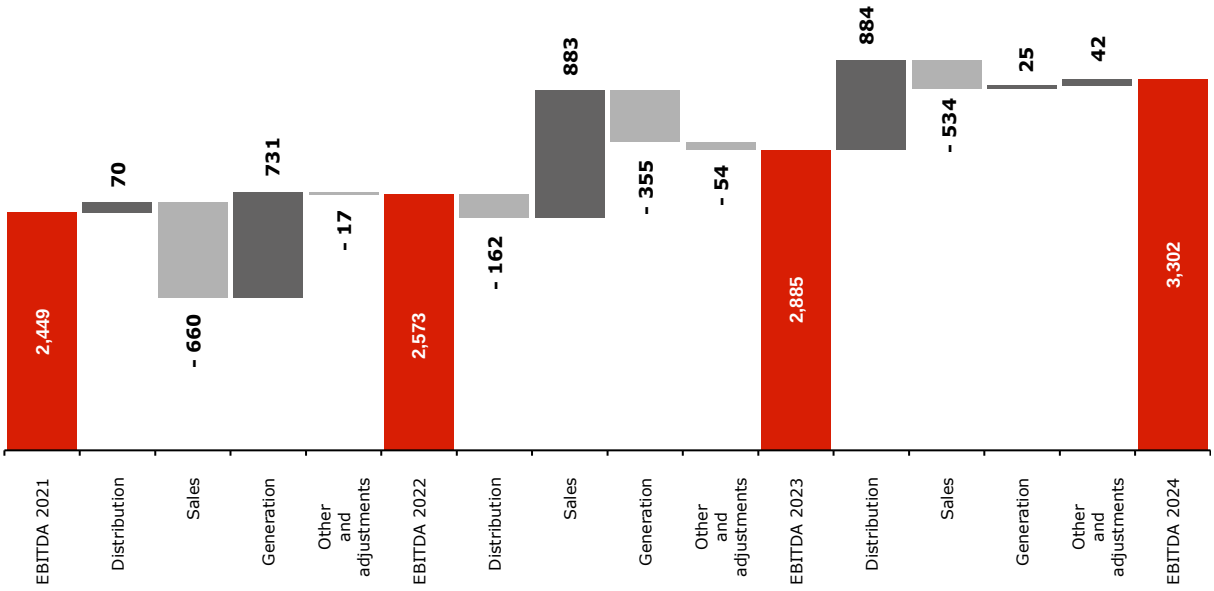
Table 6. Consolidated statement of profit or loss (PLN m)

PLN m	2021*	2022*	2023*	2024	Change 2024/2023	Change 2024/2023 (%)
Sales revenues	**13,791**	**20,095**	**22,081**	**20,887**	**(1,194)**	**-5%**
Revenue from the Price Difference Payment Fund	**-**	**349**	**4,006**	**1,866**	**(2,140)**	**-53%**
Cost of sales	(10,971)	(17,798)	(21,876)	(19,507)	2,369	11%
Gross profit on sales	**2 820**	**2,646**	**4,211**	**3,246**	**(965)**	**-23%**
Other operating income	214	945	435	222	(213)	-49%
Cost of sales	(953)	(983)	(2,034)	(667)	1 367	67%
General and administrative expenses	(325)	(397)	(506)	(508)	(2)	-0%
Other operating expenses	(445)	(774)	(332)	(796)	(464)	<-100%
(Loss)/reversal of impairment of trade receivables	(33)	(70)	(82)	(108)	(26)	-32%
Operating profit	**1,278**	**1,367**	**1,692**	**1,389**	**(303)**	**-18%**
Operating profit	(190)	(257)	(598)	(668)	(70)	-12%
(Loss)/reversal of impairment of interest on trade receivables	(4)	(4)	(5)	(8)	(3)	-60%
Share of profit/(loss) of equity accounted investees	185	71	9	(73)	(82)	< -100%
Profit or loss before tax	**1,269**	**1,177**	**1,098**	**640**	**(458)**	**-42%**
Income tax	(332)	(168)	(492)	(372)	120	24%
Net profit or loss for the period	**937**	**1,009**	**606**	**268**	**(338)**	**-56%**
EBITDA	**2,449**	**2,573**	**2,885**	**3,302**	**417**	**14%**

**restated*

PLN m	Q4 2023	Q4. 2024	Change	Change (%)
Sales revenues	**5,821**	**5,513**	**(308)**	**-5%**
Revenue from the Price Difference Payment Fund	**777**	**410**	**(367)**	**-47%**
Cost of sales	(6,595)	(5,360)	1,235	19%
Gross profit on sales	**3**	**563**	**560**	**> 100%**
Other operating income	121	60	(61)	-50%
Selling expenses	(590)	(186)	404	68%
General and administrative expenses	(72)	(150)	(78)	< -100%
Other operating expenses	(229)	(692)	(463)	< -100%
(Loss)/reversal of impairment of trade receivables	(25)	(48)	(23)	-92%
Operating profit	**(792)**	**(453)**	**339**	**68%**
Result on financial activities	(164)	(132)	32	20%
(Loss)/reversal of impairment of interest on trade receivables	-	(3)	(3)	-
Share of profit/(loss) of equity accounted investees	3	(33)	(36)	< -100%
Profit or loss before tax	**(953)**	**(621)**	**332**	**35%**
Income tax	(60)	(22)	38	63%
Net profit or loss for the period	**(1,013)**	**(643)**	**370**	**37%**
EBITDA	**(473)**	**522**	**995**	**> 100%**

Figure 18. EBITDA bridge by Business Lines (PLN m) in 2021-2024



The Group's EBITDA in 2024 was PLN 3,302 m vs. PLN 2,885 m in 2023. The Distribution Business Line saw a rise in EBITDA of PLN 884 m to PLN 2,840 m, which was primarily driven by a higher margin earned on distribution (that involves grid losses) as a result of the reflection of the price paid for electricity bought to cover grid losses in the 2024 tariff calculation (in 2023 the high price concerning grid losses had not been fully compensated for in the tariff, which had affected the margin). By contrast, the Sales Business Line's EBITDA amounted to PLN 32 m, compared to PLN 566 m in 2023. The main underlying reason was a lower margin on electricity sales, mainly due to a decline in unit margins on electricity sales to business customers. In addition, the extension to 2024 of the regulation of electricity sales prices for certain final consumers and the approval by the President of the Energy Regulatory Authority of the reduced tariff for 2024 for households translated into a negative margin for this customer group, as had also been the case in 2023. The main factors behind the EBITDA level of the Generation Business Line on a year-on-year basis included higher electricity sale prices in the Water and Wind areas, higher revenues from regulatory services and lower maintenance costs.

In 2024, the largest share in the Group's EBITDA was generated by the Distribution Business Line (86%), while the share of the Generation Business Line was 16%, and that of the Sales Business Line 1%.

The Group's 2024 EBIT amounted to PLN 1,389 m compared to PLN 1,692 m in 2023. The largest impact on the EBIT result year-on-year was exerted by the operational factors described above affecting EBITDA, as well as the impairment losses on renewable energy assets and coal and heating assets in the amount of PLN 634 million created in 2024.

The year 2024 saw the recognition of a share in the profit/loss of associates and joint ventures equal to PLN -73 m compared to PLN 9 m in 2023. The share in the loss was attributable to Polimex-Mostostal S.A.

In 2024, the result on financial activities was lower by PLN 71 m y-o-y, which was mainly attributable to a higher y-o-y debt balance.

As a result, the Group's net 2024 result closed at PLN 268 m vs. PLN 606 m in 2023.

In 2024, the Group's sales revenues amounted to PLN 22,753 m, compared to PLN 26,087 m in 2023. The year-on-year decrease in revenues was mainly due to lower electricity sales prices charged by the Sales Business Line, which mirrored the decline in market prices, and the lower volume of electricity produced by the Generation Business Line.

The Energa Group's revenue from the Capacity Market in 2024 totalled PLN 317 m (PLN 71 m in Q4 2024 alone) vs. PLN 261 m in 2023 (PLN 70 m in Q4 2023).

The Group's EBITDA in Q4 2024 was PLN 522 m vs. PLN -473 m in the same period of the previous year. The Group owed this result primarily to the Distribution Business Line, which recorded a higher EBITDA year-on-year of PLN 542 m, mainly as a result of factors presented cumulatively. In the Sales Business Line, EBITDA increased by PLN 384 m y-o-y, primarily due to movement in provisioning for onerous contracts affected by regulations and President of ERO's tariffs. In addition, two one-off events had a positive effect on the EBITDA, i.e. the provision for penalties of the President of ERO, which had been established in December 2023, and the final settlement of compensation for 2022 and 2023 made in the fourth quarter of 2024. The EBITDA of the Generation Business Line increased by PLN 111 m, primarily as a result of increased revenues from the sale and distribution of heat and higher revenues from regulatory system services. On the expense side, the cost of the consumption of fuels for production and the volume of emission allowances purchased were lower.

The effect of material non-recurring events (assuming a materiality threshold of PLN 25 mln) on EBITDA is presented below.

Table 7. EBITDA after material one-off events (PLN m)*

EBITDA	(m PLN)
12 months of 2024	
EBITDA	**3,302**
Adjusted EBITDA	**3,151**
including:	
Actuarial reserves	*61*
Gain on change in shareholding structure due to purchase of shares in Elektrownia Ostrołęka Sp. z o.o.	*(42)*
Final settlement of electricity price regulation compensation for 2022 and 2023	*(170)*
12 months of 2023	
EBITDA	**2,885**
Adjusted EBITDA	**3,710**
including:	
Actuarial reserves	*61*
Revenue from "exit fees"	*(120)*
Impact of the Ordinance on Reduction of Electricity Prices for Households	*313*
Provision for onerous contracts	*466*
Reserve for penalties of the President of the ERO	*105*
Q4 2024	
EBITDA	**522**
Adjusted EBITDA	**428**

including:	
Actuarial reserves	*76*
Final settlement of electricity price regulation compensation for 2022 and 2023	*(170)*
Q4 2023	
EBITDA	**(473)**
Adjusted EBITDA	**202**
including:	
Actuarial reserves	*28*
Impact of the Ordinance on Reduction of Electricity Prices for Households	*76*
Provision for onerous contracts	*466*
Reserve for penalties of the President of the ERO	*105*

** The tables present non-recurring items identified on the basis of the criterion of materiality, which was set at PLN 25 million.*

Table 8. Consolidated statement of financial position (PLN m)

	As at 31 December 2021	As at 31 December 2022	As at 31 December 2023	As at 31 December 2024	Change 2024/2023	Change 024/2023 (%)
ASSETS						
Non-current assets						
Property, plant and equipment	15,281	17,386	20,513	24,962	4,449	22%
Intangible assets	974	1,487	985	832	(153)	-16%
Right-of-use assets	1,063	1,050	1,152	1,331	179	16%
Goodwill	-	-	-	444	444	-
Investments in associates and joint ventures measured by the equity method	128	153	163	89	(74)	-45%
Deferred tax assets	237	418	232	184	(48)	-21%
Other non-current financial assets	254	190	32	21	(11)	-34%
Other non-current assets	289	702	252	146	(106)	-42%
	18,226	**21,386**	**23,329**	**28,009**	**4,680**	**20%**
Current assets						
Inventories	111	346	409	264	(145)	-35%
Current tax receivables	102	399	372	59	(313)	-84%
Trade receivables	2,074	3,271	5,135	4,377	(758)	-15%
Other current financial assets	105	210	1,276	1,038	(238)	-19%
Cash and cash equivalents	340	1,100	521	989	468	90%
Other current assets	231	478	637	903	266	42%
	2,963	**5,804**	**8,350**	**7,630**	**(720)**	**-9%**
TOTAL ASSETS	**21,238**	**27,248**	**31,679**	**35,639**	**3,960**	**13%**

w mln zł	As at 31 December 2021	As at 31 December 2022	As at 31 December 2023	As at 31 December 2024	Change 2024/2023	Change 2024/2023 (%)
EQUITY AND LIABILITIES						
Equity						
Share capital	4,522	4,522	4,522	4,522	-	-
Foreign exchange differences on translation of foreign entity	5	6	(1)	(3)	(2)	< -100%
Reserve capital	821	1,031	1,031	1,031	-	-
Reserve capital	1,661	1,661	1,711	1,748	37	2%
Capital from revaluation of hedging instruments	87	55	(9)	(1)	8	89%
Retained profits	2,912	3,706	4,260	4,496	236	6%
Equity attributable to owners of the parent company	**10,008**	**10,981**	**11,514**	**11,793**	**279**	**2%**
Non-controlling interests	**(66)**	**559**	**928**	**891**	**(37)**	**-4%**
	9,942	**11,540**	**12,442**	**12,684**	**242**	**2%**
Long-term liabilities						
Credits and loans	1,309	1,531	1,543	9,070	7,527	> 100%
Liabilities from issuance of debt securities	2,501	1,965	1,811	1,774	(37)	-2%
Long-term provisions	734	696	644	723	79	12%
Deferred income tax provision	910	931	975	1,018	43	4%
Accruals and long-term grants	301	326	378	435	57	15%
Lease obligations	838	817	903	1,098	195	22%
Other long-term financial liabilities	9	5	37	162	125	> 100%
Contract liabilities	9	9	7	6	(1)	-14%
	6,611	**6,280**	**6,298**	**14,286**	**7,988**	**> 100%**
Current liabilities						
Trade payables	1,067	2,388	1,593	1,894	301	19%
Contract liabilities	297	314	691	729	38	5%
Current portion of loans and advances	1,395	2,537	2,551	183	(2,368)	-93%
Liabilities from issuance of debt securities	31	609	39	40	1	3%
Income tax liabilities	13	3	5	24	19	> 100%
Accruals and grants	180	202	218	251	33	15%
Short-term reserves	1,073	2,496	2,091	942	(1,149)	-55%
Other financial liabilities	448	609	5,324	4,378	(946)	-18%
Other current liabilities	161	245	427	228	(199)	-47%
	4,665	**9,403**	**12,939**	**8,669**	**(4,270)**	**-33%**
Total liabilities	**11,296**	**15,708**	**19,237**	**22,955**	**3,718**	**19%**
TOTAL LIABILITIES	**21,238**	**27,248**	**31,679**	**35,639**	**3,960**	**13%**

As of 31 December 2024, the Energa Group's balance sheet total amounted to PLN 35,639 m and was PLN 3,960 m higher than the year-end figure for 2023.

As far as fixed assets are concerned, the most significant change concerned the item Property, plant and equipment and was linked, in particular, to expenses made on the construction of generation sources at CCGT Ostrołęka and CCGT Grudziądz and the Distribution Business Line investments (expansion and modernisation of the grid and the connection of electricity consumers and sources). In addition, there was a decrease in the value of intangible assets primarily as a result of the redemption of property rights. As of the end of December 2024, goodwill was recognised under fixed assets, which was related to the acquisitions described in more detail in note 2.2.1. of the Energa Group's consolidated financial statements for the year ended on 31 December 2024.

As regards current assets, the most significant change pertained to trade receivables, with Energa Obrót SA seeing the greatest decline. In addition, the level of other current financial assets decreased compared to 31 December 2023, which was linked in particular to a decrease in the level of cash pooling receivables and other short-term financial receivables. The reasons for the change in cash are further described in the section on cash flows.

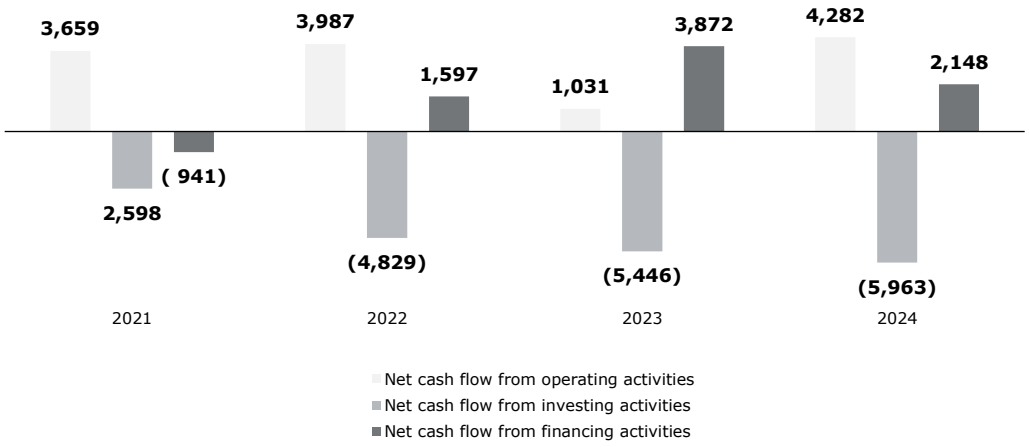
The Energa Group's equity as at 31 December 2024 was PLN 12,684 m and covered 36% of the Group's financing needs.

Under liabilities, the increase in debt (increase in lending extended by ORLEN to finance investment in the Energa Group subsidiaries) was balanced by a decrease in provisioning (as a result of the release of a 2023 provision for onerous contracts created further to the regulation of electricity prices, with no new provision established in 2024, and the consumption of the provision for CO_2 emissions liabilities and for property rights), and other financial liabilities (in particular, a decrease in cash pooling liabilities offset by an increase in liabilities related to the acquisition of property, plant and equipment and intangible assets).

Table 9. Consolidated cash flow statement (PLN m)

PLN m	2021	2022	2023	2024	Change 2024/2023	Change 2024/2023 (%)
Net cash flow from operating activities	3,659	3,987	1,031	4,282	3,251	> 100%
Net cash flows from investment activities	(2,598)	(4,829)	(5,446)	(5,963)	(517)	-9%
Net cash flows from financial activities	(941)	1,597	3,872	2,148	(1,724)	-45%
Net increase / (decrease) in cash	120	755	(543)	467	1,010	> 100%

Figure 19. Cash flows of the Group in 2021-2024 (PLN m)



Total net cash flows from operating, investing and financing activities of the Group in 2024 were positive and amounted to PLN 467 m, compared to negative cash flows of PLN (543) m in 2023.

The value of cash flows from operating activities amounted to PLN 4,282 m compared to PLN 1,031 m in 2023. The positive cash flows from operating activities in 2024 were primarily attributable to the generated gross profit of PLN 640 m (compared to PLN 1,098 m in 2023) and a rise in working capital of PLN 888 m, which mainly stemmed from a decline in trade receivables (it was negative in 2023, at PLN (2,507) m).

In 2024, net cash flows from investing activities amounted to PLN (5,963) m, with likewise negative flows of PLN (5,446) m in 2023. They resulted primarily from spending on the purchase of property, plant and equipment and intangible assets, which amounted to PLN (5,220) m in 2024 (compared to PLN (4,342) m in 2023), spending on the acquisition of shares in the subsidiaries: Wena Projekt 2 Sp. z o.o., Farma Wiatrowa Szybowice Sp. z o.o., Aktywa Ostrołęka Sp. z o.o., PVE 28 Sp. z o.o., VRS 14 Sp. z o.o., Helios Sp. z o.o. and E&G Sp. z o.o., as well as an organised business unit (net of cash), which totalled PLN (886) m. The spending was partially offset by positive net cash pooling flows of PLN 197 m.

In 2024, cash flows from financing activities amounted to PLN 2,148 m and were mainly attributable to the incurring of new financial liabilities of PLN 6,035 m, which were partially balanced by negative net cash flows from cash pooling of PLN (1,446) m. In 2024, financing-related expenses stemmed mainly from schedule-based repayment of current borrowings of PLN (1,597) m, repayment of lease debt amounts of PLN (66) m and payment of current interest of PLN (776) m. In 2023, cash flows from financing activities were higher and amounted to PLN 3,872 m, which mainly followed from positive net flows from cash pooling of PLN 4,655 m.

4.3 STRUCTURE OF ASSETS AND LIABILITIES IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Figure 20. Structure of assets and liabilities from 2021 to 2024

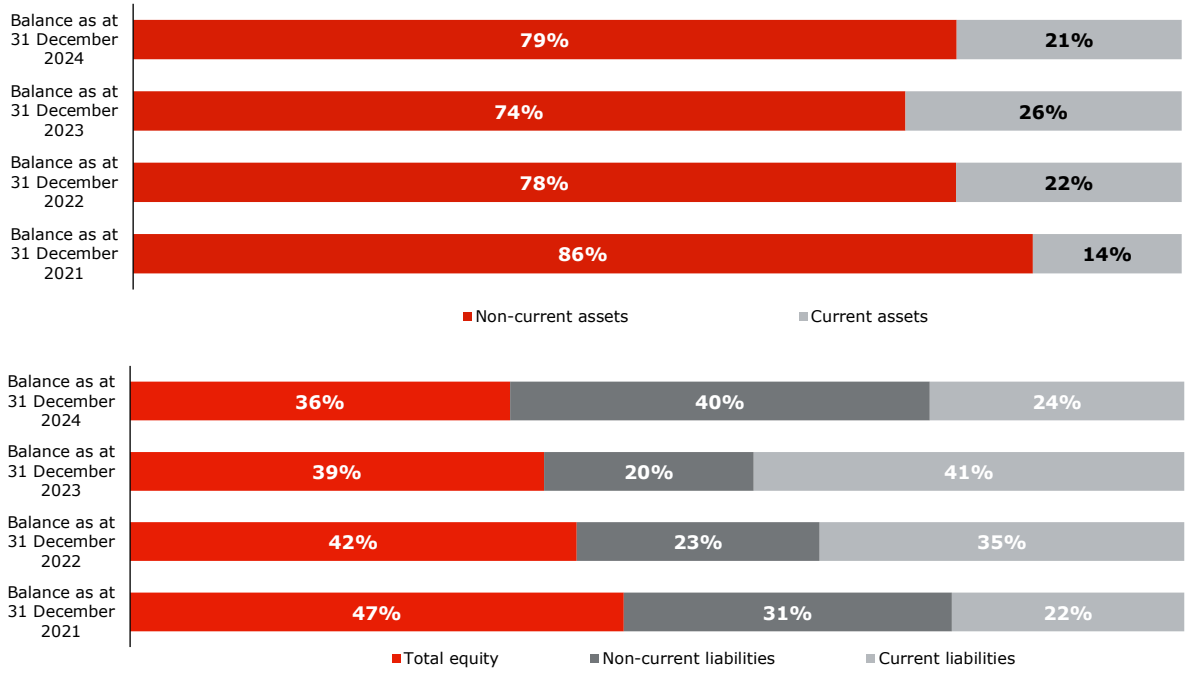


Table 10. Wskaźniki finansowe Grupy Energa

Ratio	Definition	2021	2022	2023	2024
Profitability					
EBITDA margin	operating result + depreciation and amortization + impairment of non-financial non-current assets / sales revenues (taking into account the revenue from the Price Difference Payout Fund)	17.8%	12.6%	11.1%	14.5%
return on equity (ROE)	net profit for the period / total equity at the end of period	9.4%	8.7%	4.9%	2.1%
return on sales (ROS)	net profit for the period / sales revenues (taking into account the revenue from the Price Difference Payout Fund)	6.8%	4.9%	2.3%	1.2%
return on assets (ROA)	net profit for the period / total assets at the end of the period	4.4%	3.7%	1.9%	0.8%

Ratio	Definition	As at 31 December 2021	As at 31 December 2022	As at 31 December 2023	As at 31 December 2024
Liquidity					
current liquidity ratio	current assets/current liabilities	0.6	0.6	0.6	0.9
Debt					
financial liabilities (PLN m)	total liabilities due to loans and borrowings, debt securities and liabilities due to cash pooling and leases (both long- and short-term)	6,113	7,504	11,575	15,435
net financial liabilities (PLN m)	financial liabilities – cash and cash equivalents – cash pooling receivables	5,773	6,404	9,897	13,486
net debt/ EBITDA ratio*	net financial liabilities / EBITDA	1.6	1.8	1.9	3.3

** net financial liabilities included in the calculation of the net debt/ EBITDA ratio include the key elements defined in the financing agreements;*

In 2024, sales revenues decreased, while EBITDA increased compared to the previous year (the factors behind these developments are described in the section on financial figures). Accordingly, the EBITDA margin improved year-on-year.

Profitability indicators decreased compared to 2023, which was the result of a lower 2024 net result for the reasons described above, mainly in connection with impairment losses.

The decline in current liabilities, in particular associated with borrowings and short-term reserves, improved the current liquidity ratio.

The net debt/EBITDA ratio was pushed up by an increase in financial liabilities as at 31 December 2024 relative to 31 December 2023 as well as lower y/y EBITDA adjusted for one-offs events.

4.4 DESCRIPTION OF SIGNIFICANT OFF-BALANCE SHEET ITEMS

For details please see section *9.1. Information on material contracts, agreements and transactions* of this Report and note 36 to the consolidated financial statements: *Contingent assets and liabilities.*

4.5 PROJECTED FINANCIAL RESULTS

The Management Board of Energa has not published projections for separate and consolidated financial results for the financial year of 2024.

5 OPERATIONS OF THE ENERGA GROUP SEGMENTS

The Energa Group's financial performance by Business Line was as follows:

Table 11. EBITDA of the Energa Group, by Business Lines (PLN m)

EBITDA in PLN m	2021	2022	2023	2024	Change 2024/2023	Change 2024/2023 (%)
DISTRIBUTION	2,048	2,118	1,956	2,840	884	45%
GENERATION	112	843	488	513	25	5%
SALES	343	(317)	566	32	(534)	-94%
OTHER and consolidation eliminations and adjustments	(54)	(71)	(125)	(83)	42	34%
Total EBITDA	**2,449**	**2,573**	**2,885**	**3,302**	**417**	**14%**

EBITDA in PLN m	Q4 2023	Q4 2024	Change	Change (%)
DISTRIBUTION	6	548	542	> 100%
GENERATION	75	186	111	> 100%
SALES	(528)	(144)	384	73%
OTHER and consolidation eliminations and adjustments	(26)	(68)	(42)	< -100%
Total EBITDA	**(473)**	**522**	**995**	**> 100%**

5.1 DISTRIBUTION BUSINESS LINE

5.1.1 BUSINESS AND OPERATING ACTIVITIES

Table 12. Distribution of electricity by tariff groups (GWh)

Distribution of electricity by tariff groups (billed sales) in GWh	2021	2022	2023	2024	Change 2024/2023	Change 2024/2023 (%)
Tariff group A (HV)	3,512	3,743	3,433	3,502	70	2%
Tariff group B (MV)	9,129	9,258	8,809	9,003	194	2%
Tariff group C (LV)	4,289	4,206	3,968	3,992	24	1%
Tariff group G (LV)	6,143	6,026	6,201	6,204	3	0%
Total distribution of electricity	**23,074**	**23,233**	**22,411**	**22,702**	**291**	**1%**

Distribution of electricity by tariff groups (billed sales) in GWh	Q4 2023	Q4 2024	Change	Change (%)
Tariff group A (HV)	862	814	(48)	-6%
Tariff group B (MV)	2,300	2,302	2	0%
Tariff group C (LV)	1,029	1,045	16	2%
Tariff group G (LV)	1,611	1,648	38	2%
Total distribution of electricity	**5,801**	**5,810**	**9**	**0%**

In 2024, the volume of electricity supplied was 1% higher on average than in the previous year. The strongest growth in volume was seen for tariff groups A and B, with a milder increase for group C. The upward trend was mainly attributable to a growth in the number of customers.

In Q4 2024, the volume of supplied energy was similar to that in the same period of the previous year. Increases in supplied electricity were recorded in tariff groups C and G, while tariff group A saw a decrease by 6%.

Table 13. SAIDI and SAIFI indicators

	SAIDI			SAIFI		
	Unplanned incl. catastrophic	Planned	Total	Unplanned incl. catastrophic	Planned	Total
	Minutes per customer in the period			Disruptions per customer in the period		
Q4 2023	50.3	8.1	58.4	0.65	0.04	0.69
Q4 2024	**26.3**	**10.3**	**36.7**	**0.49**	**0.06**	**0.55**
Change	(23.9)	2.2	(21.7)	(0.16)	0.02	(0.14)
Change (%)	-48%	27%	-37%	-25%	54%	-20%
2021	186.0	22.1	208.1	2.30	0.20	2.40
2022	384.7	25.8	410.5	3.02	0.17	3.19
2023	160.7	28.5	189.2	1.99	0.16	2.15
2024	**130.7**	**32.4**	**163.1**	**2.11**	**0.20**	**2.30**
Change 2024/2023	(30.0)	3.9	(26.1)	0.12	0.03	0.15
Change 2024/2023 (%)	-19%	14%	-14%	6%	22%	7%

In 2024, the Energa Group's SAIDI (planned and unplanned incl. catastrophic) was 163.1 minutes per customer compared to 189.2 minutes per customer in 2023. In turn, SAIFI value deteriorated as a result of more frequent and more numerous failures in 2024 due to adverse weather conditions.

On the balance, in Q4 2024, the Energa Group achieved a SAIDI of 36.7 minutes per customer compared to 58.4 m.p.c. in the same period of 2023. SAIFI followed a similar trend.

Table 14. Number of customers of Energa Operator SA in 2021-2024 (by tariff groups)

Tariff groups at Energa Operator [units]	As at 31 December				Change 2024/2023	Change 2024/2023 (%)
	2021	2022	2023	2024		
Tariff group A	174	211	240	258	18	8%
Tariff group B	8,983	9,487	9,916	10,366	450	5%
Tariff group C	295,591	293,871	292,775	296,003	3,228	1%
Tariff group G	2,934,776	2,987,538	3,040,430	3,089,862	49,432	2%
TOTAL	**3,239,524**	**3,291,107**	**3,343,361**	**3,396,489**	**53,128**	**2%**

Tariff group A – the largest customers connected to HV grid (110 kV), such as mills, melting plants, mines, shipyards and other large industrial facilities;
Tariff group B – large industrial facilities connected to MV grid (1 to 60 kV), such as manufacturing plants, hospitals, shopping centres, leisure and entertainment facilities;
Tariff group C – institutional customers connected to LV grid (up to 1 kV), such as banks, shops, clinics, retail and service outlets, street lighting;
Tariff group G – households and similar customers, regardless of power supply voltage.

In 2024, Energa Operator recorded a 2% increase in the number of customers compared to the end of the previous year. This was the case across the tariff groups, with the largest surge in groups A and B.

5.1.2 FINANCIAL RESULTS

Figure 21. Results of the Distribution Business Line of the Energa Group (PLN m)

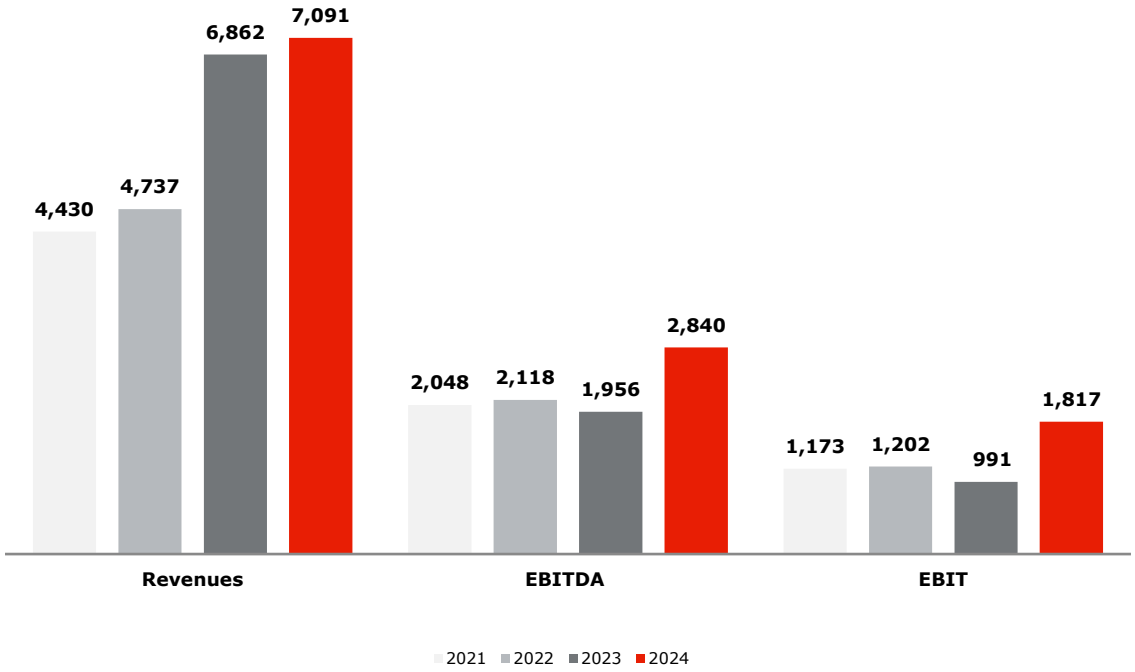
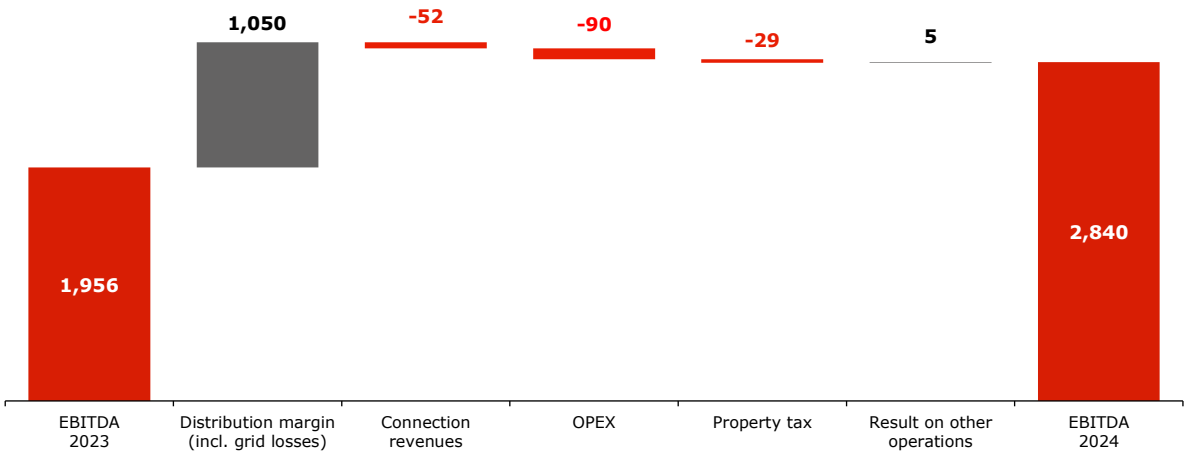


Table 15. Results of the Distribution Buisness Line (PLN m)

PLN m	2021	2022	2023	2024	Change 2024/2023	Change 2024/2023 (%)
Revenues	4,430	4,737	6,862	7,091	229	3%
EBITDA	**2,048**	**2,118**	**1,956**	**2,840**	**884**	**45%**
amortization	875	916	965	1,023	58	6%
impairment of non-financial non-current assets	-	-	-	-	-	
EBIT	1,173	1,202	991	1,817	826	83%
Net result	780	752	513	1,152	639	> 100%
CAPEX	1,540	1,684	2,298	2,948	650	28%

PLN m	Q4 2023	Q4 2024	Change	Change (%)
Revenues	1,851	1,873	22	1%
EBITDA	**6**	**548**	**542**	**> 100%**
amortization	257	271	14	5%
impairment of non-financial non-current assets	-	-	-	
EBIT	(251)	277	528	> 100%
Net result	(278)	141	419	> 100%
CAPEX	867	1 326	459	53%

Figure 22. EBITDA bridge of the Distribution Business Line (PLN m)



Throughout 2024, the Distribution Business Line generated 86% of the Energa Group's EBITDA (vs. 68% in 2023).

The Distribution Business Line's sales revenues in 2024 were PLN 7,091 m, up 3% than in 2023. The upward movement in revenues was primarily driven by a growth in earnings on the sale of distribution services, which was attributable to a 4% growth in the average rate for the distribution service (payable to DSOs) and higher volume. In contrast, revenue from the connection service was lower y-o-y.

The EBITDA of this Line amounted to PLN 2,840 m and was PLN 884 m higher year-on-year. In particular, the EBITDA figure was influenced positively by a lower y-o-y price for the purchase of electricity to cover grid losses and the reflection of this price in the calculation of the 2024 tariff (in 2023 the high sums expended on grid losses had not been fully compensated for by the tariff, which had affected the margin). The EBITDA was influenced positively by higher volumes of the distribution service y-o-y, but, on the balance, it was affected by OPEX, which were PLN 90 m higher y-o-y, as a result, among other things, of higher payroll costs due to an increase in the headcount and wage pressure. The performance was also affected by a y-o-y decline in revenues from collision removal and from connections, as well as by a decline in the balance of other operating activities.

The Distribution Business Line's 2024 net profit was PLN 1,152 m, up by PLN 639 m y-o-y. The main positive effect was produced by the movement in the operating result described above, which was undermined by the balance on financial activities (higher y-o-y debt service costs) and higher depreciation and amortisation expense.

Capital expenditure of that Line totalled PLN 2,948 m and was 28% higher than in 2023.

The EBITDA of the Distribution Business Line in Q4 2024 amounted to PLN 548 m compared to PLN 6 m in the same period of the previous year. The main drivers of the Q4 y-o-y improvement were the same as for the entire year 2024.

5.2 GENERATION BUSINESS LINE

5.2.1 BUSINESS AND OPERATING ACTIVITIES

Table 16. Gross electricity production (GWh)

Gross electricity production (GWh)	2021	2022	2023	2024	Change 2024/2023	Change 2024/2023 (%)
Power plants – coal-fired	2,599	3,093	1,760	1,085	(675)	-38%
Power plants - biomass co-fired	-	-	-	15	15	-
CHP plants - coal-fired	31	22	-	-	-	-
CHP plants - biomass-fired	83	73	86	70	(16)	-19%
Power plants – hydro	894	744	920	818	(102)	-11%
Pumped storage plant	67	94	117	132	14	12%
Power plants – wind	458	481	496	479	(17)	-3%
Power plants - photovoltaics	5	26	69	99	30	43%
Total production of electricity	**4,136**	**4,533**	**3,449**	**2,698**	**(751)**	**-22%**
including from RES	*1,439*	*1,324*	*1,572*	*1,481*	*(91)*	*-6%*

Gross electricity production (GWh)	Q4 2023	Q4 2024	Change	Change (%)
Power plants – coal-fired	537	351	(186)	-35%
CHP plants - coal-fired	-	-	-	-
CHP plants - biomass-fired	24	21	(3)	-14%
Power plants – hydro	208	118	(89)	-43%
Pumped storage plant	35	41	6	18%
Power plants – wind	160	145	(15)	-10%
Power plants - photovoltaics	7	15	8	> 100%
Total production of electricity	**971**	**692**	**(279)**	**-29%**
including from RES	*399*	*299*	*(100)*	*-25%*

The Energa Group's generation assets produced 2.7 TWh of electricity in 2024, compared to 3.5 TWh in 2023, i.e. 22% less year-on-year, primarily due to lower production by the Ostrołęka power plant and by hydroelectric plants and wind farms. In 2024, 40% of the Group's gross electricity production originated from coal, 35% from hydro, 18% from wind, 3% from biomass and 4% from PV.

The Ostrołęka power plant production levels mirrored the concluded market contracts, reliability of must-run operation for the Transmission System Operator in Poland, the availability of the units. The generation of energy by run-of-river power plants is an effect of hydrological conditions, while the wind power production was determined by the prevailing weather conditions. The production of energy by the Group's CHP plants reflected the overall heat production, which depended mostly on the demand for heat from local customers of the Group, availability of the Group's units and availability of production inputs (including biomass).

The volume of gross electricity production in Q4 2024 as compared to Q4 2023 displays (as for the whole of 2024) a decline in the production of power by the Ostrołęka power plant and by hydroelectric and wind units.

Table 17. Gross heat production (TJ)

Gross heat production in TJ	2021	2022	2023	2024	Change 2024/2023	Change 2024/2023 (%)
Energa Kogeneracja Sp. z o.o.	2,281	2,087	1,845	1,957	112	6%
Energa Elektrownie Ostrołęka S.A.	1,263	1,193	1,085	1,032	(53)	-5%
Energa Ciepło Kaliskie Sp. z o.o.	312	293	453	279	(175)	-39%
Total gross heat production	**3,856**	**3,573**	**3,384**	**3,268**	**(116)**	**-3%**

Gross heat production in TJ	Q4 2023	Q4 2024	Change	Change (%)
Energa Kogeneracja Sp. z o.o.	616	670	54	9%
Energa Elektrownie Ostrołęka S.A.	340	338	(3)	-1%
Energa Ciepło Kaliskie Sp. z o.o.	208	131	(77)	-37%
Total gross heat production	**1,164**	**1,139**	**(25)**	**-2%**

In 2024, the Group produced 3,268 TJ of heat energy, down 3% y-o-y, which was due to a range of factors, including air temperatures, which translated into lower demand for heat from the Group's customers on the local markets in Ostrołęka, Elbląg and Kalisz.

In Q4 2024, the production of heat decreased by approx. 25 TJ y-o-y (or 2%) due to the same factor.

Table 18. Volume and cost of consumption of key fuels

Consumption of fuels*	2021	2022	2023	2024	Change 2024/2023	Change 2024/2023 (%)
Hard coal						
Quantity (thous. of tonnes)	1,259	1,444	846	556	(290)	-34%
Cost (PLN m)	357	1,018	869	464	(404)	-47%
Biomass						
Quantity (thous. of tonnes)	85	72	82	82	(1)	-1%
Cost (PLN m)	40	97	97	80	(17)	-17%
Total fuel consumption (PLN m)	**398**	**1,116**	**965**	**544**	**(421)**	**-44%**

** including the cost of transport*

Consumption of fuels*	Q4 2023	Q4 2024	Change	Change (%)
Hard coal				
Quantity (thous. of tonnes)	259	178	(82)	-31%
Cost (PLN m)	230	130	(100)	-44%
Biomass				
Quantity (thous. of tonnes)	22	16	(5)	-25%
Cost (PLN m)	23	15	(9)	-37%
Total fuel consumption (PLN m)	**254**	**145**	**(109)**	**-43%**

** including the cost of transport*

In 2024, the Group's producers used 290,000 tonnes less coal compared to 2023, and a similar amount of biomass. The lower coal consumption is an effect of lower electricity production, mainly by the Ostrołęka Power Plant. The similar consumption of biomass chiefly stems from the availability of the biofuel and the capacity of the biomass-fired unit in Elbląg. This went hand in hand with lower unit costs of the purchase of coal and biomass year-on-year.

The Q4 2024 figures, as compared to the corresponding period of the previous year, imply a lower unit cost of the purchase of coal and biomass and a noteworthy reduction in the consumption of these commodities.

5.2.2 WYNIKI FINANSOWE

Figure 23. Results of the Generation Business Line of the Energa Group (PLN m)

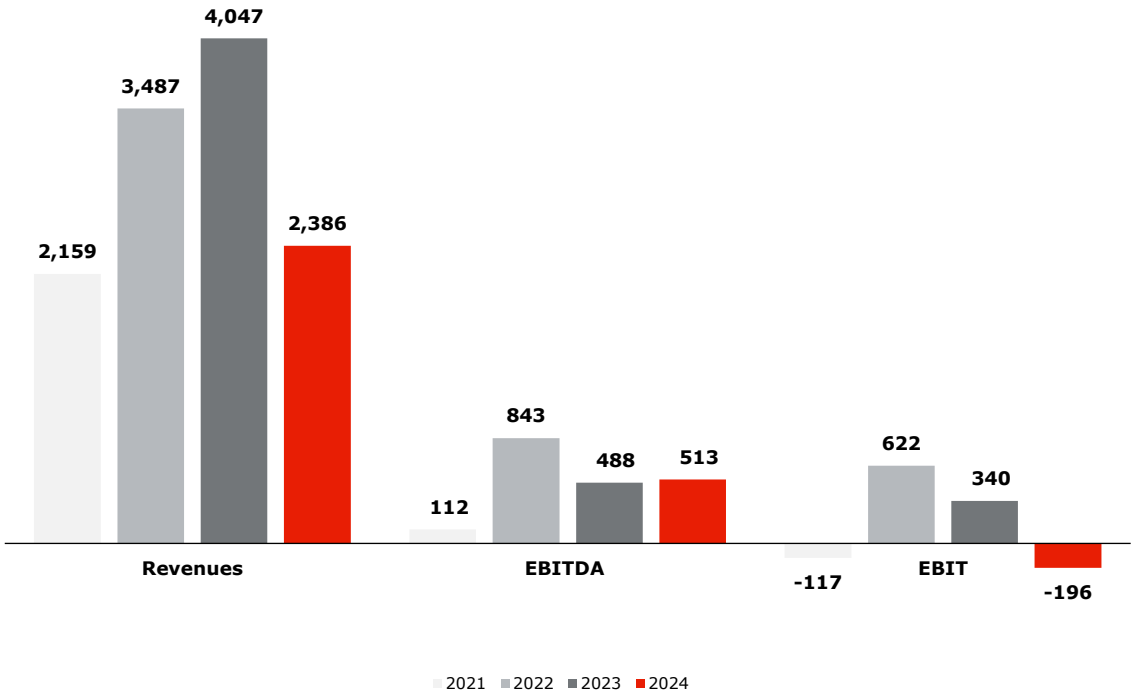
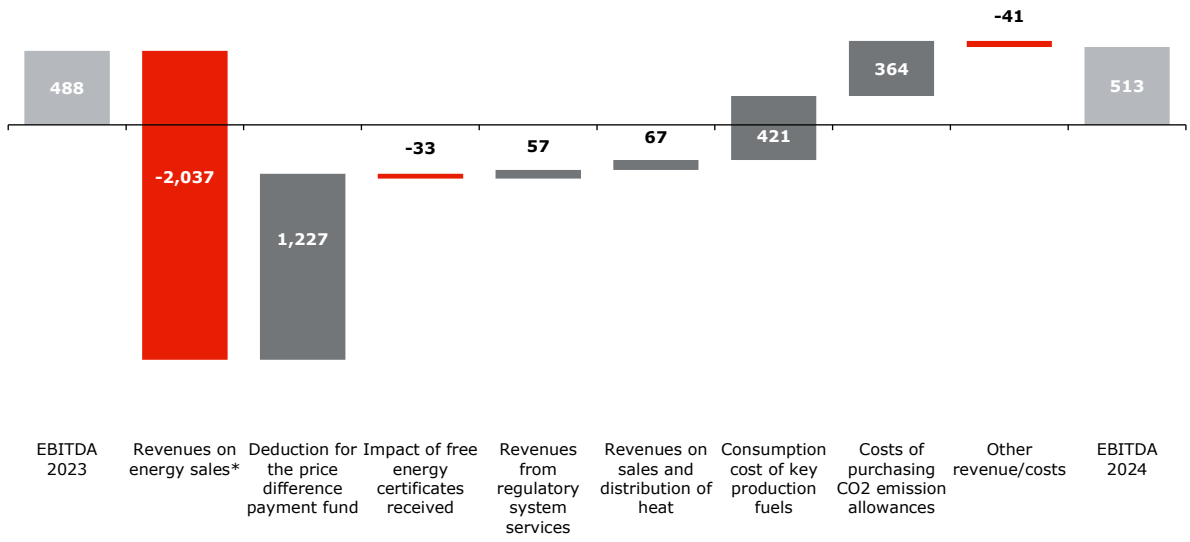


Table 19. Result of the Generation Business Line (PLN m)

PLN m	2021	2022	2023	2024	Change 2024/2023	Change 2024/2023 (%)
Revenues	2,159	3,487	4,047	2,386	(1,661)	-41%
EBITDA	**112**	**843**	**488**	**513**	**25**	**5%**
amortization	139	149	149	151	2	1%
impairment of non-financial non-current assets	90	72	(1)	558	559	>100%
EBIT	(117)	622	340	(196)	(536)	<- 100%
Net result	(216)	509	238	(433)	(671)	<- 100%
CAPEX	262	475	380	699	319	84%

PLN m	Q4 2023	Q4 2024	Change	Change (%)
Revenues	991	747	(244)	-25%
EBITDA	**75**	**186**	**111**	**> 100%**
amortization	42	42	-	0%
impairment of non-financial non-current assets	-	558	558	-
EBIT	33	(414)	(447)	<-100%
Net result	46	(476)	(522)	<-100%
CAPEX	158	335	177	> 100%

Figure 24. EBITDA bridge of the Generation Business Line (PLN m)



** includes net electricity trading (revenue less cost), write-off to the price difference payment fund and the impact of valuation of open positions of the power plant in Ostrołęka*

The following table presents a breakdown of EBITDA for the Generation Business Line by Division. The overview shows non-consolidated data, excluding inter-company transactions between business areas and consolidation adjustments.

Table 20. EBITDA for Generation Business Line broken down to Generation Segments (PLN m)

EBITDA in PLN m	2021	2022	2023	2024	Change 2024/2023	Change 2024/2023 (%)
Water	205	307	238	373	135	57%
Wind	146	205	139	153	14	10%
Ostrołęka power plant	(207)	540	138	(44)	(182)	< -100%
Other and adjustments	(32)	(210)	(27)	32	58	> 100%
Generation total	**112**	**843**	**488**	**513**	**25**	**5%**

EBITDA in PLN m	Q4 2023	Q4 2024	Change	Change (%)
Water	52	63	11	21%
Wind	42	52	10	24%
Ostrołęka power plant	(6)	37	43	> 100%
Other and adjustments	(14)	34	47	> 100%
Generation total	**75**	**186**	**111**	**> 100%**

The 2024 EBITDA of the Generation Business Line amounted to PLN 513 m (5% more y-o-y), and represented a 16% share in the Group's total EBITDA (relative to 17% in 2023). The Line's EBITDA in 2024 was mainly driven by revenue from the sale of electricity, absence of regulations (in 2024) that would govern the payment of contributions to the Price Difference Payment Fund by the Group's producers, the cost of consumption of key fuels for production, and the emission allowances purchase cost.

The decline in revenues on electricity sales was mainly caused by lower volumes of electricity produced by the coal-fired power plant in Ostrołęka and by hydroelectric plants and wind farms. The y-o-y decline in revenues was further attributable to lower prices of electricity sold, mainly by the Ostrołęka power plant.

The reduced effect of green certificates received free of charge was caused by lower market prices and lower production volumes, mainly of wind farms.

The higher revenues from the sale and distribution of heat were driven, among other things, by an increase in the prices of heat sold by companies operating in this area further to the revision of tariff rates.

The cost of consumption of key fuels reflected the noticeably lower volume of electricity production, primarily by the Ostrołęka power plant, and lower unit prices of these key fuels.

The lower cost of the purchase of CO_2 emission allowances stemmed from the lower production by conventional sources (mainly the Ostrołęka power plant) and the relatively small amount of free emission allowances granted. This occurred at lower market prices for emission allowances in 2024.

The Generation Business Line derives its revenues inter alia from system services. In this category, the Line runs, among other things, a settlement mechanism known as Capacity Market, which has been operational since the beginning of 2021. In 2024, the total revenues from system services amounted to PLN 266 m (including PLN 195 m revenues from the Capacity Market), compared to PLN 209 m in the same period of the previous year (PLN 181 m from the Capacity Market).

In addition, as part of periodic impairment tests of fixed assets, the need to make impairment loses was identified for a total amount of approx. PLN 0.6 billion. They mostly concern acquisitions in the area of renewable sources, for which binding transaction decisions were made by October 2023. In addition to renewable energy assets, impairment losses were also made on individual coal and heating assets. Their impairment is a result of the ongoing energy transformation and decarbonization processes in the energy sector. The impairment losses made reduced the Line's gross profit for 2024, but had no impact on the EBITDA result.

In 2024, the CAPEX of the Generation Business Line was PLN 319 m higher y-o-y, inter alia in connection with the construction of new RES capacities (mainly PV) and the development and maintenance of the Group's district heating assets.

The results of Q4 of 2024 were primarily affected (similarly to the year-on-year) by lower revenues earned on the sale of electricity (taking into account net electricity trading and the impact of the valuation of open positions of the Ostrołęka power plant). On the balance, the decline was offset by higher revenues from the sale and distribution of heat and from regulatory system services. On the expense side, the production fuels consumption costs and the volume of emission allowances purchased were lower. Additionally, in 2024 there was no legislation such as to regulate contributions to the Price Difference Payment Fund by the Group's producers, which added to the better y-o-y performance.

Table 21. Results of the Hydro Power Division (PLN m)

PLN m	2021	2022	2023	2024	Change 2024/2023	Change 2024/2023 (%)
Revenues	318	475	1,362	545	(817)	-60%
EBITDA	**205**	**307**	**238**	**373**	**135**	**57%**
EBIT	170	271	203	347	144	71%
CAPEX	13	9	14	20	6	40%

PLN m	Q4 2023	Q4 2024	Change	Change (%)
Revenues	297	116	(181)	-61%
EBITDA	**52**	**63**	**11**	**21%**
EBIT	43	57	13	30%
CAPEX	7	7	1	8%

Table 22. Results of the Wind Power Division (PLN m)

PLN m	2021	2022	2023	2024	Change 2024/2023	Change 2024/2023 (%)
Revenues	97	269	351	224	(127)	-36%
EBITDA	**146**	**205**	**139**	**153**	**14**	**10%**
EBIT	80	140	73	83	10	14%
CAPEX	4	17	13	11	(2)	-17%

PLN m	Q4 2023	Q4 2024	Change	Change (%)
Revenues	89	68	(21)	-23%
EBITDA	**42**	**52**	**10**	**24%**
EBIT	25	33	7	29%
CAPEX	5	1	(5)	-90%

Table 23. Results of the Ostrołęka Power Plant Division (PLN m)

PLN m	2021	2022	2023	2024	Change 2024/2023	Change 2024/2023 (%)
Revenues	1,515	2,508	2,011	1,237	(774)	-38%
EBITDA	**(207)**	**540**	**138**	**(44)**	**(182)**	**< -100%**
EBIT	(265)	546	136	(107)	(243)	< -100%
CAPEX	17	17	24	52	28	> 100%

PLN m	Q4 2023	Q4 2024	Change	Change (%)
Revenues	514	440	(74)	-14%
EBITDA	**(6)**	**37**	**43**	**> 100%**
EBIT	(7)	(25)	(18)	< -100%
CAPEX	15	27	12	78%

Table 24. Results of the Other and Adjustments Division (PLN m)

PLN m	2021	2022	2023	2024	Change 2024/2023	Change 2024/2023 (%)
Revenues	229	235	323	380	57	18%
EBITDA	**(32)**	**(210)**	**(27)**	**32**	**58**	**> 100%**
EBIT	(102)	(334)	(72)	(518)	(447)	< -100%
CAPEX	228	432	329	617	288	87%

PLN m	Q4 2023	Q4 2024	Change	Change (%)
Revenues	91	123	32	35%
EBITDA	**(14)**	**34**	**47**	> 100%
EBIT	(30)	(478)	(449)	< -100%
CAPEX	131	301	170	> 100%

5.3 SALES BUSINESS LINE

5.3.1 BUSINESS AND OPERATING ACTIVITIES

Table 25. Sale of electricity (GWh)

Sales of electricity by the Sales Business Line in GWh	2021	2022	2023	2024	Change 2024/2023	Change 2024/2023 (%)
Retail sales of electricity	**18,578**	**17,992**	**17,117**	**16,726**	**(391)**	**-2%**
Sales of electricity in the wholesale market, including:	**2,915**	**3,235**	**2,818**	**4,659**	**1,841**	**65%**
Sales of energy to the balancing market	*1,318*	*968*	*1,169*	*1,103*	*(66)*	*-6%*
Other wholesale	*1,597*	*2,267*	*1,649*	*3,556*	*1,907*	*> 100%*
Total sales of electricity	**21,493**	**21,227**	**19,935**	**21,386**	**1,450**	**7%**

Sales of electricity by the Sales Business Line in GWh	Q4 2023	Q4 2024	Change	Change (%)
Retail sales of electricity	**4,571**	**4,382**	**(189)**	**-4%**
Sales of electricity in the wholesale market, including:	**582**	**761**	**179**	**31%**
Sales of energy to the balancing market	232	158	(73)	-32%
Other wholesale	351	603	252	72%
Total sales of electricity	**5,154**	**5,143**	**(10)**	**-0%**

In 2024, the total volume of electricity sold by the Sales Business Line was higher by 7% (i.e. by 1,450 GWh) compared to 2023. The increase in sales volume is the result of higher sales in the wholesale market with slightly lower sales in the retail market.

2024 saw a drop in retail sales by 2% (i.e. by 391 GWh) year-on-year, which is attributable to the level of contracting with business customers and increased self-consumption of electricity by prosumers (effect of a growth in the prosumer base, i.e. investments by consumers in their own installations).

At the end of 2024, the number of final consumers of electricity (Points of Consumption) of the Sales Business Line was 3.3 million, which denotes an increase by approximately 45,000 customers y-o-y. The growth in the customer base is mainly accounted for by tariff group G (households) and tariff group C (small businesses).

Electricity sales on the wholesale market increased by 1,841 GWh (or 65%) in 2024 compared to 2023, as a result of higher volumes of sales of surplus electricity linked to energy portfolio balancing. In principle, the wholesale figures are determined by the energy portfolio balancing process.

In Q4 2024, the total volume of electricity sales was slightly lower y-o-y (by 10 GWh, or 0.2%). In terms of the volume structure, the trend was similar to that observed for the full year, i.e. the sales volume on the retail market was slightly (4%) lower than in the corresponding period of 2023, while the volume on the wholesale market increased by 31% year-on-year.

PRODUCTS OFFERED TO ENERGA OBRÓT'S INDIVIDUAL CUSTOMERS

In 2024, sales of some of the offers that had been most popular among customers and had generated the highest sales, as well as those dedicated for specific customer groups continued.

In 2024, the Group continued to sell its offerings for individual customers indexed to the standard price list for consumers, with the price of electricity varying over the offer period and defined in the Terms and Conditions of the Offer in a descriptive way as a discount on the standard price. The offer portfolio was renewed on 1 March 2024 and 1 October 2024.

Additionally, in Q3 2024, a decision was made to reduce the standard price list rates for consumers, with effect from 1 January 2025.

The revamp of the portfolio of indexed offers for individual customers was linked to the legal environment, i.e.:

1. The Act of 27 October 2022 on exceptional measures to cap electricity prices and support certain customers in 2023-2025 (Journal of Laws 2024, item 1622, as amended),
2. Act of 23 May 2024 on the energy voucher and on the amendment of certain acts to cap the price of electricity, natural gas and system heat (Journal of Laws 2024, item 859).

The introduction of the abovementioned offers allowed individual customers to benefit from both acts (shields), which included inter alia:

1. 2024 electricity price freeze until 30 June 2024 at the average 2023 tariff-based price, for consumption of up to 1,500 KWh for all tariff group G customers (up to 1,800 kWh for households with people with disabilities; up to 2,000 kWh for households with three children or more, and farmers),
2. Once the limit in item 1 above was exceeded, the maximum chargeable price of electricity was 858.50 PLN/MWh,
3. From 1 July 2024 to 31 December 2024, the maximum price of 621.2 PLN/MWh was in effect.

The company's portfolio features a new offer that is not subject to the above legislation, namely a dynamic offer, introduced for sale on 24 August 2024, where the electricity price for the customer changes on an hourly basis, depending on the quotations on the Day-Ahead Market on the Polish Power Exchange, and is increased by the company's cost factor. Customers use the dynamic pricing offer via the Energa24 webservice, where they can track current electricity rates and manage their energy consumption.

PRODUCT OFFERS FOR SOHO CUSTOMERS (SMALL ENTERPRISES)

Throughout 2024, sales of products based on the 'New Product Policy for SOHO Customers' were continued to maintain the existing sales strategy aimed at winning customer loyalty as part of existing mass offerings.

In 2024, the company updated the standard price list rates for enterprises with effect from 1 March 2024, and continued to sell its core offers not bundled with additional products, ECO offers that involve a share of green energy, offers with a fuel discount, and other additional products. The portfolio of SOHO offerings was renewed on 1 April 2024 and 1 November 2024.

In 2024, also the SOHO portfolio was extended to include a dynamic offer, similar to that for individual customers, except that the cost factors and trading fees were different.

ELECTROMOBILITY

Energa Obrót, as a provider of charging services at publicly accessible recharging stations, makes consistent efforts to promote electromobility through presentations during events for customers, e.g. the Moto Safety Day, and information published on the Energa's blog 'Zielone Pojęcie' (Green Idea). The Company is actively developing a charging network for electric cars – at the end of 2024, it operated 341 of its own electric vehicle charging stations plus its partners' stations (for more information see section 2.6.2.).

ENERGY EFFICIENCY

In 2024, EOB successfully furthered its energy efficiency activities by pursuing strategic initiatives to support individual and business customers, as well as public institutions.

In response to market needs, the 'Eco-subsidy' scheme for individual customers continued to be offered, enjoying a great interest. In parallel, the company developed fruitful cooperation with local governments, supporting them in enhancing the energy efficiency of their buildings. In addition to tightening the relationship with local governments, the activities also helped expand the customer portfolio.

The company also launched after-sales services to boost its existing offerings, focusing on repair and maintenance operations and technical support linked to energy efficiency. In order to meet the challenges of energy transition faced by Poland, the company has rolled-out dedicated consulting services related to energy efficiency.

In 2024, the most popular products were the core offerings in EOB's portfolio, such as photovoltaic installations, energy storage, the Eco-subsidy scheme, reactive power compensation services, visualization of consumption profiles, technical design services, and optimisation of energy consumption performance.

In 2024, new innovative products were added to the company's portfolio:

- consulting on energy efficiency,
- carbon footprint calculations,
- post-warranty servicing of photovoltaic installations.

In addition to helping the company consolidate its market position, the measures also laid a solid foundation for further growth in a rapidly changing regulatory and technological environment.

OPTIMISATION OF PROCESSES

To improve business process efficiency at Energa Obrót, automation and efforts to eliminate non-value-adding steps were continued in line with the Lean Management methodology.

The optimisation work has translated into systemic and organisational changes that have significantly reduced the time needed to complete the individual processes. The observations the company has made, as well as the analytical and workshop-based work it has conducted have allowed it to boost its performance in such areas as PV sales and efficiency products.

A number of training courses on Lean Management tools were also delivered in 2024. One noteworthy educational initiative was the 'Lean Learning Week', during which employees took part in training and workshop sessions on how to improve work efficiency, streamline processes and acquire skills useful on the job.

Leveraging their newly acquired knowledge, the employees actively participated in the new edition of the Employee Ideas Programme. During the fifth round of the program, which had been launched in 2020, the staff came up with many ideas on how to improve the organisation and systems.

The customer centricity concept is to be put into practice in 2025. This will sent an impulse across the company to organise processes from the customer's perspective, in such a way that purchase transactions and customer service run smoothly and ensure positive customer experience. This will boost customer satisfaction and loyalty, securing a stronger market position for the company.

The development of digital sales and customer service channels – in April 2024, as part of the Project "Upgrade of digital customer contact channels", pursued in cooperation with Energa Informatyka i Technologie Sp. z o.o., a new Selfcare feature was made available to the company's individual and SOHO customers (called Energa24) in the Orlen Vitay application. In 2025, EOB plans to integrate, on a continuous basis, new features into the energa.pl and Energa24 applications, the first of which will be electricity consumption charts in Energa24.

THE DEVELOPMENT OF DIGITAL SALES AND CUSTOMER SERVICE CHANNELS

In April 2024, as part of the Project "Upgrade of digital customer contact channels", pursued in cooperation with Energa Informatyka i Technologie Sp. z o.o., a new Selfcare feature was made available to the company's individual and SOHO customers (called Energa24) in the Orlen Vitay application.

In 2025, EOB plans to integrate, on a continuous basis, new features into the energa.pl and Energa24 applications, the first of which will be electricity consumption charts in Energa24.

5.3.2 FINANCIAL RESULTS

Figure 25. Results of the Sales Business Line (PLN m)

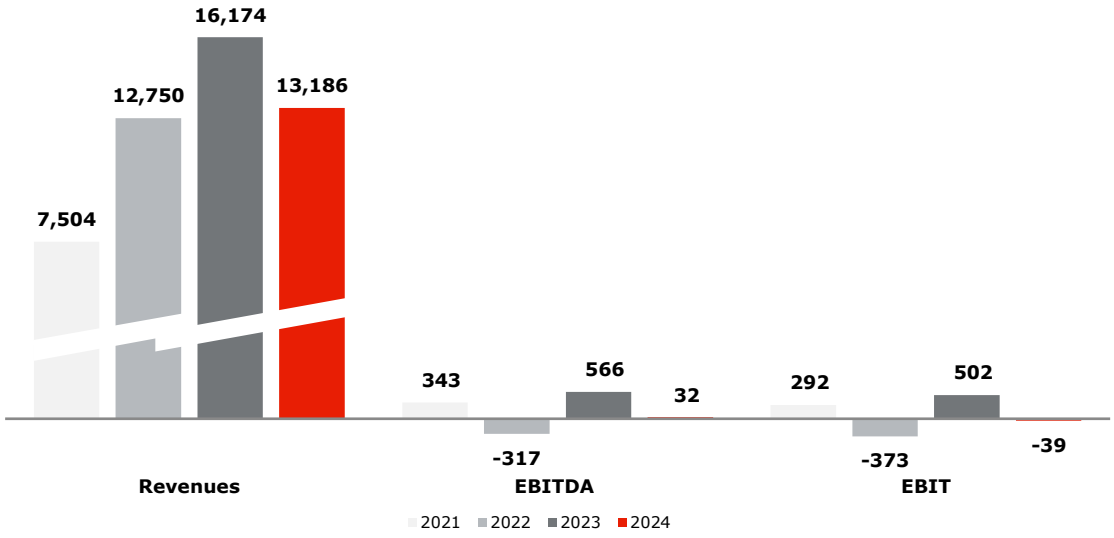


Table 26. Results of the Sales Business Line (PLN m)

PLN m	2021	2022	2023	2024	Change 2024/2023	Change 2024/2023 (%)
Revenues	7,504	12,750	16,174	13,186	(2,988)	-18%
EBITDA	**343**	**(317)**	**566**	**32**	**(534)**	**-94%**
amortization	49	56	64	71	7	11%
impairment of non-financial non-current assets	2	-	-	-	-	-
EBIT	292	(373)	502	(39)	(541)	< -100%
Net result	230	(317)	152	(127)	(279)	< -100%
CAPEX	65	83	113	98	(15)	-13%

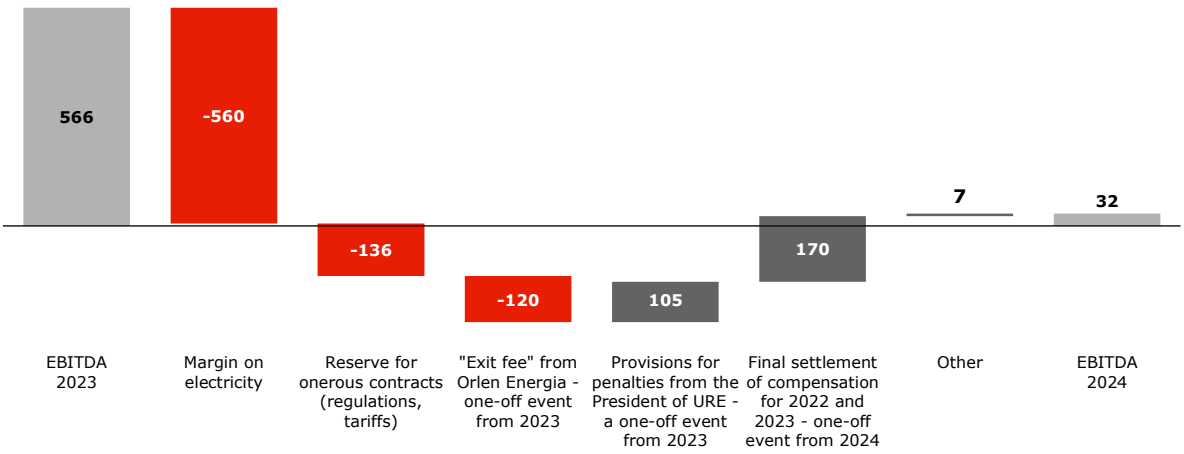
PLN m	Q4 2023	Q4 2024	Change	Change (%)
Revenues	3,735	3,276	(459)	-12%
EBITDA	(528)	(144)	384	73%
amortization	18	18	-	0%
impairment of non-financial non-current assets	-	-	-	-
EBIT	(546)	(162)	384	70%
Net result	(674)	(124)	550	82%
CAPEX	30	30	-	0%

Figure 26. EBITDA bridge of the Sales Business Line (PLN m)

In 2024, the EBITDA of the Sales Business Line totalled PLN 32 million and was PLN 534 million lower than in 2023 (PLN 566 million). In 2024, the EBITDA of this Line represented 31% of the Energa Group's EBITDA v. a 20% share in 2023.

In 2024, the Sales Business Line recorded revenues of PLN 13,186 m, that is PLN 2,988 m (18%) lower than in 2023. The decrease in revenue was due to lower electricity sales prices, reflecting a price decline in the market.

The financial results of the Sales Business Line in 2024, just as in 2023, were affected by statutory regulations on electricity sales prices for certain end customers. Owing to their introduction for 2023 and extension for 2024, and due to the level of electricity tariffs for households approved by the President of ERO for 2023 and 2024, there was a need for provisioning for onerous contracts. The provisioning was made in December 2022 (for 2023 loss) and December 2023 (for 2024 loss), impacting the financial results of the Sales Business Line upon the establishment of the provisions. Subsequently, the provisions in question were successively consumed during the following financial year, having a positive effect on the Line's financial results. In 2024, the consumption of provisions dropped by PLN 136 million compared to 2023, which had an adverse effect on the year-on-year



change in EBITDA.

The margin earned on electricity sales in 2024 dropped by PLN 560 m y-o-y, mainly due to a fall in unit margins on the sale of electricity to business customers. Moreover, the continued applicability of regulated electricity sale prices for some final customers in 2024 and the approval by the President of ERO of regulated 2024 prices for households translated into a negative total margin figure, as had been the case in 2023.

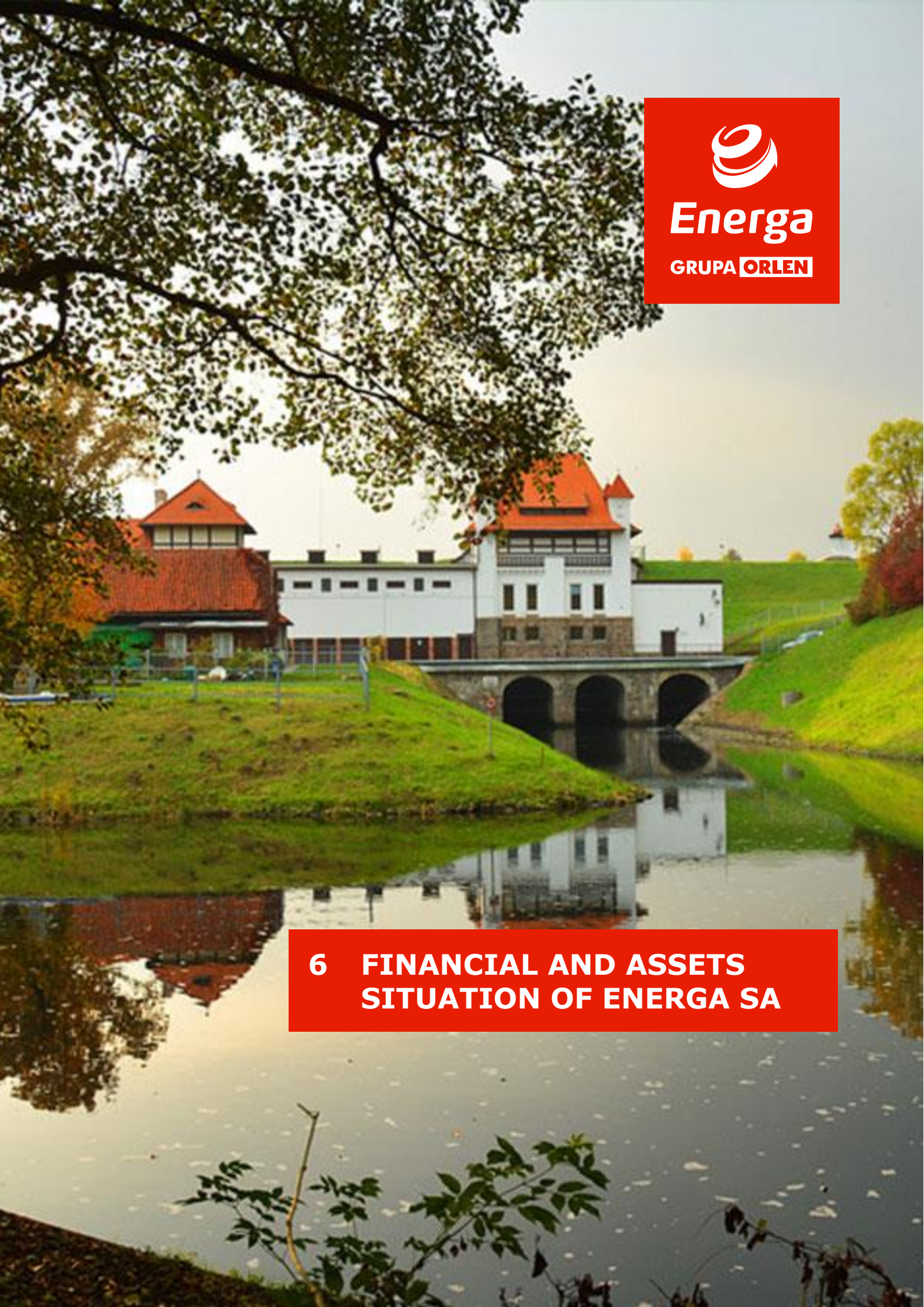
The 2024 EBITDA versus that in 2023 was also affected by the following one-time events:

a. receipt by Energa Obrót of a PLN 120 m 'exit fee' (positive effect on the 2023 result, which, given the absence of this occurrence in 2024, means a negative change y-o-y) further to the transfer of wholesale electricity trading functions and processes to ORLEN Energia Sp. z o.o.,

b. provisioning for penalties of the President of ERO totalling PLN 105 m (negative impact on the results in 2023, which in the absence thereof in 2024 means a positive change y-o-y),

c. final settlement of compensation for 2022 and 2023 in the amount of PLN 170 m - the acts regulating electricity prices in those years provided for the final settlement of compensations in the fourth quarter of 2024; as a result of the final settlements made by Energa Obrót SA, the amount of compensations calculated on the basis of actual data turned out to be higher by PLN 170 million than the sum of monthly advances calculated on the basis of estimated data.

In Q4 2024, the EBITDA of the Sales Business Line was negative and totalled PLN -144 m, up PLN 384 m compared with the corresponding period of 2023. The change in EBITDA on a quarterly basis was mainly driven by a change in provisions for onerous contracts and by the tariff of the President of ERO (+223 m), which is attributable, among other things, to the low base (in December 2023, the company had provisions established for the 2024 regulations, which were no longer needed in December 2024). In addition, the change in quarterly EBITDA was positively influenced by the two one-off events described above, i.e. the provision for President of ERO fines (inflow of +PLN 105 m), and final settlement of compensation (inflow of +PLN 170 m).



6 FINANCIAL AND ASSETS SITUATION OF ENERGA SA

6.1 RULES OF PREPARING THE SEPARATE FINANCIAL STATEMENTS

The separate financial statements of Energa SA for the twelve months ended 31 December 2024 were prepared:

- in accordance with the International Financial Reporting Standards endorsed by the European Union;
- on a historical cost basis, except for financial instruments measured at fair value through profit or loss and hedging derivatives;
- in millions of Polish zlotys ("PLN m"), unless otherwise specified;
- based on the assumption that Energa SA would continue as a going concern in the foreseeable future and without any evidence indicating that the continuation of the Company business activities as a going concern may be at risk.

To the extent not covered by the IFRS EU, Energa maintains its accounting books in accordance with the accounting policy (principles) set forth by the Accounting Act of 29 September 1994 and its secondary legislation as well as other applicable laws.

The accounting principles (policy) applied to prepare the annual separate financial statements are presented in note 7 to the annual separate financial statements of Energa SA for the twelve months ended 31 December 2024

6.2 EXPLANATION OF THE ECONOMIC AND FINANCIAL DATA DISCLOSED IN THE ANNUAL SEPARATE FINANCIAL STATEMENTS

Table 27. Separate statement of profit or loss (PLN m)

	2023	2024	Change	Change (%)
Sales revenues	**78**	**75**	**(3)**	**-4%**
Cost of sales	(64)	(62)	2	3%
Gross profit	**14**	**13**	**(1)**	**-7%**
Other operating income	15	12	(3)	-20%
General and administrative expenses	(99)	(107)	(8)	-8%
Other operating expenses	(32)	(16)	16	50%
Dividend income	201	442	241	> 100%
Interest income	297	230	(67)	-23%
Other financial income	63	26	(37)	-59%
Impairment losses for shares	25	(17)	(42)	< -100%
Other financial costs	(378)	(296)	82	22%
Profit before tax	**106**	**287**	**181**	**> 100%**
Income tax	(69)	19	88	> 100%
Net profit	**37**	**306**	**269**	**> 100%**

Sales revenues are mainly derived from intra-Group services rendered by the Company, primarily marketing, IT, financial, and office space rental services, services related to the operation and maintenance of vehicles, and consulting services. In 2024, there was a 4% decline in this category, which was mainly due to the downsizing of marketing activities in 2024 compared to the previous year.

In 2024, the Company's financial income was mainly derived from dividend income, which increased by PLN 241 m y-o-y. Interest income decreased year-on-year by PLN 67 m, with a simultaneous decrease in interest expense by PLN 82 m (shown under other financial costs), as a result of lower interest on borrowings. In 2023, there was also interest on hybrid 6-year bonds, which was repaid in September 2023.

In 2024, the Company earned its non-interest financial income mainly on exchange rate differences (PLN 26 m).

The item impairment losses on shares includes a reversal of impairment loss on shares in Aktywa Ostrołęka Sp. z o.o. (PLN 42 million). In 2024, the item other financial expenses, except for interest expense, which amounted to PLN 267 m, included

inter alia costs of bank commissions (PLN 17 m), costs related to the revaluation of options for Polimex-Mostostal shares (PLN 11 m), and CIT-14 tax expenses (PLN 1 m).

The above factors influenced Energa's net result, which stood at PLN 306 m.

Table 28. Standalone statement of financial position (PLN m)

	As at 31 December 2023	As at 31 December 2024	Change	Change (%)
ASSETS				
Non-current assets				
Intangible assets	13	23	10	77%
Right-of-use assets	57	49	(8)	-14%
Shares in subsidiaries, associates and joint ventures	7,558	7,586	28	0%
Bonds	533	533	-	-
Other non-current financial receivables	2,700	2,234	(466)	-17%
Deferred tax assets	13	2	(11)	-85%
Derivative financial instruments	15	6	(9)	-60%
Other non-current assets	1,068	749	(319)	-30%
	11,957	**11,182**	**(775)**	**-6%**
Current assets				
Cash pooling receivables	-	-	-	-
Trade receivables and other current financial receivables	260	566	306	> 100%
Bonds	11	11	-	-
Current tax receivables	277	-	(277)	-100%
Cash and cash equivalents	2	2	-	-
Derivative financial instruments	15	26	11	73%
Other current assets	78	60	(18)	-23%
	643	**665**	**22**	**3%**
Non-current assets classified as held for sale	**-**	**-**	**-**	**-**
TOTAL ASSETS	**12,600**	**11,847**	**(753)**	**-6%**

	As at 31 December 2023	As at 31 December 2024	Change	Change (%)
EQUITY AND LIABILITIES				
Equity attributable to equity holders				
Share capital	4,522	4,522	-	-
Reserve capital	1,031	1,031	-	-
Supplementary capital	1,711	1,748	37	2%
Cash flow hedge reserve	(9)	8	17	> 100%
Retained earnings/(non-covered losses)	81	350	269	> 100%
	7,336	**7,659**	**323**	**4%**
Non-current liabilities				
Loans and borrowings	951	3,231	2,280	> 100%
Liabilities for debt securities issued	523	509	(14)	-3%
Non-current provisions	7	4	(3)	-43%
Deferred tax liabilities	16	7	(9)	-56%
Non-current deferred income and grants	49	40	(9)	-16%
Non-current lease liabilities	-	-	-	-
	1,546	**3,791**	**2,245**	**> 100%**
Current liabilities				
Zobowiązania z tytułu cash poolingu	169	40	(129)	-76%
Bieżąca część kredytów i pożyczek	3 124	276	(2 848)	-91%
Zobowiązania krótkoterminowe z tytułu leasingu	11	9	(2)	-18%
Zobowiązania z tytułu dostaw i usług oraz pozostałe zobowiązania finansowe	26	22	(4)	-15%
Pochodne instrumenty finansowe	-	-	-	-
Zobowiązania z tytułu emisji dłużnych papierów wartościowych	6	6	-	-
Rezerwy krótkoterminowe	3	3	-	-
Rozliczenia międzyokresowe przychodów i dotacje	9	9	-	-
Rozliczenia międzyokresowe bierne kosztów	10	11	1	10%
Pozostałe zobowiązania krótkoterminowe	360	21	(339)	-94%
	3,718	**397**	**(3,321)**	**-89%**
Total liabilities	**5,264**	**4,188**	**(1,076)**	**-20%**
TOTAL EQUITY AND LIABILITIES	**12,600**	**11,847**	**(753)**	**-6%**

As at 31 December 2024, the balance sheet total of Energa was PLN 11,847 m, down by PLN 753 m (6%) vs. 31 December 2023.

Under fixed assets, the most substantial changes occurred under other current assets as a result of the return of the capital contribution by CCGT Grudziądz Sp. z o.o. (PLN 503 m). On the other hand, the company made equity contributions to Energa Finance AB (PLN 92 m) and Energa Kogeneracja Sp. z o.o. (PLN 88 m). Another notable change was a decrease in other non-current financial receivables, mainly on account of the repayment by Energa Operator SA and Energa Wytwarzanie SA of a portion of a loan principal. The increase in intangible assets was related to increased spending on the SMILE system.

On the current assets side, the increase mainly stemmed from higher other short-term financial receivables, primarily as a result of the reclassification of some loans granted to Energa Operator SA and Energa Wytwarzanie SA from non-current to current lending. The increase was largely offset by the absence of income tax receivables.

As of 31 December 2024, there were no fixed assets held for sale.

On the liabilities side, there was substantial movement in borrowings (for the non-current part, due to the reclassification of current portion of borrowings from ORLEN S.A. as non-current borrowings by way of amendment to the loan contract). This was also reflected by a decline in the current portion of borrowings under current liabilities.

Under current liabilities, a high decrease was also recorded by other current liabilities, which is attributable to the settlement of the Tax Capital Group's (Podatkowa Grupa Kapitałowa) CIT for 2023 (PLN 359 m).

Energa's 2023 result totalling PLN 37 m was fully allocated to reserve capital, increasing this item of equity. As at 31 December 2024, the Company's equity to assets ratio was 65%, compared to 58% at the end of 2023.

Table 29. Standalone statement of cash-flows (PLN m)

	2023	2024	Change	Change (%)
Net cash flow from operating activities	(74)	(127)	(53)	-72%
Net cash flows from investing activities	541	1,049	508	94%
Net cash flows from financing activities	(1,139)	(922)	217	19%
Net decrease in cash and cash equivalents	(672)	-	672	100%
Cash and cash equivalents at the beginning of the reporting period	674	2	(672)	-100%
Cash and cash equivalents at the end of the reporting period	2	2	-	0%

As at 31 December 2024, Energa's cash position was PLN 2 m, and did not change vs. 31 December 2023.

Energa's negative cash flows from operating activities in 2023 and 2024 were mainly due to a low operating result adjusted for non-cash items.

The investing activities recorded a positive flow, mainly as a result of the return by CCGT Grudziądz Sp. z o.o. of an equity contribution and higher dividends earned by the Company. The positive flows were partially balanced by negative flows related to equity contributions made in 2024.

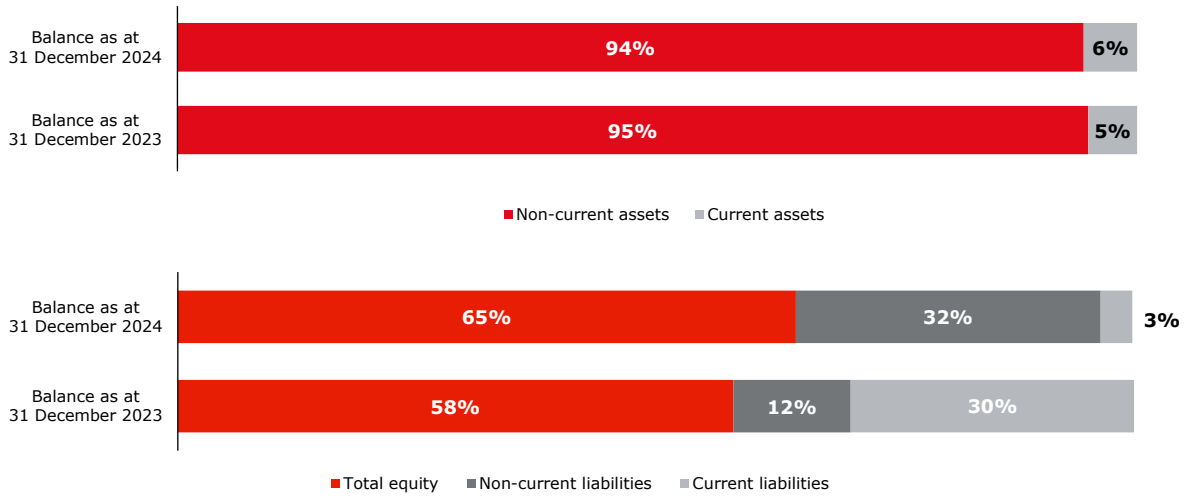
Energa's negative net cash flows from financing activities were primarily linked to the repayment of loans worth of PLN 922 m, which was partially compensated by inflows from the same source (PLN 400 million). Other major items that contributed to the negative cash flows were interest paid and cash pooling expenses.

6.3 STRUCTURE OF ASSETS AND LIABILITIES IN THE SEPARATE STATEMENT OF FINANCIAL POSITION

Table 30. Structure of the annual separate statement of financial position

	As at 31 December 2023	As at 31 December 2024
ASSETS		
Non-current assets	95%	94%
Current assets	5%	6%
TOTAL ASSETS	**100%**	**100%**
LIABILITIES		
Total equity	**58%**	**65%**
Non-current liabilities	12%	32%
Current liabilities	30%	3%
Total liabilities	**42%**	**35%**
TOTAL EQUITY AND LIABILITIES	**100%**	**100%**

Figure 27. Structure of assets and liabilities



As at 31 December 2024, non-current assets accounted for 94% of total assets, and current assets for 6%. Equity accounted for 65% of equity and liabilities as at 31 December 2024. The remaining part of liabilities consisted of liabilities, of which the most significant item were non-current financial liabilities.

6.4 DESCRIPTION OF SIGNIFICANT OFF-BALANCE SHEET ITEMS

There are no significant contingent assets and liabilities in the Company.

7 RISK MANAGEMENT

7.1 INTEGRATED RISK MANAGEMENT SYSTEM OF THE ENERGA GROUP

The Integrated Risk Management System (hereinafter: IRMS) has been in place at the Energa Group since 2011 and is supervised centrally by Energa.

The IRMS has been implemented on the basis of a risk management process which is harmonised across the whole Group. It is based on international standards (ISO 31000, COSO, FERMA) and spans all organisational levels and business lines. The risk management process consists of various interrelated stages that form a continuous process. It starts at the level of organisational units and moves on to top executives and from the level of Group companies to Energa as the Parent Company.

Figure 28. The Energa Group risk management process

The key document underlying the risk management process is the Risk Management Policy in the Energa Group, which defines, among other things, the uniform approach, risk management rules as well as roles and responsibilities in the process:

	Management Board: oversees and defines directions of risk management, receives the findings of risk reporting and specifically determines the appetite for risk and the risk management strategy.
	Risk Unit: coordinates the risk management process, conducts risk reviews, pursues cyclical monitoring of key risks, reports findings, analyses and supports estimation of materiality of risk within the organisation.
	Risk Owner: manages risk, is in charge of ongoing and periodic risk analysis, develops and implements the risk management strategy, monitors and maintains risks within the defined boundaries.
	Employees: report risks and incidents.
	Audit Committee: monitors the effectiveness of the risk management system.
	Internal Audit Unit: performs an independent and objective assessment of the elements of the risk management system and incorporates the findings of risk reporting as part of performance of its tasks.

As part of the Integrated Risk Management System, the Energa Group conducts the following activities:

risks review – involving the identification and assessment of risk and defining a comprehensive risk management strategy, carried out on a semi-annual basis.

cyclical monitoring of key risks – involving the verification of risk relevance and impacts as well as the implementation status of action plans affecting the evaluation of key risks in the Energa Group, carried out in line with a predefined schedule.

ongoing risk management – involving analysis of events, identification and assessment of risks and definition of the risk management strategy in the context of events inside and outside of the Energa Group.

Based on the semi-annual risk reviews, information on the risk exposure of the Energa Group is prepared. Relying on that information, the Management Board of Energa makes decisions relating to the level of risk appetite and approves the risk management strategy, obligating the Risk Owners to implement action plans.

7.2 DESCRIPTION OF MAJOR FACTORS AND RISKS

Key risks are presented below that were identified at the Energa Group level, broken down by into 4 Risk Model areas, together with a description of key risk control measures.

STRATEGIC AREA

Strategic risks have a direct impact on the achievement of strategic objectives. Their materialization will affect the growth of the Energa Group companies and building of competitive advantage in the energy market.

Table 31. Key strategic risks identified at the level of Energa and Group companies

Risk	Description of the risk and its potential effects	Approach to risk control
Risks associated with the implementation of the Long-Term Strategic Investments Plan and the Strategic Development Plan of the Energa Group	Key risks in that area relate to disruptions and material deviations from the pre-defined goals set, among others, for the generation area, i.e., construction of new renewable capacities, optimized use of Energa Elektrownie Ostrołęka SA after 2025, reduction of CO_2 emission levels, investment in gas assets, for the distribution area, i.e. development of the distribution grid, connection of new users to the grid, adjustment to renewable capacity growth, maintenance of quality of electricity supply, and for the sales area, i.e. improved performance in the core retail business, expansion of customer base and development of offered services and products. Materialization of risks may lead to a deterioration of the Group's competitive position, failure to achieve the assumed EBITDA growth or a decrease in operating costs. This risk may also result in regulatory fines, contractual penalties, environmental fines, increased variable costs, asset impairment or ineffectiveness of capital expenditures.	■ Implementation of investment projects identified in the Multi-Annual Plan of Strategic Investments of the Energa Group for 2024-2030 - in line with the investment plans' criteria ■ Ongoing supervision of the implementation of the investment plan ■ Monitoring of the Group's objectives and capital expenditures defined in the Strategic Development Plan of the Energa Group by 2030. ■ Contracts with contractors, suppliers, securing schedule changes and budget revisions
Planning and resource allocation risks	Risks associated with the challenges of effective income and cost planning, pricing policies and increased planning for the long-term balancing cost of Local Market sources. The key risk factor is constituted by legislative changes relating to the operation of energy undertakings which affect their pricing policies and, together with price changes of raw materials for the production of electricity and heat, affecting the volatility and relevance of planning processes. Materialization of the risk may lead to a failure to achieve the Group's strategic and financial plans and difficulties in or termination of advanced projects, loss of market share or the need to buy more energy.	■ Energa SA's order concerning the implementation for use by the Company of a schedule of collecting information from the Group companies for the purposes of preparation of consolidated financial statements, consolidated economic and financial plans and operational and financial management information ■ Principles of calculation of electricity and gas prices and margin management ■ Quoting process manual and methodology for margin calculation from contracts with electricity producers ■ Rolling projections for revenue and business expenses in a year ■ Plan monitoring

Risk	Description of the risk and its potential effects	Approach to risk control
Risks of ESG activities/Sustainability Reporting	Risks related to ESG activities in the Energa Group, in particular the collection, analysis and reporting to management of non-financial data to control and evaluate the company's sustainable development activities. Materialization of the risk can lead to negative image effects, difficulties in obtaining financing for investment projects, an increase in margins on granted financing and a downgraded rating from a rating agency.	■ Sustainable Development Strategy 2024-2030 ■ Energa Group ESG Code. ■ Use of ESG activity assessment tools and periodic submission to ranking assessments ■ Support from an external consultant on the methodology for preparing a non-financial ESG report ■ Stakeholder dialogue in the form of online meetings and surveys sent to stakeholders ■ Ongoing and cyclical monitoring of the implementation of tasks by the ESG Department ■ Schedule and guidelines for ESG reporting ■ Training and updating staff knowledge ■ Active participation in working groups
Climate-related risks	The risk is associated with the impact of climate change on the productivity of the Energa Group's generating units and operation of the distribution grid as well as adjustment of the business operations of the Energa Group Companies to the requirements of climate risk management. Materialization of the risk may primarily result in a failure to meet EU taxonomy targets, which will cause the image and competitive position of the Group companies to deteriorate. As a consequence of this risk, the ESG rating may be downgraded by the rating agency, which may render it difficult to obtain investment project funding or result in less favorable financing terms (increased financing margins and cost of insurance).	■ Appointment of a member of Energa SA Management Board responsible for the management of climate affairs ■ Functioning of an integrated environmental and energy management system conforming to the EMAS Regulation and ISO 14001 and 50001 standards ■ Consistent reduction of raw material, water and energy consumption to enhance value chain resilience to depleting natural resources ■ Monitoring of climate actions, e.g. by collecting comprehensive and detailed data on climate change risks and opportunities across the Energa Group business lines and ongoing supervision of energy, water and non-renewable materials consumption, increased share of renewable energy sources and distribution grid development ■ Inclusion of TCFD guidelines in the operation of the Energa Group ■ Preparing the Group for reporting in accordance with the new European sustainability reporting standards (ESRS-E1)
Environmental and energy risk	The risk is associated with the adverse environmental impact of the Energa Group companies, including their contribution to climate change. Materialization of the risk may involve loss of the ISO 14001 and ISO 50001 certificates by individual companies, striking off individual companies or the Group from the EMAS register, losing the image of a "green energy group" and increased cost of purchase of "green energy."	■ The Energa Group Environmental and Energy Policy ■ Functioning of an integrated environmental and energy management system conforming to the EMAS Regulation and ISO 14001 and 50001 standards ■ Reduction of GHG emissions in connection with the implementation of the Energa Group Decarbonization Strategy. ■ Independent external audit of the environmental and energy management system
Risks of sponsorship activities	The risk is defined as undertaking sponsorship activities that do not have the intended effects, concerning, among other things, brand awareness, shaping the brand image, building the reputation of the Energa Group, building good relations with customers and employees. Materialization of the risk may result, among other things, in the deterioration of the image of the Energa brand, failure to build brand awareness and popularity, failure to execute sponsorship agreements with payments scheduled during the period of the sponsored entity's inactivity	■ Energa Group Marketing Policy ■ Planning of sponsorship and marketing activities ■ Organizing sponsorship events ■ The involvement of ambassadors in online initiatives, i.e. Team Energa, and the inclusion of sponsored entities in campaigns run by Energa ■ Cooperation with the Press Office ■ Reporting on the effectiveness of sponsorship activities carried out by Energa Group to internal and external stakeholders
Brand, image and customer relations risks	The risk involves inadequate management of the flow of information about the business through diverse communication channels affecting the perception and business value of the brand and the reputation of Energa Group companies. Materialization of the risk may result in a decline in the value of the Energa Group's brand and image from a stakeholder perspective	■ Principles for handling customer cases received at Energa SA ■ Implementation of tasks resulting from the Marketing Policy in the Energa Group ■ Annual preparation of a marketing plan reported to ORLEN ■ Current cooperation and maintaining good relations with the stakeholders (stakeholder dialogue)

Risk	Description of the risk and its potential effects	Approach to risk control
Communication with external stakeholders risk	Risks related to the effects of information exchange between the company and external customers, clients and other stakeholders. It involves negative media coverage, potential unauthorized information in the media misleading the public. Materialization of the risks may lead to a reduction in the credibility of and trust in the Energa Group and affect its competitive position in the market.	■ Conducting external communication on behalf of the Energa Group by the Energa Press Office ■ Establishment and maintenance of good relations with the media by representatives of the Energy Press Office, ongoing cooperation with the media in responding to queries ■ Conducting activities and actions in cooperation with or under the auspices of the media, cooperating with County and Municipal Consumer Ombudsmen ■ Media interviews and the participation of members of the company's Board of Directors or persons authorized by the Director from the Press office in news and opinion-forming broadcasts devoted to topics within the scope of the Group's activities or ongoing projects ■ Provision of promotional videos on the Energa Group's social media channel and materials for external media ■ Customer Advocacy function ■ Involvement of company representatives in PTPIREE activities ■ Ongoing contact with media representatives on the EOP side ■ Ongoing and proactive response to media interventions and enquiries ■ Compliance with the Communication, Charity, Marketing and Sponsorship Activities Policy in the Energa Group
Information security risks	The risk is generated by efforts aimed at ensuring the security of information and legally protected data, such as company secrecy, protection against competitive activity and requirements arising from legal provisions on the protection of classified information. Risks associated with the loss of confidentiality, integrity and availability in the context of information processing methods (including in ICT systems). Materialization of the risks may involve a disruption or interruption of business continuity of the companies, as well as criminal, administrative or official duty-related liability. The risk may result in reputational damage due to data loss.	■ Energa Group Information Security and Cybersecurity Management Policy ■ IT Security Policy ■ Energa SA Information Protection Policy ■ Energa SA Information Security Policy ■ Running the SOC within the ORLEN Group

LEGAL AND REGULATORY AREA

Risks of the legal and regulatory area impact the level of compliance with the laws, requirements of the energy market regulator and internal corporate governance regulations. Their materialization will impact the image and reputation of the Energa Group.

Table 32. Key legal and regulatory risks identified at the level of Energa and the Group companies

Risk	Description of the risk and its potential effects	Approach to risk control
Legal risk	The risk is associated with ensuring that legal services for court and administrative proceedings carried out by or against the Group companies are of good quality. The risk is also associated with potential landowner claims for damages. Materialization of the risk may give rise to an obligation to pay damages and sanctions, or to grant customer discounts arising from the provisions of law. The risk may also result in additional legal and attorneys' costs, criminal and/or administrative sanctions, inability to carry out investments in linear assets as stipulated in the Development Plan of Energa Operator SA, and/or energy in the case of an order to remove HV and MV grid equipment.	■ Cooperation with law firms and verification of the quality of legal assistance services ■ IT systems to monitor and report material issues ■ Internal policies concerning the coordination of legal assistance within the Energa Group and the legal status of energy real property ■ The Energa Group Compliance Management System ■ Consulting contracts for compliance ■ Agreements with obligatory effect or material law agreements establishing utility easements and land easements
Personal data protection risk	The risk is associated with ensuring the privacy and security of information of data subjects. Materialization of the risk may hinder the company's operating activities and result in sanctions, including financial and administrative sanctions, inspections carried out by supervisory bodies, costs of proceedings and damages.	■ Enforcement of internal personal data protection regulations, such as handling data breaches, obtaining data processing consents, discharge of disclosure obligations, exercise of data subjects' rights or management of personal data protection risks ■ Regular training and awareness activities on basic employee obligations

Risk	Description of the risk and its potential effects	Approach to risk control
		■ Recommendations of the Personal Data Protection Forum
Risk of abuse/misconduct	The risk concerns situations and actions related to fraud, including potential conflicts of interest, corruption or misappropriation on the part of the employees/associates of the Energa Group companies. The risk involves the potential threat of fraud and corrupt practices in operating processes, as well as fraud in the implementation of EU-funded projects. Materialization of the risk may lead to financial losses, loss of property, and may trigger proceedings conducted by law enforcement authorities against employees or bodies of the Group companies. The risk may have an adverse effect on the Energa Group's image and reputation, result in debarment from applying for public funds (EU or domestic), and undermine employees' trust in supervisors, colleagues and the organization as a whole.	■ Fraud and Conflict of Interest Policy ■ Internal regulations on fraud, creation and settlement of contracts for EU-funded projects and the procurement process ■ Security units at key subsidiaries ■ Training for employees (including, without limitation, on anti-corruption) ■ A dedicated channel for the reporting of symptoms and violations ■ The Whistleblower Protection Policy implemented in the Energa Group ■ The organization's three lines of defense (internal control system, risk management system, internal audit) ■ Obligatory anti-corruption and conflict of interest clauses in agreements with business partners ■ Cooperation with the Legal Office with respect to compliance in the area of fraud and reporting suspected crimes
Regulatory risk	The risk concerns legislative changes affecting the functioning of the respective Energa Group Business Lines. Materialization of the risk may lead to modifications of investment plans, not meeting revenue targets, increased operating expenses, imposition of additional obligations, incurring sales losses, or sanctions if legislation is not properly implemented. The risk additionally offers an opportunity to adopt new legal solutions which could facilitate raising additional funds or provide a support system for the Group's assets.	■ Monitoring of legal changes ■ Cooperation within the ORLEN Group in the area of formulation of positions ■ Participation of the Group's representatives in the activities of trade associations
Contracting risk	The risks is associated with the conclusion by the Company of agreements on adverse terms, non-performance or defective performance of agreements and the potential resulting claims/complaints or sanctions. Materialization of the risk may result in financial losses, court proceedings or the inability to cover the costs of contract performance by revenue from that contract.	■ Internal contracting and procurement procedures ■ Central Register of Contracts and Mandates ■ Register and evaluation of qualified subcontractors ■ Monitoring of service and delivery progress ■ Defining the principles of responsibility of Consortium Partners

OPERATIONS AREA

Risks from the operational area are associated with the ongoing activities undertaken by the companies to carry out strategic actions – their materialization will affect the achievement of operational objectives of the Energa Group companies:

Table 33. Key operational risks identified at the level of Energa and Group companies

Risk	Description of the risk and its potential effects	Approach to risk control
Project / investment risks	Risks associated with investment projects carried out within the Energa Group aimed at increasing the Energa Group's generation, distribution and sales potential, consisting in failure to meet the planned delivery dates, time schedules, budgets or scopes. Materialization of the risk may lead to non-achievement of the expected return on investment, the requirement to incur additional expenses or write off project costs, repay financial support received, loss of potential revenue, escalation of claims pursued in court, sanctions or reputational damage.	■ Execution of investments as projects or through dedicated SPVs ■ Ongoing monitoring and control of investments at the operating and strategic levels (Committees and Top Executives) ■ A series of workshops on major CAPEX deviations ■ Concluded contracts and agreements ■ Monitoring of the market environment of projects
Risks to the core business of individual Energa Group companies	Risks associated with core business activities, such as asset failure and production or distribution continuity risk, IT system disruption and stagnation risk, supply chain disruption risk and coal and biomass shortage risk. Materialization of the risks may lead to additional costs of restoring the equipment to its original condition or restarting it, and loss of revenue due to equipment unavailability, as well as penalties imposed if the required stock levels are not maintained. A failure to adjust strategic IT systems will give rise to a risk of penalties and disruptions of core processes, such as invoicing, as well as information security threats.	■ Regular inspections according to manuals and existing technical know-how ■ Overhaul and investment plans ■ Assets insurance ■ Provisions of contracts with generation equipment suppliers concerning response to warranty defects ■ Certificates of staff member competence ■ Supplier diversification ■ Monitoring of the fuel market and fuel production and consumption plans ■ Long-term agreements for raw material purchases and transport ■ Coordination of IT Projects Portfolio ■ Securing of IT resources
Risks to security of persons and property	Risks associated with unauthorized access to facilities, including power equipment. The risk additionally involves the safety and security of employees and third parties present on the premises of the Group's companies, as well as incidents related to terrorism and sabotage. Materialization of the risk may involve threats to the security of the grid's operation, disorganization of ongoing operational processes, loss/destruction of property or interruption of operational continuity.	■ Ensuring the security of persons and company property through a dedicated Group company ■ Security plans, including critical infrastructure security plans ■ Internal safety and security policies ■ Business Continuity Plans of the Group Companies ■ Property, third party liability and loss of revenue insurance ■ Physical and technical security systems for the Group's facilities ■ Security incident monitoring within the Group ■ Checks on physical and technical security status
Business continuity risk	The risk is associated with the loss of key process continuity at the Group companies or occurrence of unexpected disruptions in these processes. The risk includes equipment availability, functionality and efficiency, as well as the impact of weather and water conditions, and fortuitous events. Materialization of the risk may put human life and property in danger and lead to production disruptions, unavailability of critical process resources (sites, systems, employees) or failures or other process-related equipment. The risks may also result in contractual penalties, and in an extreme scenario – loss of license.	■ Business Continuity Strategy ■ Emergency Procedures ■ Critical Infrastructure Security Plan ■ Rules of conduct in case of emergency ■ Backup sites ■ Regular testing within the business continuity management system ■ Provisions of agreements with contractors concerning failure response ■ Preventative measures, such as regular infrastructure inspections, execution of scheduled repairs and investments
Social relations and trade unions risk	The risk covers dialogue with social partners, in particular trade unions, relating to the process of maintaining employer-employee relations, as well as the process of communicating with employees. Materialization of the risk may lead to claims, impediments to business, costs associated with possible downtimes (strikes, protests) or employee attrition, as well as reputational effects.	■ Engaging in social dialogue ■ Labor negotiations ■ Respecting collective bargaining agreements and collective agreements ■ Communicating with trade union organizations and informing employees of any planned changes

Risk	Description of the risk and its potential effects	Approach to risk control
Customer billing risk	The risk covers disruptions to the invoicing process caused by the lack of availability of billing systems, migrations, incorrect readout data records. Materialization of the risk may reduce customer satisfaction (increase in complaints, resignation from products and services), deterioration of the Group's image, disruption of cash flows, distortion of financial and statistical data, additional costs of rectifying errors/irregularities, or proceedings before the Energy Regulatory Office and Office for Competition and Consumer Protection.	■ Monitoring of the level of metering data provided / invoices issued ■ Service agreement with billing system providers enabling quick removal of critical faults ■ Internal manuals concerning, inter alia, corrections, interest, double invoicing control mechanism, sales, prosumer billing or month-end close process ■ System control mechanisms

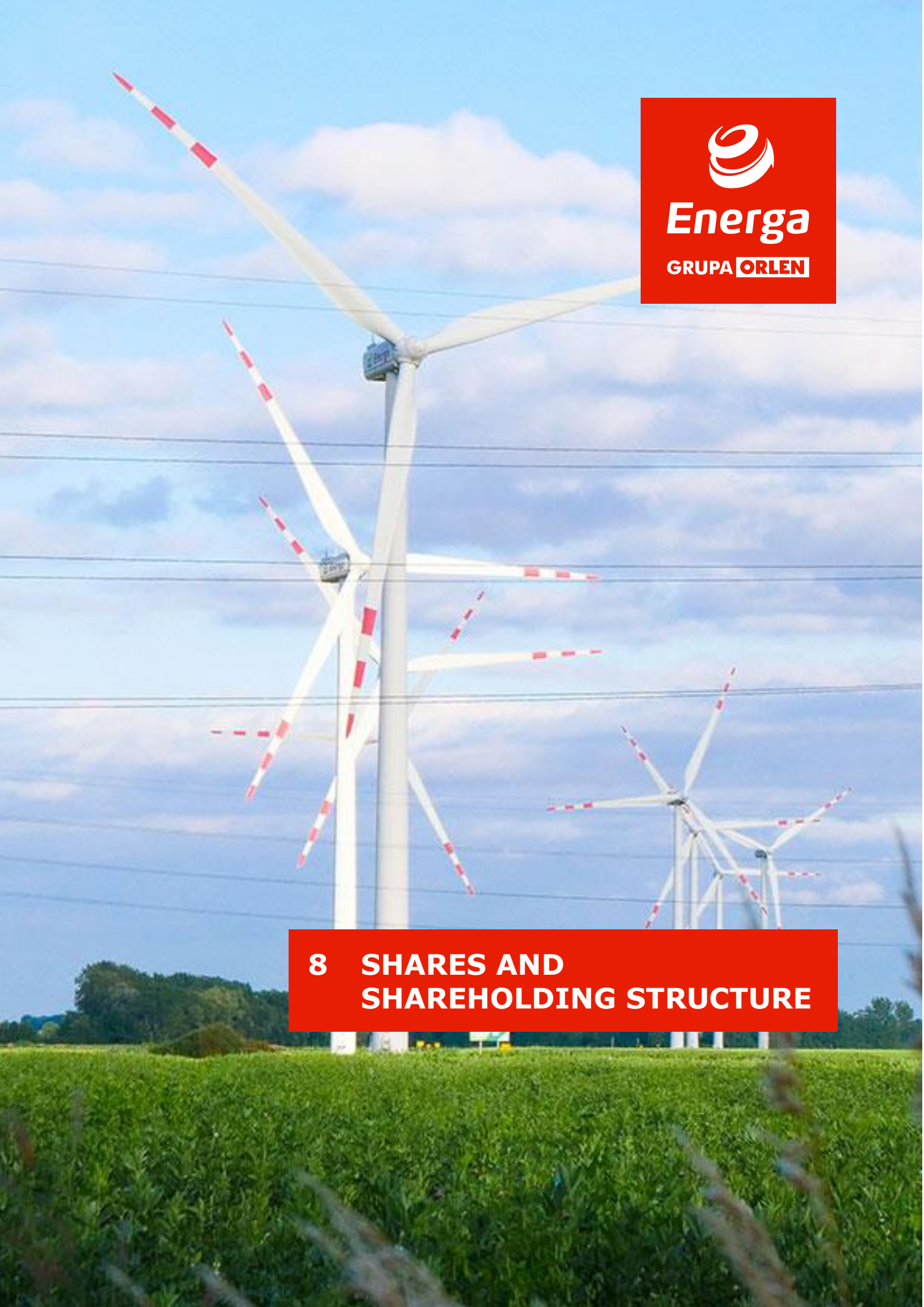
FINANCE AREA

Finance risks are associated with the financial aspects of operations of the Energa Group companies, in particular those involving the acquisition of financial capital from a variety of sources, its use to cover the costs of operating and investing activities, public charges and disclosure of financial and management information to a broad range of stakeholders – materialization of these risks will affect the level of ensuring business continuity and development initiatives at the Energa Group.

Table 34. Key financial risks identified at the level of Energa and Group companies

Risk	Description of the risk and its potential effects	Approach to risk control
Liquidity risk	The risk is associated with the ability to meet payment obligations in the short and long term, including the ability to pay uncertain tax obligations. Materialization of the risk may hinder the achievement of strategic objectives and corporate development, undermine creditworthiness, increase the cost of debt servicing and lead to a loss of reputation.	■ Financial policy ■ Financial projections ■ Long-term financial model ■ A diverse financing formula of the Energa Group ■ Cash pooling ■ Cash flow projections ■ Analysis of deviations ■ Activities of dedicated teams ■ Cooperation with an external advisor ■ Monitoring of ongoing changes in tax law and its application
Foreign exchange risk	The risk involves changes of foreign exchange rates in relation to the Polish zloty because of foreign currency debt or surplus foreign currencies and investment projects implemented or purchase contracts settled in a foreign currency. Materialisation of the foreign exchange risk could result in an inflated cost of cash management, increase in capital expenditure, as well as fluctuations of financial performance from period to period.	■ Setting, monitoring and reporting of foreign exchange risk exposure limits ■ Foreign exchange risk hedging ■ Hedge accounting ■ Using the 'natural hedge' mechanism
Market risks	Risks involved in electricity trading, e.g. in the context of unexpected price volatility, liquidity in the futures and SPOT markets. The risks also include securing CO_2 emission allowances and fuel price fluctuations as well as volatility of customer demand for electricity or gas in relation to the contracted volume, and dynamic prosumer growth and losses caused by erosion of distribution charges. Materialization of these risks may give rise to problems in achieving strategic objectives, an unexpected change in risk exposure, financial losses due to conclusion of transactions on unfavorable terms, loss of margin mass, loss of competitive position, higher selling costs, reduced flexibility of operations in specific markets or sanctions imposed by regulators.	■ Risk management in core selling activities ■ Processes and internal regulations connected with the areas of contracting, trading and purchasing ■ Monitoring of trading in electricity, property rights, guarantees of origin, CO_2 emission allowances ■ Use of advisory and legal services ■ Involvement in the process of consulting draft legislative acts ■ Implementation of projects by individual companies aimed at cost-effectiveness optimization ■ Production cost control

Risk	Description of the risk and its potential effects	Approach to risk control
Pricing policy risk	The risk associated with incorrect calculation of selling prices (including the risk of incorrect algorithms and source data), preparation of offering for customers for future years based on cost data resulting from current market prices and current legal status, which are not or cannot be fully secured and approval of tariff rates by the President of URE at levels not guaranteeing profitable sales. Materialization of this risk may contribute to loss of market share (margin, volume, revenue) and lead to financial losses, e.g. due to market price volatility or regulatory changes, as well as costs associated with potential expansion of IT systems.	■ Ongoing market investigation for developments in the market, legal and regulatory environment ■ Ongoing examination of the planned financial result and other selected ratios, and ongoing analysis of the impact of the adopted price calculation principles on that result/ratios ■ Ongoing examination of offering mechanisms (including the Coupled Model) and proper functioning of commercial IT systems and databases ■ Internal regulations on the rules of calculation of electricity prices and margin management, securing minimum margin levels ■ Offering monitoring system.
Credit risk arising from settlements with customers and business partners	Risks arising from financing of company activities from debt or equity, including retained earnings. The risk involves discontinuous and incorrect settlements with customers as well as business partners failing to meet their contractual obligations (non-payments, late payments). Materialization of the risk may lead, among others, to an increase in disputed and overdue receivables, cash flow disruptions, additional costs of debt collection activities and partial loss of revenue.	■ Increased cash flow monitoring frequency ■ Setting up debt recovery schedules / pathways ■ Cooperation with law firms ■ Evaluation of reliability of business customers and business partners in the wholesale market ■ Debt recovery freezes in IT systems ■ Obtaining security from debtors or negatively rated business partners, debtor monitoring ■ Reports on the assessment of situation of major debtors with respect to repayments and preventing further accumulation of debt.
Insurance risk	The risk associated with the failure to adjust the object and scope of insurance to the specific nature of operations of the Group's respective Business Lines or exhaustion of the sum insured in a policy and failure to obtain an acceptable supplementary offer. Climate changes and increasingly frequent mass failure events have a significant impact on risk. Materialization of the risk may force the company to perform loss adjustment on its own and reduce the funds available for asset replacement.	■ Carrying out activities resulting from the Policy on Insurance, including, without limitation: implementation of harmonized insurance schemes and insurance procurement procedures in accordance with the principles of the Policy, cooperation with insurance brokers and supervision over their activities by insurance coordinators appointed by the companies or other persons authorized by the Company's Management Board ■ Use of insurance broker services, a broker policy



8 SHARES AND SHAREHOLDING STRUCTURE

8.1 ENERGA'S SHAREHOLDING STRUCTURE

Energa SA shares have been listed on the Warsaw Stock Exchange ("WSE") since 2013. As at 31 December 2024 and as at the preparation date of this Report, ORLEN S.A. is the strategic shareholder, holding 90.92% of the Company's shares, which translates to 93.28% of votes at the General Meeting.

Table 35. Company's shares by series and type as at 31 December 2024 and as at the date of this Report

Serie	Type of shares	Shares	(%)	Votes	(%)
AA	ordinary bearer shares	269,139,114	65.00	269,139,114	48.15
BB	preferred registered*	144,928,000	35.00	289,856,000	51.85
TOTAL		**414,067,114**	**100.00**	**558,995,114**	**100.00**

** One preferred share entitles to two votes at the General Meeting. ORLEN S.A. is the owner of these shares.*

Table 36. Shareholding structure of the Energa Company as at 31 December 2024 and as at the date of this Report

Shareholder's name	Company's shareholding structure			
	Shares	(%)	Votes	(%)
ORLEN S.A.	376,488,640	90.92	521,416,640	93.28
others	37,578,474	9.08	37,578,474	6.72
TOTAL	**414,067,114**	**100.00**	**558,995,114**	**100.00**

The Company does not have any employee share schemes in place.

In 2024, neither the Company nor its subsidiaries purchased Energa's own shares. As at 31 December 2024, neither the Company nor its subsidiaries held any shares in Energa.

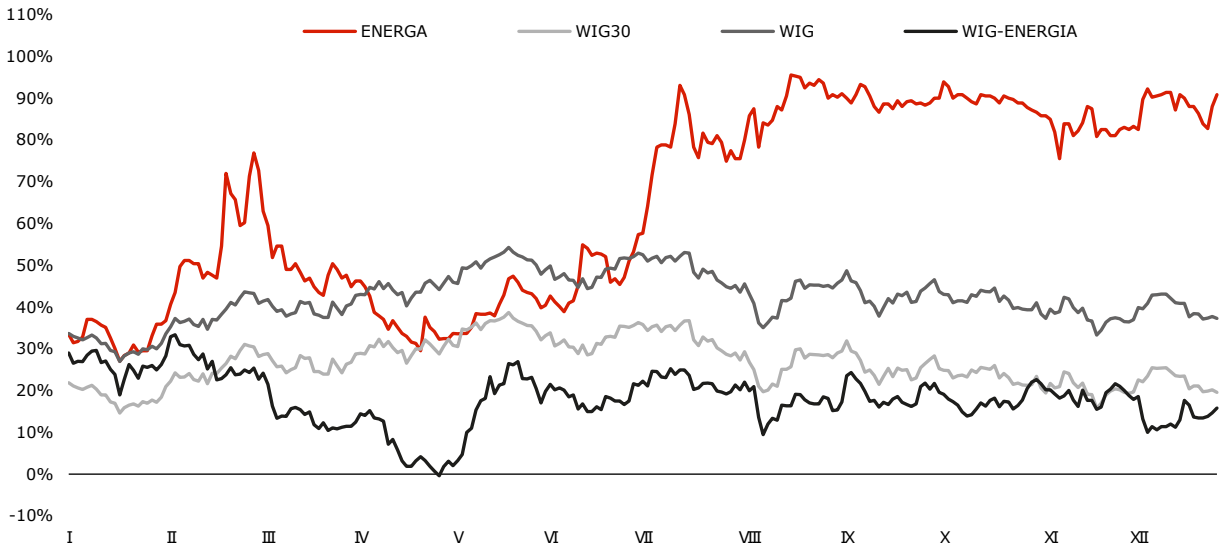
8.2 THE COMPANY'S STOCK PRICES ON THE WARSAW STOCK EXCHANGE

Table 37. Data on Energa's stock as at 30 December 2024

Data	Value
Issue price	PLN 17.00
Number of shares	414,067,114
Stock price at the end of the period	PLN 13.70
Capitalization at the end of the period	PLN 5.7 billion
Q4 2024 minimum at market close	PLN 12.60
Q4 2024 maximum at market close	PLN 13.92
2024 minimum at market close	PLN 9.12
2024 maximum at market close	PLN 14.04
Average trading value in 2024	PLN 0.494 million
Average trading volume in 2024	41.6 thousand

Source: Proprietary material based on data from www.biznes.pap.pl

Figure 29. Changes in Energa's share prices compared to changes in WIG, WIG30 and WIG-ENERGIA indices in 2024



Source: Proprietary material based on data from www.biznes.pap.pl

Energa's stock price at the close of the stock exchange session held on 30 December 2024 amounted to PLN 13.70, which means that it went up by c.a. 46% in comparison with the exchange rate applicable on the last business day of the year 2023 (i.e. on 29 December). During the discussed period, WIG increased by approximately 1.5% and WIG-Energia by decrease c.a. 11%.

Following a decrease in the number of free-floating Energa shares below 10% (after announcement of results of the delisting tender offer by ORLEN) WSE deleted Energa shares from all of its stock market indices effective after the 3 December 2020 session.

8.3 INVESTOR RELATIONS AT ENERGA

The Investor Relations Office, in cooperation with the Management Board of the Company and other business units of the Group, works to ensure effective communication with equity market participants. Those activities are tailored to the information needs of particular groups of recipients. Contact with the Company's stakeholders is made, among others, via email and regularly updated materials available on the website.

The Investor Relations Office uses a bilingual website to carry out its activities, which is updated on an ongoing basis with essential information about the Group in the form of, among others, annual, semi-annual and quarterly results presentations or fact sheets. In addition, the investor relations website contains i.a. current and periodic reports.

In 2024, 49 current stock exchange reports were published. They addressed, inter alia, changes in the composition of Energa's Management Board and Supervisory Board, information on the need to create a reserve for electricity sales contracts to the G tariff groups not covered by the tariff of the President of ERO, filing a court action to have the resolution of Energa's Ordinary General Meeting regarding the distribution of net profit for 2023 revoked, the decision not to file a cassation appeal against the judgment of the Court of Appeal in the case for invalidating or revoking the resolution of the Extraordinary General Meeting of Energa to delist the Company's shares traded on the WSE, decision to pursue claims for compensation for damage caused by managers, the results of the 2029 capacity market auction, and resolutions of the Company's General Meeting.

On 20 June 2024, during the Company's Ordinary General Meeting, Members of the Energa Management Board declared that they would again hold (after a 4-year hiatus) conferences/video conferences following the disclosure of interim results. Two conferences (streamed live, with a special feature for asking questions) were held for investors, journalists and analysts:

- on 5 September 2024, at which the Group's results for H1 and Q2 of 2024 were discussed,
- on 15 November 2024, when the Group's results for Q3 and the nine months of 2024 were presented.

At both conferences, the figures were presented and discussed by all Company Board Members, as well as by Heads of Finance and Strategic Management.

8.4 RATINGS

RATINGS ASSIGNED BY FITCH RATINGS

On 4 December 2024 Fitch Ratings affirmed the Company's long-term foreign and local currency Issuer Default Ratings (IDRs) at 'BBB+' with a stable outlook. The affirmation reflects Fitch's application of the Parent and Subsidiary Linkage Rating Criteria, under which the Agency continues to equalize Energa's rating with that of the Company's majority owner – ORLEN S.A.

Fitch also affirmed the following ratings of the Company and its debt:

- long-term national rating: 'AA+(pol)',
- the Company's foreign-currency long-term senior unsecured rating: 'BBB+',
- the Company's long-term rating of subordinated debt: 'BBB-'
- long-term national senior unsecured rating: 'AA+(pol)',

and long-term senior unsecured rating for the bonds issued by the Company's subsidiary Energa Finance AB (publ): 'BBB+'.

The Agency also affirmed the Company's standalone credit profile at 'bbb-' due to, among others, the Energa Group's solid business profile, with a focus on its predictable regulated electricity distribution business.

RATINGS ASSIGNED BY MOODY'S

On 17 January 2025 the rating agency Moody's Investors Service maintained the Company's Long-Term Issuer Ratings - Domestic Currency at the level "Baa1" with a stable outlook and other ratings that are associated with the Issuer.

The Agency pointed out that the Issuer's ratings are supported by, among others, overall low business risk profile, given that majority of the Energa Group's ("Group") earnings stems from regulated electricity distribution grid activities, and the Company's close integration into its higher rated parent company ORLEN S.A. (A3 stable).

Simultaneously Moody's adds that the Company's ratings are constrained by, among others, the higher business risk profile of the Group's power generation and energy supply businesses as well as execution risks related to its sizeable investment program over the next few years.

Table 38. Valid ratings of Energa as at 31 December 2024 and at the date of this Report

Series	Fitch	Moody's
Long-term rating of the Company	BBB+	Baa1
Rating outlook	Stable	Stable
Rating date	19 January 2012	3 November 2011
Rating last changed on	17 November 2022	21 December 2023
Rating last reviewed on	4 December 2024	17 January 2025

8.5 DYWIDENDA

Since 2017 Energa SA has not paid dividends.

9 OTHER INFORMATION ABOUT THE GROUP

9.1 INFORMATION ON MATERIAL CONTRACTS, AGREEMENTS AND TRANSACTIONS

INFORMATION ON MATERIAL TRANSACTIONS WITH RELATED PARTIES MADE ON NON-ARM'S LENGTH TERMS

All transactions within the Energa Group are entered into based on arm's-length prices of the goods, products or services delivered, which result from the cost of production. For details, please see Note 33 to the Consolidated financial statements for year ended 31 December 2024.

AGREEMENTS FOR LOANS AND BORROWINGS

LENDING AGREEMENTS WITH MULTILATERAL FINANCIAL INSTITUTIONS

LOANS TO FINANCE THE INVESTMENT PROGRAMME AT ENERGA OPERATOR FOR THE YEAR 2009-2012

In 2009-2010, Energa and its subsidiary Energa Operator signed the following lending agreements in connection with the development and upgrading of its distribution grid in 2009-2012:

- with the European Investment Bank ("EIB") for a PLN 1,050 m facility,
- with the European Bank for Reconstruction and Development ("EBRD") for a PLN 1,076 m facility,
- with the Nordic Investment Bank ("NIB") for a PLN 200 m facility.

The financing was fully utilised by the Company, and the following balances remain outstanding:

- to EIB - PLN 34.3 m with a final maturity date on 15 December 2025.

LOANS TO FINANCE THE INVESTMENT PROGRAMME AT ENERGA OPERATOR FOR THE YEAR 2012-2015

In 2013, Energa together and Energa Operator entered into the following lending agreements to finance the investment programme of Energa Operator in 2012-2015, in connection with the development and upgrading of the distribution grid:

- an agreement with EIB for a PLN 1,000 m facility – as at 31 December 2024, PLN 412.5 m were utilised (of which PLN 300.0 m by Energa and PLN 112.5 m by Energa Operator SA). The final maturity date of the drawn facility is 15 September 2031.

LOAN GRANTED TO CCGT OSTROŁĘKA

On 29 June 2023 the subsidiary CCGT Ostrołęka signed a loan agreement in a total amount of PLN 2,640 million for financing the construction of a 745 MWe net gas-fired combined cycle gas turbine power plant in Ostrołęka and the operating activity. The agreement was signed with the consortium of the following Polish and foreign financial institutions: Bank Gospodarstwa Krajowego, Alior Bank SA, Bank Polska Kasa Opieki SA, KfW IPEX-Bank GmbH and Erste Group Bank AG. The final repayment date of loan is 15 December of 2036. As at 31 December 2024, PLN 596.1 m were utilised under the facility.

LOANS TO FINANCE THE INVESTMENT PROGRAMME AT ENERGA OPERATOR FOR THE YEARS 2021-2023

On 16 December 2021, Energa and its subsidiary Energa Operator signed a long-term investment loan agreement with the European Investment Bank up to the amount PLN 641 m, which is the PLN equivalent of EUR 150 million converted at the average NBP exchange rate of 31 December 31. The facility proceeds was used to fund the Energa Operator's investment programme in 2021–2023, including projects such as connections of new consumers, distribution grid upgrades, construction and upgrades of distribution assets to connect new renewable energy sources, smart grid components. The facility utilisation as at 31 December 2024 was PLN 581,9 million.

LOANS GRANTED BY ENERGA FINANCE AB (PUBL)

In 2024, two loans originally totalling EUR 499 m, granted to the Company by subsidiary Energa Finance AB (publ) in March 2013 and maturing on 27 February 2026 were continued. As at 31 December 2024, EUR 110 million was drawn down under these loans. The loan granted to Energa in June 2017 by Energa Finance AB (publ) million maturing on 28 February 2027 was also continued. The facility utilisation as at 31 December 2024 was PLN 140,0 million.

ORLEN S.A. LOANS

On 9 December 2022, Energa signed a PLN 1,000 m revolving facility agreement with ORLEN, to be repaid by 27 September 2024. Based on an annex of 29 September 2023, the loan amount was increased to PLN 3,000 m. The revolving loan was granted for Energa's general corporate purposes. As at 31 December 2024, PLN 2,100 m were utilised under the facility.

LOANS GRANTED

On 31 December 2019 Energa entered into a long-term lending agreement with Energa Operator, its subsidiary, in the amount of PLN 4,900 m, intended for the refinancing of Energa Operator SA debt towards Energa on account of long-term bonds up to PLN 1,566 m and financing of the borrower's investment programme pursued in 2020-2023, up to the amount of PLN 3,334 m. Loan utilisation as at 31 December 2024 was PLN 2,108.2 million.

On 8 June 2021 Energa and its subsidiary Energa Wytwarzanie concluded a long-term loan agreement in amount of PLN 579.2 m, intended for the refinancing of Energa Generation's debt towards Energa under long-term bonds. Loan utilisation as at 31 December 2024 was PLN 362.6 million.

On 28 June 2023, Energa concluded a long-term loan agreement with CCGT Ostrołęka in the amount of PLN 650 million, intended to cover the funding shortfall and debt servicing in the event of specific risks occurring as part of the financing of the CCGT Ostrołęka investment program - the construction of a 745 MW net gas-steam power plant project in Ostrołęka. The final repayment date of the loan is 2 January 2037. The loan utilization as of 31 December 2024 amounted to PLN 49.3 million.

On 3 October 2023, Energa concluded a long-term loan agreement with CCGT Ostrołęka in the amount of PLN 325 million, intended for refinancing current debt in the cash pool mechanism used as part of the implementation of the CCGT Ostrołęka investment program - the construction of a 745 MW net gas-steam power plant project in Ostrołęka. The final repayment date of the loan is 2 January 2037. Loan utilisation as at 31 December 2024 was PLN 223.7 million.

Furthermore, the Energa Group serviced its internal bond issue programmes during the reporting period. The following table presents the par values of bonds taken up by Energa and not redeemed, broken down by individual Energa Group issuer companies, as at 31 December 2024.

Table 39. Par value of bonds taken up by Energa and not redeemed, by issuer, as at 31 December 2024

No.	Company name	Par value of the bonds taken up (PLN '000)
1.	Energa Operator	533,000
	TOTAL	**533,000**

INSURANCE CONTRACTS

The Group has a common insurance policy in place, which provides for insurance coverage for the companies against risks involved in their business and assets, conforming to the highest market standards, at a fairly calculated market premium. The adopted sums insured are set at an adequate level for the diagnosed own risks and external factors and correspond to the profile of energy sector companies in Poland.

A joint Insurance Programme in Energa Group is carried out in cooperation with a brokerage company. In accordance with the conditions of the Programme, all companies have a coinciding insurance period in key risks, and in most cases contracts are made for three years. The Programme accepts standardised coverage for insured risks, with individual extension clauses taking into account specific needs of the companies.

Insurance contracts are made with leading insurers operating in Poland. Currently, the Energa Group's main insurance partner is Towarzystwo Ubezpieczeń Wzajemnych Polski Zakład Ubezpieczeń Wzajemnych.

GUARANTEES AND SURETIES GRANTED

Table 40. Information on Energa's guarantee and surety business as at 31 December 2024

No.	Date guarantee or surety granted	End date of guarantee or surety	Entity for which guarantee or surety was granted	Entity in favour of which guarantee or surety was granted	Form of surety or guarantee granted	Amount of guarantee or surety (PLN million)	Amount of liability as at 31 December 2024 covered by surety or guarantee (PLN million)
1.	2012-11-15	2033-12-31	Energa Finance AB	bondholders	surety agreement*	5,341.2	1,276.1
2.	2018-10-31	2026-01-01	ENSPIRION Sp. z o.o.	Polskie Sieci Elektroenergetyczne SA	surety agreement	10.1	1.5
3.	2019-11-15	2027-01-01	ENSPIRION Sp. z o.o.	Polskie Sieci Elektroenergetyczne SA	surety agreement	10.8	2.1
4.	2020-12-03	2028-01-01	ENSPIRION Sp. z o.o.	Polskie Sieci Elektroenergetyczne SA	surety agreement	17.2	17.2
5.			Other Energa Group companies		surety** - guarantee agreement	2.0	0.4
	TOTAL					**5,381.3**	**1,297.3**

**The Euro Medium Term Note (EMTN) programme for up to EUR 1,000,000,000 was established on 15 November 2012. As part of the EMTN Programme, Energa Finance AB (publ), a Swedish law subsidiary of Energa SA, can issue Eurobonds with maturities of one to ten years. Under a surety agreement of 15 November 2012, as amended on 16 February 2017, Energa undertook to unconditionally and irrevocably guarantee the Eurobond liabilities of Energa Finance AB (publ) up to EUR 1,250,000,000 until 31 December 2033 inclusive. On 19 March 2013, Energa Finance AB (publ) issued the first series of Eurobonds totalling EUR 500,000,000 which were redeemed on 19 March 2020; on 7 March 2017, it issued the second series of Eurobonds totalling EUR 300,000,000 and maturing on 7 March 2027.*

*** Civil-law sureties granted by Energa for liabilities of the Energa Group companies arising from bank guarantees granted by Bank PKO BP SA under guarantee facilities dedicated to Energa Group companies. The facility is available until 19 September 2022. The expiry dates of guarantees provided under the facility can fall beyond the end date of the facility itself. The repayment of liabilities is secured by a civil-law surety.*

ASSESSMENT OF THE MANAGEMENT OF FINANCIAL RESOURCES AND THE PROSPECTS OF INVESTMENT PROJECTS

During the financial year, the Energa Group had sufficient financial resources to timely cover all current and planned expenses in connection with its operating and investing activities. The cash held by the Group as well as the available credit facilities allow the Group to pursue a flexible liquidity management policy.

In order to secure funds for financing development and acquisition projects in the field of renewable energy sources, Energa SA and ORLEN S.A. signed an investment agreement in October 2023, providing financing from ORLEN up to PLN 5.5 billion.

The execution of investment projects was based on the use of own funds combined with debt financing. The structuring of the projects implemented by the Energa Group assumes that its financial security will be maintained, which is reflected in the use of long-term debt financing sources, pursuing a dividend policy aligned with the strategy, maintaining financial covenants as agreed with debt capital providers, and maintaining the investment-grade rating. The two latter represent restrictions that determine the investment capabilities of the Energa Group, which are defined in the long-term perspective. Such a conservative approach allows to carry out the investing policy in a way that minimises any risk of violation of financial covenants or rating downgrades, while optimising the financial structure of the Group in consideration of the current and projected financial market trends.

The Company monitored its liquidity risk using a regular liquidity planning tool, taking into account the due/maturity dates of investment liabilities, financial assets and financial liabilities, as well as the projected cash flows from operating activities, in order to maintain a balance between continuity and flexibility of financing by using different sources of financing.

In 2023, the optimization of liquidity management was transferred to the level of ORLEN S.A. The previous participants of the cash pooling structure of the Energa Group, whose agent was Energa SA, were included in the real cash-pooling structure of the ORLEN Group, and the cash-pooling structure of the Energa Group was closed.

9.2 PROCEEDINGS PENDING BEFORE COURTS, ARBITRATION OR PUBLIC ADMINISTRATION BODIES

As at 31 January 2025, the Energa Group was a party to 12,513 court proceedings. The Group was a plaintiff in 10,630 cases where the aggregate amount in dispute was approx. PLN 394 m. The Group was a defendant in 953 cases where the aggregate amount in dispute was approx. PLN 679 m. Information on the total litigated value does not include proceedings where the claim is non-pecuniary.

As at 31 January 2025, the total amount of claims involving the location of power installations on third-party properties without a legal title, awarded by final judgments, was approx. PLN 0.3 m in 13 cases. 745 court cases with amounts in dispute totalling approx. PLN 46 m were pending.

Based on the available data pertaining to the value of pending proceedings, the Company assumes that the actual amount to be paid after the above-mentioned disputes are resolved may reach PLN 33.4 m, which is subject to change if new court cases involving power installations located on third-party properties without a necessary legal title are brought against Energa Operator.

The above data do not include cases in which court and enforcement-based collection is conducted for and on behalf of Energa Obrót in order for the company to recover the amounts due from its customers and bankruptcy cases.

As at 31 January 2025, the aggregate value of the cases in which court and enforcement-based collection is conducted for and on behalf of Energa Obrót in order for the company to recover the amounts due from its customers and bankruptcy cases amounted to approx. PLN 312.5 of which:

Type of receivables	Balance at 31 January 2025 (PLN m)
court and enforcement-based	183.3
bankruptcies	101.8
non-billed - WIENA	6.5
non-billed - SAP	20
non-billed – bankruptcies	1
TOTAL	**312.5**

Material court proceedings pending or continuing in 2024 are presented below (involving monetary claims, with the amount claimed being used as the criterion of materiality at a level of more than PLN 5 m). The Company's previous periodic reports contain details of the legal steps taken during earlier years.

Table 41. Proceedings pending before courts, arbitration or public administration bodies

Parties	Object of dispute and details of the case
Energa Operator SA (plaintiff) **Arcus SA (defendant)**	**Claim for payment of contractual penalties under the a contract for the delivery and start-up of metering infrastructure during Stage I** *Regional Court in Gdańsk* *Litigated value: approx. PLN 23.1 million* Evidence proceedings before the Court of the first instance are pending. The defendant contests the litigation claim. The likely resolution of the case, due to its complex facts and multitude of legal aspects cannot be anticipated. Currently, the court is looking for another qualified expert witness in metrology.
Energa Operator SA (defendant) **Arcus SA (plaintiff)**	**Claim for declaration of annulment of the contract of delivery and commissioning of the metering infrastructure at Stage II** *Litigated value: approx. PLN 78 million* **Counterclaim for payment of contractual penalties for a delay in performance of the contract of delivery and commissioning of the metering infrastructure** *Litigated value: approx. PLN 157 million* *Regional Court in Gdańsk* Energa Operator SA does not admit any part of the claim. Evidence proceedings before the Court of the first instance are pending. The parties were served with an expert opinion and a supplementary opinion, in response to which they filed extensive submissions. The court gave notice of its intention to resolve the case in camera and requested the parties to file their closing positions, which the parties did. The judgment was handed down in a closed session, to which EOP requested a statement of grounds.
Energa Operator SA (defendant) **Arcus SA (plaintiff)**	**Claim for payment of compensation for unlawful acts/unfair competition practices** *Regional Court in Gdańsk* *Litigated value: approx. PLN 174 million*

Parties	Object of dispute and details of the case
	Energa Operator SA disputes legitimacy of that statement of claim and in response to the statement of claim dated 30 April 2018 applied for the claim to be dismissed. Pursuant to Article 177 § 1 Clause 1 of the Code of Civil Procedure, the court suspended the related proceedings. Energa Operator SA appealed against this decision in a complaint, which was dismissed. The proceedings have been stayed.
Energa Operator SA (defendant) **Altegra SA (former Eltel Networks Energetyka SA) (plaintiff)**	**Claim for payment for works in the investment process** *Regional Court in Gdańsk* *Litigated value: approx. PLN 18 million* Claim of 2 August 2023 for payment for works in the investment process. Energa Operator filed a statement of defence in response to the claim within the prescribed deadline.
Energa Operator SA (defendant) **Altegra SA (former Eltel Networks Energetyka SA) (plaintiff)**	**Claim for payment for additional works and for an increase in the contractual lump-sum fee for turnkey construction of high-voltage lines** *Regional Court in Gdańsk* *Litigated value: approx. PLN 5.5 million* In response to the claim, Energa Operator filed a statement of defence demanding that the claim be dismissed in its entirety. The court held the first hearing, during which it heard witnesses. The court admitted the expert witness evidence.
Energa Operator SA (party) **PRESIDENT OF THE ENERGY REGULATORY OFFICE (authority)**	**Fine imposed by the authority** *Regional Court in Warsaw* *Litigated value: PLN 11 million* The company received the decision of 21 December 2016 in which the President of the URE imposed a fine of PLN 11 m on Energa Operator SA for misleading the President of the URE. On 24 May 2019, the Regional Court in Warsaw issued a judgment reducing the fine to PLN 5.5 million. The URE President has filed a cassation appeal and the company requested its dismissal.
Energa Operator SA (party) **PRESIDENT OF THE ENERGY REGULATORY OFFICE (authority)**	**Fine imposed by the authority** *Regional Court in Warsaw* *Litigated value: approx. PLN 13.2 million* Energa Operator SA received the decision of 6 November 2017 imposing fines totalling PLN 13.6 million for breaching the Traffic and Distribution Grid Operation Manual. With its judgment of 8 December 2020 the Regional Court in Warsaw dismissed the appeal. The company filed an appeal which was dismissed by the Court of Appeal in Warsaw by a judgment of 7 September 2021. The company lodged a cassation appeal against that judgment. The Supreme Court decided to accept the cassation appeal for hearing.
Energa Kogeneracja Sp. z o.o. (plaintiff) **Mostostal Warszawa SA (defendant)**	**Claim for payment on account of a contract price reduction** *Regional Court in Gdańsk, file No. IX GC 494/17* *Litigated value (after expansion of the claim): approx. PLN 114.4 million, with approx. PLN 7.8 million under the counterclaim* Energa Kogeneracja Sp. z o.o. moved to the court to award the amount of approx. PLN 114.4 million from Mostostal Warsaw S.A., which includes: approx. PLN 22.6 million in contractual penalties, approx. PLN 90.3 million in reduced remuneration and approx. PLN 1.5 million in capitalised interest. In its statement of defence of 15 December 2017, Mostostal Warszawa SA moved to the Court to dismiss the claims in their entirety and filed a counterclaim to award the amount of approx. PLN 7.8 million from Energa Kogeneracja Sp. z o.o. consisting of: approx. PLN 7.4 million in repayment of bank guarantee unduly withdrawn and approx. PLN 0.4 million in capitalised interest. The Court admitted evidence from the opinion of a scientific and research institute for the purpose of securing evidence. So far, the opinion has not been drawn up because none of the institutes which the court asked about the possibility of drawing up an opinion has confirmed such a possibility (both in Poland and abroad). Currently, the parties are waiting for a response from institutes in Stockholm, Hamburg and Vienna. In a letter dated 9 December 2022, Energa Kogeneracja Sp. z o.o. named the Military University of Technology as the entity to provide opinion on the case. By decision of 6 December 2023, the Regional Court in Gdańsk decided to stay the proceedings until the final termination of the case pending before the Regional Prosecutor's Office in Gdańsk (case file ref. RP I Ds. 39/2016). The Company decided to request the Court for a written statement of grounds for the decision. The reasons for the decision was received by the company on 24 January 2024. On 31 January 2024, Energa Kogeneracja Sp. z o.o. appealed to the Court of Appeals in Gdańsk against the decision of the Regional Court in Gdańsk dated 6 December 2023. On 25 January 2025, a decision appeared in the Court Portal to rescind the order of 06 December 2023 to stay proceedings in the case brought by Energa Kogeneracja sp. z o.o. against Mostostal Warszawa S.A., District Court in Gdańsk case file ref. No. IX GC 494/17. The decision has not yet been formally served.
Mostostal Warszawa SA (plaintiff) **Energa Kogeneracja Sp. z o.o. (defendant)**	**Claim for payment of remuneration** *Regional Court in Gdańsk, file No. IX Gc 190/18; currently the Court of Appeals in Gdańsk, file No. AGa 165/22* *Litigated value: approx. PLN 26.3 million* Mostostal Warszawa SA filed for awarding the amount of approx. PLN 26.3 m from Energa Kogeneracja Sp. z o.o. consisting of: approx. PLN 20 m in remuneration (in part) and approx. PLN 6.3 m in capitalised interest. There were 7 hearings in the case and all witnesses were heard. The Court allowed evidence from an opinion prepared by an expert in construction industry. The expert's opinion confirms the circumstances favorable to Mostostal Warszawa S.A. The judgment was passed on 9 May 2022. The Regional Court in Gdańsk awarded from the defendant, Energa Kogeneracja Sp. z o.o., aprox. PLN 26.3 m including statutory interest for delay and refund of the litigation cost. On 18 July 2022, the company lodged an appeal. The case was handed over to the Court of Appeals in Gdańsk. At the hearing on 15 January 2024 the Court of Appeal in Gdańsk dismissed the appeal of Energa Kogeneracja Sp. z o. o. from the judgment of the District Court in Gdańsk of 9 May 2022. Therefore, the judgment of the District Court in Gdańsk issued on 9 May 2022 is final and enforceable on 15 January 2024. On 24 January and 7 March 2024, Energa Kogeneracja Sp. z o.o. made transfers to Mostostal Warszawa S.A. in the total amount of approx. 39.3 million in connection with the judgment of the Regional Court in Gdańsk dated 9 May 2022 and the judgment of the Court of Appeals in Gdańsk dated 15 January 2024. On 16 April 2024, Energa Kogeneracja Sp. z o. o. filed

Parties	Object of dispute and details of the case
	a cassation appeal against the judgment. On 3 June 2024, Energa Kogeneracja Sp. z o.o. received a response to the cassation appeal.
Energa Wytwarzanie SA (Plaintiff) **PricewaterhouseCoopers Polska spółka z o.o. sp. k. (Defendant)**	**Claim for payment of redress for loss** *Regional Court in Warsaw, file No. XXVI GC 1271/24* *Claim value: approx. PLN 10.3 million* On 20 September 2023, EWYT filed a statement of claim for payment together with a petition for the issue of a writ of payment under the writ-of-payment procedure against PricewaterhouseCoopers Polska spółka z o.o. sp.k. The essence of the litigation is a demand for redress of the loss suffered by EWYT as a result of the Defendant's improper performance of the contract entered into in December 2016 for the provision of support in the implementation of new real estate tax regulations for wind farms, by requiring the defendant to pay EWYT approx. PLN 10.3 million in total. As the statement of claim comprises a petition for the issue of a writ of payment, the case is now being heard under the writ-of-payment procedure. On 14 November 2023, the District Court in Warsaw issued a payment order in writ proceedings. On 28 February 2024, PwC's objection to the aforementioned payment order was filed with the Regional Court in Warsaw. EWYT is currently waiting for the Court to conduct a formal review of the aforementioned objection and issue an order for the same to be served. Subsequently, EWYT will be required to draft and file a submission in response to the objection filed. On 22 January 2025, the Court ordered that EWYT's attorney be served the aforementioned objection to the request for payment, together with the attachments, and that the attorney make a written submission in regard of PwC's pleas against the statement of claim within 14 days from the date of service of the objection, or otherwise the pleas would be granted by default. EWYT is currently awaiting service of the objection on its attorney. Subsequently, EWYT will be required to draft and file a submission in response to the objection.
Energa Serwis sp. z o.o. and Towarzystwo Ubezpieczeń Wzajemnych Polski Zakład Ubezpieczeń Wzajemnych (Defendant) **Stora Enso Poland S.A (Plaintiff)**	**A claim to replace the water heater of the soda recovery boiler with a new one, or else to pay compensation, or to repair the heater and pay compensation for lost benefits.** *Regional Court in Warsaw, 26th Commercial Division, case ref. XXVI GC 63/24* *Value in dispute: approx. PLN 19 million* On 29 December 2023, the plaintiff filed a lawsuit against the company and the mutual insurance company Towarzystwo Ubezpieczeń Wzajemnych Polski Zakład Ubezpieczeń Wzajemnych (TUW PZUW). The plaintiff demands the replacement of the water heater of the soda recovery boiler with a new one, or payment of compensation equal to the costs of the replacement of the heater with a new one, as well as the payment of compensation for lost benefits, as they were unable to use the heater during the downtime. The case is connected with the case brought by the company against Zakład Zespołów Energetycznych „Energokessel" sp. z o.o. A copy of the statement of claims was served on the company on 26 April 2024. Subsequently, pleadings were exchanged from May to September 2024. On 21 September 2024, the plaintiff, in compliance with the court's obligation, re-submitted a letter challenging the validity of the omission of the submitted evidence. On 10 January 2025, a pre-trial hearing was held in the case, the most important topic of which was the issue of expert witness evidence on the causes of the heater failure. The court ordered Stora Enso and Energa Serwis to name proposed research centres that could issue such evidence. On 24 January 2025, Energa Serwis responded to the order by sending a submission.
Energa Serwis Sp. z o.o. (Plaintiff) **Zakład Zespołów Energetycznych „Energokessel" sp. z o.o (Defendant)**	**Claim for the payment of compensation for improper performance of the agreement** *Regional Court in Białystok, 7th Commercial Division, case ref. VII GC 63/24* *Value in dispute: approx. PLN 8.7 million* A lawsuit was brought before the court on 23 February 2024. The claim concerns the payment of compensation for the improper performance of an agreement by Zakład Zespołów Energetycznych „Energokessel" sp. z o.o. as a subcontractor, i.e. for the faulty construction of the finned pipes of the soda recovery boiler water heater. In view of the improper construction by the Defendant of the finned pipes of the water heater, the water heater experienced a number of failures, which were remedied by Energa Serwis sp. z o.o. Energa Serwis sp. z o.o. requests that the Defendant reimburse the costs of these repairs as well as the amount corresponding to the cost of replacement of the entire water heater, which may prove necessary to prevent future failures (the replacement is requested by the ordering party). On 7 March 2024 the Regional Court in Białystok ordered that a copy of the statement of claims be served upon the Defendant. Subsequently, pleadings were exchanged from April to July 2024.
shareholders of the Company (plaintiffs) **Energa SA (defendant)**	**Appeal against Resolution No 3 of the Extraordinary General Meeting of the Company of 29 October 2020** *Regional Court in Gdańsk, file No. IX GC 1158/20, currently the Court of Appeals in Gdańsk, file No. V AGa 136/22* *The claim is financial and non-pecuniary.* On 9 December 2020, the Management Board of Energa SA learned of the issuance on 7 December 2020 by the Regional Court in Gdańsk, 9th Commercial Division, of a decision on granting the Company's shareholders injunctive relief as security for their claim for revoking Resolution No. 3 of the Extraordinary General Meeting of the Company of 29 October 2020 on the withdrawal from trading on the regulated market operated by Giełda Papierów Wartościowych w Warszawie S.A. of 269,139,114 series AA ordinary bearer shares in the Company and marked in Krajowy Depozyt Papierów Wartościowych S.A. with ISIN PLENERG00022 code (the "Resolution"), by suspending its performance for the duration of the proceedings. The issuance of the decision results in suspending the enforceability of the Resolution. The application for injunctive relief in the above mentioned case was filed together with a statement of claim for repealing the Resolution. Energa SA filed a complaint against the injunctive relief and a statement of defence within the time limit and in the manner prescribed by the applicable legal regulations (on 21 January 2021 and 7 January 2021 respectively). The Chairman of the Polish Financial Supervision Authority joined the case. On 24 February 2021, Plaintiffs filed a reply to the statement of defence. By way of an order of 21 September 2021, the Court obliged the Company's attorney to submit a pleading addressing the claims made in the reply. In a letter dated 25 October 2021, a reply was submitted on behalf of the Company to the reply to the statement of defence (a rejoinder). On 21 April 2021, Energa SA obtained the decision concerning the appeal filed in the case. The decision on the securing of claims of 7 December 2020 was amended so that its enforcement was made contingent upon payment by the plaintiffs of a security deposit in the amount of PLN 1,360,326.23. The security deposit has not been paid. On 11 March 2022, the Chairperson of the Polish Financial Supervision Authority (KNF) presented their position on the subject ruling that the view whereby the price in the call had to be determined at fair value in the situation where it can be determined in accordance with its pricing history breaches the regulations of the Act on Public Offerings and Conditions governing the Introduction of Financial Instruments to Organized Trading, and on Listed Companies. On 22

Parties	Object of dispute and details of the case
	March 2022, the Company's legal representative filed a motion to examine evidence. A hearing was held on 11 April 2022 in the course of which, among other things, the Court decided to dismiss evidence in the form of an expert opinion, ended the hearing and postponed the delivery of the judgment until 11 May 2022. On 11 May 2022, the Regional Court delivered its judgment, dismissing the petition in full and awarding the costs of the proceedings from the Plaintiffs in favour of the Company. On 1 July 2022, the statement of reasons for the judgment was prepared. On 26 September 2022, the Company's attorneys were served with a copy of the Plaintiffs' appeal dated 8 August 2022. The Company's response to the appeal was lodged on 10 October 2022. On 27 March 2023, the law firm received a letter from the Plaintiffs' attorney informing the Court about the judgment of the District Court in Gdańsk of 30 November 2022 in case No. IX GC 1164/20. On 13 April 2023, an application was submitted on behalf of the Company for the obligation to submit a preparatory letter. On 26 April 2023, the Company's attorneys submitted a preparatory letter to the Defendant. In accordance with the letter of 16 May 2023, the case files were loaned to the District Prosecutor's Office in Gdańsk (the case files were returned on 22 May 2023). On 6 December 2023, a procedural letter was sent on behalf of the Company informing about the Supreme Court's judgment in the case with reference number No. II CSKP 1365/22, in which the Court interpreted the concept of fair value from the Public Offering Act. On 29 February 2024, a notice setting the hearing date for 6 September 2024 appeared on the Information Portal of Common Courts. On 15 March 2024, a notice cancelling the hearing set for 6 September 2024 was published on the Information Portal of Common Courts. On 3 April 2024, the Company's attorneys received the plaintiffs' motion to set aside the first-instance judgment and discontinue the proceedings pursuant to Article 355 § 1 of the Code of Civil Procedure in conjunction with Article 427 § 1 and 4 of the Commercial Companies Code. On 10 April 2024, a letter from the Court of Appeals in Gdańsk, 5th Civil Division, asking the Court of Appeals in Gdańsk, 1st Civil Division to send the case file ref. I AGa 52/23 was published. On 4 June 2024, a letter appeared in the Common Courts Information Portal with information about the delivery by the Court of Appeal in Gdańsk, Civil Division V, of a photocopy of the Financial Supervision Authority's letter of 6 May 2024 concerning case file I AGa 52/23 to the Court of Appeal in Gdańsk, Civil Division I. On 10 September 2024, Energa SA was served a request from the Court of Second Instance to respond to the minority shareholders' motion for the proceedings to be discontinued and for Judgment of 11 May 2022 to be set aside. In response to the Court's request, Energa, given its decision not to file a cassation appeal against Judgment in Case I AGa 52/23, requested that the plaintiffs' motion be dismissed, the judgment be nullified, and the action be rejected on the grounds that the proceedings was no longer valid due to the existence of res judicata, and that Energa be awarded reimbursement of the judicial costs. On 20 November 2024, the court ordered the plaintiffs' attorney to respond to Energa's submission within 10 days. On 28 November 2024, Energa received a letter from the defendants' attorney, where the motion of 26 March 2024 was upheld. Energa is awaiting resolution of the case.
shareholders of the Company (plaintiffs) **Energa SA (defendant)**	**Appeal against Resolution No 3 of the Extraordinary General Meeting of the Company of 29 October 2020** *Regional Court in Gdańsk, file No. IX GC 1164/20, currently the Court of Appeal in Gdańsk, reference number I AGa 52/23* *The claim is financial and non-pecuniary.* On 16 December 2020, the Management Board of Energa SA learned of the issuance on 10 December 2020 by the Regional Court in Gdańsk, 9th Commercial Division, of a decision on granting the Company's shareholders injunctive relief as security for their claim for revoking Resolution No. 3 of the Extraordinary General Meeting of the Company of 29 October 2020 on the withdrawal from trading on the regulated market operated by Giełda Papierów Wartościowych w Warszawie S.A. of 269,139,114 series AA ordinary bearer shares in the Company and marked in Krajowy Depozyt Papierów Wartościowych S.A. with ISIN PLENERG00022 code (the "Resolution"), by suspending its performance for the duration of the proceedings. The issuance of the decision results in suspending the enforceability of the Resolution. The application for injunctive relief in the above mentioned case was filed together with a statement of claim for repealing or annulling the Resolution. Energa SA filed a complaint against the injunctive relief and a statement of defence within the time limit and in the manner prescribed by the applicable legal regulations (on 12 January 2021 and 25 February 2021, respectively). On 8 June 2021, the Court received Plaintiffs' reply to the statement of defence. By order of 16 November 2021, the Court obligated the Company to address the claims made in the reply and obligated the parties' attorneys to submit a list of questions to witnesses requested in the statement of claim. On 13 December 2021, the Company filed a reply to the statement of defence (a rejoinder). On the same day, a list of questions to specific witnesses was submitted on behalf of the Company in response to the Court's requirement. On 14 April 2021, Energa SA obtained the decision concerning the appeal filed in the case. With its decision of 12 April 2021 the Court changed to decision to grant a security of 10 December 2020 by conditioning performance of the decision on the Plaintiffs submitting a deposit of PLN 1,360,326.23. The deposit of PLN 1,360,326.23 to secure claims of the Company resulting from complying with the injunction order was paid by one of the Plaintiffs to the account of the Circuit Court in Gdańsk. On 29 December 2021, the Company's attorneys received a request for a reduction of the security deposit dated 20 December 2021. In an order of 24 January 2022, the Court set a time limit for the Company to respond to the request. On 1 February 2022, a response to the Plaintiffs' request for the reduction of the security deposit was submitted on behalf of the Company. By way of a decision of 24 January 2022, the Company was obligated to submit documents within 14 days. On 8 February 2022, a response to the Court's requirement was submitted on behalf of the Company. By decision of 25 April 2022, the Court reduced the deposit to secure the Company's claims from PLN 1,360,326.23 to PLN 500,000.00. The hearing was held on 13 May 2022. According to the Court's order, it was an in-camera session. The hearing was postponed until 1 July 2022. On 1 July 2022, another hearing was held, in which the Court decided, among others, not to examine the motion for admission of an expert's opinion as evidence. The court decided to postpone the examination of the case to a date set under the applicable regulations. On 6 July 2022, the Company's attorneys received the Plaintiffs' motion for evidence. On 7 September 2022, the Company's attorneys received a decision closing the hearing, which obligated the Company to take a final position on the case within 21 days. On 28 September 2022, the final position on the case was submitted on behalf of the Company. On 4 October 2022, the final position of the Plaintiffs on the case was delivered to the address of the Company's attorneys. In a judgment of 30 November 2022, the District Court in Gdańsk dismissed the claim for annulment of the Resolution and repealed the Resolution and ordered the defendant to pay court costs to the plaintiffs. On 13 December 2022, the Company's attorneys applied for the preparation and delivery of justification for the entire judgment issued on 30 November 2022. On 31 January 2023, the justification for the judgment was prepared. The court also ordered the extension of the deadline for lodging an appeal in this case to three weeks from the date of delivery of a copy of the judgment with the justification to the defendant. On 9 March 2023, the Company's attorneys sent an appeal against the Court's judgment of 30 November 2022. The case files were transferred to the Court of Appeal in Gdańsk, the case is pending under reference number I AGa 52/23. The Company's attorneys received a copy of the response to the appeal on 23 June 2023. On 28 June 2023, an application was sent to the Court on behalf of the Company for consent to submit a preparatory letter (reply to the response to the appeal). On 27 September 2023, a procedural letter was sent on behalf of the Company - a request to accelerate the examination of the application of 28 June 2023 for consent to submit a preparatory letter (reply to the response to the appeal). On 8 November 2023, a letter from the Court of Appeals in Gdańsk was delivered to the address of the Company's attorneys, whereby the Company was allowed to file a reply to the response to the appeal and to letters from the auxiliary intervener dated 21

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	March 2023 and 4 October 2023. On 29 November 2023, a reply to the response to the appeal was sent on behalf of the Company. On 8 December 2023, a notice was published on the Information Portal of Common Courts setting the date for a remote hearing for 29 February 2024. A hearing was held on 29 February 2024. The court postponed the delivery of the judgment until 21 March 2024. On 21 March 2024 the Court of Appeal in Gdańsk issued a judgement, in which fully dismissed the appeal of the Company and awarded the costs of the appeal proceedings, including the costs of legal representation from the Company in favour of plaintiffs. The judgment is final on the day of its issuance. On 25 March 2024, an application was filed on behalf of the Company for the preparation and service of a statement of reasons for the judgment in its entirety, dated 21 March 2024, which was collected by the Company in early August 2024. The Company did not lodge a cassation appeal against the judgment and the case was thus concluded.
Company shareholders (plaintiffs) **Energa SA (defendant)**	**Lawsuit to repeal Resolution No. 5 of the Ordinary General Meeting of the Company of 20 May 2022** *Regional Court in Gdańsk; file No. IX GC 578/22, currently the Court of Appeals in Gdańsk; ref. no. I AGa 40/24* *The nature of the claim is financial and pecuniary, but any potential adverse outcome of the dispute will not result in the Company having to pay any money, other than costs of litigation.* On 20 May 2022, the Ordinary General Meeting of Energa SA passed a resolution on the distribution of net profit for fiscal year 2021 and on the allocation of all net profit earned for fiscal year 2021 to reserve capital (the "Resolution"). The Company's shareholders complained against the Resolution, filing a statement of claim to repeal it. The application, dated 20 June 2022, was served on Energa SA on 5 August 2022. The statement of defence was filed on behalf of the Company on 5 September 2022. In response to the court's order, in a letter dated 7 October 2022, the Plaintiffs filed a reply to the statement of defence. By way of an order of 24 October 2022, the Court ordered the Company's attorney to submit a pleading addressing the motions and claims in the Plaintiffs' reply. On 6 December 2022, a pleading was submitted on behalf of the Company (a reply to the reply to the statement of defence – a rejoinder), which addressed the motions and claims in the Plaintiffs' reply. By way of an order of 11 January 2023, the Court announced its decision to set the date for the hearing on 3 April 2023. The Court additionally ordered the Plaintiffs' attorney to file a statement of security account to confirm the Plaintiffs' transactions involving Company shares. The Court additionally ordered the Plaintiffs' attorney to submit minutes of the Company's General Meeting of 20 May 2022, together with the attendance list and a video and audio recording of the GM proceedings. On 7 February 2023, the Court order was fulfilled on behalf of the Company. On 22 February 2023, a letter from the Plaintiffs was delivered to the address of the Company's attorneys – fulfilment of Court order. On 3 April 2023, the first hearing in the case was held, during which two witnesses were questioned. At the hearing, a decision was also issued to hear the case behind closed doors. The hearing was adjourned until 27 July 2023. One witness was summoned for the date. The next hearing was scheduled for 16 November 2023. On 16 September 2023, a notice appeared on the Information Portal of Common Courts about the cancellation of the hearing scheduled for 16 November 2023, as well as a request for the person authorized to represent the Company to appear in person for a hearing as a party under penalty of omitting evidence at the hearing, which would take place on 9 January 2024. A hearing was held on 9 January 2024, the court rescheduled the delivery of the judgment to 23 January 2024. By judgment of 23 January 2024, the Regional Court in Gdańsk dismissed the lawsuit and ordered the plaintiffs to reimburse the defendant for the judicial costs. Both the plaintiffs and the Company filed motions for the Court to issue the statement of grounds for the judgment. On 9 February 2024, the judgment and statement of grounds were sent to the address of the Company's legal representatives. On 28 February 2024, the plaintiffs' appeal against the judgment of 23 January 2024 was filed with the Regional Court in Gdańsk. On 29 February 2024, the case file was transferred to the Court of Appeals in Gdańsk for it to hear the appeal. On 5 March 2024, the case file was received by the Court of Appeals in Gdańsk. The case was assigned ref. no. in second-instance proceedings - I AGa 40/24. On 17 April 2024, the Company's attorneys received a notice of termination of the power of attorney by the Plaintiffs' attorney. On 23 April 2024, a response to the appeal was filed on behalf of the Company. On 14 May 2024, the Company's attorneys received a pleading at the address of the Company's attorneys - the Plaintiffs attorney's joining of the procedure. At this stage, it is difficult to tell how the case will develop. In the statement of claim, the plaintiffs specified PLN 210 m as the value of the claim (the Company's net profit earned in 2021). The value of the claim is not taken into consideration, as despite the claim being financial and pecuniary, within the meaning of the Code of Civil Procedure, any potential adverse outcome of the dispute will not result in the Company having to pay any money, other than costs of litigation (court fees and attorney's fees). Any potential adverse consequences for the Company could only result from further (litigation and corporate) action taken by shareholders that would not be directly related to the subject matter of the proceedings, the risk (and financial consequences) of which are difficult to predict at this time.
Company shareholders (plaintiffs) **Energa SA (defendant)**	**Lawsuit to repeal Resolution No. 5 of the Ordinary General Meeting of the Company of 15 June 2023** *Regional Court in Gdańsk; file No. IX GC 797/23* *The nature of the claim is financial and pecuniary, but any potential adverse outcome of the dispute will not result in the Company having to pay any money, other than costs of litigation.* On 15 June 2023, the Ordinary General Meeting of Energa SA passed a resolution on the distribution of net profit for fiscal year 2022 and on the allocation of all net profit earned for fiscal year 2022 to supplementary capital (the "Resolution"). The Company's shareholders complained against the Resolution, filing a statement of claim to repeal it. The application, dated 20 July 2023, was served on Energa SA on 17 August 2023. The statement of defence was filed on behalf of the Company on 18 September 2023. On 7 November 2023, the Company's attorneys received a pre-trial pleading (also known as preparatory pleading – pismo przygotowawcze) from the plaintiffs dated 31 October 2023 (reply to the statement of defence against the lawsuit). On 9 November 2023, the defendant's motion for consent to file a pre-trial pleading was sent on behalf of the Company. On 16 November 2023, the scheduled hearing date (5 January 2024) was announced on the Information Portal of Common Courts. On 14 December 2023, a pleading responding to the reply to the statement of defence against the lawsuit was sent on behalf of the Company. The hearing was held on 5 January 2024. By decision of 23 January 2024 the Court dismissed the evidentiary requests. On 25 March the court issued a judgement dismissing the statement of claim and awarding the court costs from the plaintiffs in favour of the Company. A request for the preparation and service of a statement of reasons for the judgment was filed by the plaintiffs. On 11 April 2024, the Company's attorneys received a notice of termination of the power of attorney by the Plaintiffs' attorney. On 15 May 2024, the Company's attorneys received a pleading at the address of the Company's attorneys - the Plaintiffs attorney's joining of the procedure. On 22 May 2024, the statement of reasons for the judgment was published on the Common Courts Information Portal. At this stage, it is difficult to tell how the case will develop. In the statement of claim, the plaintiffs specified ca. PLN 49.9 m as the value of the claim (the Company's net profit earned in 2022). The value of the claim is not taken into consideration, as despite the claim being financial and pecuniary, within the meaning of the Code of Civil Procedure, any potential adverse outcome of the dispute will not result in the Company having to pay any money, other than costs of litigation (court fees and attorney's fees). Any potential adverse consequences for the Company could only result from

Parties	Object of dispute and details of the case
	further (litigation and corporate) action taken by shareholders that would not be directly related to the subject matter of the proceedings, the risk (and financial consequences) of which are difficult to predict at this time.
Company shareholders (plaintiffs) **Energa SA (defendant)**	**Action to revoke Resolution No 5 of the Annual General Meeting of Energa SA of 20 June 2024 on the distribution of net profit for FY 2023** *Regional Court in Gdańsk, 9th Commercial Division, case file ref.: IX GC 746/24* *The nature of the claim is financial and pecuniary, but a potential adverse outcome of the dispute will not result in the Company having to pay any money, other than costs of litigation.* On 20 August 2024, Energa SA received a copy of the action and a copy of the plaintiffs' pleading dated 20 July 2023, which rectified the formal deficiencies in the statement of claim, as had been requested by an order of 24 July 2024, issued in Case IX GC 746/24. The plaintiff's attorney requests that (1) Resolution No. 5 of the Ordinary General Meeting of ENERGA SA of 20 June 2024 on the distribution of net profit for the financial year 2023 be revoked (2) documentary evidence be admitted and examined (3) witnesses be admitted and heard (4) evidence from a court expert in economics be admitted and heard with a view to assessing the financial situation of the companies (5) that the parties be ordered to give evidence, except that Sławomir Staszak, acting President of the Management Board, should be ordered to appear in lieu of the defendant, jointly with another Board Member of the company's choice (6) that the defendant be ordered, pursuant to Article 248(1) of the Code of Civil Procedure, to surrender evidence, and that, subsequently, the evidence be examined (7) the defendant pay the costs of the trial, including the costs of legal representation, including the legal counsel's fee, as per the applicable law, and that the defendant reimburse the cost of stamp duty of PLN 51 paid for the filing of a copy of the power of attorney (8) that the case be heard and a judgment issued also if any of the Plaintiffs do not appear. On 22 October 2024, a response to the action was filed on behalf of the Company. The response requested that (1) the claim be dismissed in its entirety, (2) the Defendant be awarded the costs of the proceedings, including the costs of legal representation, (3) a hearing be convened, (4) the evidence listed in the response be admitted and heard, (5) some of the evidence requested by the Plaintiffs be disregarded, (6) that the Plaintiffs be ordered to submit a securities account statement confirming their transactions involving the Company's shares, including the date and price of each transaction, and that the aforementioned documents be admitted and examined as evidence. In the statement of claim, the Plaintiffs specified the value in dispute ("ViD") of approximately PLN 37.5 m (the Company's profit achieved in 2023). The ViD is not taken into consideration, as despite the claim being financial and pecuniary, within the meaning of the Code of Civil Procedure, any potential adverse outcome of the dispute will not result in the Company having to pay any money, other than costs of litigation (court fees and attorney's fees). Any potential adverse consequences for the Company could only result from further (litigation and corporate) action taken by shareholders, other than directly related to the subject matter of the proceedings, the risk (and financial consequences) of taking of which are difficult to predict at this time.
Energa SA (applicant)	**Komisja Nadzoru Finansowego** *(Polish Financial Supervision Authority)* On 30 October 2020, the Company requested the Polish Financial Supervision Authority to delist 269,139,114 Series AA common bearer shares (ISIN code in the National Depository for Securities: PLENERG00022) traded on the regulated market of the Warsaw Stock Exchange ("Request"). On 19 January 2021, the Company learned that, on 15 January 2021, the Polish Financial Supervision Authority had decided to stay the procedure. The reason for the staying of the procedure before the Polish Financial Supervision Authority was the action pending before a court to revoke Resolution No. 3 of the Company's Extraordinary General Meeting of 29 October 2020. In the statement of grounds to its decision dated 19 January 2021, the PFSA cited Article 97 § 1 point 4 CAP as the legal basis for the stay of the proceedings, and indicated that the examination of the case and issue of the decision depends on the prior resolution of the preliminary question by the court. Following the judgment of the Court of Appeal in Gdańsk of 21 March 2024, which dismissed in its entirety the appeal filed by the Company against the ruling of the court of first instance revoking Resolution no. 3 of the Company's Extraordinary General Shareholders of 29 October 2020, on 19 June 2024, the Company requested the Polish Financial Supervision Authority to revoke the Request and discontinue the proceedings in the case regarding the authorisation to delist the shares on the regulated market operated by the Warsaw Stock Exchange, which the Request had initiated. The PFSA granted the Company's request and discontinued the proceedings in its entirety under Decision of the PFSA dated 14 August 2024. The decision is final.
Eco dla Firm (plaintiff) **Energa Obrót SA (defendant)**	**Action for payment of remuneration in connection with Agency Agreement No. 1/2012, concerning the sale of electricity and gas products to Energa Obrót SA** *Regional Court in Gdańsk, 9th Commercial Division; file reference number IX GC 319/21* *The value of the claim is approx: PLN 5.4 million* On 30 June 30 2021 Energa Obrót SA was served with a suit for the payment of approx.. PLN 5,4 m with interest on account of remuneration in connection with the concluded Agency Agreement No. 1/2012 for the sale of energy and gas products to Energa Obrót SA. Energa Obrót SA prepared responses to the claim within the required deadline. Subsequently, pleadings were exchanged. In August 2021, the claimant received a letter requesting the suspension of the proceedings. The case has been suspended until the case brought by Energa Obrót SA against Eco dla Firm has been examined (case file IX GC 10/21).
Eco dla Firm (plaintiff) **Energa Obrót SA (defendant)**	**Compensation claims related to termination without notice of Agency Agreement No. 1/2012** *Regional Court in Gdańsk, 9th Commercial Division; file reference number IX GC 1066/21* *The value of the claim is approx: PLN 117.3 million* In the lawsuit of 4 December 2022, Eco dla Firm sp. z o.o. demands that Energa Obrót SA pays the amount of approx. PLN 117.3 m, together with statutory interest for the delay, as compensation for individual losses that were allegedly caused by Energa Obrót SA terminating the Agency Agreement without observing the notice period. On 14 June 2023, Energa Obrót SA filed a response to the lawsuit. On 7 July 2023, the Law Firm was served with a copy of the reply to the lawsuit. On 21 July 2023, Energa Obrót filed a rejoinder in response to the lawsuit. Pleadings were exchanged. On 5 January 2024, and 15 and 17 January 2025, the Court held hearings at which it took evidence from witnesses. The Court has set the next hearing for 27 June 2025.
Energa Obrót SA (plaintiff) **Eco dla Firm (defendant)**	**Claim for payment under the agency agreement for the sale of electricity** *Regional Court in Gdańsk, 9th Commercial Division; file reference number IX GC 10/21* *Claim value: approx. PLN 17.4 million*

Parties	Object of dispute and details of the case
	A claim for payment was filed concerning an adjustment of the commission under the agency agreement for the sale of electricity. Eco dla Firm filed a statement of defence, wherein it requested dismissal of the claim and award of the costs of the proceedings. It invoked time-barring of some of the claims (2015, 2016, 2017) and set off, and argued that the claim was not proven in principle and in terms of its value. Hearings were held on 19 and 23 May 2022. All witnesses reported for the case testified at the hearing. There was an exchange of pleadings of the parties regarding the indication of the DSO to the list of customers. On 28 October 2024, the case was resolved through a judgment that dismissed the action in its entirety. After receiving the statement of grounds, the Company decided to file an appeal.
Jeżyczki Wind Invest ("JWI"), **Wind Invest ("WI"),** **Stary Jarosław Wind Invest ("SJWI"),** **Krupy Wind Invest ("Krupy Wind Invest"), Boryszewo Wind Invest ("BWI") (plaintiffs),** **Energa Obrót SA (defendant)**	**Claim for payment of damages on account of Energa Obrót SA failure to perform the contracts for the sale of property rights derived from certificates of origin ("CPA")** *Regional Court in Gdańsk, 9th Commercial Department, case reference no. IX GC 1263/20; Court of Appeal in Gdańsk; V AGa 27/23* *Value of the object of litigation: approx. PLN 56.6 million* Statement of claim was filed on 30 December 2020. Statement of defence was issued in time, i.e. on 13 April 2021. On 7 February 2022 and 6 June 2022 hearings were held in this case. On 28 September 2022, a judgment of the court of first instance dated 21 September 2022 and issued in closed session was delivered, awarding from Energa Obrót SA a total of approx.. PLN 56,6 m with statutory late interest on each individual amount, as well as a total of approx. PLN 1,2 m in reimbursement. On 12 January 2023, the law firm was served with a copy of the judgment of 21 September 2022, together with the justification. On 1 February 2023, Energa Obrót SA filed an appeal. On 3 April 2023, the response to the appeal was delivered. On 26 September 2023, Energa Obrót submitted an application to take the necessary steps to appoint a panel of three judges to hear the appeal. Energa Obrót SA has filed further pleadings. On 19 March 2024, the EOB's representatives were delivered the plaintiffs' preparatory pleading together with the legal opinion of Prof. Wojciech Popiołek, in which the position on Prof. Jarosław Grykiel's gloss to the Supreme Court's judgment of 25 March 2022, ref. no. II CSKP 671/22 (issued in the case initiated by the cassation appeal of Energa Obrót filed in the case for payment brought by Boryszewo Wind Invest) was presented. On 17 July 2024, the Court of Second Instance announced its (final) judgment in the above-mentioned case. On 18 July 2024 Energa Obrót SA applied for a copy of the judgment with the statement of reasons. A cassation appeal was filed by decision of the Company. On 8 January 2025, a response to the cassation appeal was received.
AKKA Aneta Kwaśniewska (plaintiff) **Energa Obrót SA, P. Dorawa, A. Czarnecki, E. Bugaj, M. Piątek (defendants)**	**The claim for compensation for lost profit as a result of termination of franchises by Energa Obrót SA** *Regional Court in Gdańsk, 9th Commercial Division* *File number IX GNc 747/21* *Litigated value: PLN 8,5 million* The case is now pending in the first instance. On 30 November 2021, Energa Obrót SA filed a statement of defence on behalf of Energa Obrót SA and the other defendants. On 16 December 2021, the plaintiff was obligated to file a reply to the statement of defence. On 24 January 2022 the plaintiff's reply to the statement of defence was received. On 21 February 2022 (in response to the Court's commitment of 1 February 2022), a pleading was submitted on behalf of Energa Obrót and Members of the Management Board with a response to the Plaintiff's reply to the statement of claim. Hearings were held in the case, and pleadings were exchanged. The next hearing date was set for 6 December 2022, at which the Defendants' attorney submitted a pleading containing a response to the Plaintiff's pleadings of 18 August 2022 and 23 November 2022. On the above mentioned hearing and at the hearings on 28 February 2023 and 22 June 2023, witnesses were questioned. The next hearing date was set for 9 November 2023. Subsequent hearings took place on 9 November 2023 and 27 February 2024. The next hearing date will be set ex officio.
Wind Invest Group companies: Boryszewo Wind Invest, Dobiesław Wind Invest, Gorzyca Wind Invest, Krupy Wind Invest, Nowy Jarosław Wind Invest, Pękanino Wind Invest (plaintiffs) **Energa Obrót SA (defendant)**	**Actions for payment of damages for the loss incurred by the companies due to Energa Obrót SA's failure to conclude contracts for the sale of electricity generated by plaintiff companies and consequently sale of energy to other companies at prices lower than the prices which Energa Obrót SA was obliged to pay** *Regional Court in Gdańsk, 9th Civil Law Department, Case no. IX GC 1/21* *Court of Appeal in Gdańsk; Case no I AGa 172/24* *Value of the object of litigation: approx. PLN 6.9 million in total* On 13 April 2021, a statement of defence to the action of 30 December 2020 (delivered to the Company on 11 February 2021) was filed together with a request for a stay of proceedings. On 24 May 2021, the Plaintiffs filed a preparatory writ upholding their position. On 11 March 2022 the hearing was held. The parties took a stand – the plaintiff maintains the claim. The company maintained the caveat, in particular pointing on allowing the cassation appeal (the plaintiff appealed for dismissal of this motion). The parties also took a stand on an expert who is to calculate the damage. The hearing was held on 11 March 2022, and on 6 April 2022 attorneys for the plaintiff filed a procedural writ, being a motion for admission of documentary evidence. By a decision of 1 August 2022, the Regional Court admitted evidence in the form of an opinion of the Institute of Economic Analysis and Opinion. A response to the expert's opinion was submitted. On 21 March 2023, a response to the claimant's opinion was received. On 25 October 2023, the expert witness' opinion was responded to. The final pleading in the case was submitted. Judgment dated 8 March 2024, granting the claim in its entirety and awarding costs. A request for a statement of reasons was filed on 21 March 2024. An appeal in the above-mentioned case was filed on 31 July 2024.
Elektrownia Wiatrowa EOL sp. z o.o. (plaintiff) **Energa Obrót SA (defendant)**	**Action for payment of contractual penalties for Energa Obrót SA's failure to perform the framework agreement for the sale of property rights under the certificates of origin (CPA)** *Regional Court in Gdańsk, file No. IX GC 740/19; Court of Appeal in Gdańsk: V AGa 98/23* *Litigated value: approx. PLN 14 million* On 20 August 2019, Elektrownia Wiatrowa EOL filed a statement of claim for payment by Energa Obrót SA of contractual penalties on account of Energa Obrót SA's failure to perform the Agreement for the Sale of Property Rights under Certificates of Origin (CPA). Energa Obrót SA filed a statement of defence. The proceedings were stayed. Subsequently, on 20 September 2021, a court decision was received via an information portal which: (1) resumed the stayed proceedings, (2) granted EW EOL the permission to file a preparatory document, (3) obligated Energa Obrót SA to file a preparatory document, (4) obligated EW EOL and Energa Obrót SA to file preparatory documents presenting their position concerning the appropriateness of referring the parties to mediation and nominating the mediator. On 27 September 2021, Energa Obrót SA filed a letter stating that the referral to mediation was not appropriate. On 15 December 2021, EW EOL extended its claims to new contractual penalties totalling PLN 7,211,809.42, including statutory late payment interest accrued from 15 December 2021 to payment date, due to Energa Obrót

Parties	Object of dispute and details of the case
	SA's failure to acquire rights in property in later periods. On 12 January 2022, Energa Obrót SA filed a response to the extended lawsuit. On 17 March the hearing was held, during which the parties filed a number of formal motions, and the evidence from witnesses testimony was taken. The next hearing was held on 30 March 2023. The court took evidence from EW's cross-examination. The parties presented their final positions and submitted attachments to the minutes of the hearing. On 24 April 2023, the judgment was announced, in which the court: (1) awarded Energa Obrót PLN 6,798,863.69 with statutory interest for delay on the amounts PLN 4,126,785.44 from 14 September 2019 to the date of payment and PLN 2,672,078.25 from 6 January 2022 to the date of payment; (2) dismissed the claim in the remaining scope; (3) awarded Energa Obrót PLN 108,045 as reimbursement of legal costs. On 25 April 2023, Energa Obrót filed an application for delivery of the judgment with justification. On 21 June 2023, Energa Obrót appealed against the verdict. On 7 August 2023, a copy of the EW EOL appeal was delivered. On 21 August 2023, Energa Obrót submitted a response to the appeal of EW EOL. On 24 August 2023, EW EOL's response to Energa Obrót's appeal was delivered. On 17 May 2024, a notice of the composition of the panel hearing the case was served.
Energa Obrót SA (plaintiff) **Arkadiusz Wasilewski (defendant)**	**Action for payment** *District Court in Gdańsk, 7 Labour and Social Insurance Division* *Value in dispute: approx. PLN 40.7 million* On 31 December 2024, Energa Obrót SA filed an action for compensation against a former employee for a breach in the sales area.
CCGT Ostrołęka Sp. z o.o. (Plaintiff) **Ostrołęka Municipality (Defendant)**	**Action for the payment of liquidated damages due to improper performance (failure to perform on time) by Ostrołęka Municipality of its obligations arising from agreements signed with CCGT Ostrołęka Sp. z o.o. and for the payment (refund) of grant amounts not used by Ostrołęka Municipality** *Regional Court in Ostrołęka; case ref. I C 564/23* *Total value in dispute: approx. PLN 19 million* The case is being examined by a court of first instance; two public hearings have been held, at which witnesses were heard; before deciding on evidence from an expert, the presiding judge referred the parties to mediation, to which both parties agreed. Mediation was under way between October and December 2024, but no settlement was reached. Currently, the case has returned to the court, which will decide on whether to admit expert witness evidence.
Actions for declaration of the non-existence of a legal relationship purportedly established as a result of Energa Obrót SA entering into an agreement for the sale of property rights under certificates of origin (CPA)	
Energa Obrót SA (plaintiff) **WIND INVEST sp. z o.o. (defendant 1), mBank SA (defendant 2)**	*Regional Court in Warsaw, file No. XVI GC 798/17; Second instance file No. VII AGa 1004/19* *Litigated value: approx. PLN 15.2 million* On 11 September 2017, Energa Obrót SA filed a statement of claim. On 19 September 2019 the court dismissed the statement of claim filed by Energa Obrót SA. On 27 November 2019 Energa Obrót SA submitted an appeal, which was subsequently dismissed with judgment of the court of the second instance. On 22 March 2021, Energa Obrót SA filed a cassation appeal. The Defendants filed a response to the cassation appeal. On 25 August 2021 the cassation appeal brought by Energa Obrót SA was accepted for review. On 27 December 2021, a copy of a letter from Wind Invest was delivered, which contained information on the decision of the Supreme Court of 17 November 2021 that had refused to allow Energa Obrót SA's cassation appeal to proceed in the case against Jeżyczki Wind Invest and mBank. On 22 March 2022, Energa Obrót filed a procedural writ with its position on the letter by Wind Invest. The court issued a decision allowing the Parties to file procedural writs. On 22 August 2022, a motion from Wind Invest and mBank dated 16 August 2022 to schedule a hearing was delivered. On 9 June 2023, Energa Obrót submitted a letter concerning a request to the CJEU for a preliminary ruling. On 12 June 2023, the Law Firm received a letter from Wind Invest and mBank regarding the preliminary questions. On 6 July 2023, the decision of the Supreme Court of 28 June 2023 on suspending the proceedings until the CJEU resolved the questions for a preliminary ruling regarding cases II CSKP 496/22 and II CSKP 501/22, as well as a letter informing about permission to submit the letter from Wind Invest (and mBank) of 5 June 2023 and the letter from Energa Obrót of 9 June 2023, were delivered. On 28 June 2023, the Supreme Court held a closed session. The Supreme Court issued a decision on a stay of proceedings pending the resolution by the Court of Justice of the European Union of questions for a preliminary ruling referred by the Supreme Court in Cases II CSPK 496/22 and II CSKP 501/22.
Energa Obrót SA (plaintiff) **STARY JAROSŁAW WIND INVEST sp. z o.o. (defendant 1), mBank SA (defendant 2)**	*Regional Court in Warsaw, file No. XVI GC 802/17; second instance file No. VII AGa 61/20* *Supreme Court; Case II CSKP 1583/22), VVI Aga 13/25* *Litigated value: approx. PLN 13.8 million* On 11 September 2017, Energa Obrót SA filed a statement of claim. On 17 November 2017, the defendants filed statements of defence. With its judgment of 24 September 2019, the Court dismissed the action for declaration. On 17 December 2019, Energa Obrót SA filed an appeal against the judgment. On 15 April 2021, the Court of second instance issued a verdict dismissing the appeal filed by Energa Obrót SA. Energa Obrót SA filed an application for the delivery of the verdict together with the statement of grounds. The verdict with justification was delivered on 12 October 2021. On 13 December 2021, Energa Obrót SA filed a cassation appeal. On 8 February 2022, mBank filed its response to the cassation appeal and Stary Jarosław Wind Invest filed its response to the cassation appeal on 22 February 2022. On 26 May 2022, Energa Obrót SA learned about acceptance for examination of its cassation appeal. On 5 July 2022, a decision was received allowing the cassation appeal of Energa Obrót SA to proceed. On 22 August 2022, a motion from Stary Jarosław Wind Invest and mBank dated 16 August 2022 to schedule a hearing was delivered. On 10 July 2023, a letter was delivered informing about the termination of the power of attorney by one of mBank's representatives. On 10 August 2023, letters regarding the participation of mBank's representatives in the proceedings were delivered. On 15 November 2024, the Supreme Court overturned the verdict, cancelled the proceedings before the Administrative Court in Warsaw with regard to the 15 April 2021 hearing, and remanded the case to that court for further proceedings. On 20 January 2025, a document was received communicating the composition of the Administrative Court in Warsaw to hear the case.
Energa Obrót SA (plaintiff)	*Regional Court in Warsaw, file No. XVI GC 803/17; Second instance file No. VII AGa 572/19* *Litigated value: approx. PLN 5.6 million*

Parties	Object of dispute and details of the case
KRUPY WIND INVEST sp. z o.o. (defendant 1), mBank SA (defendant 2)	On 11 September 2017, Energa Obrót SA filed a statement of claim. The case was concluded by the court of first instance with a judgment dismissing the Company's action. Energa Obrót SA appealed on 2 July 2019. On 15 September 2020, the Court dismissed the appeal of Energa Obrót SA. On 30 December 2020, Energa Obrót SA filed a cassation appeal. The Defendants filed a response to the cassation appeal. On 27 December 2021, a copy of a letter from Krupy Wind Invest was delivered to Energa Obrót SA, which contained information on the decision of the Supreme Court of 17 November 2021 that had refused to allow Energa Obrót SA's cassation appeal to proceed in the case against Jeżyczki Wind Invest and mBank. Krupy Wind Invest presented that decision along with its letter. On 14 January 2022, Energa Obrót SA filed a pleading in response to the letter from Krupy Wind Invest which contained information on the decision of the Supreme Court of 17 November 2021 that had refused to allow Energa Obrót SA's cassation appeal to proceed in the case against Jeżyczki Wind Invest and mBank. On 28 February 2022 the order of the Supreme Court of 28 January 2022 on the consent to the permission to file above mentioned pleadings by Krupy Wind Invest and Energa Obrót SA was delivered. On 16 May 2022, a decision of the Supreme Court allowing the cassation appeal of Energa Obrót SA to proceed was delivered. On 9 June 2023, the Law Firm was served with a letter informing about the consent to Energa Obrót submitting a letter of 23 May 2023 regarding the request to the CJEU for a preliminary question. On 19 June 2023, the Law Firm received a letter informing about the permission of Krupa Wind Invest and mBank to submit a letter of 5 June 2023 regarding questions for a preliminary ruling. On 20 June 2023, despite the appointment of a hearing for that day, no ruling was issued. The next meeting date has not yet been set. On 10 July 2023, a letter was delivered informing about the termination of the power of attorney by one of mBank's representatives. On 10 August 2023, letters regarding the participation of mBank's representatives in the proceedings were delivered. On 21 December 2023, the Supreme Court issued a decision for the case to be heard and joined with the case against EW Koźmin and BNP Paribas Bank Polska. On 18 March 2024, in consolidated cases initiated by cassation appeals of EOB against EW Koźmin and BNP Paribas Bank Polska, EOL Wind Power Plant and Santander Bank Polska, Krupa Wind Invest and mBank (II CSKP 992/22), Energa Obrót filed a motion to set aside the orders on consolidation of the cases for joint examination and determination. On 5 April 2024, in consolidated cases initiated by cassation appeals of EOB against EW Koźmin and BNP Paribas Bank Polska, EOL Wind Power Plant and Santander Bank Polska, Krupa Wind Invest and mBank (II CSKP 992/22), Energa Obrót, the Law Firm was served with the Supreme Court's view on the absence of grounds for setting aside the orders on consolidation of the cases for joint examination and determination.
Administrative proceedings	
Appellant: Energa Obrót SA **Authority: President of the Energy Regulatory Office**	*Regional Court in Warsaw, Court for the Protection of Competition and Consumers* *Appeal against a fine imposed by the President of ERO* *Amount of fine: approx. PLN 193.7 million* On 18 December 2023, Energa Obrót SA received a decision of the President of ERO imposing a fine for failure to comply with the obligations referred to in Article 6(1) and (2) of the Act of 28 December 2018 amending the Excise Duty Act and certain other acts. On 29 December 2023, an appeal was filed in the case.
Appellant: Energa Obrót SA **Authority: President of the Energy Regulatory Office**	*Regional Court in Warsaw, Court for the Protection of Competition and Consumers* *Appeal against a fine imposed by the President of ERO* *Amount of fine: approx. PLN 60.7 million* On 18 December 2023, Energa Obrót SA received a decision of the President of ERO imposing a fine for failure to comply with the obligations referred to in Article 47(2) and Article 56(1) of the RES Act. On 29 December 2023, an appeal was filed in the case.

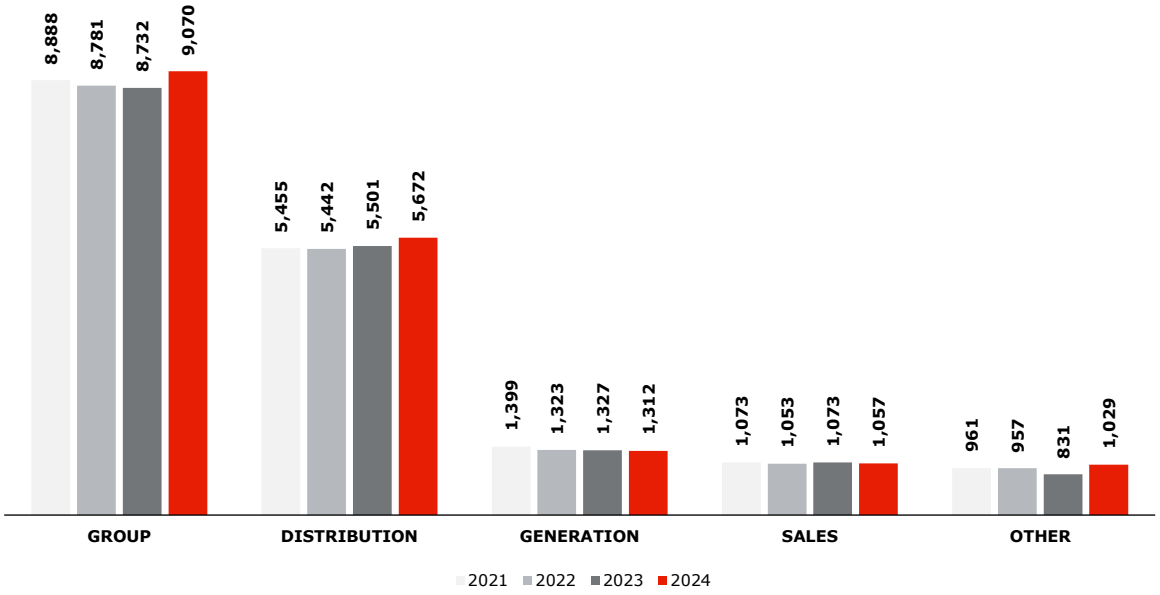
9.3 HR AND PAYROLL SITUATION

9.3.1 THE ENERGA GROUP

EMPLOYMENT

At the end of 2024, the Energa Group employed 9,070 people (total headcount including active and inactive persons). The noticeable difference in the 2024 headcount is mainly due to ownership changes (the takeover of PGNiG Service employees by Energa Informatyka i Technologie as an organised business unit – Other Business Line), the implementation of strategic and investment projects (mainly companies in the Distribution and Other Lines) and a temporary increase in Energa Operator staffing levels as part of the implementation of an age management policy and the need to pass on knowledge and skills from retiring employees in order to prevent skills gaps (Distribution Line).

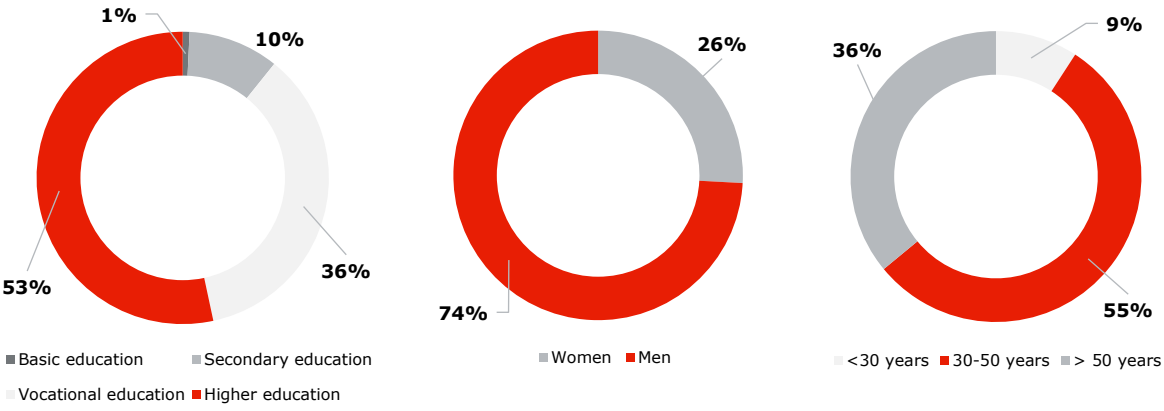
Figure 30. Energa Group's headcount as at 31 December in 2021-2024



By reason of its business profile and the specific nature of the industry, the Energa Group has a particular structure where as many as 74% of all employees are male. More than a half of the Energa Group employees have university education, and the second largest group are specialist technical staff with secondary education.

The Energa Group employs as many as 89.8% of people on permanent employment contracts and almost 99.5% of them are employed full-time, which guarantees a stable job and room to grow. Detailed workforce structure figures by gender, age and education are presented in the following charts.

Figure 31. Structure of employment in the Energa Group in 2024 by sex, education and age



COMPENSATION PLANS

The compensation plans at the Energa Group are decentralised and differentiated. They are governed by the Company Collective Bargaining Agreements, Compensation Policies, the Labour Code and collective agreements with trade union organisations.

The key document to apply until the end of 2027 is the Agreement on securing employee, welfare and trade union rights for Energa Group employees concluded on 18 September 2017 (as amended). The Agreement obliges the parties inter alia to negotiate an annual agreement on employee salary increases. The amounts earmarked for the increases are allocated as per the rules set forth in company pay agreements concluded individually by the various employers with the trade unions active at the Employers' enterprises.

2024 payroll system changes

In 2024, the following were effected:

- amendments to the Collective Labour Agreement for the Gdańsk Branch of Energa Operator SA,
- amendments to the Collective Labour Agreement for the Koszalin Branch of Energa Operator SA,
- amendments to the Collective Labour Agreement for the Kalisz Branch of Energa Operator SA,
- amendments to the Remuneration Policy of Energa Wind Service Sp. z o.o.

In 2024, negotiations were under way with trade unions towards the implementation of:

- a new Collective Labour Agreement for Energa Operator Wykonawstwo Elektroenergetyczne Sp. z o.o.,
- amendments to the Collective Labour Agreement for Energa Oświetlenie Sp. z o.o.
- amendments to the Collective Labour Agreement for Energa Wytwarzanie SA,
- new Company Collective Labour Agreement for Energa Ciepło Kaliskie Sp. z o.o.,
- amendments to the Remuneration Policy for Energa SA,
- amendments to the Remuneration Policy for CCGT Grudziądz Sp. z o.o.,
- amendments to the Remuneration Policy for Energa Informatyka i Technologie Sp. z o.o.
- amendments to the Company Collective Labour Agreement for the Olsztyn Branch of Energa Operator SA.

MATERIAL INFORMATION RELEVANT TO THE HR AND PAYROLL SITUATION

Principles of setting and monitoring the objectives

The targets are set on the basis of the current Energa Group Strategy, the Multi-Annual Plan of Strategic Investments and in the light of the internal and external challenges faced by the Energa Group. Additionally, targets are set through a consultation process and in accordance with a cascading model that incentivises and integrates the executives and managers around the targets, and encourages their co-ownership and solidarity towards achieving them. The system design allows both a focus on activities that are important from the perspective of the Energa Group and the fulfilment of the Group's ambitions. It also offers value for the Company's shareholders by building sustainable value for Energa and ensures stable business operations.

Standardisation of HR processes

In 2024, the transformation and business integration with the ORLEN Group continued to play a key role in the delivery of the HR strategy across the Energa Group. A breadth of HR arrangements were standardised across the organisation, which afforded a level playing field for employees, ensuring fair and secure working environment throughout the ORLEN Group. The priority tasks related to personnel policy are pursued on a day-to-day basis based on best market practices.

Key schemes and policies relevant to HR processes implemented and developed in 2024

- by reference to the Group's ethics policy:
  - **a.** ORLEN Group Code of Ethics,
  - **b.** Human Rights Protection Policy in the ORLEN Capital Group,
  - **c.** Rules on appointment and operation of Ethics Officers in the Energa Group,
  - **d.** Energa Group anti-workplace harassment and discrimination policy,
- employee development:
  - **a.** Training Policy,

b. Development interview, feedback culture,
c. E-Learning Platform,
d. Engaging leadership,
e. Age Management Policy,

- employee welfare activities:
  a. Vision-correcting glasses/contact lenses refunding rules,
  b. Rules for awarding the "Distinguished Employee" title,
  c. New employee onboarding rules,
  d. „Energa Passion" Scheme,
  e. MyBenefit – benefits management platform,
  f. Apartment rental subsidising rules,
  g. Diversity Policy,
  h. Wellbeing Policy,
  i. Policy laying down the principles and conditions of work for people with disabilities
  j. 'New Job' Scheme,
- other:
  a. Policy for managing ORLEN Group's employee potential,
  b. Recruitment Policy,
  c. Employee Mobility Policy;
  d. Intra-Group Employee Migration Policy,
  e. Rules for handling employee transfer processes within the ORLEN Capital Group,
  f. TRS (Total Reward Statement) – a personalised report on the total rewards from work,
  g. Employer Brand Ambassador Programme,
  h. Foreigner Employment Rules,
  i. Competency Model,
  j. 'Head for ORLEN' Trainee Programme,

Employee benefits:

In 2024, the system of additional employee benefits at the Energa Group included, among others:

1. The "employee tariff" for electricity offered once an employee reaches 1 year of service in the power industry,
2. Benefits granted under the Company Social Benefit Fund,
3. Benefits granted to employees for the Easter, the Power Engineers' Day and the Christmas,
4. Employee Pension Plans within the Group companies funded by employers at the rate of 7% of employee remuneration,
5. Employee Capital Plans within the Group companies funded by employers at the rate of 1.5% of employee remuneration,
6. The Additional Medical Services Plan,
7. ORLEN Shopping Cards,
8. Life insurance policies on preferential terms and with Employer co-payment,
9. Energa Passion" Scheme,
10. Subsidising eyeglasses and contact lenses,
11. Childbirth gifts,
12. Apartment rental allowance,
13. MyBenefit – benefits management platform,
14. The "For Eagles" scholarship scheme is intended for particularly talented and gifted children of employees – pupils of grades 7 and 8 of primary schools and students of secondary schools.

Employees with employment contracts, whether full-time or part-time, are entitled to a range of benefits from the Company Social Benefits Fund, including the following:

- a holiday benefit,
- a housing loan,
- an emergency allowance,
- Christmas gift cards for children,
- subsidised Multisport cards.

Every year, Energa Group companies hold a "Distinguished Employee" competition, in which the company awards the title to employees under the following three categories: for overall exemplary work on the job, for special achievements on the job, and for prosocial behaviour. Employees awarded the title receive a cash prize.

Energa Group offers a number of benefits to employees including:

- an additional day off on the Power Engineer's Day,
- discount-based benefits (discounts on corrective eyeglasses and ophthalmological services, discounts on car rental, special mobile phone offer from the Company's partner – Plus; Dell computer equipment; Apple devices and accessories; discounts on laboratory tests and rehabilitation accessories),
- extra 5 days of remote work per month,
- as part of the annual implementation of proactive activities called "Occupational Safety and Health Days", employees can opt for of free sets of medical examinations. The 2024 tests included cancer prevention and hearing (audiometry) tests.

Parenting-related benefits that are part of the Family-Friendly Employer program include:

- additional two days off to care for a child under three years of age,
- additional two days off to care for a disabled child,
- an additional hour's break for nursing mothers,
- participation in the countrywide campaign "Two Hours for the Family",
- two additional days of day care for family member.

An additional day off for people who implement ORLEN Group employee volunteering projects – an employee taking part in a voluntary work project organised by the ORLEN Foundation can take one additional day off per calendar year.

The employees exercise additional powers derived from the Agreement securing employee, social and trade union rights for the Employees of the Energa Group of 18 September 2017.

The Energa Group offers training and other forms of personal development to its employees to maintain high level competence, to expand knowledge and to make a valuable contribution to the Group's activity.

CHANGES IN WAGE CONDITIONS

Pursuant to an agreement on the 2024 rise in Energa Group employees' salaries, which was signed on 17 January 2024, employees of Group companies that signed as employers the Agreement of 18 September 2017 on safeguards for Energa Group employees' labour, welfare, and trade-union rights, as amended, have benefited from a mandatory rise in their pay since 1 January 2024. In addition, since 1 July 2024, employees with outstanding achivements have received an extra rise from the employers.

COLLECTIVE DISMISSALS

No collective dismissals occurred within the Group companies in 2024.

UNIZATION

At the end of 2024, there were 35 trade union organisations in the Energa Group companies. As at 31 December 2024 unionization at Energa Group reached 64%. Approx. 5,700 employees were members of trade unions.

LABOUR DISPUTES

2024 collective disputes in the Energa Group:

1. The collective dispute at the employer Energa Kogeneracja Sp. z o.o. regarding the reorganisation of Energa Kogeneracja Sp. z o.o. departments (Article 47 of the Collective Labour Agreement) is at the negotiation stage.
2. a collective dispute at 4 employers of Energa Operator Wykonawstwo Elektroenergetyczne Sp. z o.o. and a collective dispute at the employer Energa Ciepło Kaliskie Sp. z o.o. regarding the remuneration system.

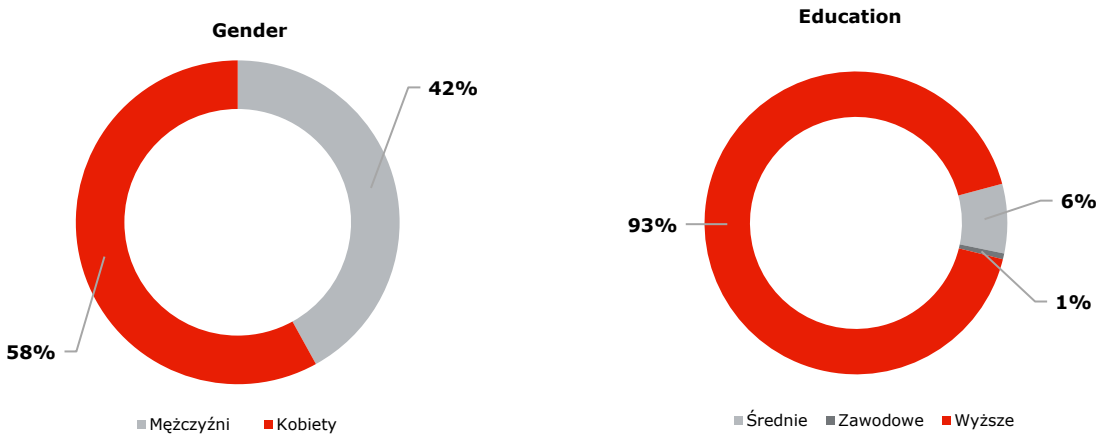
9.3.2 ENERGA SA

EMPLOYMENT

Table 42. Energa's headcount as at 31 December 2021- 2024 in person

2021	2022	2023	2024
158	153	162	159

Figure 32. Employment structure at Energa SA as at 31 December 2024



COMPENSATION PLANS

The Company's compensation system is defined in the Energa SA Employee Compensation Policy approved by way of Resolution No. 46/I/2007 of the Energa SA Management Board on 25 July 2007, Annex No. 7 of 5 December 2017 which introduced, as an attachment to the Employee Compensation Policy, the Rules of Energa SA Employee Prize Fund, Annex No. 9 to the Energa SA Employee Compensation Policy of 15 February 2024 introducing a new grading table of positions and monthly remuneration rates at Energa SA and the Agreement securing the employee, social and trade union rights for the Employees of the Energa Group, dated 18 September 2017, as amended.

As at 31 December 2024, 24 managers were employed under a contract for the provision of management, coordination and consulting services, including 3 people on the Company's Management Board. The costs of these services are not charged to the personal payroll fund.

MATERIAL INFORMATION RELEVANT TO THE HR AND PAYROLL SITUATION

EMPLOYEE BENEFITS

In 2024, the system of additional employee benefits at the Energa included, among others:

1. The 'employee tariff' for electricity offered once an employee reaches 1 year of service in the power industry,
2. Benefits granted under the Company Social Benefit Fund,
3. Benefits granted to employees for the Easter, the Power Engineers' Day and the Christmas,
4. Employee Pension Plans within the Group companies funded by employers at the rate of 7% of employee remuneration,
5. Employee Capital Plans within the Group companies funded by employers at the rate of 1.5% of employee remuneration,
6. The Additional Medical Services Plan,
7. ORLEN Shopping Cards,
8. Life insurance policies on preferential terms and with Employer co-payment,

9. Energa Passion" Scheme,,
10. Subsidising eyeglasses and contact lenses,
11. Childbirth gifts,
12. Apartment rental allowance,
13. MyBenefit – benefits management platform,
14. The "For Eagles" scholarship scheme is intended for particularly talented and gifted children of employees – pupils of grades 7 and 8 of primary schools and students of secondary schools.

Employees with employment contracts, whether full-time or part-time, are entitled to a range of benefits from the Company Social Benefits Fund, including the following:

- a holiday benefit,
- a housing loan,
- an emergency allowance,
- Christmas gift cards for children,
- subsidised Multisport cards.

Every year, Energa SA hold a "Distinguished Employee" competition, in which the company awards the title to employees under the following three categories: for overall exemplary work on the job, for special achievements on the job, and for prosocial behaviour. Employees awarded the title receive a cash prize.

Energa Group offers a number of benefits to employees including:

- an additional day off on the Power Engineer's Day,
- discount-based benefits (discounts on corrective eyeglasses and ophthalmological services, discounts on car rental, special mobile phone offer from the Company's partner – Plus; Dell computer equipment; Apple devices and accessories; discounts on laboratory tests and rehabilitation accessories),
- extra 5 days of remote work per month,
- as part of the annual implementation of proactive activities called "Occupational Safety and Health Days", employees can opt for of free sets of medical examinations. The 2024 tests included cancer prevention and hearing (audiometry) tests.

Parenting-related benefits that are part of the Family-Friendly Employer program include:

- additional two days off to care for a child under three years of age,
- additional two days off to care for a disabled child,
- an additional hour's break for nursing mothers,
- participation in the countrywide campaign "Two Hours for the Family",
- two additional days of day care for family member.

An additional day off for people who implement ORLEN Group employee volunteering projects – an employee taking part in a voluntary work project organised by the ORLEN Foundation can take one additional day off per calendar year.

Employees are also provided a number of benefits other than pay-related, including:

- an additional day off on the Power Engineer's Day,
- "Energa Passion" scheme,
- discount-based benefits (discounts on eyeglasses and ophthalmological services, discounts on subscription-based rental of new and used cars, discounts on telephones and computers, discounts and promotions for participants of Employee Capital Plans, discounts and promotions for employees covered by group life insurance, special offer for telephone subscriptions).

Furthermore, under the Collective Labour Agreement of 31 January 2024 on the allocation of monies earmarked for pay increases in 2024, in addition to a base salary increase, the Company's employees received an additional benefit in the form of an ORLEN Shopping Card, and the crediting of their individual cafeteria platform accounts.

The company offers training and other forms of personal development to its employees for them to maintain high level competence, expand knowledge and make a valuable contribution to the Company's operations.

CHANGES IN WAGE CONDITIONS

Based on the Agreement of 17 January 2024 on the determination of the Energa Group Employees' salary increase in 2024 and the Agreement of 31 January 2024 on the allocation of monies earmarked for pay increases in 2024, the Company's employees benefited from an obligatory salary increase as of 1 January 2024. In addition, since 1 July 2024, employees with outstanding performance have received an extra rise from the employers.

COLLECTIVE DISMISSALS

In 2024, there were no lay-offs at the Company.

COLLECTIVE DISPUTES

In 2024, the Company did not engage in any labour disputes.

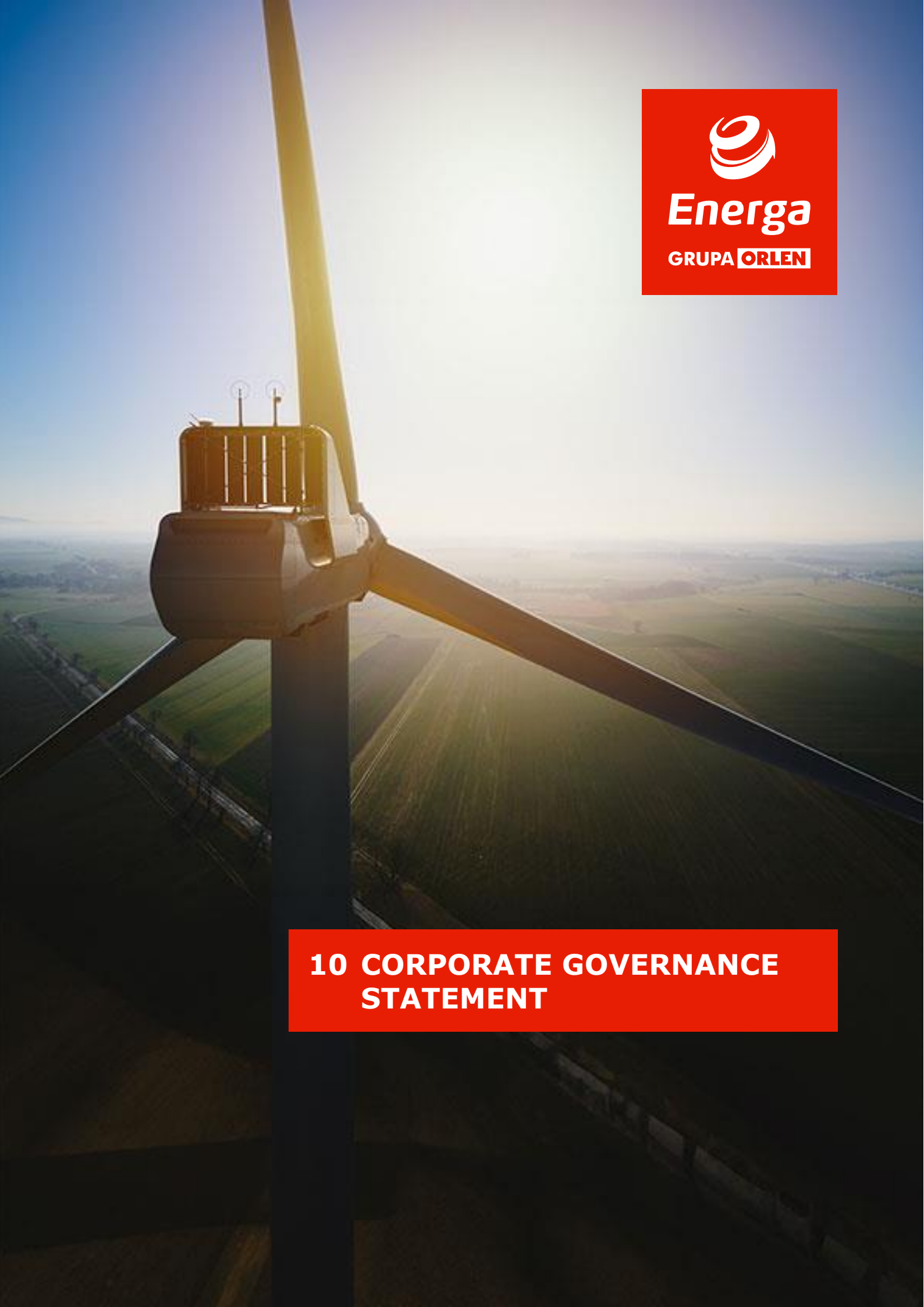
9.4 INFORMATION ON THE STATUTORY AUDIT FIRM

Consult Spółka z ograniczoną odpowiedzialnością Sp. k. (PKF) is the authorised auditor of the financial statements of Energa SA and of the Energa Capital Group (Chartered Auditor).

The agreement concluded between Energa SA and PKF on 20 December 2023 provides inter alia for the audit of standalone and consolidated financial statements of the Company and of the Group for 2023 and 2024 and a review of the accounts for H1 2024.

*Table 43. Remuneration of the auditor for services provided to the Group ('000 PLN)**

	Year ended 31 December 2023	Year ended 31 December 2024
Audit of annual statements	1,460	1,856
Other assurance services, including review of financial statements	601	506
TOTAL	**2,061**	**2,362**



10 CORPORATE GOVERNANCE STATEMENT

In 2024, the Company and its corporate bodies followed the corporate governance principles set out in Best Practice for WSE listed companies 2021 (hereinafter: "Good Practice 2021") adopted by Resolution No. 13/1834/2021 of the Supervisory Board of the Warsaw Stock Exchange of 29 March 2021. The document is available on the WSE website.

10.1 APPLICATION OF RULES OF CORPORATE GOVERNANCE

As at 31 December 2024, the Company failed to apply 9 rules 2021, namely:

- 1.4.2. - as part of the ongoing integration of the Energa Group with the Orlen Group, the process of unification of the methodology for calculating remuneration-related ratios is under way; therefore, the ratio mentioned in this rule is not published on the corporate website. The Company complies with the applicable national laws and regulations, including the Labour Code; moreover, the Company has taken measures and implemented good practices by applying internal policies to ensure the application of the principles of equality, respect and prevention, among others: Policy Against Mobbing and Discrimination in the Energa Group, Code of Ethics of the ORLEN Group, Policy for Compliance Management in the Energa Group, Policy for the Management of Employee Potential of the ORLEN Group. Furthermore, regular audits and improvement and remedial actions are carried out at the company,
- 1.5. - the non-application of the rule stems from the fact that the Company classifies the data indicated as sensitive information constituting trade secrets and does not publish separate statements in this respect,
- 2.1., 2.2 and 2.11.6.- the Company's employee diversity policy is presented in several internal documents. However, it has not been adopted in a document form by the Supervisory Board or the General Meeting. Despite that, gender diversity has been ensured at an appropriate level in the Company's bodies: as at 31 December 2024, there were three women and three men on the Supervisory Board. The Company seeks to ensure diversity on its bodies through the selection of diverse and professional managerial and supervisory team. Moreover, the Company respects the dignity of every person regardless of race, nationality, religion, gender, age, education, professional position, sexual orientation, degree of disability or political affiliation, and does not accept any form of discrimination,
- 2.11.5.- an assessment of reasonableness of the expenditure referred to in Rule 1.5. is carried out by the Company's Supervisory Board. However, due to the non-application by the Company of Rule 1.5. (as explained above), the annual report of the Company's Supervisory Board, presented to the Company's Ordinary General Meeting, does not contain the above assessment,
- 4.1. - The Company in 2021 made it possible for shareholders to participate General Meetings by means of electronic communication (e-meeting), which was caused by the restrictions on holding meetings introduced in connection with the SARS-CoV-2 epidemic. However, due to: (i) the abolition of the above-mentioned limitations, (ii) the existence of various types of risk related to the organization of e-meeting, such as the risk of transmission disruptions, the risk of communication take-over or the risk of technical problems, (iii) the fact that the vast majority of the share capital is present directly at the General Meeting, (iv) additional costs of organizing the e-meeting, the Company decided not to apply this principle. It should be noted that failure to apply the above-mentioned principle does not pose a risk of limiting or hindering shareholders from direct participation in General Meetings and exercising voting rights, as these meetings are held at convenient hours at the Company's seat.,
- 4.9.2. - as provided for in the Company's Articles of Association, a candidate member of the Supervisory Board intending to perform a function on the Audit Committee submits to the Company, before their appointment to the Supervisory Board, a written declaration of fulfilment of the statutory conditions listed in that rule. A candidate is not required to submit a declaration as to the existence of any actual and significant relationship of the candidate with a shareholder holding at least 5% of the total number of votes in the Company,
- 6.4 - The guideline rules of remuneration of the Supervisory Board members are laid down in the Remuneration Policy for Members of the Management Board and Supervisory Board of Energa SA adopted by the Company's Ordinary General Meeting. The remuneration of the Members of the Company's Supervisory Board does not depend on the number of meetings held. The remuneration is fixed and paid on a monthly basis. Whereas the Members of the Supervisory Board Committees are not paid any additional remuneration.

In addition to applying the rules set out in the 2021 Best Practices, Energa strives to communicate with equity market participants and take into account the investors' needs, among others, by publishing on the Company's website materials such as output presentations, key facts sheets or files with multi-annual quarterly data of the Group.

10.2 SIGNIFICANT SHAREHOLDERS

For information on the shareholding structure, please see Section 8.1. Energa's shareholding structure.

10.3 HOLDERS OF STOCK WITH SPECIAL CONTROL RIGHTS AND A DESCRIPTION OF SPECIAL CONTROL RIGHTS

ORLEN S.A. with its registered office in Płock owns the majority block of the Company's shares, including 144,928,000 series BB shares, preferred in terms of voting at the General Meeting, where one series BB share carries two votes at the General Meeting.

In accordance with § 17.3 and § 18.1 of Articles of Association, ORLEN has the personal right to appoint and dismiss, by means of a written statement, some members of the Supervisory Board of the Company, as well as the right to appoint the Chairman of the Supervisory Board, on the terms specified in the Company's Articles of Association.

10.4 RESTRICTIONS ON VOTING RIGHTS

As at the date of preparation of this Report, no restrictions on the exercise of voting rights exist.

10.5 RESTRICTIONS ON TRANSFER OF OWNERSHIP OF SECURITIES

As at the date of this report, there are no restrictions on the transfer of ownership of the Company's securities.

10.6 AMENDMENTS TO THE ARTICLES OF ASSOCIATION

Amendments to the Articles of Association must be made in accordance with the provisions of the Code of Commercial Companies. In particular, an amendment to the Articles of Association requires a resolution of the General Meeting adopted by a three-quarters majority vote, and subsequently it has to be constitutively recorded in the register of entrepreneurs of the National Court Register. For matters listed in § 28.1 of the Company's Articles of Association (which also require amendments to the Articles of Association), a resolution of the General Meeting requires a qualified majority of 4/5 of the votes cast. According to § 16 section 1 item 15 of the Company's Articles of Association, formulation of the uniform wording of the Company's Articles of Association is the prerogative of the Supervisory Board.

On 30 December 2024, the Annual General Meeting of ENERGA SA reworded § 16(1) point 7 of the Company's Articles of Association. On 21 January 2025, the amendments were disclosed in the business register of the National Court Register.

10.7 CORPORATE BODIES

THE GENERAL MEETING

The rules of procedure of the Company's General Meeting are set out in the CCC and in the Articles of Association. Additional issues concerning the conduct of the General Meeting are governed by the Rules of Procedure of the General Meeting (available on the Company's corporate website).

MANNER OF CONVENING THE GENERAL

The General Meeting is convened by means of a notice published on the Company's website and in the manner prescribed for the provision of current information in the Act on Offering, i.e. in the form of current reports. The notice must be published at least 26 days before the date of the General Meeting, in accordance with the provisions of the CCC.

In line with the Articles of Association, the General Meeting is convened by the Management Board:

1. on its own initiative,
2. at the written request of the Supervisory Board,
3. at the written request of a shareholder or shareholders representing at least one-twentieth of the share capital.

As a general rule, a properly convened General Meeting is valid irrespective of the number of shares represented therein.

General Meetings can be held either at the Company's registered office in Gdańsk or in Warsaw.

CONDUCT OF THE ORDINARY GENERAL MEETING

The General Meeting is opened by the Chairperson or Vice-Chairperson of the Supervisory Board, and in their absence – by the President of the Management Board or a person designated by the Management Board. Subsequently, the Chair of the Meeting is elected from among the persons entitled to participate in the General Meeting, in accordance with the Rules of Procedure of the General Meeting.

Resolutions must not be passed on items not covered by the agenda of the General Meeting, unless the entire share capital is represented therein and no one of those present has objected as regards the adoption of such resolutions.

Voting is open. Voting by secret ballot is ordered in the case of elections and motions to dismiss members of the Company's governing bodies or liquidators, motions to hold them liable, as well as in personnel-related matters. Further, a secret ballot must be ordered at the request of at least one of the shareholders present or represented at the General Meeting.

Resolutions of the General Meeting are adopted by an absolute majority, unless the CCC or the Articles of Association provide otherwise.

The General Meeting may order adjournments (by a two-thirds majority), which may not last longer than 30 days altogether.

POWERS AND RESPONIBILITIES OF THE GENERAL MEETING

Key powers and responsibilities of the General Meeting, as prescribed by the CCC and the Articles of Association, include in particular:

1. reviewing and approving the reports of the Management Board on the activities of the Company and the Energa Group, standalone financial statements of the Company and the consolidated financial statements of Energa Group for the previous financial year,
2. granting discharge to the members of the corporate bodies,
3. distribution of profit or coverage of loss,
4. changing the line of business of the Company,
5. amending the Articles of Association,
6. share capital increases or decreases,
7. merger, demerger or transformation of the Company,
8. dissolution or liquidation of the Company,
9. issue of convertible bonds or bonds with the right of priority and subscription warrants referred to in art. 453 § 2 of the Code of Commercial Companies,
10. disposal or lease of the enterprise or a branch of activities and creation of limited property rights thereon,
11. the establishment, use or dissolution of the capital accounts or funds referred to in § 31 section 1 item 5 and section 2 of the Company's Articles of Association, created by way of a General Meeting resolution,
12. appointment and dismissal of members of the Supervisory Board and determining the rules and level of their remuneration,
13. conclusion of the agreement referred to in art. 7 of the Code of Commercial Companies,
14. the Company's acquisition of its treasury stock in the situation referred to in Article 362 § 1 Item 2 of the Commercial Companies Code,
15. execution by the Company of a loan, advance or surety agreement or another similar agreement with a member of the Management Board, a member of the Supervisory Board, a commercial proxy or a liquidator, or in favour of any such person,
16. shifting of the dividend record date, indication of the dividend payable date or splitting of the dividend payment into instalments,
17. all decisions concerning claims for damage caused in the course of the formation of the Company or the exercise of management or supervision,
18. adopting a policy specifying the principles of remuneration for members of the Management Board and Supervisory Board of the Company,
19. establishing the rules for determining the remuneration of members of the Management Board.

An Extraordinary General Meeting of the Company was held on 4 April 2024. The resolutions adopted by that Meeting were disclosed in Current Report No. 15/2024 dated 4 April 2024. On 20 June 2024, an Ordinary General Meeting of the Company was held. The resolutions adopted by that Meeting were published in Current Report No. 32/2024 dated 20 June 2024. An Extraordinary General Meeting of the Company was convened on 30 December 2024. The resolutions adopted by that Meeting were disclosed in Current Report No. 48/2024 dated 30 December 2024.

SUPERVISORY BOARD

COMPOSITION

In FY 2024 and until the date of this Report, the composition of the Energa SA Supervisory Board has been as follows:

1.	**in the period from 1 January 2024 to 31 January 2024:**	
	Paula Ziemiecka-Księżak	Chairperson of the Supervisory Board
	Jarosław Dybowski	Vice-Chairperson of the Supervisory Board
	Agnieszka Terlikowska-Kulesza	Secretary of the Supervisory Board
	Sylwia Kobyłkiewicz	Member of the Supervisory Board
	Barbara Hajdas	Member of the Supervisory Board
	Agnieszka Żyro	Member of the Supervisory Board
	Artur Michalski	Member of the Supervisory Board
	Anna Ziobroń	Member of the Supervisory Board
2.	**in the period from 1 February 2024 to 1 March 2024:**	
	Paula Ziemiecka-Księżak	Chairperson of the Supervisory Board
	Jarosław Dybowski	Vice-Chairperson of the Supervisory Board
	Agnieszka Terlikowska-Kulesza	Secretary of the Supervisory Board
	Barbara Hajdas	Member of the Supervisory Board
	Agnieszka Żyro	Member of the Supervisory Board
	Artur Michalski	Member of the Supervisory Board
	Anna Ziobroń	Member of the Supervisory Board
3.	**in the period from 2 March 2024 to 4 April 2024:**	
	Paula Ziemiecka-Księżak	Chairperson of the Supervisory Board
	Jarosław Dybowski	Vice-Chairperson of the Supervisory Board
	Agnieszka Terlikowska-Kulesza	Secretary of the Supervisory Board
	Agnieszka Żyro	Member of the Supervisory Board
	Artur Michalski	Member of the Supervisory Board
	Anna Ziobroń	Member of the Supervisory Board
4.	**in the period from 5 April 2024 to 16 April 2024:**	
	Paula Ziemiecka-Księżak	Chairperson of the Supervisory Board
	Jarosław Dybowski	Vice-Chairperson of the Supervisory Board
	Dominika Lechowska	Member of the Supervisory Board
	Agata Piotrowska	Member of the Supervisory Board
	Dariusz Trojanowski	Member of the Supervisory Board
	Zbigniew Lubośny	Member of the Supervisory Board
5.	**in the period from 16 April 2024 to 25 April 2024:**	
	Paula Ziemiecka-Księżak	Chairperson of the Supervisory Board
	Jarosław Dybowski	Vice-Chairperson of the Supervisory Board
	Dominika Lechowska	Member of the Supervisory Board
	Agata Piotrowska	Secretary of the Supervisory Board
	Dariusz Trojanowski	Member of the Supervisory Board

	Zbigniew Lubośny	Member of the Supervisory Board
6.	**in the period from 26 April 2024 to 17 June 2024:**	
	Paula Ziemiecka-Księżak	Chairperson of the Supervisory Board
	Dominika Lechowska	Member of the Supervisory Board
	Agata Piotrowska	Secretary of the Supervisory Board
	Dariusz Trojanowski	Member of the Supervisory Board
	Zbigniew Lubośny	Member of the Supervisory Board
7.	**in the period from 18 June 2024 to 25 June 2024:**	
	Paula Ziemiecka-Księżak	Chairperson of the Supervisory Board
	Dominika Lechowska	Member of the Supervisory Board
	Agata Piotrowska	Secretary of the Supervisory Board
	Dariusz Trojanowski	Member of the Supervisory Board
	Zbigniew Lubośny	Member of the Supervisory Board
	Ireneusz Fąfara	Member of the Supervisory Board
8.	**in the period from 26 June 2024 to 29 July 2024:**	
	Ireneusz Fąfara	Chairperson of the Supervisory Board
	Paula Ziemiecka-Księżak	Member of the Supervisory Board
	Dominika Lechowska	Member of the Supervisory Board
	Agata Piotrowska	Secretary of the Supervisory Board
	Zbigniew Lubośny	Member of the Supervisory Board
	Dariusz Trojanowski	Member of the Supervisory Board
9.	**in the period from 29 July 2024 to 6 November 2024 roku:**	
	Ireneusz Fąfara	Chairperson of the Supervisory Board
	Paula Ziemiecka-Księżak	Vice-Chairperson of the Supervisory Board
	Dominika Lechowska	Member of the Supervisory Board
	Agata Piotrowska	Secretary of the Supervisory Board
	Zbigniew Lubośny	Member of the Supervisory Board
	Dariusz Trojanowski	Member of the Supervisory Board
10.	**in the period from 7 November 2024 to 6 January 2025:**	
	Ireneusz Fąfara	Chairperson of the Supervisory Board
	Dominika Lechowska	Member of the Supervisory Board
	Agata Piotrowska	Secretary of the Supervisory Board
	Zbigniew Lubośny	Member of the Supervisory Board
	Dariusz Trojanowski	Member of the Supervisory Board
11.	**in the period from 7 January 2025 to 14 January 2025:**	
	Dominika Lechowska	Member of the Supervisory Board
	Agata Piotrowska	Secretary of the Supervisory Board
	Zbigniew Lubośny	Member of the Supervisory Board
	Dariusz Trojanowski	Member of the Supervisory Board
12.	**in the period from 14 January 2025 to 31 January 2025:**	

	Renata Rosiak	Chairperson of the Supervisory Board
	Dominika Lechowska	Member of the Supervisory Board
	Agata Piotrowska	Secretary of the Supervisory Board
	Zbigniew Lubośny	Member of the Supervisory Board
	Dariusz Trojanowski	Member of the Supervisory Board
13.	**in the period from 1 February 2025 until the date of preparation of this Report:**	
	Renata Rosiak	Chairperson of the Supervisory Board
	Dominika Lechowska	Member of the Supervisory Board
	Agata Piotrowska	Secretary of the Supervisory Board
	Zbigniew Lubośny	Member of the Supervisory Board
	Dariusz Trojanowski	Member of the Supervisory Board
	Paweł Olechnowicz	Member of the Supervisory Board

Ms. Sylwia Kobyłkiewicz resigned from the Supervisory Board at the end of 31 January 2024.

Ms. Barbara Hajdas tendered her resignation from the Supervisory Board as of the end of 1 March 2024.

On 4 April 2024 the Extraordinary General Meeting of the Company adopted resolutions on dismissal, as of the end of 4 April 2024, Ms. Agnieszka Terlikowska-Kulesza and Artur Michalski from the composition of the Company's Supervisory Board and from the functions held by these persons in the Company's Supervisory Board; appointment, with effect from the beginning of 5 April 2024, the following persons to the composition of the Supervisory Board of Energa SA: Ms. Dominika Martyna Lechowska for the function of the Member of the Supervisory Board,Ms. Agata Justyna Piotrowska for the function of the Member of the Supervisory Board, Mr. Zbigniew Tadeusz Lubośny for the function of the Member of the Supervisory Board and Mr. Dariusz Trojanowski for the function of the Member of the Supervisory Board.

On 4 April 2024 the majority shareholder of the Company, ORLEN S.A., submitted a statement informing that - pursuant to Article 385 § 2 of the Polish Code of Commercial Companies and § 17 section 3 of the Company's Articles of Association - it dismissed, as of the end of 4 April 2024, Ms. Anna Barbara Ziobroń and Ms. Agnieszka Sylwia Żyro from the composition of the Company's Supervisory Board as well as from the function of the Member of the Company's Supervisory Board.

On 16 April 2024, the Supervisory Board elected Ms. Agata Piotrowska as Secretary of the Supervisory Board of Energa SA for the 7th Term of Office.

On 25 April 2024 the majority shareholder of the Company, ORLEN S.A., submitted a statement informing that - pursuant to Article 385 § 2 of the Polish Code of Commercial Companies and § 17 section 3 of the Company's Articles of Association - it dismissed, as of the end of 25 April 2024, Mr. Jarosław Dybowski from the composition of the Company's Supervisory Board as well as from the function of the Member of the Company's Supervisory Board.

On 17 June 2024 the majority shareholder of the Company, ORLEN S.A., submitted a statement informing that - pursuant to Article 385 § 2 of the Polish Code of Commercial Companies and § 17 section 3 of the Company's Articles of Association – as of the beginning of 18 June 2024 it appointed Mr. Ireneusz Jan Fąfara to the Company's Supervisory Board of joint term of office.

On 24 June 2024, the Company's majority shareholder, ORLEN S.A., submitted a statement pursuant to Article 385 § 2 of the Commercial Companies Code, § 17 section 3 and § 18 section 1 of the Company's Articles of Association on changing the function performed by Ms. Paula Ziemiecka-Księżak in the Supervisory Board of the Company, dismissing her from the position of Chairwoman of the Supervisory Board of Energa as of 25 June 25 2024, which did not constitute a dismissal from the composition of the Supervisory Board of Energa and the position of Member of the Supervisory Board of the Company. Ms. Paula Ziemiecka-Księżak served as Member of the Supervisory Board of the Company from 26 June 2024.

On 24 June 2024, the Company's majority shareholder, ORLEN S.A., submitted a statement pursuant to Article 385 § 2 of the Commercial Companies Code § 17 section 3 and § 18 section 1 of the Company's Articles of Association to change the function performed by Mr. Ireneusz Fąfara in the Supervisory Board of the Company and entrust him with the function of Chairman of the Supervisory Board of Energa with effect from 26 June 2024.

On 29 July 2024, the Supervisory Board elected Ms. Paula Ziemiecka-Księżak as Vice-Chairwoman of the Supervisory Board of Energa for the 7th term of office.

Ms. Paula Ziemiecka-Księżak submitted a statement of resignation from the position of Member of the Supervisory Board of the Company, effective as of 6 November 2024.

On 6 January 2025 Mr. Ireneusz Fąfara submitted a statement of resignation from the Company's Supervisory Board and from the position of President of the Company's Supervisory Board, effective as of the end of 6 January 2025.

On 14 January 2025 the majority shareholder of the Company, ORLEN S.A., submitted a statement informing that - pursuant to Article 385 § 2 of the Polish Code of Commercial Companies, § 17 section 3 and § 18 section 1 of the Company's Articles of Association – effective from 14 January 2025 at 2:00 p.m. it appointed Ms. Renata Agnieszka Rosiak to the Company's Supervisory Board, entrusting her with the function of the Chairwoman of the the Company's Supervisory Board.

On 24 January 2025 the Company received from its majority shareholder, ORLEN S.A., a statement informing that - pursuant to Article 385 § 2 of the Polish Code of Commercial Companies, and § 17 section 3 of the Company's Articles of Association – as of the beginning of 1 February 2025 it appointed Mr. Paweł Olechnowicz to the Company's Supervisory Board for the function of the Company's Supervisory Board Member.

Ms. Dominika Lechowska, Mr. Zbigniew Lubośny and Mr. Dariusz Trojanowski satisfy the independence criteria for independent supervisory board members within the meaning of the Best Practices of WSE Listed Companies, and also for independent members of the Audit Committee, within the meaning of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight (Journal of Laws of 2017, item 1089).

The current 7th term of office of the Supervisory Board of Energa SA will expire on the date of the General Meeting approving the financial statements for the financial year 2025.

Ms. Renata Agnieszka Rosiak Manager with over 25 years of professional experience in the fuel sector in the field of corporate supervision and corporate governance principles. Graduate of the University of Warmia and Mazury, postgraduate studies in financial management at the Warsaw University of Technology, studies in corporate management at the Warsaw School of Economics and Door Training International. She is authorized to sit on supervisory boards based on a state exam for candidates for members of supervisory boards of State Treasury companies. She started her career at Bank Pekao S.A. She has been with the ORLEN Group since 2000, where she carries out key tasks in the field of corporate supervision and strategic projects. She specializes in corporate supervision, corporate governance principles and M&A projects. She actively participated in the restructuring of Rafineria Trzebinia S.A. (currently ORLEN Południe S.A.), in the project of taking over corporate control over AB Mazeikiu Nafta (currently ORLEN Lietuva), many key and strategic transformation and integration projects implemented in the ORLEN Capital Group. She co-created the principles of capital group management. She has extensive experience in managing matters characteristic of international capital groups. She has served as a member of numerous supervisory bodies, both in Poland and abroad. Currently she holds the following positions: Director of the ORLEN Capital Group Office, Deputy Director of the Central Branch of PGNiG ORLEN S.A., Member of the Board of Directors of ORLEN Lietuva AB.

Ms. Dominika Martyna Lechowska graduated from the Faculty of Law and Administration of the Jagiellonian University. She qualified as a legal adviser in 2014 after completing her legal adviser training. She completed her postgraduate studies at the Warsaw School of Economics: Operation of the electricity balancing market. She is a doctoral student. She has many years of experience in commercial law and governance of companies with Treasury shareholding, including companies of major importance to the national economy. As a legal adviser to the Ministry of State Assets, she is responsible for preparing legal opinions, preparing and reviewing corporate documentation of companies, ongoing consultation and legal advice. She participated in the consolidation processes of companies. She has been the Chair of General Meetings of companies, including, but not limited to, ENEA SA, GPW SA. Moreover, she gained experience in governance by serving on the supervisory bodies of companies such as Towarzystwo Finansowe "Silesia" sp. z o.o. (Chairperson of the Supervisory Board), Nadwiślańska Spółka Mieszkaniowa sp. z o.o. (Vice-Chairperson of the Supervisory Board), PPPP Naftoport sp. z o.o. (Member of the Supervisory Board), etc. She is a lecturer in bankruptcy and restructuring law.

Ms. Agata Justyna Piotrowska graduated from the Faculty of Management and Marketing of the Warsaw School of Economics. She completed postgraduate studies at the Company Academy at the College of Management and Finance of the Warsaw School of Economics. She has over 15 years of professional experience in corporate governance, coordination of management processes, supervision of processes and projects in the area of planning, optimization, restructuring, investments and divestments at ORLEN Group companies. From 2010 to 2024, she served as a Member of the Supervisory Board of ORLEN Group companies, including: ORLEN Medica Sp. z o.o., ORLEN Automatyka Sp. z o.o., ORLEN Budonaft Sp. z o.o., ORLEN Projekt S.A., ORLEN Eko Sp. z o.o., ORLEN Laboratorium S.A., Baltic Power sp. z o.o., ORLEN Wind 1 sp. z o.o., ORLEN Wind 2 sp. z o.o., ORLEN Wind 3 sp. z o.o., ENERGA S.A. She is currently a member of the Supervisory Boards of the following companies: ORLEN Energia sp. z o.o. and ORLEN Neptun sp. z o.o. She is currently Head of Corporate Governance Department 2 at the ORLEN Group Office, where she is responsible for the governance of ORLEN Group companies, including in particular companies in the Energy and Renewable Energy Sector (RES).

Mr. Zbigniew Tadeusz Lubośny is a professor of Technical Sciences (since 2005). He graduated from the Gdańsk University of Technology with degrees in two fields of study: electrical engineering (1985, Faculty of Electrical and Control Engineering) and industrial organization and management (1987, now Faculty of Economics). In 1991, he defended his doctoral thesis and eight years later obtained his postdoctoral degree at the same university. Currently employed at the Gdańsk University of Technology as a full professor. His areas of research interest are: mathematical modelling, power system stability, power system control, application of artificial intelligence to power system control, modelling and control of wind power plants. He served as Vice-Dean for Science and Head of the Department of Power Engineering at the Faculty of Electrical and Control Engineering of the Gdańsk University of Technology. In 2001 and 2002, he was employed at the Otto-von-Guericke Universität Magdeburg and in the years 2004 to 2006 at the University of Edinburgh (project: "Supergen: Future Network Technologies"). He was a member of the Scientific and Technical Council of ENERGA S.A.'s Research and Development Centre and the Scientific and Technical Council for Innovation of ENERGA S.A. He is a member of the Scientific Council of the Power Institute and Chairman of the Power Systems Section of the Committee on Electrical Engineering of the Polish Academy of Sciences. He chaired the Scientific Council of the Automatyka elektroenergetyczna (Power System Control Engineering) journal and served as Editor-in-Chief of the Acta Energetica quarterly published by ENERGA S.A. He has authored and co-authored more than 20 national and international monographs, more than 180 scientific articles, and more than 140 expert reports and analyses on the operation of power systems and their components. He has been working with transmission system operators (Polish, British, Icelandic, Colombian) and national distribution system operators.

Mr. Dariusz Trojanowski holds a post-doctoral degree in social sciences in the field of economics and finance from the University of Gdańsk. In 1996, he graduated from the University of Gdańsk with a degree in management in the field of business economics. He has also been a certified surveyor since 1995. Since 2004 employed at the University of Gdańsk in research and teaching positions, currently as a university professor with the Department of Investment and Real Estate at the Faculty of Management of the University of Gdańsk. He has been combining his academic work with business practice. From 1996 to 2004, he worked at NDI SA as an investment analyst and then as head of the analysis department. His duties included assessments of capital expenditure projects and roles as management board member and supervisory board member in various special purpose vehicles. Since 2004, he has been advising various entities, including local authorities, on management and finance.

Mr. Paweł Olechnowicz He is a graduate of the AGH University of Science and Technology in Cracow. He completed a two-year postgraduate course in "economics, organisation and management of enterprises" at the Gdansk University of Technology. He has attended a number of international training programmes to improve his knowledge of the management and economic development of multinational enterprises with international structures. He completed a shortened MBA programme taught by INSEAD lecturers from Fontainenbleau France and the Executive Management Programme at INSEAD. In 1990-1996, as the President of the first Polish privatised state-owned company Zamech in Elbląg, he carried out a major restructuring programme to transform the company from a communist system to ABB Zamech operating in international markets based on the free competitive market principles. As a result, he was promoted to the ABB Group headquarters in Zurich, Switzerland, where he was responsible for the development of ABB companies in the Central and Eastern European markets for three years as Vice-president at the ABB headquarters. After returning to Poland, as the Vice-President of the Management Board of the Grupa Kęty, he was responsible for the company's development programme. In 2002-2016, he was the President of the Management Board and the General Director of Grupa LOTOS S.A. The greatest successes included the restructuring of the Gdansk Refinery and the creation of the vertically integrated Grupa LOTOS as well as its introduction to the Warsaw Stock Exchange, and then the dynamic development of LOTOS together with the implementation of one of the largest industrial investments at that time, worth over PLN 6 billion, the 10+ Programme. Lotos was the sixth company in Central Europe and the third in the Polish market. In April 2016, he was dismissed from the position of the President of LOTOS Group, from where he retired in February 2019. Since December 2024, he has been an advisor to the President of the Management Board of ORLEN S.A. He was the chairman and member of many supervisory boards of energy companies in Poland and Central Europe. On the initiative of Paweł Olechnowicz, the Brussels-based Central Europe Energy Partners organisation was established in 2010. This public benefit association, representing the broader energy sector of the Central Europe region, was tasked with supporting the integration of the Central European energy sector as part of the common energy and security policy in the EU energy sector. Paweł Olechnowicz is a Member of the Main Council of the BCC and the Council of the Gdansk Business Club. He was the President and a Member of the Management Board of the Polish Academic and Economic Forum. He is the Chairman of the team of energy advisors at the Rector of the Gdansk University of Technology and a Member of the Convention of the Fahrenheit University in Gdańsk. In 2011, he was awarded the Officer's Cross of the Order of Polonia Restituta by the President of the Republic of Poland Bronisław Komorowski for outstanding contributions to the development of the national economy and for achievements in professional work. None of the above members of the Supervisory Board are engaged in any activities competitive to the business of Energa SA, participate in any competitive company as a partner of a partnership or as a member of a body of a corporation, or participate in any other competitive legal person as a member of its corporate bodies, neither is any of them listed in the Registry of Insolvent Debtors maintained pursuant to the Act on the National Court Register..

POWERS AND RESPONSIBILITIES OF THE SUPERVISORY BOARD

The powers and responsibilities of the Supervisory Board include, in particular:

1. assessing the Management Board's report on the Company's and Group's operations as well as the financial statements for the previous financial year and the consolidated financial statements of the Group in terms of their consistency with the records, relevant documents and the facts, assessing the Management Board's recommendations on allocation of profit or coverage of loss,
2. submitting annual written reports on the assessment results to the General Meeting, referred to in point 1,
3. preparation of reports in connection with oversight of the investments carried out by the Management Board and ensuring that investment spending is incurred in a correct and effective manner,
4. preparing, at least once per year, together with a report on the results of the assessment of the annual financial statements and the consolidated financial statements of the capital group, an opinion of the Supervisory Board on the economic viability of the Company's capital exposure to other commercial companies effected in the relevant financial year,
5. preparation and presentation, once a year, to the Annual General Meeting of a brief assessment of the Company's standing, including an evaluation of the internal control system and the system for managing the Company's material risks,
6. reviewing of and expressing opinion on issues which are to be the subject of resolutions of the General Meeting,
7. selecting the audit firm to examine the financial statements and the consolidated financial statements of the capital group,
8. specifying the scope and deadlines for submission of annual/long-term material and financial plans, other long-term plans and strategies for the Company and its capital group by the Management Board,
9. approving strategies for the Company and its capital group,
10. approving annual/long-term material and financial plans and investment plans for the Company and its capital group,
11. adopting rules of procedure detailing the procedures applicable to the activities of the Supervisory Board,
12. approving the rules of procedure of the Company's Management Board,
13. approving the Company's organisation policy,
14. approving the principles of the Company's sponsoring activity and assessing its effectiveness,
15. agreeing the consolidated text of the Company's Articles of Association,
16. granting consent to the Management Board to acquire and dispose of specific non-current assets as well as concluding specific contracts,
17. determining the individual conditions for the provision of services by members of the Management Board, as part of the resolution of the General Meeting of Shareholders as referred to in § 27 section 1 clause 8) of the Articles of Association,
18. determining the Rules of the Bonus System for members of the Management Board,
19. suspending, for major reasons, individual or all members of the Management Board, as well as delegating members of the Supervisory Board, for a period not exceeding three months, to perform temporarily the duties of Management Board members who are at the time unable to perform their duties and setting their remuneration, provided that the total remuneration received by the delegated person for his or her performance of the function of a Supervisory Board member and his or her temporary performance of the duties of a Management Board member does not exceed the salary set in respect of the Management Board member being filled in for by the delegated member of the Supervisory Board,
20. granting consent for the establishment of the Company's branches abroad,
21. authorizing Management Board members to assume positions in corporate bodies of other companies and collecting resulting remuneration,
22. authorizing the Management Board to subscribe to, sell or acquire shares, within the meaning of the Act on State Property Management of 16 December 2016, of another company,
23. defining the mode for exercising the voting right by the Company at the general meetings or shareholders' meetings of companies,
24. granting the consent to conclude a material transaction with an entity related to the Company within the meaning of the Act of 29 July 2005 on Public Offering and on the Terms of Introducing Financial Instruments into Organised Trading and on Public Companies,
25. developing a procedure for periodic assessment whether material transactions with a related party of the Company are concluded on an arm's length basis as part of the ordinary business of the Company or a subsidiary of the Company.

A detailed description of the powers and responsibilities of the Supervisory Board is provided in the Company's Articles of Association, published on the Company's website.

METHOD OF OPERATION OF THE SUPERVISORY BOARD

The Supervisory Board consists of 5 to 9 members. The Supervisory Board is responsible for the permanent supervision of the operations of the Company, in accordance with the CCC and the Articles of Association. The detailed operating procedure is defined in the Rules of Procedure of the Supervisory Board, available on the corporate website.

The Supervisory Board carries out its activities as a body. Members of the Supervisory Board participate in meetings, exercise their rights and perform their obligations in person.

As a general rule, the Supervisory Board adopts its resolutions at meetings held at least once every two months.

Meetings of the Supervisory Board shall be convened by the Chairman or another authorised member of the Supervisory Board, presenting a detailed agenda. A meeting should also be convened at the request of any Supervisory Board member or of the Management Board.

Meetings of the Supervisory Board are chaired by the Chairperson, and in his or her absence – by the Vice-Chairperson.

Supervisory Board members may attend meetings and vote on resolutions adopted during such meetings by direct remote communication.

In accordance with the Articles of Association, the Supervisory Board may adopt resolutions if at least half of its members are present at the meeting and all Supervisory Board members have been invited to the meeting.

The Supervisory Board may adopt resolutions independently of its meetings, either by circulation or by means of distance communication, including in particular e-mail. Such resolution is valid if all members of the Supervisory Board have been notified of the wording of the draft resolution.

Supervisory Board resolutions are passed by an absolute majority of votes, and in the event of a tie vote, the Chairperson's vote is decisive.

The Supervisory Board adopts resolutions in an open ballot.

For important reasons, the Supervisory Board may delegate individual members to perform certain supervisory activities on their own.

The Supervisory Board may delegate its members, for no longer than three months, to perform temporarily the duties of Management Board members who are unable to perform their duties.

A detailed description of the activities of the Supervisory Board is contained in the Report on the activities of the Supervisory Board, submitted annually to the General Meeting and published on the corporate website of the Company.

The Supervisory Board appoints the Audit Committee and the Nomination and Compensation Committee.

From 1 January to 31 December 2024, the Supervisory Board of Energa SA held 12 meetings and adopted 192 resolutions. In 2024, eight meetings of the Supervisory Board took place without all members in attendance. Each time the Supervisory Board made a decision in the form of a resolution to excuse the absence of a given Supervisory Board member, based on the information provided by that member about reasons for the absence.

THE AUDIT COMMITTEE

The operating principles of the Audit Committee are defined in the Articles of Association of Energa SA and the Rules of Procedure of the Supervisory Board, available on the Company's website.

The Audit Committee operates as a body and provides advice and opinion to the Supervisory Board.

The tasks of the Audit Committee shall in the first instance include:

1. monitoring of:
   a. the financial reporting process,
   b. the effectiveness of the internal control system and the risk management and internal audit systems, including in the area of financial reporting,

c. the performance of audit activities, in the first instance audits carried out by an audit firm, taking into account any conclusions and findings of the Audit Supervision Committee arising from the inspection conducted in the audit firm,

2. inspecting and monitoring the independence of the registered auditor and the audit firm,
3. communicating audit findings to the Company's Supervisory Board and explaining how the audit contributed to the reliability of financial reporting in the Company, and what the role of the Audit Committee was in the audit process,
4. assessing the independence of the registered auditor and giving consent to the provision of permitted non-audit services to the Company thereby,
5. developing a policy for the selection of an audit firm to carry out an audit,
6. developing a policy for the provision of permitted non-audit services by an audit firm carrying out an audit, by entities affiliated to the audit firm and by a member of the audit firm's network,
7. defining the procedure for the selection of an audit firm by the Company,
8. making recommendations to the Supervisory Board regarding the appointment of an audit firm, in accordance with the policies referred to in sub-paragraphs 5 and 6 above,
9. making recommendations intended to ensure the reliability of the financial reporting process in the Company,
10. monitoring the operation of the Compliance Management System at the Company and in Energa Group.

The Audit Committee includes at least three members of the Board, where at least one member of the Audit Committee should have knowledge and skills in the field of accounting or auditing of financial statements. In addition, the majority of members of the Audit Committee, including the chairman of the Committee, should be independent and meet the criteria listed in art. 129 (3) of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision (Journal of Laws of 2017, item 1089). Members of the Audit Committee shall also have skills and knowledge relating to the industry in which the Company operates. This condition is considered to be fulfilled if at least one member of the Audit Committee has skills and knowledge of the industry or if individual members, to specific extent, have skills and knowledge of the industry.

In FY 2024 and to date, the composition of the Audit Committee has been as follows:

1.	**in the period from 1 January 2024 to 31 January 2024:**	
	Agnieszka Terlikowska-Kulesza	Chairperson of the Committee
	Paula Ziemiecka-Księżak	
	Sylwia Kobyłkiewicz	
	Artur Michalski	
2.	**in the period from 1 February 2024 to 4 April 2024:**	
	Agnieszka Terlikowska-Kulesza	Chairperson of the Committee
	Artur Michalski	
	Paula Ziemiecka-Księżak	
3.	**in the period from 5 April 2024 to 15 April 2024:**	
	Paula Ziemiecka-Księżak	
4.	**in the period from 16 April 2024 to 22 April 2024:**	
	Dariusz Trojanowski	
	Dominika Lechowska	
	Zbigniew Lubośny	
	Paula Ziemiecka-Księżak	
5.	**in the period from 22 April 2024 to 6 November 2024:**	
	Dariusz Trojanowski	Chairperson of the Committee
	Dominika Lechowska,	

	Zbigniew Lubośny,	
	Paula Ziemiecka-Księżak.	
6.	**in the period from 7 November 2024 until the date of preparation of this Report:**	
	Dariusz Trojanowski	Chairperson of the Committee
	Dominika Lechowska	
	Zbigniew Lubośny	

Ms. Sylwia Kobyłkiewicz resigned from the Supervisory Board at the end of 31 January 2024.

On 4 April 2024, the Extraordinary General Meeting of the Company adopted resolutions to dismiss, as of the end of 4 April 2024, Ms. Agnieszka Terlikowska-Kulesza and Mr. Artur Michalski from the Company's Supervisory Board and the positions held by these persons in the Company's Supervisory Board.

On 16 April 2024, the Company's Supervisory Board supplemented the composition of the Audit Committee by appointing Mr. Dariusz Trojanowski, Ms. Dominika Lechowska and Mr. Zbigniew Lubośny.

At the meeting of the Audit Committee of the Supervisory Board on 22 April 2024, Mr. Dariusz Trojanowski was elected Chairman of the Audit Committee of the Supervisory Board of Energa of the 7th term of office.

Ms. Paula Ziemiecka-Księżak submitted a statement of resignation from the position of Member of the Supervisory Board of the Company, effective as of 6 November 2024.

The Audit Committee's activities in the previous financial year, together with a detailed description of the activities undertaken by the Committee, are described in the Audit Committee Activity Report, which is attached to the Supervisory Board Activity Report, submitted annually to the General Meeting and published on the Company's corporate website.

In 2024, the Audit Committee held 6 meetings, of which 3 took place with all members in attendance.

THE NOMINATION AND REMUNERATION COMMITTEE

The scope of the Nomination and Compensation Committee's operations covers expressing opinions and conducting analyses to support the Supervisory Board in the performance of its duties defined by the Articles of Association in respect of the overall compensation policy for Management Board members, the Company's upper level management and in the other companies in Energa Group, and to articulate recommendations on appointing Management Board members.

The powers and responsibilities of the Nomination and Remuneration Committee shall in the first instance include:

1. conducting activities related to the recruitment of members of the Company's Management Board within the scope indicated by the Supervisory Board,
2. preparing draft contracts and templates of other documents in connection with serving as members of the Company's Management Board and supervising the performance of the contractual obligations assumed by the parties,
3. supervising the implementation of the Management Board's remuneration system, in the first instance preparing accounting documents concerning variable and bonus elements of remuneration,
4. monitoring and analysis of the compensation plan for the Management Boards and executives of Energa Group companies,
5. supervising the correct provision of contractual extra benefits to the Company's Management Board.

In FY 2024, the composition of the Nomination and Compensation Committee was as follows:

1.	**in the period from 1 January 2024 to 31 January 2024:**
	Sylwia Kobyłkiewicz
	Paula Ziemiecka-Księżak
	Agnieszka Żyro
2.	**in the period from 1 February 2024 to 3 March 2024:**
	Paula Ziemiecka-Księżak
	Agnieszka Żyro
3.	**in the period from 4 March 2024 to 6 March 2024:**

	Agnieszka Terlikowska-Kulesza	
	Paula Ziemiecka-Księżak	
	Agnieszka Żyro	
4.	**in the period from 6 March 2024 to 4 April 2024:**	
	Paula Ziemiecka-Księżak	Chairperson of the Committee
	Agnieszka Terlikowska-Kulesza	
	Agnieszka Żyro	
5.	**in the period from 5 April 2024 to 15 April 2024:**	
	Paula Ziemiecka-Księżak	Chairperson of the Committee
6.	**in the period from 16 kwietnia 2024 to 6 November 2024:**	
	Paula Ziemiecka-Księżak	Chairperson of the Committee
	Dominika Lechowska	
	Agata Piotrowska	
7.	**in the period from 7 November 2024 to 18 December 2024:**	
	Dominika Lechowska	
	Agata Piotrowska	
8.	**in the period from 19 December 2024 to 6 January 2025:**	
	Dominika Lechowska	
	Agata Piotrowska	
	Ireneusz Fąfara	
9.	**in the period from 7 January 2025 to 14 January 2025:**	
	Dominika Lechowska	
	Agata Piotrowska	
10.	**in the period from 14 January 2025 until the date of preparation of this Report:**	
	Renata Rosiak	Chairperson of the Committee
	Dominika Lechowska	
	Agata Piotrowska	

Ms. Sylwia Kobyłkiewicz resigned from the Supervisory Board at the end of 31 January 2024. On 4 March 2024, the Company's Supervisory Board supplemented the composition of the Nomination and Remuneration Committee by appointing Ms. Agnieszka Terlikowska-Kulesza. On 6 March 2024, Ms. Paula Ziemiecka-Księżak became the Chairperson of the Nomination and Remuneration Committee.

On 4 April 2024, the Extraordinary General Meeting of the Company adopted the resolution to dismiss, as of the end of 4 April 2024, Ms. Agnieszka Terlikowska-Kulesza from the composition of the Company's Supervisory Board.

On 4 April 2024 the majority shareholder of the Company, ORLEN, submitted a statement informing that - pursuant to Article 385 § 2 of the Polish Code of Commercial Companies and § 17 section 3 of the Company's Articles of Association - it dismissed, as of the end of 4 April 2024, Agnieszka Żyro from the composition of the Company's Supervisory Board.

On 16 April 2024, the Company's Supervisory Board supplemented the composition of the Nomination and Remuneration Committee by appointing Ms. Agata Piotrowska and Ms. Dominika Lechowska.

Ms. Paula Ziemiecka-Księżak submitted a statement of resignation from the position of Member of the Supervisory Board of the Company, effective as of 6 November 2024.

On 19 December 024, the Supervisory Board of the Company supplemented the composition of the Nomination and Remuneration Committee by appointing Mr. Ireneusz Fąfara.

On 6 January 2025 Mr. Ireneusz Fąfara submitted a statement of resignation from the Company's Supervisory Board and from the position of President of the Company's Supervisory Board, effective as of the end of 6 January 2025.

On 15 January 2025, the Supervisory Board of the Company supplemented the composition of the Nomination and Remuneration Committee by appointing Ms. Renata Rosiak. At the meeting of the Nomination and Remuneration Committee of the Energa Supervisory Board on 15 January 2025, Ms. Renata Rosiak was elected Chairwoman of the Nomination and Remuneration Committee of the Supervisory Board of the Company of the 7th term of office.

In 2024, the Nomination and Remuneration Committee held 6 meetings, 5 of which were held with the full membership.

THE MANAGEMENT BOARD

RULES OF APPOINTING AND DISMISSING THE MEMBERS OF THE MANAGEMENT BOARD

The Management Board may consist of one to five persons, including the President and optionally one or more Vice-Presidents of the Management Board. The term of office of the Management Board is common and ends on the date of the General Meeting approving the financial statements for the second full financial year of the term of office.

In accordance with the Articles of Association, Management Board members are appointed and dismissed by the Supervisory Board, which appoints one member as the President and may appoint one or more members as the Vice-President.

A member of the Management Board can also be:

1. dismissed or suspended from duty by the General Meeting,
2. suspended from duty for important reasons by the Supervisory Board.

The Supervisory Board appoints members of the Management Board following a qualification procedure.

A Management Board member may submit his or her resignation to another member of the Management Board or to the commercial proxy. The resignation notice should be submitted in writing. The member of the Management Board must inform at least one member of the Supervisory Board of the resignation.

COMPOSITION

Throughout 2024 and until the date of this Report, the Management Board of the Company has had the following members:

1.	**in the period from 1 January 2024 to 31 January 2024:**	
	Zofia Paryła	President of the Management Board
	Michał Perlik	Vice-President of the Management Board for Finance and Climate
	Adrianna Sikorska	Vice-President of the Management Board for Communication
	Janusz Szurski	Vice-President of the Management Board for Corporate Matters
2.	**in the period from 1 February 2024 to 25 March 2024:**	
	Zofia Paryła	President of the Management Board
	Michał Perlik	Vice-President of the Management Board for Finance and Climate
	Janusz Szurski	Vice-President of the Management Board for Corporate Matters
3.	**in the period from 26 March 2024 to 19 April 2024:**	
	Michał Perlik	acting President of the Management Board, Vice-President of the Management Board for Finance and Climate
4.	**in the period from 20 April 2024 to 28 May 2024:**	
	Michał Perlik	acting President of the Management Board, Vice-President of the Management Board for Finance and Climate
	Sławomir Staszak	Vice-President of the Management Board
	Roman Szyszko	Vice-President of the Management Board
5.	**in the period from 29 May 2024 to 31 May 2024:**	

	Sławomir Staszak	Vice-President of the Management Board
	Roman Szyszko	Vice-President of the Management Board
6.	**in the period from 31 May 2024 to 31 May 2024:**	
	Sławomir Staszak	acting President of the Management Board, Vice-President of the Management Board
	Roman Szyszko	Vice-President of the Management Board
7.	**in the period from 1 June 2024 to 3 November 2024:**	
	Sławomir Staszak	acting President of the Management Board, Vice-President of the Management Board
	Roman Szyszko	Vice-President of the Management Board
	Piotr Szymanek	Vice-President of the Management Board
8.	**in the period from 4 November 2024 to 31 December 2024:**	
	Sławomir Staszak	President of the Management Board
	Roman Szyszko	Vice-President of the Management Board
	Piotr Szymanek	Vice-President of the Management Board
9.	**in the period from 1 January 2025 to 3 February 2025:**	
	Sławomir Staszak	President of the Management Board
	Piotr Szymanek	Vice-President of the Management Board
10.	**in the period from 4 February 2025 until the date of preparation of this Report:**	
	Sławomir Staszak	President of the Management Board
	Magdalena Kamińska	Vice-President of the Management Board
	Piotr Szymanek	Vice-President of the Management Board

On 31 January 2024, the Company's Supervisory Board adopted a resolution to dismiss, as of the same day, Ms. Adrianna Sikorska, Vice-President of the Management Board for Communication, from the Company's Management Board of the 7th Term.

On 26 February 2024, the Company's Supervisory Board initiated qualification proceedings for the position of President of the Management Board of the 7th term, which ended on 6 March 2024 without selecting the best candidates.

On 25 March 2024, the Company's Supervisory Board adopted resolutions to dismiss, as of 25 March 2024, Ms. Zofia Paryła, President of the Management Board of Energa SA, and Mr. Janusz Szurski, Vice-President of the Management Board of Energa SA for Corporate Matters

On 25 March 2024 Supervisory Board of the Company adopted a resolution to entrust Mr. Michał Perlik, Vice-President of the Management Board of Energa SA for Finance and Climate, with performing the duties of the President of the Management Board of Energa SA until a new President of the Management Board of the Company is appointed.

On 2 April 2024, the Company's Supervisory Board initiated qualification proceedings for the positions of the President of the Management Board and Vice-Presidents of the Management Board of Energa SA for the 7th term, which ended on 19 April 2024.

The procedure for the position of President of the Management Board was completed without selecting the best candidates.

The procedure for the positions of Vice Presidents of the Management Board was completed with the appointment of Mr. Sławomir Staszak and Mr. Roman Szyszko to these positions, as of 20 April 2024.

On 29 April 2024, the Supervisory Board of the Company initiated the qualification procedure for the positions of President of the Management Board and Vice Presidents of the Management Board of Energa VII Term, which ended on 22 May 2024.

The procedure for the position of President of the Management Board and Vice President of the Management Board was completed without selecting the best candidates.

The procedure for the position of Vice President of the Management Board was completed with the appointment of Mr. Piotr Szymanek to this position from 1 June 2024.

On 27 May 2024 Mr. Michał Perlik submitted a statement of resignation from the Management Board of the Company and from the position of Vice-President for Finance and Climate, effective as of the end of 28 May 2024.

On 31 May 2024, the Supervisory Board of the Company adopted a resolution to entrust Mr. Sławomir Staszak, Vice President of the Management Board, with the duties of the President of the Management Board of Energa, until a new President of the Management Board of the Company is appointed.

On 31 May 2024, the Supervisory Board of the Company initiated the qualification procedure for the position of President of the Management Board of the 7th Term, which ended on 19 June 2024 without selecting the best candidates.

On 17 October 2024, the Supervisory Board of the Company initiated the qualification procedure for the position of President of the Management Board of the 7th Term, which ended on 4 November 2024 with the appointment of Mr. Sławomir Staszak to this position.

On 19 December 2024 Mr. Roman Szyszko submitted a statement of resignation from the position of Vice-President of the Management Board of the Company, effective as of 31 December 2024.

On 19 December 2024, the Supervisory Board of the Company initiated the qualification procedure for the positions of Vice Presidents of the Management Board of Energa. VII Term, which ended on 30 January 2025.

The qualification procedure for the position of Vice President of the Management Board was completed with the appointment of Ms. Magdalena Kamińska, effective 4 February 2025.

The procedure for the position of President of the Management Board was completed without selecting the best candidates.

On 17 February 2025, the Supervisory Board of the Company initiated the qualification procedure for the position of Vice President of the Management Board of Energa for the 7th term of office.

The current 7th term of office of the Management Board of Energa SA will expire on the date of the General Meeting approving the financial statements for the financial year 2024.

MR. SŁAWOMIR STASZAK
PRESIDENT OF THE MANAGEMENT BOARD

Mr. Sławomir Staszak has many years of experience in managing, developing and implementing complex ownership supervision systems in commercial companies and holding groups, as well as in broadly defined corporate and holding company law and capital market law. Since 2014, he has been the managing partner of law firm K&S Kancelaria Radców Prawnych Kardasz Staszak sp.k. In his career, he has participated in the implementation of numerous business projects for various entities, including co-founding internationally operating holding groups, among others for entities in the energy and port industries. He has managed international teams and participated in building strategies for multi-million dollar business projects. He has also provided business consulting services to domestic and foreign commercial law entities, among others those in the European Union, the United States and Asia, including managing the implementation of sales strategies for foreign markets, particularly in Asia. In addition to his extensive legal practice, his past professional experience has allowed him to hone his supervisory and management skills, including those related to managing complex teams. Mr. Sławomir Staszak has served on the management and supervisory boards of many companies and foundations, including Zarząd Morskiego Portu Gdynia S.A. He is a law graduate of the University of Gdańsk, and has been practicing as a legal counsel since 2014.

MR. PIOTR SZYMANEK
VICE-PRESIDENT OF THE MANAGEMENT BOARD OF ENERGA SA

Mr. Piotr Szymanek graduated from the Faculty of Law and Administration at the University of Warsaw, is a legal counsel and completed postgraduate studies in Company Management on the European Market at the Warsaw School of Economics. He is a manager with extensive experience in management and consolidation of enterprises, including energy companies. He began his professional career as a sales coordinator at the Foto Word (representative office of Kodak in Poland), then worked as a legal counsel at Polski Bank Inwestycyjny SA and PZU SA, serving the company's IT division. He was a Director of the Legal Division at Bank Współpracy Europejskiej and Polskie Sieci Energetyczne. From 2008 to 2013, he served as Vice President and Acting President of Polska Grupa Energetyczna SA where he was in charge of the group's consolidation (the largest on the energy market) and listing the company on the Warsaw Stock Exchange. In 2013, he obtained a final environmental decision allowing to start the construction of a new power unit at the Opole power plant. Then, until 2016, he served as a Management Board member at Krajowa Spółka Cukrowa SA, where he was responsible for strategy and social dialogue. He also run his own legal practice serving major players in the financial and construction sectors. Since

2019, he has worked as a legal counsel for the Marshal's Office of Mazowieckie Voivodship, serving the Department of Corporate Governance and Investments and Department of Digitalization. He handled key litigation for the Mazowieckie Voivodship Office. He served as a member and chairman of the Supervisory Boards of large companies in the energy, food and medical sectors: PGE SA, PGE GIEK SA, PGE OBRÓT SA, Stoisław SA, Voivodship Hospital in Siedlce, ENEA SA and liquidator of the Mazovia Administration Center.

MRS. MAGDALENA KAMIŃSKA
VICE-PRESIDENT OF THE MANAGEMENT BOARD OF ENERGA SA

Ms. Magdalena Kamińska is a graduate of Faculty of Economics at the University of Gdańsk. She started her professional career in 2007 in international auditing companies - first EY and then Deloitte. She has been with the Energa Group since 2011, where, among others, she managed the finance area as a Deputy Director and then a Director of the Finance Department. She participated in strategic investment projects and obtaining financing for the Energa Group, as well as in integration with the ORLEN Group. Since July 2024, she was the Vice-President of the Management Board of Energa Wytwarzanie S.A. Currently she holds the position of President of the Management Board of PVE 28 sp. z o.o. and Member of the Supervisory Board of Baltic Service Offshore Solutions sp. z o.o. (entities from the Energa Group).

None of the above member of the Management Board is engaged is engaged in any activities competitive to the business of Energa SA, does not participate in a company competitive to Energa SA as a partner of a civil law partnership, a partnership or as a member of a capital company body and does not participate in any other competitive legal person as a member of its corporate bodies as well as he is not listed in the Register of Insolvent Debtors maintained under the National Register Court Act.

POWERS AND RESPONSIBILITIES OF THE MANAGEMENT BOARD

The Management Board proceeds in compliance with the CCC and the Articles of Association. The organisation and operating principles of the Management Board, including the matters which require resolutions, are set out in the Rules of Procedure of the Management Board approved by the Supervisory Board, published on the corporate website of the Company.

The Management Board administers the Company's business and represents the Company outside. Two members of the Management Board acting jointly or one member of the Management Board acting jointly with a proxy are authorised to make statements of will on behalf of the Company in the case of a multi-person Management Board. In the case of a single-person Management Board, only a member of the Management Board is authorised to make statements of will on behalf of the Company.

Members of the Management Board supervise the areas of activity assigned to them and are responsible for the independent management of the Company's affairs as part of ordinary management, within the scope resulting from the division of competences determined in the resolution of the Management Board. As at the date of this Report, members of the Management Board, in order to manage matters falling within their competence individually, have functionally divided specific areas of the Company's activities, delegating:

Functional supervision of the following areas of the Company's operations to the President of the Management Board, Mr. Sławomir Staszak:

1. **The Strategic Management Department, including the following areas:**
   a. operational business oversight and management of strategic investments.
   b. Energa Group Strategy,
   c. regulatory policy,
   d. mergers and acquisitions,
2. **The Human Resources Policy Department, including the following areas:**
   a. the personnel policy, including that of the corporate bodies of Energa Group Companies,
   b. social dialogue,
3. **The Marketing Department, including the following areas:**
   a. marketing and sponsoring,
   b. stakeholder relations,
4. **Management Board Support Office, including oversight of the following areas:**
   a. supporting the Company's corporate bodies,
   b. running the Company's secretary staff (administrative) offices,
5. **The Office of Security and Internal Control and the Audit Office, including the following areas:**

a. audit & control,
b. security,
c. strategic risk management,

6. **The Press Office, including:**
   a. internal and external communication,
   b. press relations,
7. **The Legal Office, including the following areas:**
   a. legal services,
   b. compliance,
8. **The Office for Sustainable Development, including the following areas:**
   a. foundations of which Energa SA is the founder,
   b. charity work process,
   c. environmental-energy system and climate issues,
   d. rights of membership in external organisations,
   e. Sustainability reporting;
9. **organisation management area**

Functional supervision of the following areas of the Company's operations to the Vice-President of the Management Board, Mr. Piotr Szymanek:

1. **The Corporate Management Department, including the following areas:**
   a. Group's corporate and shareholder oversight,
   b. managing Energa Group's organisational and corporate governance,
   c. vehicle fleet management,
   d. supervision over outsourcing,
   e. management of institutional relations other than reserved for other functions;
2. **The Investor Relations Office, including the following areas:**
   a. investor relations,
   b. relations with equity market participants,
   c. the Company's disclosure obligations,
   d. lobbying for regulations favourable for company development;
3. **The Development and Innovation Office, including the following areas:**
   a. research, development and innovation,
   b. Energa Group's electromobility area,
   c. coordination of Energa Group's innovation projects,
4. **The IT Department, including the following areas:**
   a. IT,
   b. Energa Group's IT Policy and Strategy,
   c. management of Corporate IT Shared Systems;
5. **The OHS and Fire Safety Office, including the following areas:**
   a. Energa Group's occupational health and safety service,
   b. Energa Group's OHS and Fire Safety Policy,
6. **Department of Social and CSR projects, including the following areas:**
   a. the Company's CSR schemes and projects,

b. CSR publicity.polityka BHP i PPoż Grupy Energa;

7. **Wydziałem projektów społecznych i CSR, w tym m.in. nad obszarami:**

   a. programów i projektów w obszarze CSR Spółki,

   b. relacji z otoczeniem w zakresie CSR.

Functional supervision of the following areas of the Company's operations to the Vice-President of the Management Board, Ms. Magdalena Kaminska:

1. **The Department of Finance, including the following areas:**

   a. market analysis and development,

   b. financial planning and analysis,

   c. financial and consolidated reporting,

   d. financial policy,

   e. insurance policy,

   f. tax management,

   g. intra-Group financial risk management,

   h. financial and business controlling.

METHOD OF OPERATION OF THE MANAGEMENT BOARD

Resolutions of the Management Board, as a general rule, are adopted at meetings. Meetings are held as scheduled, when required, however no less frequently than once every month.

Meetings of the Management Board are convened by the President of the Management Board.

As a general rule, meetings of the Management Board are chaired by the President of the Management Board. The meeting venue is either the registered office or a different venue specified by the President of the Management Board. Rules of the Management Board allow members of the Management Board to participate in the meeting by means of direct remote communications.

Management Board resolutions are passed by an absolute majority of votes. In the event of a tie vote, the vote of the President of the Management Board is decisive. Resolutions of the Management Board are valid provided that all members of the Management Board have been properly notified of the planned meeting and at least half of the members of the Management Board are present at the meeting.

The Management Board may adopt resolutions in a circular procedure or by means of direct communication at a distance. The detailed procedure for adopting resolutions in this way is specified in the Management Board's By-laws. A resolution adopted outside the meeting is valid when all members of the Management Board are effectively notified of the content of the draft resolution in the manner specified in the Rules of the Management Board and when at least half of the members of the Management Board participated in voting on the resolution.

In 2024, the Management Board of Energa SA held 44 meetings and adopted 410 resolutions.

10.8 SALARIES OF EXECUTIVE AND SUPERVISORY STAFF

THE MANAGEMENT BOARD

On 29 June 2020, the Ordinary General Meeting adopted Resolution 33 on the adoption of the rules for setting the remuneration of Members of the Management Board of Energa Spółka Akcyjna and repealing resolution 20 of the Ordinary General Meeting of Shareholders of 25 June 2019. On the same day, under Resolution No 32 the Ordinary General Meeting adopted Remuneration Policy for Members of the Management Board and Supervisory Board of Energa SA. On 15 June 2023, the Ordinary General Meeting adopted Resolution No. 33 on changing the principles of shaping the remuneration of Members of the Management Board of Energa Spółka Akcyjna.

In accordance with the rules adopted by the General Meeting of Shareholders, remuneration of a Member of the Management Board shall consist of a fixed part (hereinafter: Fixed Remuneration) and a variable part, which is supplementary remuneration for the financial year of the Company (hereinafter: Variable Remuneration).

The amount of the monthly Fixed Remuneration of Members of the Management Board of the Company shall be determined as an amount and may not exceed 15 times the average remuneration in the enterprise sector without payment of awards from profit, as specified in the Act of 9 June 2016 on the Rules of Structuring Remunerations of Persons Managing Certain Companies. The amount of the Fixed Remuneration for individual Members of the Management Board of the Company shall be determined in a resolution of the Supervisory Board.

The Variable Remuneration shall depend on the level of achievement by the Member of the Management Board of managerial goals set by the Supervisory Board and shall not exceed 100% of the Fixed Remuneration.

Based on the adopted remuneration principles, contracts for the provision of management services are concluded with members of the Management Board, which provide, among others, that:

1. subject to exceptions, if the contract is terminated or withdrawn from by the Company, the Member of the Management Board may be granted a severance pay in the amount not higher than 3 times the Fixed Remuneration, provided that the Member performed the function for at least 12 (twelve) months before the Contract is terminated;
2. A non-competition agreement in force after termination of the function may be concluded with a Member of the Management Board, where such an agreement shall enter into force after at least 3 (three) months of performance of the function by a Member of the Management Board, and the amount of non-competition compensation may not exceed 100% of monthly Fixed Remuneration received by a Member of the Management Board before the termination of the function, for a period corresponding to the period of non-competition. The non-compete period shall not exceed 6 (six) months after the member of the Management Board ceased to perform their function.

The individual salaries of the members of the Company's Management Board for 2024 are presented in the table below.

Table 44. Salaries of members of the Management Board of Energa SA in the period from 1 January to 31 December (in PLN '000)

Name	Period in office IN 2024	Wages and salaries	Other benefits*	Total
ZOFIA PARYŁA	01.01.2024 - 25.03.2024	198.33	647.10	845.43
ADRIANNA SIKORSKA	01.01.2024 - 31.01.2024	65.00	587.34	652.34
JANUSZ SZURSKI	01.01.2024 - 25.03.2024	154.06	493.63	647.69
MICHAŁ PERLIK	01.01.2024 - 28.05.2024	268.24	687.63	955.88
SŁAWOMIR STASZAK (WICEPREZES)	20.04.2024 - 03.11.2024	382.00	9.36	391.36
ROMAN SZYSZKO	20.04.2024 - 31.12.2024	502.00	12.18	514.18
SŁAWOMIR STASZAK (PREZES ZARZĄDU)	04.11.2024 - 31.12.2024	120.00	2.98	122.98
PIOTR SZYMANEK	01.06.2024 - 31.12.2024	420.00	36.45	456.45
TOTAL		**2,109.63**	**2,476.68**	**4,586.31**

** Payment of remuneration for the settlement of variable remuneration for 2023, severance pay for termination of the contract, non-competition, PPK employer, training, medical subscription, company apartment, free use of a car for private purposes.*

Members of the Management Board were additionally entitled to benefits in kind in 2024, including i.a.:

1. 100% coverage of the cost of VIP medical care package for the member of the Management Board and 50% of his or her immediate family
2. tied accommodation, in justified situations, or partial reimbursement of rental costs,
3. financing or reimbursement of individual training relating to the scope of activities performed for the Company,
4. use of the Company's assets that support performance of management operations.

The compensation plan for the members of the Management Board of Energa is based on management by objectives. Objectives are set on the basis of the current Energa Group Strategy, the Multi-Annual Plan of Strategic Investments and the internal and external challenges faced by the Energa Group. The payment of variable pay components to members of the Management Board of Energa SA depends on the degree and level of achievement of objectives. Additionally, the objectives of the Management Boards of Lead Entities of Business Lines and Company management are aligned with the objectives of the Management Board of Energa and cascaded in a top-down fashion. The existing model offers incentives and integrates the executives and managers around the objectives, encouraging co-ownership.

The system design allows both a focus on activities that are important from the perspective of the Energa Group and the fulfilment of the Group's ambitions. It is also important for the Company's shareholders, allowing to create long-term value for Energa and ensuring the stability of business operations.

THE SUPERVISORY BOARD

On 29 June 2020, the Ordinary General Meeting, pursuant to Resolution No. 32, adopted the Remuneration Policy for Members of the Management Board and Supervisory Board of Energa SA. On 20 May 2022, the Ordinary General Meeting adopted Resolution No. 26 determining the rules for setting the remuneration of the Members of the Supervisory Board of Energa and repealing Resolution No. 34 of the Ordinary General Meeting of 29 June 2020.

In accordance with the Articles of Association, members of the Supervisory Board are entitled to a monthly salary at a rate set by the General Meeting.

In accordance with the rules adopted by the General Meeting, members of the Supervisory Board are entitled to a monthly remuneration calculated by multiplying the average monthly salary in the enterprise sector excluding profit distributions for the fourth quarter of the previous year, as announced by the President of Statistics Poland, by a factor of 1.5. No remuneration is due for a month in which a member of the Supervisory Board did not attend any duly convened meetings of the Company's Supervisory Board, and his/her absence was not excused as provided for in the Rules of Procedure of the Company's Supervisory Board.

Salaries of the members of the Supervisory Board of Energa SA for 2024 are presented in the table below.

Table 45. Salaries of members of the Supervisory Board of Energa SA in the period from 1 January to 31 December 2024 (in PLN '000)

Name	Period in office in 2024	Wages and salaries	Other benefits*	Total
SYLWIA KOBYŁKIEWICZ	01.01.2024 - 31.01.2024	11.65	0.00	11.65
BARBARA HAJDAS	01.01.2024 - 01.03.2024	23.68	0.00	23.68
AGNIESZKA TERLIKOWSKA - KULESZA	01.01.2024 - 04.04.2024	36.51	0.00	36.51
AGNIESZKA ŻYRO	01.01.2024 - 04.04.2024	36.51	0.00	36.51
ARTUR MICHALSKI	01.01.2024 - 04.04.2024	36.51	0.55	37.06
ANNA ZIOBROŃ	01.01.2024 - 04.04.2024	36.51	0.00	36.51
DOMINIKA LECHOWSKA	05.04.2024 - 31.12.2024	103.31	0.00	103.31
AGATA PIOTROWSKA	05.04.2024 - 31.12.2024	103.31	0.00	103.31
ZBIGNIEW LUBOŚNY	05.04.2024 - 31.12.2024	103.31	0.00	103.31
DARIUSZ TROJANOWSKI	05.04.2024 - 31.12.2024	103.31	0.00	103.31
JAROSŁAW DYBOWSKI	01.01.2024 - 25.04.2024	44.66	0.00	44.66
IRENEUSZ FĄFARA	18.06.2024 - 31.12.2024	0.00	0.00	0.00
PAULA ZIEMIECKA - KSIĘŻAK	01.01.2024 - 06.11.2024	118.84	0.00	118.84
TOTAL		**758.11**	**0.55**	**758.65**

** Employee Capital Plan employer*

NUMBER AND PAR VALUE OF COMPANY SHARES AND SHARES IN THE COMPANY'S RELATED ENTITIES HELD BY MANAGEMENT AND SUPERVISORY STAFF

None of the members of the Management Board or Supervisory Board of Energa SA had any Company shares as at 31 December 2024.

10.9 DIVERSITY POLICY

The Company's employee diversity policy is presented in several internal documents. However, it has not been adopted in a document form by the Supervisory Board or the General Meeting. Energa respects the dignity of every person regardless of race, nationality, religion, gender, education, professional position, sexual orientation, degree of disability or political affiliation, and does not accept any form of discrimination. The Company seeks to ensure diversity through the selection of diverse and

professional managerial and supervisory talents. Furthermore, inspiring ideas put forward by employees encourage action, while stimulating the Company's development. This diverse human potential is a source of innovation.

Another cornerstone of diversity management at Energa involves ensuring equal access to professional development and promotions. Based on equal principles, rights and obligations, the Company ensures that everyone can be fairly and fully involved in the Energa Group's fields of activity.

10.10 MAIN FEATURES OF INTERNAL CONTROL AND RISK MANAGEMENT MANAGEMENT SYSTEMS IN RELATION TO THE FINANCIAL REPORTING PROCESS

The Company runs an internal control system which ensures credibility and reliability of financial reporting and compliance with the laws and internal regulations. As regards preparation of financial statements, the system of internal control includes:

- control activities performed by employees in the scope of duties entrusted to them,
- functional control carried out as part of the supervision duties over reporting organisational units,
- audit of compliance of the Company's actions with the provisions of law and internal regulations.

The internal audit function is an important element of the internal control system. Internal auditing is an independent, objective activity designed to add value and improve an organisation's operations, bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. It helps an organisation accomplish its objectives, giving assurance as to the effectiveness of these processes, also through consulting.

The Company has an internal audit unit. It performs audit functions in companies of the Energa Group in line with the Energa Group's Internal Audit Policy. As part of its tasks, the unit carries out an annual Assessment of the internal control, risk management and compliance system at the Company. The purpose of this Assessment is to strengthen the internal control system by identifying good practices, while identifying areas where the system should be strengthened. The area of financial reporting is part of the annual Appraisal of the Internal Control System, risk and compliance management in Energa SA.

The purpose of an effective internal control system in financial reporting is to ensure the adequacy and accuracy of the financial information disclosed in periodic reporting. For that purpose, the Company has designed, implemented and used financial reporting process control matrices.

Financial information used for financial reporting, Management Board reports and Energa's monthly management and operational reporting is derived from the Company's financial accounting system. Following the completion of all predefined end-of-month ledger closing processes, detailed management reports on finance and operations are prepared. The reports are drafted with the involvement of managers and executives from each organisational unit. For past reporting periods, the Company's financial performance is thoroughly analysed against budget estimates, and any identified deviations are properly clarified.

Both financial and management reporting of the Company and the Energa Group are based on the Accounting Policy (according to the International Financial Reporting Standards), which is updated as required and adopted for application by means of a resolution of the Company's Management Board.

The Company carries out annual reviews of strategies and economic and financial plans. Managers and executives are engaged in a detailed planning and budgeting process, which spans all areas of operation. When prepared, the economic and financial plan is adopted by the Management Board and approved by the Supervisory Board.

The selection of an audit firm to audit the separate and consolidated financial statements of the Company is the responsibility of the Supervisory Board.

The Company adopted a document entitled "Policy and procedure for the appointment of the auditor and policy of provision of additional services by the auditor, the entity related to the auditor and by a member of the network", the provisions of which meet requirements of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight.

In compliance with the Policy and § 33 of the Rules of Procedure of the Company's Supervisory Board, the Audit Committee evaluates the bids from audit firms and recommends an audit firm to the Supervisory Board. The Supervisory Board chooses the audit firm in accordance with § 16 of the Company's Articles of Association.

As a result of the procedure, on 3 November 2023, the Company's Supervisory Board selected the statutory audit firm PKF Consult Spółka z ograniczoną odpowiedzialnością sp.k. with registered office in Warsaw at al. Orzyckiej 6 ("PKF") as the

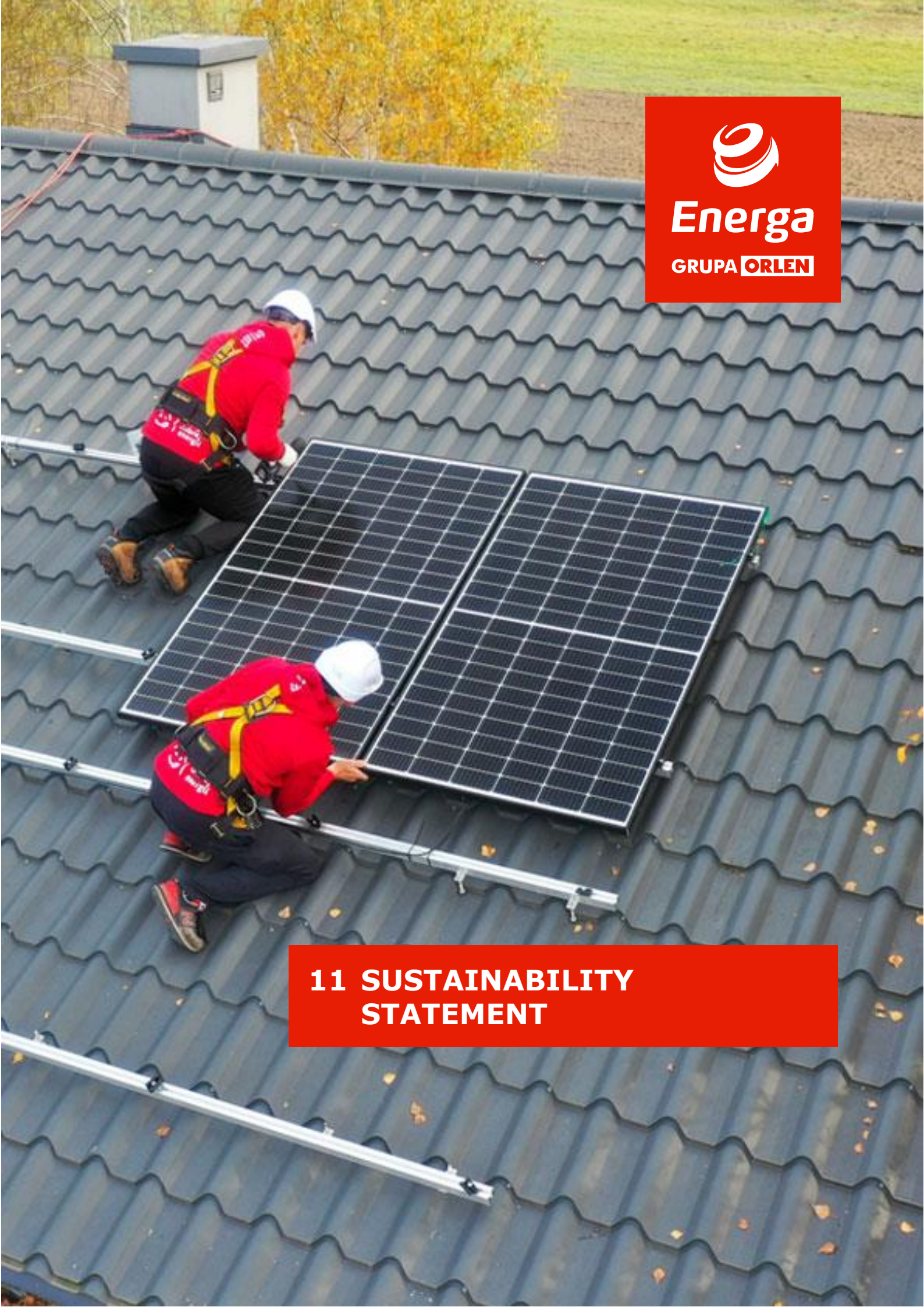
statutory auditor to audit and review the separate and consolidated financial statements of Energa SA and the Energa Group for annual periods ended, respectively, 31 December 2023 and 31 December 2024.

The audit report is presented to the Management Board, Audit Committee and Supervisory Board. Following the annual audit, the audit firm submits an additional report to the Audit Committee, clarifying the findings of the audit.

Risk management in the process of preparing financial statements is based on the identification and assessment of risk along with the definition of further risk response and its ongoing monitoring. As part of the Energa Group Integrated Risk Management System, financial reporting risk relating to the timely and error-free preparation of the Company's and Group's financial statements, as well as reporting and management information risk involved, for instance, in obtaining and preparation of management, operating and financial information required for management decisions, are identified and managed. The control mechanisms for the above risks include, without limitation: The Accounting Policy of the Energa Group and Energa SA, ledger accounting instructions, ongoing consultations with the auditor relating to interpretation of accounting regulations, automatic controls embedded in IT systems, manual controls, principles of drawing up financial plans, financial and management reporting calendar or hedge accounting principles.

The risk management process, which is described in more detail in a separate chapter herein, spans all business lines and corporate levels across the Group. It assumes ongoing and cyclical risk reviews and monitoring as well as an independent periodic assessment of effectiveness and efficiency of the system and its continuous improvement.

The findings of risk identification and assessment, including reporting risks, are adopted by the Company's Management Board in the form of a resolution of the Management Board, which additionally covers the definition of the risk appetite and management strategies for individual risks, while obligating Risk Owners to implement adopted action plans. Additionally, as part of the monitoring of the effectiveness of the Energa Group risk management system, a summary risk review report is submitted to the Audit Committee of the Energa Group's Supervisory Board



11 SUSTAINABILITY STATEMENT

11.1 GENERAL INFORMATION

PRINCIPLES AND METODOLOGY FOR PREPARATION

[BP-1]

GENERAL BASIS FOR PREPARATION OF SUSTAINABILITY STATEMENTS

The sustainability statement, also known as sustainability reporting, i.e. the Energa Group's Sustainablity Statement 2024 ('Statement') has been prepared in consolidated form for the dominant entity Energa SA and the Energa Group's subsidiaries for the period from 1 January 2024 to 31 December 2024. The basis for the preparation of the Sustainablity Statement is:

- Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC as amended by Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU with regard to corporate sustainability reporting (OJ L 2004/109/EC). L 322, 16.12.2022, p. 15) ('CSRD');
- The Accounting Act of 29 September 1994 (i.e. Journal of Laws of 2023, items 120 and 295, and of 2024, items 619, 1685 and 1863) – in particular, Chapter 6c added by Article 1(23) of the Act of 6 December 2024 amending the Accounting Act, the Act on Statutory Auditors, Audit Firms and Public Oversight and certain other acts (Journal of Laws of 2024, item 1863);
- Sustainability reporting standards from Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council with regard to sustainability reporting standards (ESRS), including the requirement that the process carried out be consistent in order to identify the reported information with its description in sustainability reporting,
- Reporting requirements contained in Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, amending Regulation (EU) 2019/2088 ('Regulation (EU) 2020/852').

SCOPE OF CONSOLIDATION

The scope of consolidation of figures in the Statements is the same as in the Consolidated Financial Statements of the Energa Group for 2024 (Financial Statements) – with respect to companies consolidated using the full method. Companies consolidated in Financial Statements using the equity method were included in the value chain analysis, but were not included in the quantitative ratios for the Energa Group due to the lack of operational control.

The structure of the Energa Group can be found in Energa SA's Management Board Report on the activities of the Energa Capital Group and Energa SA in 2024 (hereinafter: Management Board Report), on page 10.

UPSTREAM AND DOWNSTREAM VALUE CHAIN

Statement covers the Energa Group's value chain at the upstream and downstream levels, due to the significant impacts, risks and opportunities identified in the double materiality assessment. The value chain analysis included publicly available information and data. The process of analysing impacts, risks and opportunities related to the value chain will be deepened in the next reporting period. Selected policies, activities and objectives cover the Energa Group's value chain, if indicated.

OMISSION OF INFORMATION

The Energa Group has exercised the option to omit the information resulting from ESRS1, Section 7.7 concerning classified and sensitive information. These data relate to Chapter E1 and information on the disclosure of absolute values in the context of the greenhouse gas intensity reduction target. This data is classified information (sensitive business data) that has commercial value and reasonable measures have been taken to keep it secret.

The Energa Group did not benefit from the exemption for disclosure of information on expected events or matters subject to ongoing negotiations.

This is the first IR Report prepared in accordance with the ESRS standards, therefore comparative data and errors from previous periods do not apply. In the case of the data presented as comparative data for 2023, published in the Energa Group's Non-Financial Information Report for 2023, no errors requiring correction were identified.

[BP-2]

DISCLOSURE IN RELATION TO SPECIAL CIRCUMSTANCES

TIME PERSPECTIVES

Statement adopts a definition of short-, medium- and long-term time horizons in accordance with the definitions set out in ESRS 1, section 6.4., namely:

- with regard to the short-term perspective – the period adopted as the reporting period in the financial statements,
- for the medium-term horizon - a period of one to five years,
- for a long-term time horizon - more than five years.

SOURCES OF ESTIMATES AND UNCERTAINTY IN THE VALUE CHAIN

Measures covering upstream and downstream value chain data that relate to scope 3 emissions – were estimated using indirect sources. The basis for calculating the carbon footprint is the GHG Protocol. In accordance with its guidelines and using the principles set out therein, calculations were made for individual scopes and emission categories in scope 3. The Energa Group plans to implement measures to improve accuracy in the future by:

- reducing the number of indicator sources and using a single, consistent and high-quality database, which will allow for greater uniformity and precision of analyses,
- Improving supplier data collection to provide more accurate information on the true carbon footprint of products and services
- gradual replacement of spend-based indicators with more detailed quantitative data and LCA.

Scope 3 emissions data are subject to a medium level of measurement uncertainty due to the use of different benchmark databases, which may be based on different methodologies, sources and levels of detail. These indicators are often averages, which means that they may not reflect the specifics of individual processes, regions or technologies. In addition, the calculation methods used vary depending on the availability of data – some metrics are based on a life-cycle emissions (LCA) analysis, others on a *spend-assured approach* that estimates emissions based on the financial value of purchases, which can lead to discrepancies in results. In addition, different reference periods and geographical ranges are used in different databases, which further affects the comparability and precision of calculations. The estimated measures refer only to Scope 3 emissions, which are subject to uncertainty. The scope of estimation is described in detail next to the meter.

INFORMATION DISCLOSED UNDER OTHER LAWS OR GENERALLY ACCEPTED INTERPRETATIONS AND STANDARDS FOR SUSTAINABILITY REPORTING

The SR Report provides information in line with the EU Taxonomy in the *EU Taxonomy chapter*, while the Affected Communities chapter refers to the UN Sustainable Development Goals (SDGs).

INCLUSION BY REFERENCE

In order to make the presented content more readable, the following data has been included by reference:

ESRS	Description	Reference place
BP-1	Structure of the Energa Group companies covered by the Sustainability Report	Report of the Management Board of Energa SA on the activities of the Energa Group and Energa SA in 2024 - Section 2.2.
SBM-1	Information on the Energa Group's expenditures and business model	Report of the Management Board of Energa SA on the activities of the Energa Capital Group and Energa SA in 2024 - Section 2.1, 2.5 and Chapter 5.
SBM-3	Information on the Integrated Risk Management System (IAS) in the context of the resilience analysis	Report of the Management Board of Energa SA on the activities of the Energa Group and Energa SA in 2024 - Chapter 7.
GOV-1	Information on the organisational structure, corporate bodies, responsibilities and management model	Report of the Management Board of Energa SA on the activities of the Energa Capital Group and Energa SA in 2024 - Section 2.2 and 10.7.
GOV-5	Information on the Integrated Risk Management System (IMS)	Report of the Management Board of Energa SA on the activities of the Energa Group and Energa SA in 2024 - Chapter 7.

USE OF PHASED PROVISIONS UNDER APPENDIX C TO ESRS 1

In the 2024 ZR Report, the Energa Group made use of the provisions on the gradual introduction of disclosure requirements – in accordance with ESRS1, Appendix C. Information that relates to material sustainability topics that has been deferred concerns: E1-9, E2-6, E3-5, E4-6, E5-6.

[SBM-1]

STRATEGY, BUSINESS MODEL AND VALUE CHAIN

ABOUT THE ENERGA GROUP

The Energa Group's core business includes generation, distribution and trading in electricity and heat. The Group supplies and sells electricity and heat to customers, both households and enterprises. Energa Operator, a company of the Energa Group, is also the third largest integrated distribution system operator (DSO) in Poland in terms of the volume of energy supplied. At the end of 2024, the Energa Group employed **9070** people. All employees are employed in Polish.

EMPLOYMENT IN THE ENERGA GROUP AS AT 31 DECEMBER 2023-2024

Detailed data on the employment structure can be found in Chapter S1-6: Characteristics of the Energa Group's employees.

In the financial year 2024, the Energa Group generated revenue of PLN **22,753m, including PLN** 829m **from the sale of electricity and heat generated by fossil fuel sources** , including:

- from coal and fuel oil – PLN 765 million,
- from gas – PLN 64 million.

In addition, the Energa Group analysed its activities in accordance with the EU Taxonomy and recorded revenue eligible for the Taxonomy in the amount of **PLN 7,454** million, of which revenue in line with the Taxonomy amounted to **PLN 6,977** million. Details of the assessment methodology and the results obtained can be found in the chapter *EU Taxonomy*.

The Energa Group does not have prohibited products or services on the markets in which it operates. The Group does not generate revenues related to crude oil.

CAPITAL EXPENDITURE

The Group's total expenditures on basic and additional investments planned for 2024-2030 will amount to approx. **PLN 47.9 billion,** of which:

- approx. **PLN 23.4 billion is** attributable to the Distribution Business Line;
- approx. **PLN 22.8 billion** is attributable to the Generation Business Line (of which approx. **PLN 14.3 billion** for investments related to renewable energy sources and approx. **PLN 3.2 billion** for the construction and maintenance of CCGT units in Grudziądz and Ostrołęka);
- approx. **PLN 0.9 billion** is attributable to the Sales Business Line.

For more information on expenditures, see the EMS, section 2.5.

CHARACTERISTICS OF THE ENERGA GROUP'S OPERATIONS

The Energa Group operates in the energy sector in the segments comprising the generation, distribution and sale of electricity and heat. The Group generates the largest profit from distribution activities (distribution of electricity to customers throughout the country). Among the services and products offered by Energa, the most important are electricity and heat sold on the retail market. The offer includes, among m.in, long-term contracts and certificates of origin for energy from 100% renewable energy sources.

The Energa Group's generation assets consist of renewable energy generation sources in hydroelectric power plants, wind farms and photovoltaic farms. The stabilization function is performed by energy storage assets: battery storage and pumped-storage power plant. The Energa Group also owns a conventional power plant and combined heat and power plants.

The scope of activities within the Energa Group companies assigned to individual Business Lines (Distribution, Generation, Sales) is related and products manufactured under the operations of one Business Line may be upstream products of another Business Line.

GENERATION

The Generation Business Line operates on the basis of four Generation Areas: Power Plant in Ostrołęka, Water, Wind and Other (including cogeneration and PV). The total installed generation capacity in the Group's power plants was approximately **1.7 GW at the end of 2024**. The leading entity of this Business Line is Energa Wytwarzanie SA ("Energa Wytwarzanie", "EWYT"). In 2024, the Group generated approximately **2.7 TWh** of gross electricity, of which:

- 40% came from hard coal,
- 35% from water,
- 18% from wind,
- 4% from photovoltaics
- 3% from biomass.

The Energa Group owes its high position in terms of the share of electricity from renewable sources in total energy generated mainly to the production of energy in hydroelectric and wind power plants. Green energy is generated in 45 hydroelectric power plants, 7 wind farms, as well as in biomass-burning installations (e.m.in. in Energa Kogeneracja) and photovoltaic installations owned by the Group. At the end of 2024, the Group had approximately **0.9 GW** of renewable energy capacity installed in the Group, of which the Group produced **1.5 TWh** of gross electricity throughout 2024.

DISTRIBUTION

The Distribution Business Line is the Group's primary business line for the distribution of electricity, which is a regulated activity in Poland, conducted on the basis of tariffs approved by the President of the Energy Regulatory Office ("ERO"). The leading entity of this Line is Energa Operator SA ("Energa Operator", "EOP"). The Energa Group remains a natural monopoly in northern and central Polish, where its distribution assets are located, through which it supplies electricity to **3.4 million** customers, of which approximately **3.2 million** are customers with comprehensive contracts and 173 thousand are TPA (Third Party Access)

customers. At the end of 2024, the total length of power lines operated by the Group was nearly **200 thousand km** and covered an area of nearly **75 thousand km²,** which accounted for approximately 24% of the country's area.

SALE

The Sales Business Line, whose lead entity is Energa Obrót SA ("Energa Obrót", "EOB"), sells electricity and additional services (e.g. sales of photovoltaic installations, energy storage facilities, electric vehicle charging stations, heat pumps, energy audit services and financing consultancy) both as separate products and as part of packages, to all customer segments - from industry through large, medium and small businesses, and ending with households. At the end of 2024, the Energa Group served more than **3.3 million customers**, of which approximately 3.1 million were customers of tariff G, and the remainder consisted of customers of tariff groups: C, B and A, in descending order. In 2024, **50%** of electricity sold by Energa Obrót came from renewable energy sources.

Energa Obrót buys energy directly from generators (long-term contracts) and/or on the Polish Power Exchange, and then sells it to end users (retail and business customers) or other entities for resale.

The following products and services can be distinguished as part of the company's activities:

- sale of electricity
- PV installations for individual customers
- Energy Efficiency Valuation Service
- eMobility.

Due to the share in the company's revenues, the only sale of electricity (98% of revenues) is considered significant. As part of its customer service, Energa Obrót has 9 own points of sale.

SERVICES & OTHERS

The Energa Group also operates capital companies directly dependent on Energa that provide services supporting the business processes of the Group companies and performing tasks in areas such as IT, logistics and procurement processes.

In addition, this segment includes investment projects carried out by the Energa Group, including, m.in others, the construction of the CCGT Ostrołęka power plant, the construction of the CCGT Grudziądz unit and RES projects.

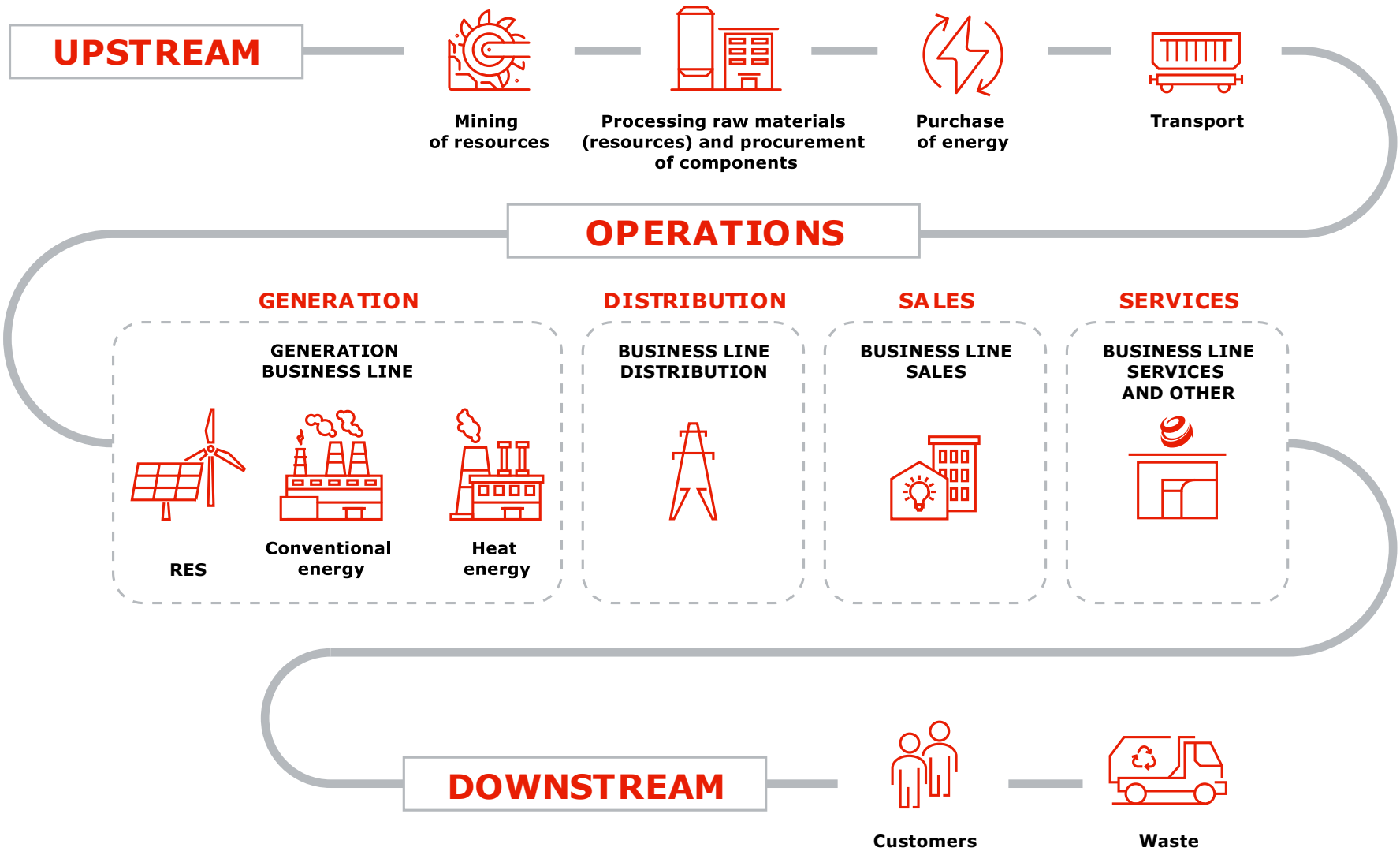
For more information on the operations and results of the Energa Group's individual segments, see SzzD, Chapter 5.

VALUE CHAIN

The Energa Group carries out its activities in individual segments through a wide range of activities and engages various types of entities. The following value chain can be distinguished:

- Own operations: activities carried out by the Energa Group, mainly in the areas of generation, distribution and sale of electricity.
- Upstream activities: the stage of supplying raw materials and products that are necessary for the Group's main business.
- Downstream: activities related to the commercialization of products and services and waste.

Energa Group's value chain							
Key stakeholders in value chain processes							
Suppliers, employees in the value chain, local communities, environment, public institutions		Suppliers, employees in the value chain, local communities, environment, public institutions				Suppliers, employees in the value chain, local communities, environment, public institutions	
UPSTREAM		**UPSTREAM**				**UPSTREAM**	
PROVIDER		**PROVIDER**	**PROVIDER**	**PROVIDER**	**PROVIDER**	**PROVIDER**	**PROVIDER**
TIER 2+ Suppliers supplying products, raw materials and services to entities that are direct suppliers of the Energa Group, e.g.: **Raw materials and materials:** ■ Steel ■ Copper ■ Glass ■ Plastics ■ Concrete ■ Oils ■ Lubricants **Products:** ■ Photovoltaic cells ■ Turbine blades ■ Insulators ■ Turbine ■ Timpani ■ Construction machinery ■ Transformers ■ Overhead and underground cables **Service:** ■ Software providers ■ Consulting companies ■ Transport ■ Logistics	TIER 1 Direct suppliers of the Energa Group, including energy producers from outside the Group. **Energy resources:** ■ Coal ■ Natural gas ■ Biomass ■ Heating oil **Raw materials and building materials:** ■ Concrete ■ Steel structures **Components and products:** ■ Turbines ■ Photovoltaic panel **Transport:** ■ Railway ■ Nautical ■ Road **Service:** ■ IT systems ■ Consulting Companies ■ Telecommunications ■ Construction services ■ Design firms	All processes performed by entities in the Energa Group **Operations:** ■ Shopping ■ Logistics ■ R&D ■ Investment management and planning ■ Support ■ Emissions and climate management **Support processes:** ■ HR ■ Health and Safety ■ Finance ■ Risk Management ■ IT ■ Compliance ■ Legal services ■ Investor relations ■ PR communication ■ Marketing	The Generation Business Line includes the production of energy from renewable energy sources and conventional sources. It focuses on the modernization of infrastructure and new RES generation assets. **Energy production** ■ Generation of energy from renewable energy sources (wind farms, photovoltaic farms, hydroelectric power plants) ■ Generation of electricity and heat from conventional fuels (gas, coal, biomass) ■ Optimization of production processes (reduction of energy losses) **Other activities:** ■ Development of renewable energy sources ■ Infrastructure modernization ■ Development of cogeneration ■ Emission reduction ■ Network integration	The Distribution Business Line in the Energa Group includes the distribution of electricity to over 3 million customers. **Distribution** ■ Improving the reliability and quality of electricity supply ■ Operation and modernization of distribution networks ■ Network traffic management and disaster recovery ■ Smart grid development	The Sales Business Line in the Energa Group includes the sale of electricity to residential and business customers. **Sale** ■ Offer for individual and business customers, including energy from RES (approx. 50%) ■ Customer service ■ Customer education ■ Billing and invoicing of energy sales ■ Contract negotiations ■ Billing and invoicing of prosumers **Other activities** ■ Implementing digital solutions ■ Process optimization ■ Increasing the share of energy from RES in the offer ■ Development of the sales offer of other "green" products	The Energa Group's customers include both residential and business customers who use electricity and additional services **Consumer** ■ Households using electricity, including RES offers **Business customers:** ■ Small and medium-sized enterprises ■ Large corporations ■ Enterprises using dedicated business tariffs ■ Public institutions **Activities for customers:** ■ Implementation of innovative services ■ Building trust through high quality service ■ Promoting the RES offer	The Generation Business Line generates the most waste in the Energa Group, and the priority is to reduce its generation and landfill **Processing methods:** ■ Recycling ■ Composting ■ Recovery ■ Storage ■ Store ■ Combustion ■ Other **Action:** ■ Minimise waste ■ The use of ashes and gypsum in production processes ■ Monitoring and reporting


UPSTREAM
Mining of resources
Processing raw materials (resources) and procurement of components
Purchase of energy
Transport
OPERATIONS
GENERATION
GENERATION BUSINESS LINE
RES
Conventional energy
Heat energy
DISTRIBUTION
BUSINESS LINE DISTRIBUTION
SALES
BUSINESS LINE SALES
SERVICES
BUSINESS LINE SERVICES AND OTHER
DOWNSTREAM
Customers
Waste

[SBM-2]

SUSTAINABILITY STRATEGY

In August 2024, the Energa Group adopted the **Energa Group's Sustainable Development Strategy** 2024-2030, which is consistent with the ORLEN Group's Sustainable Development Strategy 2024-2030. The purpose of the Strategy is to set strategic plans and objectives in the area of sustainable development at the Energa Group for 2024-2030.

The strategy has been developed on the basis of regulatory requirements and guidelines, such as:

- UN Sustainable Development Goals,
- The CSRD Directive and the resulting Sustainability Reporting Standards (ESRS),
- EU Taxonomy,
- TCFD guidelines on the resilience of the SD Strategy to climate scenarios.

Figure 33. Pillars of the Sustainable Development Strategy

Pillars of sustainability

The main directions of the Sustainable Development Strategy ("SD Strategy") include five key pillars: CLIMATE, ENVIRONMENT, EMPLOYEES, COMMUNITIES, MANAGEMENT and set the main goals in each of them: minimizing the impact on the climate, environmental protection, safety and good working conditions, relations with the environment and communities, responsible management. The document describes the defined streams of activities in each of the pillars, which refer directly to the UN Sustainable Development Goals and the EU ESRS reporting standards. This is helpful not only in a comprehensive approach to responsible business, but also in detailed and transparent reporting of sustainability issues.

The Energa Group's Sustainable Development Strategy 2024-2030 responds to the most important current market and regulatory changes. The goal of the SD Strategy is to support the implementation of an ambitious business agenda for the next decade, strengthen the path to achieve the Net Zero goal in 2050, and build long-term value for all stakeholders. Such an integrated approach allows us to take advantage of the opportunities and opportunities arising from changes in the environment and create value for the Group's socially responsible energy transition.

Due to the nature of the Group's operations, the main objectives in relation to the products and services offered are those related to greenhouse gas emissions. Climate management is a key element of sustainable development at the Energa Group. We want to reduce our impact on the climate, as well as adapt our business models to the physical consequences of climate change affecting the company's assets.

The Sustainable Development Strategy applies to the entire value chain, to all stakeholders of the Energa Group, its suppliers, employees and customers. The aim of the initiatives undertaken is responsible but also transparent management that uses the Group's potential.

[SBM-2]

OUR STAKEHOLDERS

Stakeholder relationship management is a very important aspect of the Energa Group's operations. The Group strives to build long-term and solid relationships and cooperation with stakeholders. Transparent communication and taking into account the perspectives of all parties involved play a key role in the Group's operations. The Group actively responds to the needs and expectations of stakeholders, which allows it to better adapt its operations to the changing environment. Integrating social values and a responsible approach to business is the foundation of relations with stakeholders.

Stakeholder involvement is also an important element of the double materiality analysis carried out in the Group. When conducting the analysis process for 2024. The Group held meetings with suppliers, partners and business customers to discuss the previously identified impacts and to learn the stakeholders' perspective in relation to cooperation with the Group. Stakeholder feedback was taken into account in the identification of material topics. Both positive and negative issues were raised. Stakeholder involvement allows the Energa Group to get to know their opinions and comments on the Group's strategy, m.in and business model. The frequency and form of contact with individual stakeholder groups is adapted to the nature of the group.

The Energa Group did not change its strategy or business model due to the interests of the interested parties. On the other hand, the opinions of stakeholders are taken into account when making business decisions, which allows for better adjustment of the company's operations to the expectations of the market and the environment, strengthening its position on the market, increasing competitiveness and care for sustainable development.

The Management Board is informed about the opinions and interests of the interested parties over which the Group exerts influence during regular meetings of the Management Board, at which motions on ESG topics are presented, e.g. approval of the "Report on charitable activities carried out in the Energa Group", adoption of a resolution on the adoption of the "ESG Report of the Energa Group". In addition, the Group Board of Directors approves the final results of the double materiality analysis and material topics of the organization's economic, environmental and human impact, which are included in this Sustainability Report.

Information on the needs and expectations of stakeholders is taken into account in the process of making business decisions at various levels of management. The table below presents the Energa Group's key stakeholders and examples of how the Group cooperates with them and what impact this cooperation has on the Group's operations.

Stakeholders	Forms of involvement	Interests and objectives of stakeholders	Results of engagement
Energa Group companies	Consultations, meetings, exchange of information, electronic communication, regular meetings of the Supervisory Board, meetings of environmental coordinators.	Better coordination of internal activities, effective management, adaptation of policies (e.g. Environmental Policy Annex No. 61, 12.12.2024).	Improving internal decisions and coordination of business and environmental activities.
Key shareholders (ORLEN SA)	Reports, reports, correspondence, direct communication, electronic communication, meetings, workshops and trainings.	Ensuring that the company's activities are in line with the owner's expectations and business strategy.	Management decisions in accordance with the interests of the owner.
Employees and trade unions	Intranet, employee portal, consultations, Management Board-employee meetings, internal publications, ORLEN GO! magazine, surveys, training and professional development.	Transparent communication with employees.	Changes in labour policies, adjustment of wages and working conditions (e.g. remote work).
		Attracting and retaining talent.	
		Good working conditions and environment.	
		Work-life balance, job security, personal development, salary.	
Public administration	Correspondence, electronic communication, study visits, consultations, lobbying activities, crisis reporting, conferences.	Adaptation of activities to legal regulations, cooperation in legislative processes.	Implementation of changes in accordance with regulations, participation in legislative processes (e.g. EU taxonomy, CSRDD, CSDDD).
Environment	Non-financial reports, reports for institutions, implementation of post-audit orders, EMAS registration, ESG report.	Reduction of environmental impact, compliance with sustainability regulations, climate risk management.	Implementation of the Sustainable Development Strategy 2024–2030, maintenance of EMAS registration.
Industry organizations	Membership, participation in working groups, conferences, fairs, general meetings.	Exchange of good practices, influence on industry standards, participation in policy discussions.	Participation in working groups of industry organizations (e.g. ESG reporting, taxonomy compliance, responsible business).
Suppliers and business partners	Exchange of information, telephone contacts, correspondence, online publications, supplier register, Connect purchasing platform, trade fairs.	Supply chain optimization, ensuring compliance with procurement policies and ESG criteria.	Strengthening relationships with suppliers, better compliance with purchasing policies.
Customers and recipients	Individual meetings, correspondence, electronic communication, marketing campaigns, hotline, satisfaction surveys, social media.	Improving the quality of customer service, adapting the offer to customer needs, developing services.	Increase customer satisfaction, optimize services.
Local authorities	Consultations, face-to-face meetings, correspondence, electronic communication, participation in local events.	Cooperation for local investments and infrastructure development.	Partnerships in local investment projects (e.g. CCGT, grid upgrades).
Banks and financial institutions	Correspondence, cyclical reporting, individual meetings, electronic communication, investor reports.	Compliance with investor and lender requirements.	Alignment with financial standards and ESG criteria.
Local communities	Public consultations, educational initiatives, event sponsorship, social media, communication in local and national media.	Building the company's image, social acceptance of investments, CSR activities.	Increase in social trust, social activation, CSR initiatives.
Media	Press office, e-mail communication, media.energa.pl website, press conferences, social media.	Transparency of activities, crisis management, reputation building.	Improving media relations, increasing brand visibility and stakeholder trust.
Scientific and research units	Cooperation with universities, participation in conferences, scientific research.	Supporting technological innovation, improving energy efficiency.	Implementation of new research and development projects, increasing the innovation potential.

[GOV-1]

THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

Energa S.A., as a joint-stock company, has a management and supervisory body, which are, respectively: the Management Board and the Supervisory Board. The number of members of these bodies may change depending on the decision of the General Meeting of Shareholders and the Supervisory Board. As at 31 December 2024, the Management Board of Energa S.A. had three members, and the Supervisory Board had five. All Members of the Management Board perform executive functions. Members of the Supervisory Board perform non-executive functions, supervising the company's operations. Supervisory Boards operate in joint-stock companies of the Energa Group in accordance with statutory requirements. In limited liability companies, the appointment of the Supervisory Board is always a business decision.

In accordance with the Articles of Association of Energa SA, members of the Management Board are appointed and dismissed by the Supervisory Board, which entrusts one of them with the function of the President, and one or more of them may be entrusted with the function of the Vice-President of the Management Board. The term of office of the Management Board is joint and ends on the date of the General Meeting approving the financial statements for the second full financial year of the term of office.

There is no representation of employees in the Management Board and Supervisory Board of Energa SA.

The Supervisory Board of Energa SA consists of 5 to 9 members and exercises constant supervision over the company's operations, in accordance with its Articles of Association. The detailed procedure for its operation is specified in the Rules of Procedure of the Supervisory Board, published on the company's corporate website.

The members of the Management Board are not referred to as independent. The independence criteria apply to Members of the Supervisory Board. Each Member of the Supervisory Board and the Management Board must submit a statement that he or she does not conduct any activity competitive to the business of Energa, that he or she is not a partner in a competitive civil law partnership, a partnership or a member of a governing body of a corporation, and that he or she is not a member of its governing bodies in any other competitive legal entity, and that he or she is not listed in the Register of Insolvent Debtors maintained pursuant to the Act on the National Court Register.

Table 46. Independent and dependent members of the Supervisory Board of Energa SA (as at 31 December 2024).

Supervisory authority	Independent members	Dependent members	Together	Share % of independent members
Supervisory Board of Energa SA	3	2	5	60%

DIVERSITY IN MANAGEMENT AND SUPERVISORY BODIES

Figure 34. Diversity in the management and supervisory bodies of the Energa Group (as at December 31st 2024).

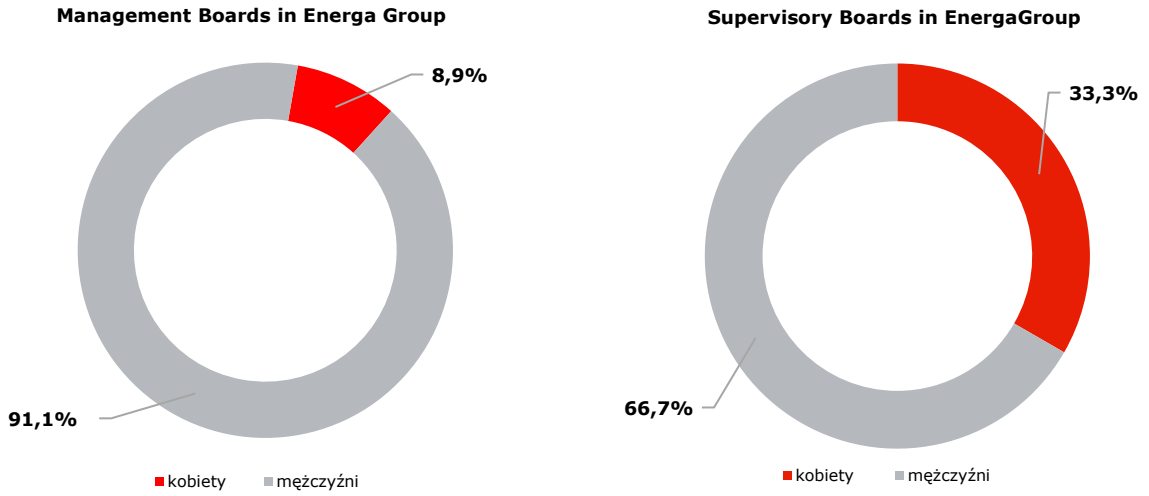


Table 47. Number of Members of the Management Board and Supervisory Board of Energa SA by gender and age, together with percentage share (as at 31 December 2024)

Governing body	Age	Women	Men	Including	Share %
Managemnet Board	under 30	0	0	0	0%
	30-50	0	1	1	33%
	over 50	0	2	2	67%
Supervisory Board	under 30	0	0	0	0%
	30-50	2	0	2	40%
	over 50	0	3	3	60%

The management and supervisory bodies of Energa SA have extensive experience, which is closely related to operations in the sectors, products and geographical regions in which the Energa Group operates.

Detailed information on the experience of individual members of the management and supervisory body can be found in the Management Board Report, section 10.7. Governing bodies of the Company.

At Energa SA, the Management Board supervises the influences, risks and opportunities related to the company's operations, which determines the directions of risk management and makes strategic decisions in this respect. In addition, the Audit Committee monitors the effectiveness of the risk management system, ensuring its adequacy and compliance with applicable regulations and best market practices. The rules of operation of the Audit Committee are set out in the Articles of Association of Energa SA and the Rules of Procedure of the Supervisory Board, available on the Company's website. The Audit Committee acts collectively and plays an advisory and opinion-forming role for the Supervisory Board.

With respect to corporate risks, the Group identifies risks related to sustainability reporting, ineffective environmental and energy management, negative impact of climate change and social risks. Risks are assessed and reported by risk owners, and the objectives are defined within the scope of the Management Board's objectives. The Group implements action plans and control mechanisms to prevent the occurrence of risk.

Members of the Management Board constantly update their knowledge in the area of sustainable development by participating in conferences, trainings and industry events, both national and international. In 2024, each member of the Management Board received a weekly newsletter dedicated to the most important ESG events. A series of training courses on sustainable development for the Management Boards and management of Energa Group companies was also continued. One of the issues discussed during the training was the Energa Group's preparation for the implementation of the CSRD guidelines, including the process of double materiality testing and management of material impacts, risks and opportunities. Thanks to these trainings, members of the Management Boards deepen their knowledge in the area of sustainable development. They also have unlimited access to expertise through contact with employees from the Sustainability Office, who provide information and advice on sustainability as experts. In addition, during the meetings, Management Board members received information on the current status of the most important ESG activities, which in 2024 were reported by the Director of the Corporate Management Department, to whom the ESG Department was directly subordinate at the time (from 1 February 2025 – the Sustainable Development Office).

The company's Management Board is responsible for the reliability, correctness and clarity of information contained in sustainability reporting. At Energa SA, the President of the Management Board exercises functional supervision over the Sustainable Development Office, which is responsible for the preparation of the 2024 Annual Report of the Management Board. The Management Board reviews and approves the information reported in the Sustainability Report.

Detailed information on the scope of competences, organizational structure and mechanisms for coordinating the actions taken can be found in the Management Board Report, sections 2.2 and 10.7. The information contained in the document allows for a full understanding of the role of individual bodies in the implementation of the SDGs.

[GOV-2]

INFORMATION PROVIDED TO AND SUSTAINABILITY MATTERS ADDRESSED BY THE UNDERTAKING'S ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

Requests addressed to the Supervisory Board are analysed by the Supervisory Board in terms of their impact on sustainable development issues. More important conclusions are included in the ESG risk assessment sheet, which is prepared by the company submitting the application to the Supervisory Board to facilitate the analysis of the board.

In addition, the Supervisory Board and the Management Board receive annual reports – the Sustainability Report (in 2024, the Energa Group's Non-Financial Report for 2023) and the Report of the Management Board of Energa SA on the activities of the Energa Group and Energa SA, which include, among m.in, risk analyses, implemented policies and the effectiveness of measures taken in the area of sustainable development. In addition, ESG issues were discussed during Management Board meetings by approving activities related to the Charitable Giving Policy, discussing scenario analysis, adopting the Charter of Children's Rights, adopting the 2023 Non-Financial Report, reviewing the environmental and energy management system, and others.

In the case of decisions taken to implement measures in line with the Energa Group's strategy, sustainability issues are taken into account along with the analysis of the applications in the manner indicated in the section above. The Management Board supervises and defines the directions of risk management, adopts the results of risk reporting, in particular determines the risk appetite and risk management strategy. As a result of the six-month risk reviews, information on the Energa Group's exposure to risk is prepared. On this basis, the Management Board of Energa makes a decision on the level of risk appetite and approval of the risk management strategy, obliging Risk Owners to implement action plans.

List of risk management topics addressed by management and supervisory bodies during the reporting period:

1. The risk of adverse impact of climate change relates to the impact of climate change on the productivity of the Energa Group's generating units and on the operation of the distribution network, as well as the failure to adapt the business operations of the Energa Group companies to the requirements for climate risk management.
2. The risk of negative relations with local communities relates to the failure to adapt the company's operations to the requirements for relations with local communities.
3. The risk of ineffective environmental and energy management relates to improper environmental and energy management resulting in the Energa Group companies' negative impact on the environment (including their increased impact on climate change).
4. Sustainability reporting risk related to the disclosure of ESG data in sustainability reports.

[GOV-3, E1. GOV-3]

INTEGRATING SUSTAINABILITY-RELATED PERFORMANCE INTO INCENTIVE SCHEMES

Issues related to sustainable development, including those related to climate, are included in the remuneration of members of the Management Board of Energa SA and at the director and management level through the implementation of bonus targets (Management By Objective). Members of the Supervisory Board receive a fixed salary and do not have bonus targets. Issues related to sustainable development and climate included in the bonus targets of the Management Board of Energa SA include:

- Implementation of the ORLEN Group's Strategy.
- Support for the implementation of the Strategic Transformation Programs, including the Strategic Transformation Program for the Heating Industry and transformation projects in the area of RES.
- Implementation and support of sustainable development and decarbonization activities.
- Cooperation with the Electromobility area at the Energa Group.
- Implementation of the CCGT Grudziądz and CCGT Ostrołęka projects.

The implementation of the MBO is also assessed in terms of greenhouse gas emission reduction, where the overarching goal is to achieve a reduction in emission intensity in the form of the emission ratio (kg CO2/MWh) in the energy area at the level of 40% in the 2030 horizon compared to 2019 at the level of the Management Board and for the management staff. The achievement of decarbonisation objectives is monitored by the Corporate Governance Department and the Strategic Management Department. In accordance with the Rules of the Bonus System for the Management Board of Energa SA, the Supervisory Board of Energa SA formally appoints and approves the settlement of individual bonus targets (bonus targets).

The individual climate-related bonus targets for 2024 are qualitative. Achievement of climate-related goals accounts for < 10% of the Variable Remuneration of Members of the Management Board of ENERGA SA.

Climate-related MBOs are cascaded to the management boards of leading business line companies, i.e. Energa Operator, Energ Obrót and Energa Wytwarzanie. Every quarter, the companies send the Report on the implementation of the MBO climate objectives to the Corporate Management Department,

[GOV-4]

STATEMENT ON DUE DILIGENCE

At the ENERGA Group, responsible business development, including proper understanding and management of ESG aspects, is a top priority. The Group companies conduct their business in such a way as to avoid the negative effects of their operations. However, if such a negative effect occurs, they take appropriate remedial measures to mitigate its effect and minimize the likelihood of its recurrence.

In order to ensure due diligence, the Energa Group has implemented the Compliance System, the Integrated Risk Management System, internal audit and internal control, and external audits are also carried out. In addition, under the Cooperation Agreement, the Group Entities have regulated the rules of the Group's operation in a broad business context (including those related to the areas of: employees, respect for human rights, environmental issues, corrupt practices, protection of consumer interests, competition, corporate governance in the Group's operations, supply chain, taxes, as well as in the scope of R+D activities). For example, in the area of human rights, the Energa Group introduced a Human Rights Protection Policy in 2023. The Policy defines the key principles of activities and behaviours that are directly or indirectly related to the care for respect for human rights within the organisation and in relations with external stakeholders.

The following table shows the sections of this report that outline the main elements of due diligence.

BASIC ELEMENTS OF THE DUE DILIGENCE PROCESS		POINTS IN THE SUSTAINABILITY STATEMENT
a.	Embedding due diligence in corporate governance, strategy and business model	ESRS 2 GOV-2, ESRS 2 GOV-3, ESRS 2 SBM-3
b.	Engaging with stakeholders affected by the Group at all key stages of the due diligence process	ESRS 2 GOV-2, ESRS 2 SBM-2, ESRS 2 IRO-1, S1-2, S2-2, S3-2, S4-2
c.	Identification and assessment of adverse impacts	ESRS 2 IRO-1 ESRS 2 SBM-3 ESRS 2 SBM-3 (Sections E1, E2, E3, E4, E5, S1, S2, S3, S4)
d.	Taking action to mitigate identified adverse impacts	E1-3, E2-2, E3-2, E4-3, E5-2, S1-3, S1-4, S2-3, S2-4, S3-3, S3-4, S4-3, S4-4, ESRS 2 MDR-A
e.	Monitor and provide relevant information on the effectiveness of these efforts	E1, E2, E3, E4, E5 (Metrics and Targets sections) S1-5, S2-5, S3-5, S4-5, ESRS 2 MDR-M, ESRS 2 MDR-T

[GOV-5]

RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING STRATEGY

The Integrated Risk Management System ("IMS") has been in place at the Energa Group since 2011 and is centrally supervised by Energa. The IMS is implemented on the basis of a Group-wide uniform risk management process based on international standards (ISO 31000, COSO, FERMA) and covering all levels of the organization and Business Lines. The risk management process consists of stages that determine each other and are carried out on a continuous basis. It runs from the level of organizational units to the top management, from the level of the Group entities to Energa as the parent company.

More details on the Integrated Vocational Training System can be found in the SzszD, chapter 7.

The scope, main features and elements of the risk management and internal control processes and systems with respect to sustainability reporting are the same as for the management of other risks at the Energa Group. In 2024, no internal audits were carried out in the ESG area. An annual Audit Plan is prepared by the Risk Unit, which is developed on the basis of the results of the risk identification and assessment process, the strategic objectives of the organisation, as well as proposals for topics

submitted to the Audit Office by the management staff of Energa SA, the Management and Supervisory Boards of the Energa Group companies. Proposals for the plan may include conducting an ESG audit.

With respect to corporate risks, the risk associated with sustainability reporting is identified, described in detail in the Sustainability Reporting Risk Charter ("KR"). The internal and external factors and impacts identified in the CoR include opportunities for fraud and reporting errors for sustainability reporting. As part of the planned mitigation activities, processes are provided to minimize the risk associated with the incompleteness, availability or correctness of the collected data.

Data for the purposes of sustainability reporting that are subject to disclosure are collected at the Energa Group companies using an IT system by employees responsible for individual substantive areas. Then they are forwarded for approval to the persons coordinating their work in a given company. Coordinators check the data and verify whether they are accompanied by source documents or other confirmation of their correctness. The collected data from the subsidiaries is forwarded to the coordinator at Energa, who verifies the data, aggregates it and submits it to higher management bodies for approval.

[IRO-1]

DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

The process of double materiality analysis at the Energa Group was carried out in two stages. The first stage was based on the joint results of the double materiality survey conducted for the entire ORLEN Group. The second stage concerned a materiality test tailored to the specific nature of the Energa Group. The analysis began with the identification of an initial list of material topics through benchmarking with reference entities, analysis of ESG ratings, industry reports, and stakeholder consultations through surveys and workshops.

A methodology based on CSRD and ESRS guidelines was used, including value chain mapping. The process was carried out within the defined process of double significance analysis in the following stages:

Stage 1. Mapping the value chain and identifying sectors of activity.

- Identify relevant industries and sectors.
- Value chain mapping.
- Stakeholder analysis and stakeholder map.

Stage 2. Identify an initial list of relevant topics.

- Benchmarking (reference entities, ESG ratings, industry reports).
- Stakeholders – building a map and internal and external dialogue.

Stage 3. Impact materiality assessment.

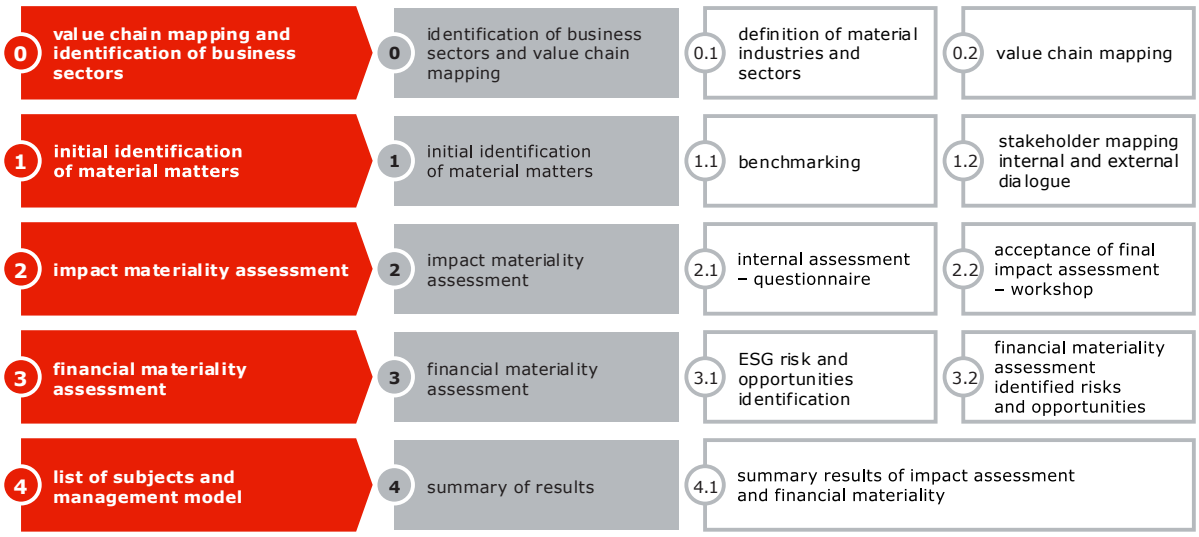
- Self-assessment of the impact – questionnaire.
- Final impact assessment approval – workshop.

Stage 4. Financial materiality assessment.

- Identification of opportunities and risks related to ESG issues.
- Assessment of the financial materiality of defined risks and opportunities, in accordance with the requirements of ESRS.

Stage 5. List of relevant topics.

Double materiality phases in ORLEN and Energa Group



The assessment was carried out according to ESRS criteria, taking into account the scale, extent, reversibility and likelihood of impact. The process was supported by analytical tools and workshops with internal experts, which allowed for a comprehensive approach to the analysis of double materiality in the Group. This was followed by an impact assessment and a financial materiality assessment, analysing both positive and negative impacts in the environmental, social and governance areas.

The process of analysing the impact of the Energa Group's operations took into account the effects on local communities, the environment and business partners. Both direct impacts (e.g. CO_2 emissions) and indirect impacts resulting from business relationships were examined. As part of the dialogue with stakeholders, consultation meetings with suppliers and customers were held.

The financial materiality analysis takes into account risks and opportunities arising from environmental, social and governance factors. 23 risks and 16 opportunities were identified in three time perspectives:

- short-term (up to 1 year),
- medium-term (1 to 5 years)
- (more than 5 years).

Risks and opportunities were assessed in terms of the probability of occurrence and financial impact on the Energa Group.

The assessment of risks and opportunities took into account environmental and social impacts and their impact on the Group's financial position, e.g. regulatory risk related to CO_2 emissions, which may generate additional costs related to the purchase of emission allowances. Risks were assessed in terms of the scale of financial impact and probability of occurrence, with the greatest threats in the areas of climate change. ESG risks have been integrated into the Energa Group's risk management system, assessed using the same matrix as other corporate risks.

Table 48. Criteria for assessing impacts, risks and opportunities

Evaluation criteria	Scales of positive impact	Scales of negative impact	Scale of risks and opportunities
Scale of impact	**5** - very high positive impact **4** - A big positive impact **3** - medium positive impact **2** - Low positive impact **1** - very low positive impact **0** - N/A	**5** - very high negative impact **4** - high negative impact **3** - medium negative impact **2** - Low negative impact **1** - very low negative impact **0** - N/A	
Scope of Impact	**5** – global **4** – widespread **3** – national **2** – regional **1** – local **0** – N/A	**5** – global **4** – widespread **3** – national **2** – regional **1** – local **0** – N/A	
Irreversible nature of the impact		**5** – irreversible negative impact **4** - very difficult to fix or long-lasting **3** - difficult to fix or medium-term **2** - repairable with effort (time and cost) **1** - easy or relatively easy to fix **0** – N/A	
Likelihood	**5** – very probable/almost certain **4** – highly probable **3** – Medium/ Possible **2** – small **1** – slight **0** – Improbable	**5** – very probable/almost certain **4** – highly probable **3** – Medium/ Possible **2** – small **1** – slight **0** – Improbable	**5** – very probable/almost certain **4** – highly probable **3** – Medium/ Possible **2** – small **1** – slight **0** – Improbable
Financial impact			**5** – Extremely significant impact (PLN >1 billion) **4** – High impact (PLN 100 million – PLN 1 billion) **3** – Moderate impact (PLN 10 million – PLN 100 million) **2** – Minor impact (PLN 1 million – PLN 10 million) **1** – Incidental impact (PLN <1 million)

Decisions on managing ESG impacts, risks and opportunities are made by dedicated teams as part of the risk management system, which includes workshops with experts. Risks are assessed in accordance with the Energa Group's risk management policy procedures. The process of identifying and managing ESG risks has been integrated with the Energa Group's overall risk management system, using a uniform risk assessment matrix, which affects the assessment of the organisation's overall risk profile.

The opportunities arising from the ESG analysis are integrated into the strategic and investment planning process of the Energa Group, with particular emphasis on the development of renewable energy sources and energy transformation. The analysis included data from ESG ratings, benchmarking, industry reports, stakeholder surveys, internal strategies and financial data. Key parameters include scale, extent of impact, reversibility, probability of occurrence and financial impact.

In 2024, the double materiality analysis process has been expanded to include the full implementation of the CSRD and ESRS guidelines. New analytical tools were introduced, stakeholder dialogue deepened, and financial analysis related to ESG risks and opportunities was enhanced, including a wider range of topics and a more detailed analysis of the impact of the value chain.

[SBM-3]

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

The Energa Group conducted a double materiality analysis to identify material impacts, risks and opportunities that are related to its strategy and business model and result from its own operations or value chain.

The table below presents significant impacts, risks and opportunities, grouped by topics and subtopics defined by ESRS. They contain the following information:

- the stage at which the impact, risk or opportunity occurs (own operations or value chain);
- the time horizon in which the impact, risk or opportunity is expected to materialise;

The actual impact was considered to be all events in the short-, medium- and long-term perspective, for which the probability was estimated at 5 (very probable/almost certain), in other cases the impact was defined as a potential impact. Individual chapters of this report describe the effects that these impacts, risks and opportunities have or may have on the strategy, business model and decision-making at the Energa Group, the way they are managed and the way in which these impacts affect people and the environment.

The analysis did not identify any risks for which there could be a material adjustment of the carrying amounts and liabilities disclosed in the financial statements in the next annual reporting period. The Energa Group did not record any material financial effects related to individual risks and opportunities.

The Energa Group has implemented processes to maintain the resilience of its strategy and business model in order to counteract material impacts and risks. The Group has an Integrated Risk Management System that covers all levels of the organization and Business Lines.

For more information on the Integrated Risk Management System, see the Management Board, vol. 7.

In addition to the integrated risk management system, which covers all risks occurring in the Energa Group, the Group has additional mechanisms, processes and procedures for controls in individual ESG areas.

Table 49. IRO-2. Opis wpływów pozytywnych i negatywnych.

IMPACT	●	POSITIVE IMPACT	●	NEGATIVE IMPACT		
PLACE OF IMPACT	**OW**	OWN OPERATIONS	**U**	UPSTREAM	**D**	DOWNSTREAM
TYPE OF IMPACT	**A**	ACTUAL*	**P**	POTENTIAL		
TIME PERSPECTIVE	**M**	MEDIUM-TERM	**L**	LONG-TERM		

*A true impact is defined as an impact where the probability is assessed as very probable/almost certain on a short-, medium- and long-term scale.

TOPIC	IMPACT	DESCRIPTION Of IMPACT	Type of impact	Time for potential impact	Where the impact originates
E1- CLIMATE CHANGE					
Climate change adaptation	●	Activities aimed at ensuring secure supply of services and products by increasing the resilience of assets to physical risks, e.g. by moving distribution networks from overhead to underground, development of the grid for new RES switches, as well as grid modernization and automation, use of electricity storage facilities. to stabilize RES.	A		OW
Climate change mitigation	●	Until mitigation measures are implemented, the organization remains a significant emitter of greenhouse gases. Decreasing negative impact resulting from plans to close coal assets.	A		OW
	●	Conducting active decarbonization activities that reduce emissions and thus have a positive impact on climate change mitigation.	A		OW
Energy	●	High demand for electricity and other energy carriers.	A, P	M, L	U, OW, D
	●	Carrying out activities in the field of improving energy efficiency and supplementing the energy mix with renewable sources.	A, P	M, L	U, OW
E2 – POLLUTION					
Pollution of air	●	Impact on air pollution through technological processes as part of energy generation from conventional sources.	A, P	M, L	U, OW
	●	Compliance with all necessary legal requirements and reference standards, which have been significantly tightened in recent years (np. BAT), investments in technologies that minimize air pollution, e.g. by modernizing heating assets.	A, P	M	OW
E3 - WATER					
Water consumption	●	Water consumption for the organization's own processes.	A, P	M, L	OW
Water withdrawals	●	Climate change, in particular through rising temperatures (heat waves), can lead to water shortages.	A, P	M, L	U, OW
Water discharges	●	Water used in the process of cooling conventional sources is returned through a discharge channel to rivers, ensuring the biological continuity of the watercourse, the impact on disturbances in ecosystems.	A, P	M, L	OW

TOPIC	IMPACT	DESCRIPTION Of IMPACT	Type of impact	Time for potential impact	Where the impact originates
E4- BIODIVERSITY					
Climate change	🔴	Indirect impact through greenhouse gas emissions from fossil fuel energy production processes on biodiversity.	A, P	M, L	U, OW
Direct exploitation	🔴	Impact of overhead power lines on fatal accidents of animals caused by electrocution. Bird collisions on wind farms. A watercourse barrier preventing migratory fish from moving freely up and down the river.	A		OW
Species population size	🟢	Activities to support river ecosystems through restocking, protection of the white stork, investment activities in the field of underground network cabling.	A, P	M, L	OW
	🔴	The impact of hydroelectric power plants on the change of the species population of aquatic organisms.	A, P	M, L	OW
E5- RESOURCE USE AND CIRCULAR ECONOMY					
Resources inflows, including resource utilization	🔴	Time needed to modernize the installation to move away from coal, increased use of transition fuel – gas (also a non-renewable resource).	A		OW
Waste	🟢	Reuse waste for construction products. Landfill "zero balance" policy.	A, P	M	OW, D
	🔴	With the large scale of modernization processes and the construction of new assets, more waste is generated. Construction/modernization of generation installations, reconstruction of the distribution network (continuous process).	A, P	M, L	OW, D
S1- OWN WORKFORCE					
Working conditions	🔴	The energy transition and the reduction of coal assets may raise uncertainty about the stability of jobs.	P	M, L	OW
	🟢	Stable employment under an employment contract, active activities related to ensuring the security of employment of employees. Employment security programs also include activities related to adaptation to climate change and decarbonization plans, as well as covering employees with various social programs.	A, P	M, L	OW
Employees' working hours and work-life balance	🔴	Overtime work, in particular in the event of mass emergencies, on-call work, affect work-life balance and working time, some occupational groups are excluded from remote work due to the nature of the work performed.	A, P	M, L	OW
	🟢	The possibility of using remote work and flexible forms of employment, compliance with working time regulations.	A, P	M, L	OW
Adequate wages	🔴	Lack of a uniform remuneration system in the Energa Group.	A, P	M,L	OW
	🟢	Competitive salaries, benefit packages (medical care, insurance, social benefits) and additional support programs for employees.	A, P	M, L	OW

TOPIC	IMPACT	DESCRIPTION Of IMPACT	Type of impact	Time for potential impact	Where the impact originates
Social dialogue with workers and collective bargaining	🔴	Lack of possibility to meet all the financial expectations of the social side.	A, P	M, L	OW
	🟢	Creating conditions conducive to open social dialogue through regular meetings, consultations and communication with the social side. Full recognition of trade union organizations as representatives of workers in terms of their collective rights and interests.	A, P	M, L	OW
Freedom of association	🟢	Complete freedom of association. There are numerous trade unions operating in the companies, exercising the right of employees to information, consultation and participation.	A, P	M, L	OW
Health and safety	🔴	Occupational risks associated with active energy infrastructure. Accidents at work that cause an increased level of threat to health and life.	A, P	M, L	OW
	🟢	High level of health and safety standards, programs and training aimed at improving occupational health and safety, monitoring accident rates and building awareness of safe work through health and safety training and corrective actions.	A		OW
Gender equality	🟢	Existing regulations containing rules for creating a working environment conducive to the professional development of employees, without distinction between gender.	A, P	M, L	OW
Training and development of employee skills	🔴	Despite large training budgets and their active use by employees, there are substantive areas in which not all development expectations of employees can be met.	A, P	M, L	OW
	🟢	Extensive training and development activities. Training management through a comprehensive approach to planning, designing, using various training forms and evaluating their effectiveness.	A, P	M, L	OW
Measures against violence and harassment in the workplace	🟢	Implementation of the Code of Ethics, Ethics Officers, the Clarification Committee and intervention teams aimed at counteracting mobbing and affecting the sense of security of employees.	A, P	M, L	OW
S2- WORKERS VALUE CHAIN					
Occupational health and safety of employees in the value chain	🔴	Occupational risks associated with active energy infrastructure for contractors. Accidents at work that cause an increased level of threat to health and life.	A, P	M, L	U, OW
	🟢	High level of OHS standards, programs and training for contractors aimed at improving occupational health and safety, monitoring accident rates and building awareness of safe performance of work through OHS training and corrective actions.	A, P	M, L	U, OW
Training and skills development of employees in the OSH value chain	🔴	Rotation and generational change of subcontractors affect the level of training in the area of health and safety, and difficult control of subcontractors' employees.	A, P	M, L	U, OW
	🟢	Enforce defined training and authorization requirements.	A, P	M, L	U, OW
S3 - AFFECTED COMMUNITIES					
Impacting land-based communities	🔴	Restrictions on the possibility of using land by its owners and a decrease in market value due to the need to acquire new land in connection with investments, e.g. RES. In the case of construction of transmission lines or transformer stations, transmission easement is acquired or established on private land.	A, P	M, L	U, OW

TOPIC	IMPACT	DESCRIPTION Of IMPACT	Type of impact	Time for potential impact	Where the impact originates
Impact on safety	🔴	Safety hazards resulting from e.g. potential failures, fires, network damage. In addition, there is a threat to the safety of unauthorized persons who get into power facilities.	A, P	M, L	OW, D
	🟢	Increase energy awareness by conducting educational projects for communities on how to behave safely near energy infrastructure. A high level of care for the security of energy infrastructure.	A, P	M, L	OW
Building social engagement	🟢	Building social commitment through social activities, sponsorship, volunteering activities and educational programs.	A, P	M, L	OW, D
S4- CONSUMERS AND END -USERS					
Consumer and End-User Privacy	🔴	Critical infrastructure companies are particularly vulnerable to attacks on customer databases, requiring continuous improvement of security systems.	A, P	M, L	OW, D
	🟢	A high level of security ensuring the protection of personal data privacy and their processing in accordance with the information clause and applicable regulations, adequate to the nature of cooperation. The Group adheres to the highest standards of personal data protection and privacy.	A, P	M, L	OW
Freedom of expression	🟢	Providing customers with access to various contact channels, such as direct, electronic, traditional and telephone, enabling free communication with companies, submitting inquiries, complaints and complaints.	A, P	M, L	OW
Access to information (high quality)	🔴	Possible difficulties in understanding contractual provisions and the structure of invoices, which can lead to confusion for customers.	A		OW, D
	🟢	Providing consumers with access to high-quality information through direct contact in showrooms, hotline, chat and website, as well as through the Call Center operating the emergency and distribution hotline.	A, P	M, L	OW, D
Personal safety	🔴	Lack of access to energy due to failures.	A, P	M, L	OW, D
	🟢	Ensuring occupational safety and personal safety of consumers by investing in the quality and reliability of energy supply and systems enabling quick response to failures.	A, P	M, L	OW, D
Child protection	🟢	Special protection of children through the implementation of educational programs teaching children how to behave in the vicinity of energy infrastructure and how to safely use electricity-powered devices.	A, P	M, L	OW
Non-discrimination	🟢	Equal treatment of all customers, in accordance with the regulatory requirements of the Energy Law, through the application of objective and transparent rules for distribution system users.	A, P	M, L	OW
Access to products and services	🔴	The level of energy and energy prices is independent of the company, at the same time energy prices may lead to the problem of energy poverty and disconnections resulting from unpaid receivables.	A, P	M, L	D
	🟢	Availability of the offer to all adult consumers with the right to the premises.	A, P	M, L	OW
Responsible Marketing Practices	🔴	Complaints and proceedings regarding misleading customers.	A, P	M, L	OW
	🟢	Promoting sustainable products and services, including the sale of renewable energy and educating customers about the environmental impact of their choices and the benefits of green solutions.	A, P	M, L	OW

TOPIC	IMPACT	DESCRIPTION Of IMPACT	Type of impact	Time for potential impact	Where the impact originates
G1 -BUSINESS CONDUCT					
Corporate culture	●	The Group ensures high standards of corporate culture through extensive internal and external regulations, i.e. Code of Ethics, Code for Suppliers, appointment of Ethics Officers, etc.	A, P	M, L	U, OW, D
Protection of Whistle- blower	●	The Group is committed to providing tools and mechanisms to protect whistleblowers.	A		OW
Managemenet of relationships with supplier, including payment practices	●	Attention to regular payments confirmed by suppliers. Taking care of supplier relations and high standards set out in the Supplier Code.	A, P	M, L	OW
Corruption prevention and detection, including training	●	Training tools and learning the organization, appropriate policies and procedures carried out for years and constantly improved.	A		OW
Incidents	●	Having appropriate mechanisms for reporting and detecting incidents and regular risk management.	A		OW

Table 50. IRO-2. Description of risks and opportunities

LEGEND						
RISKS, OPPORTUNITIES	●	RISK	●	CHANCE		
PLACE OF IMPACT:	**OW**	OWN OPERATIONS	**U**	UPSTREAM	**D**	DOWNSTREAM
TYPE OF IMPACT	**A**	ACTUAL*	**P**	POTENTIAL		
TIME PERSPECTIVE	**S**	SHORT-TERM	**M**	MEDIUM-TERM	**L**	LONG-TERM

Matter	IRO	Description of risks and opportunities	S	M	L	Where the impact originates
E1 CLIMATE CHANGE						
Climate change adaptation	●	Capital expenditures related to activities aimed at ensuring secure supply, e.g. related to network cabling, adaptation of the network to new connections.	✓	✓	✓	OW
	●	Lower costs of repairing failures, improvement of SAIDI, SAIFI indicators, change of the energy mix resulting in real investment returns. Opportunities related to the stabilization and maximization of the use of renewable energy sources and alternative energy sources.	✓	✓	✓	OW
Climate change mitigation	●	Costs associated with the need to implement solutions to reduce emissions. Costs of replacing coal sources with RES - construction of PV and wind farms. Increased costs resulting from regulatory changes (e.g. Taxonomy Delegated Acts (BAT, BREF). Costs of purchasing emission allowances for transitional sources.	✓	✓	✓	OW
	●	Increase in revenues related to increased production and sale of energy from RES.	✓	✓	✓	OW
Energy	●	Grid overload caused by excessive demand for energy, e.g. in the summer season. In the case of fragments of the network that have not been modernized, the risk of failures is increased. Adaptation of the grid to the inclusion of prosumers - unstable sources of renewable energy.	✓	✓	✓	U, OW, D
	●	Additional revenues through increased energy consumption, e.g. heat pumps, electric cars, air conditioners.	✓	✓	✓	OW, D
E2 – POLLUTION						
Pollution of air	●	Increase in costs related to regulations on air pollutant emissions (modernization costs, fees for the use of the environment).	✓	✓		OW
	●	Lower costs of carbon pricing along with the move away from conventional raw materials and reduction of pollutant emissions into the air.		✓	✓	OW
Substances of Concern	●	Costs related to the need to replace (hazardous) chemical substances used for the business with environmentally safe ones, e.g. costs related to the need to change the SF6 greenhouse gas used in GPZ switches (from 2026 for medium voltage, from 2030 for high voltage).			✓	OW
	●	No need to pay fees for the use of the environment as part of fugitive SF6 emissions.			✓	OW
E3 - WATER						
Water consumption	●	Increased costs of purchase/use of water for energy purposes in connection with the increase in rates by PGW Wody Polskie.	✓	✓	✓	OW

Matter	IRO	Description of risks and opportunities	S	M	L	Where the impact originates
	●	The largest amount of water is taken only for the needs of hydroelectric power plants - water flows unchanged through turbines. No need to pay for technological wastewater treatment processes.	✓	✓	✓	OW
E4 BIODIVERSITY AND ECOSYSTEMS						
Direct exploitation	●	Costs associated with mitigating the impact on biodiversity as a result of direct exploitation.	✓	✓	✓	OW
Impact on the population size of species	●	Costs associated with mitigating the impact on changes in the species population of aquatic organisms through direct exploitation, e.g. the cost of building fish ladders.	✓	✓	✓	OW
E5 RESOURCE USE AND CIRCULAR ECONOMY						
Resources inflows, including resource utilization	●	Use of transition fuel. In the future (perspective over 5 years), the installation will not be technically able to change gas fuel to hydrogen fuel.			✓	U, OW
Waste	●	High costs of managing waste from operations. Unknown costs of managing used elements from renewable energy sources (e.g. PV panels).	✓	✓	✓	OW, D
S1 OWN WORKFORCE						
Secure emplyment	●	The impact of the transformation of the power sector, the high costs of shields for the energy sector employee provided for in the Act.		✓	✓	OW
Adequate wages	●	Cost: Providing and retaining qualified employees and motivating them in the long term in order to maintain appropriate commitment and responsibility for the performance of tasks and achievement of the Energa Group's business objectives.	✓	✓	✓	OW
Social dialogue with workers and collective bargaining	●	Securing the rights of power engineers, contracts (Agreement for Employees of the Polish Power Industry on the occasion of the transformation of the power sector) and social agreements (e.g. the Collective Bargaining Agreement.	✓	✓	✓	OW
	●	Achieving business goals through constructive and substantive social dialogue with respect for the interests of each party, based on independence and trust, and on the search for compromise solutions.	✓	✓	✓	OW
Health and safety	●	Risk of accidents at work leading to costs of compensation, downtime and material damage to the energy infrastructure.	✓	✓	✓	OW
	●	High health and safety standards reduce the risk of accidents and downtime, improving operational safety and stability.	✓	✓	✓	OW
Training and development of employee skills	●	Costs resulting from the need to implement training initiatives to use the potential of employees and new training challenges.	✓	✓	✓	OW
	●	Regular training increases efficiency, innovation and work safety. Higher qualifications of employees allow to improve the company's financial results, among others. By optimizing costs, better adapting to changes and legal requirements, it allows you to improve financial results, m.in. by: optimizing costs, not paying financial penalties and achieving business goals.	✓	✓	✓	OW

Matter	IRO	Description of risks and opportunities	S	M	L	Where the impact originates
S2 WORKERS IN THE VALUE CHAIN						
Occupational health and safety of employees in the value chain	●	Risk of accidents at work leading to costs of compensation, downtime and material damage to the energy infrastructure.	✓	✓	✓	U, OW
Training and skills development of employees in the value chain	●	Risk of accidents at work leading to compensation costs, downtime and material damage to the energy infrastructure due to inadequate health and safety training.	✓	✓	✓	U, OW
S3 AFFECTED COMMUNITIES						
Impacting land-based communities	●	Costs of payment of damages, compensation for transmission easement or incurring the costs of proceedings, claims for compensation for damage resulting from interference with private property or limited access to real estate.	✓	✓	✓	OW, D
Impact on safety	●	Risk related to claims for damages resulting from safety disruptions resulting from accidents that occurred on the premises of the Energa Group's infrastructure, including those resulting from damage suffered during violent weather events.	✓	✓	✓	OW, D
S4 CONSUMERS AND END -USERS						
Personal safety	●	Risk of business continuity breach (distribution), related to the personal safety of consumers, which may lead to a threat to the safety of life and property.	✓	✓	✓	OW, D
Non-discrimination	●	Risk of violation of the principle of equal treatment – proceedings conducted by the Energy Regulatory Office in the event of violation of the principles of equal treatment of system users.	✓	✓	✓	OW
Access to products and services	●	The possibility of interruptions in the supply of electricity, which may result in the imposition of penalties by the Energy Regulatory Office (ERO) for failure to meet the set quality indicators.	✓	✓	✓	OW
	●	Opportunities related to the development of smart grids and the connection of new customers and producers thanks to the use of additional, non-repayable financial resources from European funds and national public funds.	✓	✓	✓	OW
Responsible Marketing Practices	●	Costs resulting from complaints and proceedings regarding marketing practices, penalties resulting from misleading the customer.	✓	✓	✓	OW, D
	●	Increase revenues and gain a competitive advantage by following responsible marketing practices.	✓	✓	✓	OW, D
G1 BUSINESS CONDUCT						
Corporate culture	●	A high corporate culture translating into cooperation, development, innovation and competitiveness on the market.	✓	✓	✓	U, OW, D
Protection of Whistle-blowers	●	Cost savings resulting from having systems and mechanisms in place to ensure transparency of operations, minimization of financial and legal risk.	✓	✓	✓	OW
Managemnet of relationship with suppliers including payment practices	●	Proper management of relations with suppliers can affect the quality of product and service delivery, cooperation with the best on the market and cost savings related to disputes and complaints.	✓	✓	✓	U, OW

Matter	IRO	Description of risks and opportunities	S	M	L	Where the impact originates
Corruption prevention and detection, including training	●	No corruption that would affect the financial scale, cost savings resulting from having a system and mechanisms in place to ensure the Group's security.	✓	✓	✓	OW
Incidents	●	Based on the detected incidents, the organization learns and increases the efficiency and effectiveness of control mechanisms, reducing potential losses.	✓	✓	✓	OW

THE RESILIENCE OF THE ENTITY'S STRATEGY AND BUSINESS MODEL IN TERMS OF ITS ABILITY TO ADDRESS ITS MATERIAL IMPACTS AND RISKS AND TO SEIZE SIGNIFICANT OPPORTUNITIES.

ENVIRONMENTAL RESILIENCE

The Group has an integrated environmental and energy management system in place, in accordance with the EMAS Regulation and ISO 14001 and ISO 50001 standards. The Group takes steps to reduce the consumption of raw materials, water and energy in order to build resilience in the organisation's value chain against depleting natural resources and monitors activities related to climate aspects, m.in. by collecting comprehensive and detailed data on risks and opportunities related to climate change in the Group's business lines and by constantly supervising energy consumption, of water and non-renewable raw materials, an increase in the share of renewable energy sources and the development of the distribution network. The Group also conducts an independent external audit of the environmental and energy management system. In the area of the environment, the Energa Group calculates its carbon footprint in scopes 1, 2 and 3.

In addition, section *E1 Climate change* of this report presents a scenario analysis using climate change projections, the purpose of which is to show the possibilities of increasing the resilience of the business model in relation to climate change.

RESILIENCE IN THE SOCIAL AREA

In the area of employees, the Energa Group complies with OHS rules and is guided by internal safety regulations, such as the Occupational Health and Safety Policy, and conducts training for employees, including, among others: issues related to health and safety, ethics, anti-corruption. Taking care of employee awareness and development, information campaigns are also organized on topics important to the organization.

The Group has implemented the Principles of Communication, the Charitable Giving Policy, the Marketing Policy and the Principles of Sponsorship as well as the Principles of supervision and coordination of the customer service process. In addition, the Group has a position of the Customer Ombudsman, whose task is to ensure a high standard of relations with customers and to quickly respond to their needs and expectations. The Group implements the provisions of internal regulations concerning the area of personal data protection, m.in. in the field of dealing with breaches, obtaining consents to the processing of personal data, fulfilling information obligations or managing the risk of personal data protection.

The Energa Group has a Supplier Code of Conduct, which sets out the requirements of conduct for suppliers, including ensuring consistency of business and social objectives and clearly setting sustainability goals, defining criteria for individual suppliers. The Group maintains a register of qualified subcontractors and monitors the progress of services and deliveries. Moreover, the Group has security plans, including critical infrastructure protection plans, business continuity plans, physical and technical security systems, as well as monitoring of security incidents and inspections of physical and technical protection. Particular attention is paid to ensuring business continuity and minimizing risks related to possible internal and external threats. All the mechanisms and procedures in place are aimed at increasing the resilience of the organisation and its strategy to emerging and potential risks, ensuring the stability of the Energa Group's operations.

RESILIENCE IN THE AREA OF CORPORATE GOVERNANCE

Despite the fact that the Energa Group did not identify any material corporate governance risks as part of the double materiality analysis, it has a number of procedures in place, such as the Information Security and Cybersecurity Management Policy, the Personal Data Security Policy and the Corruption and Fraud Prevention Policy. The Group also has IT systems in place for monitoring and reporting material matters and the Compliance Management System. The Group has implemented internal procedures for concluding contracts and awarding contracts, and the Central Register of Contracts and Orders is in place. In turn, the principles resulting from the Code of Ethics have a positive impact on the image of the organization, competitive advantage and internal relations. The Group has also implemented an ESG code to improve the data aggregation process, and ESG assessment tools are used, and the Group regularly undergoes ranking assessments. The ESG Department (since 2025 - the Sustainable Development Office) conducts ongoing and cyclical monitoring of the implementation of tasks.

Compliance with procedures, risk management, implemented management systems and all the mechanisms and activities carried out by the Energa Group described above increase the company's resilience and demonstrate that the Group is able to effectively manage key risks as part of its current strategy and operational activities.

A LIST OF RELEVANT DISCLOSURES AND OTHER DATA POINTS FROM EU LEGISLATION

A list of relevant ESRS disclosure requirements and a list of other data points that derive from other EU legislation can be found at the end of the Report in Table 107 on page 314 and Table 108 on page 318 respectively.

11.2 ENVIRONMENTAL INFORMATION

[E1] ZMIANA KLIMATU

[E1-1]

TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION

The Energa Group does not have a separate formalised transformation plan. Climate change mitigation measures and the plan to achieve zero emissions are part of the Energa Group's strategy and at the ORLEN Group level. Detailed information on the Group's activities to reduce the Group's negative impact on climate change can be found in the following documents:

- Multiannual Strategic Investment Plan of the Energa Group for 2024-2030 (the "ENTRY").
- Strategic Development Plan of the Energa Group for 2024-2030. ("Strategic Development Plan" or "SPR").
- The Energa Group's decarbonisation strategy (directly reflects the assumptions of the WSPIS and SPR).
- Sustainable Development Strategy at the Energa Group 2024-2030.

All of the above strategic documents were adopted by the Management Board of Energa SA and approved by the Supervisory Board.

Currently, the Energa Group and the ORLEN Group are working on the development of a Transition Plan for climate change mitigation. The publication of the document is planned for the second quarter of 2025.[2]

ACTIVITIES REGARDING CLIMATE CHANGE MITIGATION AND THE TRANSITION TO A SUSTAINABLE ECONOMY

The Energa Group is aware of its role in reducing its negative impact on climate change and the need to adapt its operations to climate change. In the long term, the overarching goal is to achieve climate neutrality by 2050 in line with the assumptions of the European Green Deal (Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020). The European Green Deal was introduced to implement the Paris Agreement, whose main demand is to limit global warming to 1.5 °C.

[2] *Obecnie w Grupie Orlen, trwają prace nad aktualizacją Strategii Zrównoważonego Rozwoju Grupy ORLEN 2024-2030, Polityki Klimatycznej Grupy Orlen oraz prace nad stworzeniem Korporacyjnego Planu Transformacji. Założenia w ww. dokumentach muszą być spójne z założeniami zawartymi w analogicznych odpowiednikach Grupy Energa.*

DECARBONISATION LEVERS

The Group's main climate change mitigation activities consistently pursued can be categorized into the following decarbonisation levers:

- construction of renewable energy sources,
- replacing high-emission fuels with low- or zero-emission fuels in existing installations,
- reduction of greenhouse gas emissions by increasing energy efficiency efficient use of resources,
- improving the energy efficiency of existing installations throughout their life cycle,
- modernization, automation and increase of the capacity of the distribution network, connection of distributed renewable energy sources, electric car charging stations and energy communities to the power grid,
- digital transformation of the energy market.

KEY ACTIONS ON DECARBONISATION

The path to achieving carbon neutrality by 2050 takes into account the level of **reduction of the CO2 emission factor (kg CO_2/MWh) in the energy sector at the level of 40% by 2030.When** designing the assumptions for the SPR, the ENERGA Group took into account, m.in:

- increase in new RES capacity to approx. **3.6 GWe** by 2030,
- construction of CCGT units in Ostrołęka and Grudziądz (projects in progress),
- conversion of coal to gas in cogeneration units.

In the Energa Group, the most carbon-intensive generation source is currently the Ostrołęka B Power Plant with three hard coal-fired units. The plans assume the operation of units No. 1 and 2 until the end of the current contract from the Capacity Market (hereinafter: RM), which is valid until the end of 2025. Unit 3 of the power plant is being upgraded to biomass co-firing with an approx. 50% energy share in the entire fuel combustion stream, based on the RM contracts held for the delivery years 2026 and 2027-31.

The Energa Group participates in the ORLEN Group's Just Transition initiative. The goal for 2026 is to develop a Just Transition Program by, for m.in, developing a program for retraining employees of assets extinguished and transformed in the transition process. The Plans for the Just Transition include the issue of the Ostrołęka B power plant and Energa Serwis, which is a wholly owned subsidiary of it. As part of the operationalisation of the ORLEN Strategy until 2035, it is ultimately planned to decommission the power units of the Ostrołęka B Power Plant.

In the heating sector, a programme is being implemented to move away from coal in favour of natural gas as a transitional fuel by 2030. The Energa Group's district heating assets are also considering the implementation of Power to Heat technology in the supported heating systems, i.e m.in large-scale heat pumps and electrode boilers. The above assumptions were submitted by the companies in the heating area to the National Centre for Emissions Management as part of the Climate Neutrality Plans.[3]

By 2030, as a result of the implementation of the assumptions of the applicable SPR, the installed electricity capacity of the Energa Group will increase on a net basis:

- the total increase in capacity in RES installations is expected to exceed **3.6 GWe**,
- The total increase in capacity in natural gas-fired installations is expected to amount to approx. **1.4 GWe**, including approx. **1.3 GWe** in CCGT in Grudziądz and Ostrołęka.

The assumed planned increase in RES capacity by 2030 has been included in the SPR, and the investment projects have been implemented under the Long-Term Strategic Investment Plan adopted simultaneously with the SPR.

In the first half of the 1930s, Offshore Wind Farms were assumed to be commissioned, reaching a capacity of approx. 1.7 GW.

Climate change mitigation activities are being implemented on an ongoing basis in accordance with the assumptions adopted in the SWP. The progress of the Energa Group's decarbonisation activities is monitored in the "Management Dashboard – Decarbonisation" tool. It is an innovative tool, operated in a web browser, created by the Strategic Management Department (hereinafter: DZS) at Energa SA.

[3] *Plany Neutralności Klimatycznej (PNK), zostały złożone w czerwcu 2024 r. do KOBiZE. Scenariusze technologiczne do PNK zostały przyjęte przez Spółki (EKO i ECK) oraz przyjęte przez Komitet Strategii Koncernu.*

At the end of 2024, the Energa Group's installed electricity capacity was nearly **1.7 GWe**, of which RES installations accounted for approx. **0.9 GWe** (53%). In turn, the share of renewable sources in the total net production of electricity in 2024 was approx. **57%.**

In 2024, the reduction of the benchmark was **31%** compared to the base year 2019 (according to preliminary data before the final closing of the accounting books).

CLIMATE CHANGE MITIGATION ACTION

Table 51 describes climate change mitigation measures along with the assignment of the corresponding decarbonisation levers, the implementation period and the capital expenditures necessary for their implementation.[4]

Table 51. Climate change mitigation activities in line with the Taxonomy.

Decarbonisation lever	Used natural resources	[E1-3] Total GHG emission reduction achieved and expected [5] [thousand tonnes of CO2/year]	Implementation period	Total CAPEX 2024	Reference to the Financial Statements
Construction of renewable energy sources	Solar Radiation Energy, Wind Energy	508	Construction works completed in 2024 / Construction by 2025	PLN 595.6 m. PLN	Note 10.Business lines
Energy efficiency	Lack	7	Process action, carried out annually	15,9 m. PLN	Note 10.Business lines
Reduction of greenhouse gas emissions by increasing energy efficiency and efficient use of resources,	Natural gas	In absolute terms, it was an increase in CO2 emissions at the Group level, while on a national scale, CO2 reduction – an impact depending on the unit's mode of operation	Work from 2026	PLN 748.5 m. PLN	Note 10.Business lines
Replacement of high-emission fuels with low- or zero-emission ones in existing installations	Natural gas, biomass	up to 611	Work from 2026	PLN 11.2 m. PLN	Note 10.Business lines

SOURCES OF FINANCING FOR DECARBONISATION

The main sources of funding for key mitigation actions are:

1. Loans granted by ORLEN SA to Energa Group companies on the basis of the Agreement of 18.10.2023 concluded between ENERGA SA and ORLEN SA on the provision of funds to finance RES projects in the maximum amount of PLN 5.5 billion.
2. Project finance loans for a total amount of PLN 2.64 billion granted to CCGT Ostrołęka by a consortium of banks to finance the construction of a CCGT unit in Ostrołęka.
3. Companies' own funds, including funds from capital subsidies from ENERGA SA.

Information on objectives, plans for capital expenditures, operating expenditures and revenues set out in Commission Delegated Regulation (EU) 2021/2139 (i.e. the Taxonomy) is described in the chapter "EU Taxonomy" and in Table 51. The Energa Group is excluded from EU benchmarks aligned with the Paris Agreement.

[4] CAPEX amounts are in line with those disclosed in the EU Taxonomy chapter, excluding activities related to lighting asset upgrades (these activities do not qualify for the EU Taxonomy)

[5] These are avoided emissions, which means that we are comparing emissions from the operation of a RES asset to the operation of a conventional power plant. The level of CO2 reductions was assumed based on the average emissivity of production from fossil fuels on a KOBIZE basis..

[E1. SBM-3]

SIGNIFICANT IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERRELATIONSHIP WITH THE STRATEGY AND THE BUSINESS MODEL

RESILIENCE OF THE STRATEGY AND BUSINESS MODEL IN RELATION TO CLIMATE CHANGE

As part of the measures to improve climate management, a scenario analysis was carried out in 2023 using climate change projections taking into account different rates of increase in the global average air temperature and the accompanying socioeconomic changes. Two extreme climate scenarios were taken into account:

- the scenario of limiting the global temperature < 1.5°C (SSP1-1.9 + NZE), hereinafter referred to as the low-emission scenario,
- the scenario of limiting the global temperature < 4.4°C (SSP5-8.5), hereinafter referred to as the high-emission scenario.

The above climate scenarios have been selected based on an analysis of best market practices, regulatory guidelines, recommendations included in international standards and expert opinion.

The purpose of the analysis is to show the possibilities of increasing the resilience of the business model and to prepare guidelines for adapting the Group's strategy to climate change. In addition, scenario analysis is a tool for identifying key threats resulting from climate change and assessing the company's resilience to climate risks resulting from it. Scenarios describe a hypothetical development path leading to a specific outcome in the future and cannot be considered as a forecast or prediction.

LOW-CARBON SCENARIO

In the case of the low-carbon scenario, the following data sources were used: the Net Zero Emissions (NZE) scenario developed by the International Energy Agency (IEA) and the SSP1-1.9 scenario developed by the IPCC as part of the IPCC's Sixth Report.

During the analysis using the low-carbon scenario, emphasis was placed on transition risks. The NZE scenario is conservative from the point of view of risk management in the context of social and economic changes related to the transition to a low-carbon economy:

- sets out a pathway for the global energy sector to achieve zero CO2 emissions by 2050,
- meets the main assumptions related to the SDG (Sustainable Development Goals) related to energy, i.e. reaching publicly available energy by 2030 and significantly improving air quality,
- assumes a reduction of the average global temperature increase to 1.5°C with at least a 50% probability.

HIGH-EMISSION SCENARIO

In the case of the high-emission scenario, assuming a reduction of the global temperature < 4.4°C, the SSP5-8.5 scenario was used. In particular, the change in the intensity of climate change risks and the resulting physical risks are analysed. The SSP5-8.5 scenario is the most pessimistic, characterized by rapid and fossil-fuel-based development with high socio-economic challenges for climate change mitigation and low challenges for adaptation and transition risks. SSP5 scenarios are the basis for quantifying physical climate risk, especially in short- and medium-term time horizons.

To identify climate-related hazards, high-emission scenarios SSP5-8.5 or RCP 8.5 and expert knowledge were used. The analysis was based on the latest national and international scientific studies, such as the IPCC report: AR6 IPCC Climate Change 2022: Impacts, Adaptation and Vulnerability. Publicly available climate change projections based on climate models, such as Klimada 2.0, Aqueduct Water Risk Atlas, etc., were also used.

The analysis was carried out by the Leading Climate Specialist in cooperation with the Strategic Management Department and in consultation with the Group companies. The analysis takes into account the assumptions described in the Energa Group's official strategic documents.

In the process of defining the scope of climate scenarios, the main macroeconomic/market factors and key business aspects that have a material impact on the Energa Group have been identified.

Main macroeconomic and market factors taken into account:

- domestic demand for electricity and heat,
- forecast supply of electricity and heat,
- economic development: GDP for the EU and Polish,
- prices and availability of fossil raw materials (coal, natural gas),

- the prices of CO2 emission allowances,
- availability and costs of energy transmission (gas, EE),
- inflation rate and interest rates.

Each of these elements is of key importance for the production and distribution of electricity and heat. The factors were selected on the basis of expert knowledge, during meetings with members of the Strategy and Regulatory Policy Department, which is responsible for drafting and updating the Energa Group's strategic documents. Part of the scenario analysis carried out by the Energa Group is to describe the macroeconomic and market environment in relation to the above factors. The publicly available climate scenarios used for the scenario analysis served as a source of knowledge about the changes and trends that may occur in each of the above elements.

Key business aspects that scenario analysis focuses on:

- development of the volume of electricity and heat generation (impact of physical risks on generation assets),
- development of RES: investments, decarbonization (installed capacity in the form of RES and Share of renewable energy sources in the energy mix, investments in RES and low-emission solutions),
- decarbonisation of CCGT and CHP sources (investments, phasing out plan, fuel changes),
- failure-free access to the distribution network, average annual investments in the distribution network (impact of physical risks on distribution assets),
- increase in the capacity of the distribution network for renewable energy sources.

The above elements have been defined in consultation with persons responsible for strategic planning at the Energa Group and are part of the Group's Decarbonisation Strategy and set out the strategic directions for the Energa Group's development. Individual activities in the implementation of the above objectives are described in the Strategic Development Plan.

[E1. IRO-1] [E1. SBM-3]

DESCRIPTION OF PROCESSES FOR IDENTIFYING AND ASSESSING CLIMATE-RELATED SIGNIFICANT IMPACTS, RISKS AND OPPORTUNITIES

CLIMATE RISK MANAGEMENT

Climate-related risks (also known as climate risks) are included in the Risk Management Model at the Energa Group as a separate category. Currently, climate risks are classified as strategic risks. Climate risks are divided into physical risks and transition risks, the so-called transition risks.

- Physical risks as a direct result of climate change hazards. They are related to the impact of extreme weather events. They adversely affect the operations of the Energa Group companies, leading, for m.in, to damage to infrastructure or disruptions in the supply chain. They can be divided into acute and chronic risks, depending on the pace of their progress.
- Transition risks, also known as transition risks, result from the need for the economy to adapt to gradual climate change, in particular the use of low-carbon solutions. Related to the transformation towards a circular economy (CE).

Storms and hurricane winds are a significant physical risk identified in the Energa Group, which are the most common cause of failures of the distribution network owned by Energa-Operator. We are observing an increase in the intensity of hurricane winds and storms, which is reflected in the increased costs of repairing failures in the distribution infrastructure. Currently, it is the rapid physical risk that generates the greatest costs for the Energa Group.

Other physical risks, following a materiality assessment and an analysis of their impact on assets, were classified as immaterial or insignificant for the Energa Group. The analysis of the impact of physical risks on assets was qualitative, with the exception of Energa-Operator and Energa Wytwarzanie, where specific ratios were developed.

9 significant transformation risks were identified that may affect the Energa Group's operations. Among them are regulatory, technological, market and reputational risks. The table below presents significant climate risks broken down by category and time horizon.

Table 52. Map of key climate risks at the Energa Group

Transformational	Regulatory		Frequent changes to the Energa Group's strategic documents	
			EU and national regulations/new reporting obligations	
	Market		Fluctuations/increase in the prices of fuels, electricity, non-renewable raw materials	Difficulties in accessing low- and zero-emission fuels
			Change preferences	Decrease in demand for heat produced by generating units
	Technologies			Replacement and adaptation of infrastructure in connection with the reduction of CO2e emissions
				Technology for creating energy storage and distribution networks
	Reputation		Perception of the energy sector as an emitter of CO2 / raising the cost of living	
	Time perspective	short-term < 1 year	medium-term <1-5 years >	long-term > 5 years
Physical	Acute amosphere phenomena			Sudden atmospheric phenomena: storms, hurricane winds, hurricanes

METHODOLOGY FOR IDENTIFYING CLIMATE-RELATED RISKS AND OPPORTUNITIES

The identification of climate-related risks and opportunities was carried out as part of the Energa Group's own operations, not taking into account the Energa Group's value chain. Next year, it is planned to extend the identification of climate risks to the entire value chain.

The identification of climate-related risks began through consultations with companies in order to identify a set of potential risks and exclude risks that are not relevant to the business and operation of assets. The work resulted in a description of the potential risks arising from them, as well as a qualitative assessment of climate risks.

At the same time, a scenario analysis was carried out, which drew attention to physical risks and their severity in the high-emission scenario and to transition risks that may have a significant impact on the Group's operations. When analysing the impact of regulatory and market changes on the Energa Group, the scenarios took into account: increased demand for electricity, changes in the energy mix, availability and costs of raw materials, prices of GHG emission allowances resulting from the EU ETS, connection of renewable energy sources and automation of the distribution network, as well as inflation rate and interest rates. In order to maintain consistency between the documentation, the above aspects have been taken into account in the Strategic Development Plan. Each Group company has a detailed list of identified climate risks, taking into account risk factors and potential quantitative and qualitative impacts.

The assessment of climate-related risks was carried out in accordance with the Energa Group's Risk Management Policy, which takes into account the assessment of the probability and impact of the risk. The probability of a risk occurring is a measure of how often it materializes. Risk impact, on the other hand, is a measure of the effects of its materialisation that may affect the financial, strategic, operational or legal and regulatory areas of the Energa Group. The evaluation was mainly qualitative. A 5-point scale was used to assess the impact and probability of risk occurrence. When assessing the financial impact, each weight was assigned a financial range with an auxiliary description of the effects.

Table 53. Risk probability assessment scale.

Risk probability assessment	
Scales	Materialization frequency
5.	The risk may be fulfilled at least once in the next quarter < 3 months.
4.	The risk may be fulfilled at least once in the next 12 months.
3.	The risk may be fulfilled at least once in the next 2 years.

2.	The risk may be fulfilled at least once in the next 5 years.
1.	The risk is most likely not to materialize or may be fulfilled less often than once every 5 years

Table 54. Risk probability assessment scale.

Assessment of the Group's risk impact	
Scales	Financial range of the effects of risk materialization
5.	> PLN 1 billion
4.	PLN 100 million – PLN 1 billion
3.	PLN 10-100 million
2.	PLN 1-10 million
1.	< PLN 1 million

Risk materiality is determined by the product of the risk probability weight and risk impact weight using the risk matrix. Depending on the value, the following risk significance levels can be determined: key, medium or low.

Table 55. Risk matrix.

5	**Probability**	**5**	**10**	**15**	**20**	**25**
4		**4**	**8**	**12**	**16**	**20**
3		**3**	**6**	**9**	**12**	**15**
2		**2**	**4**	**6**	**8**	**10**
1		**1**	**2**	**3**	**4**	**5**
		Influence				
		1	**2**	**2**	**4**	**5**

1; 5 Low risk | **5; 15 Medium risk** | **15; 25 Key risk**

The Energa Group's register of key climate risks includes all key risks and some of the medium risks. At the Energa level, key climate risks, together with risk factors, their effects and corresponding indicators, are included in the climate change risk card and the environmental and energy management risk card, thanks to which they are constantly monitored and undergo periodic analysis.

CLIMATE-RELATED PHYSICAL RISKS

Hazards were taken into account when identifying risks - in accordance with the Classification of climate-related hazards (source: Commission Delegated Regulation (EU) 2021/2139).

The identification of significant climate-related risks was mostly carried out on the basis of the SSP5-8.5 climate scenario assuming a limit of global temperature < 4.4°C. (more in disclosure E1-1.19)

In the case of wind farms and power grids, indicators have been developed showing the exposure of these assets to a significant risk, such as strong winds and hurricane winds.

TRANSITION RISKS AND TRANSITION OPPORTUNITIES

The identification of transition risks was carried out taking into account the low-carbon scenario. Significant transition risks relate to the assets in terms of the availability of raw materials and the selection of new technologies, aimed at decarbonising the Energa Group and stabilising and increasing the capacity of the power grid.

Due to the nature of the Group's operations, no physical or transition risks were identified in the following Group companies: Energa Serwis, Energa MFW 1, Energa MFW 2, ECARB, Energa Finance AB, M. Faraday Research and Development Centre and Energa Prowis. Helios Polska Energia, Szybowice Wind Farm and Ostrołęka Assets were not taken into account in the climate risk analysis. It is planned to be carried out in the second quarter of 2025.

CLIMATE OPPORTUNITIES

The work produced a Register of Key Climate Opportunities (RKSK), in which climate opportunities were categorised according to the TCFD. In the RKSK, each chance was assigned the following:

- a description of the actions taken,
- objectives and indicators to monitor progress in its use;
- a perspective indicating the time of materialization of the chance,
- Lines of Business to which the opportunity relates.

The graphic below illustrates the key climate opportunities for the Energa Group resulting from the energy transition.

Table 56. Identified climate opportunities at the Energa Group

Business lines:	Sale	Distribution	Other services	Generation
Climate resilience	Reduced operating costs due to lower consumption of energy, water and non-renewable raw materials			
Markets			Increased revenue from energy sales	
		Stimulation of technological development in the Energa Group necessary to systematically increase the share of renewable energy sources		
			Reduction of electricity production costs	
Products and services	Development of services and products in the field of electromobility			
	Increase in sales of PV micro-installations and increase in the scope of their application			
	Development of diversified energy-related offers and products		Development of diversified energy-related offers and products	
	Development and testing of process and system solution concepts for customer billing			
Energy sources	Entry of the Energa Group into the microgrid market (Smart Cities)			
		Increase in demand for electricity due to the country's economic development		
		Increasing the security of energy supply to consumers		
		Increasing resilience to depleting natural resources		

To identify the opportunities related to the transition, the Scenario of limiting the global temperature < 1.5 degrees C (SSP1-1.9 + NZE) was used, which indicates an increase in demand for electricity, an increase in sales of electric vehicles and an increase in the share of RES in the national and global energy mix. All of the Energa Group's activities result from the opportunities arising from the energy transition. In the future, it is planned to assess the opportunities in terms of their impact on the Group's financial result.

[E1-2]

POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

The Energa Group's Climate Policy until 2030 is a document directly describing the risks and opportunities related to climate change mitigation and adaptation.

The Energa Group's Risk Management Policy describes the methodology for identifying and assessing risks, including risks related to the adverse impact of climate change and risks related to the environmental and energy risks.

An additional document addressing climate issues is the Sustainable Development Strategy at the Energa Group 2024-2030, which is identical to the ORLEN Group's Sustainable Development Strategy 2024-2030. The SD Strategy addresses the issues of energy management and decarbonisation from the perspective of the ORLEN Group.

- Other documents relate to climate change mitigation and adaptation. They describe the decarbonisation process in order to achieve zero emissions, and the development of the power grid: Energa Group's decarbonisation strategy,
- Multiannual Strategic Investment Plan of the Energa Group for 2024-2030 (ENTRY),6
- Strategic Development Plan of the Energa Group for 2024-2030 (hereinafter: Strategic Development Plan or SPR).[7]

Environmental and energy policy refers to the issue of energy efficiency management. The Energa Group is registered in the EMAS register and is therefore subject to annual certification, which covers mi.in energy efficiency issues.

[E1-3]

ACTIONS AND RESOURCES IN RELATION TO CLIMATE POLICY

MITIGATION ACTION

Measures related to climate change mitigation and the use of renewable energy are described in Table 51, which is developed on the basis of the SPR. The Energa Group's Climate Policy until 2030 does not address the issue of resources allocated to the implementation of the energy transition.

Key activities carried out in 2024 as part of initiatives and projects related m.in the decarbonisation process:

- Onshore RES:
  - a ENERGA Wytwarzanie ("EWYT") acquired SPV (E&G Sp. z o.o.), with photovoltaic installations with a capacity of approx. 251 MW and a wind farm with a capacity of approx. 19 MW,
  - b EWYT acquired SPV (Wena Projekt 2 Sp. z o.o.), holding the rights to photovoltaic installations with a capacity of 130 MW,
  - c EWYT concluded a final agreement for the purchase of the Opalenica project comprising three photovoltaic farms with a capacity of 22 MW,
  - d EWYT extended the concessions for the Wielbark 1 (6 + 2 MW) and Wielbark 2 (8 MW) PV installations,
  - e ENERGA Green Development ("EGD") acquired an SPV implementing the 39.9 MW PV Łosienice construction project,
  - f EGD acquired SPV (Wind Farm Szybowice Sp. z o.o.), which owns the project to build the Szybowice wind farm with a capacity of 37.4 MW,
  - g completion of the PV Żuki project with a capacity of approx. 2.4 MW; the built installation was sold to EWYT.
- Offshore RES:
  - a work was carried out on a joint venture agreement between ORLEN and the Energa Group on the development of two offshore wind farm projects (OWF 1 and MFW 2); These projects have received preliminary conditions for connection to the transmission network.
  - b an asset management agreement (post-COD stage) was signed between Baltic Offshore Service Solution Sp. z o.o. and Baltic Power sp. z o.o. and a direct agreement with Baltic Power sp. z o.o. and HSBC Continental Europe.
- EWYT has submitted a preliminary bid to Baltic Power for the provision of onshore substation maintenance and maintenance services (ONS). Energy storage:
  - a work was launched to implement three BESS (battery energy storage system) projects with a capacity of 300 MW each (Ostrołęka, Grudziądz, Gdańsk). Currently, the planning phase and obtaining the necessary permits is underway. Planned preparations for participation in the capacity market auction for the delivery year 2030.
- Conventional Generation CCGT Projects:
  - a the implementation of the CCGT Ostrołęka project was continued, the total progress of the entire investment at the end of 2024 was approx. 82%;
  - b the CCGT Grudziądz project was continued.

[6] *W związku z ogłoszeniem 9 stycznia Strategii Grupy Orlen do 2035 WPIS będzie aktualizowany.*

[7] *W związku z ogłoszeniem 9 stycznia nowej Strategii Grupy Orlen do 2035 r. SPR będzie aktualizowany.*

- Power Plant B in Ostrołęka: the implementation phase was commenced to adapt the OP-650 boiler of unit No. 3 at Energa Elektrownie Ostrołęka S.A. (hereinafter: EEO) to the increased amount of co-fired biomass in order to achieve the unit's emission ratio of no more than 550 g CO2/kWh.
- Heating and cogeneration:
  - **a** as part of the 3xSG10 Project, construction of a cogeneration system for three gas generators with a unit capacity of approx. 10 MW in Elbląg, ENERGA Kogeneracja Sp. z o.o. (hereinafter: "EKO"), the project has entered the implementation phase,
  - **b** as part of the KRS Kalisz Project, the purpose of which is to build a reserve-peak oil and gas boiler house with two boilers with a capacity of approx. 20 MW each and a boiler with a capacity of 10 MW in Kalisz, work was continued as part of the implementation phase,
  - **c** as part of the SG Kalisz Project, the aim of which is to build two gas engines with a capacity of approx. 10 MW each in Kalisz, work was continued as part of the implementation phase,
  - **d** as part of the CHP Ostrołęka Project, which aims to build new units to ensure the supply of heat to the city of Ostrołęka, work was continued as part of the planning phase.

The total GHG emissions re-education achieved and expected [thousand tonnes] is described in Section E1-1.

ACTION ON ADAPTATION TO CLIMATE CHANGE

- Activity 4.9 Transmission and distribution of electricity, carried out by Energa Operator (EOP) in accordance with the taxonomy, meets the objective of adaptation to climate change. Energa Operator systematically replaces transformers to improve network capacity. In 2024, expenditures on the replacement of HV/MV transformers amounted to **PLN 59.9 million**. In addition, the company is constantly modernizing its network infrastructure, including the reconstruction of MV lines into underground lines and replacing overhead lines with non-insulated cables in forest and wooded areas, replacing emergency MV cables and LV line wires with insulated wires. The implementation of these tasks for 2024 will cost **PLN 416 million**. These measures, in addition to making the grid more flexible, increase its resilience to extreme weather events, in particular hurricane winds. Tasks to improve the controllability of flows in the network include the automation of MV networks, for which PLN 18.6 million has been allocated in 2024.

The above-mentioned tasks also reduce electricity losses in the process of its transformation and distribution, increase the capacity of the distribution network, as well as enable the connection of a larger number of distributed RES and electric vehicle charging stations to the power grid. Last year, as in recent years, RES micro-installations were connected to the distribution grid. Photovoltaics has the largest share among all micro-installations. Last year, 27,104 pcs. RES micro-installations with a total installed capacity of nearly 300 MW. Thanks to these connections, emissions of 109110 Mg CO_2/year were avoided.

[E1-4]

CLIMATE CHANGE MITIGATION AND ADAPTATION OBJECTIVES

GREENHOUSE GAS EMISSION REDUCTION TARGETS

The ENERGA Group's Strategic Development Plan for 2024−2030 (SPR) sets out the path to achieve carbon neutrality by 2050, taking into account the ORLEN's 40% reduction in the energy ratio (kg CO2/MWh) by 2030 compared to 2019. When designing the assumptions for the SPR, the ENERGA Group took into account in this path, m.in. the increase in new RES capacity, the construction of CCGT units in Ostrołęka and Grudziądz, and the conversion of coal fuel into gas in cogeneration units.

More on climate change mitigation and adaptation objectives in the chapter EU Taxonomy.

The Energa Group's greenhouse gas emission reduction targets are disclosed on an intensity, gross targets, which means that the entity does not include greenhouse gas removals, carbon dioxide emission credits or avoided emissions as a means to achieve the greenhouse gas emission reduction targets. The Energa Group's Decarbonisation Strategy also does not provide for the use of CO2 capture technology.

The target of reducing the emission intensity index (kg CO2/MWh) in the energy area at the level of 40% in the horizon of 2030 is the target for scope 1 emissions. The base year is 2019, when the emission value was 468 (kg CO2/MWh). The index for 2024 was 324 (kg CO2/MWh).[8] The anticipated decarbonisation levers and the overall quantitative contribution to achieving the above emission intensity reduction target are described in Table 53.

[8] *Dane dot. wskaźnika emisyjności, to dane wstępne, przed zamknięciem ksiąg roku obrachunkowego 2024, co oznacza, że mogą ulec zmianie.*

The Energa Group is working on developing scope 2 and 3 emission reduction targets. In the context of scope 2 emissions, the Energa Group's Decarbonisation Strategy has developed recommendations to reduce emissions.

The Energa Group does not disclose absolute values in the context of the greenhouse gas emission intensity reduction target, as they are classified information (sensitive business data). This is confidential information that has commercial value and reasonable efforts have been taken to keep it confidential.

In the long term, the Energa Group's goal is to achieve climate neutrality by 2050 (target: Net Zero). In line with the ORLEN Strategy until 2035, the Net Zero target applies to emission scopes 1, 2 and 3.

The ORLEN Group's long-term goal of achieving Net Zero by 2050 is in line with the Paris Agreement, which provides for limiting the global temperature increase to well below 2 degrees Celsius, with efforts to limit it to below 1.5 degrees Celsius. Achieving the Net Zero goal is conditioned by technological development and the regulatory and legal context. These factors may be more or less conducive to the energy transition and accelerate or reduce the pace of implementation of our strategy.

The ORLEN 2035 Strategy includes medium-term emission reduction targets for 2030 and 2035. They show the emission reduction path taken by the ORLEN Group on its way to achieving Net Zero. These objectives have been formulated as part of ORLEN's strategic planning, based on models predicting the evolution of the macroeconomic environment in the ORLEN Group's current strategic horizon until 2035 in the region where the ORLEN Group conducts its own operations in various segments. The ORLEN Strategy until 2035 was published on January 9th 2025. The Energa Group companies are involved in its operationalisation. In the following year, the Strategic Development Plan of the Energa Group will be updated in order to align it with the ORLEN Strategy until 2035.

The current ORLEN 2035 Strategy is based on a scenario analogous to the IEA STEPS, but the ORLEN Group's strategic and investment planning process also takes into account scenarios of accelerated energy transition compared to the IEA STEPS scenario. These analyses allow to assess potential risks and opportunities (changes in sales volume, changes in customer preferences and demand, regulatory factors and new technologies) resulting from the implementation of additional policies and mechanisms supporting a faster transition to a zero-emission economy, in line with the assumptions of the European Green Deal and the Paris Agreement.

The key macroeconomic and regulatory factors taken into account by the ORLEN Group in its strategic planning, including in the process of defining medium-term emission reduction targets, are published in the ORLEN Strategy until 2035 and in the ORLEN Transition Plan (TBD).

The ORLEN Group's emission reduction targets have not been subject to external verification to confirm the scientific basis for their determination, as no methodologies have been identified to validate the emission reduction targets for companies operating in business segments primarily related to the production and sale of fossil fuels.

The achievement of the Energa Group's decarbonisation targets has been taken into account in the MBO 2024 objectives. More on the MBO objectives in ESRS 2 E1 disclosure. GOV-1.

ENERGY EFFICIENCY TARGETS

As part of the Integrated Environmental and Energy Management System, the Energa Group companies update their energy reviews meeting the criteria of the ISO 50001:2018 standard on an annual basis. During the reviews, the types and amounts of energy used, key uses, methods and indicators of monitoring and evaluation of the energy result and energy efficiency are identified, and the companies identify areas for improving the energy result for the coming years.

Currently, the Energa Group's strategic documents describing decarbonisation and transition to a zero-emission economy, as well as the Climate Policy, do not take into account climate change adaptation objectives.

Energa Operator has objectives for adaptation to climate change, and its activity 4.9 Distribution of electricity in accordance with the Taxonomy makes a significant contribution to adaptation to climate change. In accordance with the Investment Plan for 2025, Energa Operator has set the following m.in objectives:

- reconstruction of MV lines into underground technology lines – PLN 126.84 million,
- replacement of overhead lines with part-insulated wires – PLN 33.55 million,
- replacement of emergency MV cables – PLN 8.2 million,
- replacement of LV line wires with insulated wires – PLN 24.75 million,
- automation of MV networks (improvement of controllability of flows in the network) – PLN 27.98 million,
- HV/MV transformers – 40 TR HV (approx. PLN 109 million, purchase planned for 2025-2027),
- MV/LV transformers – 742 pcs. (PLN 40.77 million).

[E1-5]

ENERGY CONSUMPTION AND ENERGY MIX

Table 57. Energy consumption and energy mix in the Energa Group

Lp	Energy consumption and energy mix	2023	2024
1	Fuel consumption from coal and coal products (MWh)	5 180 095,8	3 382 539,5
2	Fuel consumption from crude oil and petroleum products (MWh)	87 538,8	154 661,1
3	Natural gas fuel consumption (MWh)	152 969,5	161 543,8
4	Fuel consumption from other fossil sources (MWh)	0	0
5	Consumption of purchased or extracted electricity, heat, steam and cooling from fossil sources (MWh)	1 736 936,9	2 008 561,9
6	**Total fossil energy consumption (MWh) (calculated as the sum of rows 1-5)**	**7 004 571,5**	**5707 305,6**
7	**Share of fossil sources in total energy consumption (%)**	**79%**	**74%**
8	**Nuclear energy consumption (MWh)**	**0**	**0**
9	**Share of nuclear energy consumption in total energy consumption (%)**	**0%**	**0%**
10	Fuel consumption for renewable sources, including biomass (also including industrial and municipal waste of biological origin, biogas, renewable hydrogen, etc.) (MWh)	382 068,1	373 164,7
11	Consumption of purchased or obtained electricity, heat, steam and cooling from renewable sources (MWh)	0	65 153,98
12	Self-produced renewable energy consumption without the use of fuel (MWh)	1 486 538,3	1534875,5
13	**Total renewable and low-carbon energy consumption (MWh) (calculated as the sum of rows 10-12)**	**1 868 606,4**	**1 973 194,2**
14	**Share of renewables in total energy consumption (%)**	**21%**	**26%**
15	**Total Energy Consumption (MWh) (calculated as the sum of rows 6 and 13)**	**8 873 177,9**	**7 680 499,8**

NET ENERGY PRODUCED BY ENERGY SOURCE

Table 58. Net energy produced by main energy source (MWh)

Energa Group	2024	
Type of raw material	**Electricity [MWh]**	**Heat [MWh]**
coal	954 382	458 024
biomass	72 136	178 933
water	938 865	
wind	469 912	
gas		147 460
PV	102 747	
fuel oil		50 785

ENERGY INTENSITY BASED ON NET REVENUES

Energa's energy intensity for 2024 is **0.0003 MWh/PLN.**

The indicator is calculated as the ratio of total energy consumption, which in 2024 amounted to 768,0513 MWh by net revenue for 2024.

All revenues from business lines related to the Energa Group's operations are considered to be revenues related to a significant impact on the climate.

Net revenues from activities in sectors with significant climate impacts used to calculate energy intensity	PLN 22,753 m. PLN
Net revenue (other)	0 PLN
Net comprehensive income (financial statements)	**PLN 22,753 m. PLN**

[E1-6]

SCOPE 1, 2 AND 3 GROSS GHG EMISSIONS AND TOTAL GHG EMISSIONS

Table 59. Direct Scope 1 (SCOPE 1) greenhouse gas emissions (Mg CO_2)

	Total direct emissions		Emissions related to electricity generation		Heat-related emissions		Emissions from refrigeration processes and steam		Emissions from physical and chemical processing		Emissions from gas leaks, including those associated with the occurrence of a failure		Emissions from the transport of materials, products and waste		Biogenic emissions	
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Services and Other	**967**	**405**	**1**	**1**	**21**	**15**	**0**	**0**	**0**	**0**	**25**	**35**	**919**	**354**	**0**	**0**
Energa	231	148	0	0	0	0	0	0	0	0	0	0	231	148	0	0
Energa Informatyka i Technologie	151	167	1	1	0	0	0	0	0	0	25	35	125	131	0	0
Energa Logistyka	501	15	0	0	21	15	0	0	0	0	0	0	480	0	0	0
CCGT Grudziądz	55	52	0	0	0	0	0	0	0	0	0	0	55	52	0	0
CCGT Ostrołęka	28	22	0	0	0	0	0	0	0	0	0	0	28	22	0	0
Business Line Distribution	**11351**	**12 315**	**146**	**56**	**1202**	**1082**	**0**	**0**	**957**	**1030**	**9046**	**10147**	**0**	**0**	**11351**	**12 315**
Energa Operator	9557	10 335	146	56	1169	1054	0	0	0	0	957	1030	7285	8194	0	0
Energa Operator Electrical Power Contracting	1794	1980	0	0	33	28	0	0	0	0	0	0	1761	1953	0	0
Business Line Sales	**1610**	**1503**	**0**	**0**	**41**	**27**	**0**	**0**	**0**	**0**	**0**	**0**	**1569**	**1476**	**0**	**0**
Energa Obrót	503	468	0	0	32	19	0	0	0	0	0	0	471	448	0	0
Energa Lighting	1048	986	0	0	9	8	0	0	0	0	0	0	1039	978	0	0
Enspirion	59	49	0	0	0	0	0	0	0	0	0	0	59	0	0	0
Business Line Generation	**1754746**	**1198687**	**1497921**	**951675**	**254702**	**244944**	**926**	**946**	**0**	**0**	**159**	**269**	**1037**	**853**	**131398**	**130882**
Energa Wytwarzanie	424	550	6	6	42	37	0	0	0	0	6	217	370	290	0	0
Energa Kogeneracja	115246	112189	42	21	115133	112087	0	0	0	0	0	0	71	81	131398	115602
Energa Ciepło Ostrołęka	1041	1064	0	0	0	0	926	946	0	0	0	0	115	119	0	0
Energa Ciepło Kaliskie	27910	30440	0	0	27846	30379	0	0	0	0	0	0	63	61	0	0
Energa Elektrownie Ostrołęka	1610031	1054369	1497873	951648	111681	102441	0	0	0	0	153	52	323	227	0	15280
Energa Serwis	95	75	0	0	0	0	0	0	0	0	0	0	95	75	0	0
Energa Group	1768675	1212910	1498069	951732	255966	246068	926	946	0	0	1142	1334	12572	12829	131398	130882

Table 60. Indirect Scope 2 GHG Emissions - LB and MB (Mg CO2)

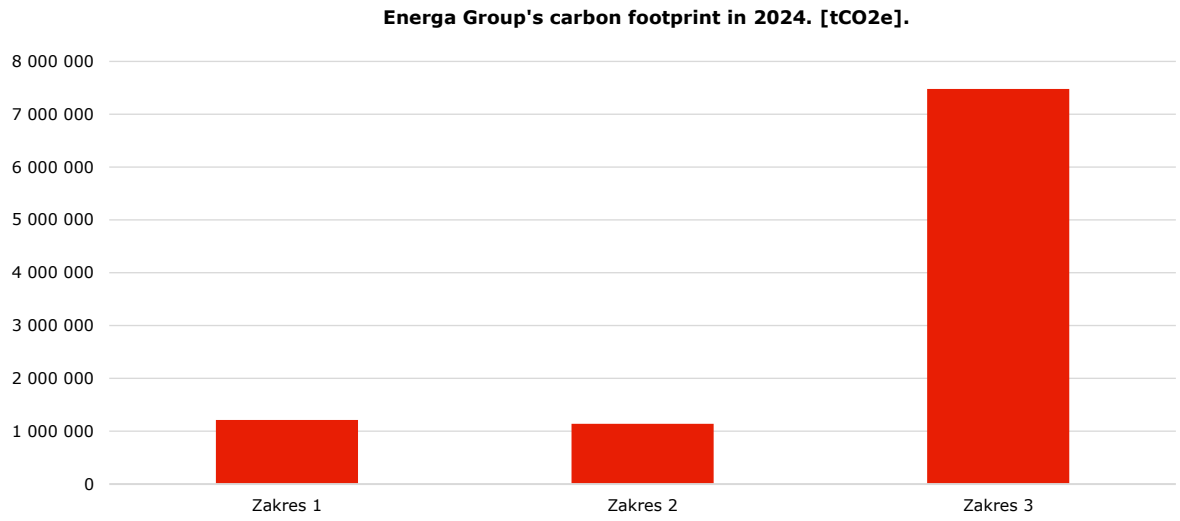
	Greenhouse gas emissions SCOPE 2 [Mg CO2] LB method										Greenhouse gas emissions SCOPE 2 [Mg CO2] method MB									
	Total indirect emission LB method		Electricity		heat		cooling		steam		Indirect integer emission method MB		Electricity		heat		cooling		steam	
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Services and Other	**2967**	**2933**	**2649**	**2619**	**140**	**156**	**178**	**158**	**0**	**0**	**2082**	**1937**	**1746**	**1629**	**173**	**160**	**163**	**148**	**0**	**0**
Energa	462	372	270	207	56	33	136	133	0	0	388	292	197	126	56	33	136	133	0	0
Energa Informatyka and Technology	2178	2158	2051	2010	85	123	42	25	0	0	1443	1372	1299	1230	117	127	27	15	0	0
Energa Logistyka	280	334	280	334	0	0	0	0	0	0	204	204	204	204	0	0	0	0	0	0
CCGT Grudziądz	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CCGT Ostrołęka	48	69	48	69	0	0	0	0	0	0	46	69	46	69	0	0	0	0	0	0
Distribution Business Line	**862708**	**799224**	**856922**	**794465**	**5786**	**4760**	**0**	**0**	**0**	**0**	**862640**	**799193**	**856860**	**794433**	**5780**	**4760**	**0**	**0**	**0**	**0**
Energa Operator	862318	798886	856695	794271	5623	4615	0	0	0	0	862318	798886	856695	794271	5623	4615	0	0	0	0
Energa Operator Electrical Power Contracting	390	339	227	193	163	145	0	0	0	0	323	307	165	162	157	145	0	0	0	0
Sales Business Line	**55713**	**44603**	**55382**	**44733**	**279**	**250**	**52**	**48**	**0**	**0**	**40809**	**27665**	**40478**	**27368**	**279**	**250**	**52**	**0**	**0**	**0**
Energa Obrót	581	591	403	428	126	115	52	48	0	0	581	423	403	262	126	115	52	0	0	0
Energa Lighting	55069	44440	54933	44305	136	135	0	0	0	0	40175	27241	40039	27106	136	135	0	0	0	0
Enspirion	64	0	46	0	18	0	0	0	0	0	53	0	35	0	18	0	0	0	0	0
Manufacturing Business Line	**183759**	**293227**	**43944**	**141401**	**113527**	**136430**	**0**	**0**	**26288**	**15397**	**182865**	**278136**	**43342**	**140329**	**113236**	**122410**	**0**	**0**	**26288**	**15397**
Energa Wytwarzanie	2642	113389	2157	113250	485	139	0	0	0	0	1766	112654	1572	112537	193	117	0	0	0	0
Energa Kogeneracja	5284	2112	5284	0	0	2112	0	0	0	0	5284	2112	5284	0	0	2112	0	0	0	0
Energa Ciepło Ostrołęka	102302	92829	440	488	75574	76945	0	0	26288	15397	102284	92822	423	481	75574	76945	0	0	26288	15397
Energa Ciepło Kaliskie	38062	57725	956	906	37106	56819	0	0	0	0	38062	43376	956	554	37106	42822	0	0	0	0
Energa Elektrownie Ostrołęka	34894	26589	34894	26589	0	0	0	0	0	0	34894	26589	34894	26589	0	0	0	0	0	0
Energa Serwis	575	583	213	169	363	415	0	0	0	0	575	583	213	169	363	415	0	0	0	0
Energa Group	**1105147**	**1140415**	**958897**	**983218**	**119732**	**141595**	**230**	**205**	**26288**	**15397**	**1088397**	**1106930**	**942426**	**963759**	**119467**	**127580**	**215**	**148**	**26288**	**15397**

Table 61. Indirect Scope 3 greenhouse gas emissions in 2023 (Scope 3) (Mg CO_2)

2023	CAT 1	CAT 2	BOX 3 (SHOPPING)	BOX 3 (SALES)	CAT 3 (TOTAL)	CAT 4	CAT 5	CAT 6	CAT 7	CAT 13	CAT 14	INCLUDING
Services and Other												
Energa	4 695,67		170,80		170,80		0,01	781,86	204,33			5 852,66
Energa Informatyka i Technologie	14 781,84		2 960,34	1 864,92	4 825,25		15,43	372,57	297,21	9,18		20 301,49
Energa Logistyka	40 719,63		88,90		88,90		133,33	13,08	335,40			41 290,34
CCGT Grudziądz	126,98	99 380,20	15,55		15,55			4,45	18,58			99 545,76
CCGT Ostrołęka	0,00	218 841,26	13,68		13,68			4,19	28,90			218 888,03
Energa Green Development	4 191,32		2,05		2,05			5,23	22,70			4 221,30
Distribution Business Line												
Energa Operator	183 952,14		9 248,39		9 248,39		3 249,69	66,46	5 186,79	36,71		201 740,17
Energa Operator Electrical Power Contracting	2 671,75		694,15		694,15	5,71	2,82	1,04	501,55			3 877,02
Sales Business Line												
Energa Obrót	623,54		16 021,46	5 735637,33	5 751 658,80		18,71	0,00	813,21		101,60	5 753 215,86
Energa Lighting	5 663,07		40 152,27	196,65	40 348,93		531,30	8,14	278,64	5,45		46 835,52
Enspirion	406,37				0,00	126,06		313,41	29,93		2,36	878,13
Manufacturing Business Line												
Energa Wytwarzanie	16 681,41		43 973,32		43 973,32	23,43	81,27	0,00	296,18			61 055,61
Energa Kogeneracja	4 973,56		36 179,24		36 179,24		6,73	6,30	198,14			41 363,97
Energa Ciepło Ostrołęka	1 335,82		1 303,13	39 696,42	40 999,55	1 115,93	5,14	2,82	86,69			43 545,95
Energa Ciepło Kaliskie.	85,69		11 234,91		11 234,91	85,20	41,54	5,31	127,97			11 580,62
Energa Elektrownie Ostrołęka	12 378,49		454 727,10	125 599,18	580 326,28	116,00	14,15	60,99	472,65	1,31		593 369,87
Energa Serwis	1 826,40		86,42		86,42		31,64	14,10	183,69			2 142,25
Energa Group	293 977,79	316 996,35	543 590,35	5 861 236,52	6 404 826,86	1 472,33	4 131,76	1 659,95	9 082,56	52,64	103,96	7 032 304,20

Table 62. Indirect Scope 3 greenhouse gas emissions in 2024 (Scope 3) (Mg CO2

2024	CAT 1&2	BOX 3 (SHOPPING)	BOX 3 (SALES)	CAT 3 (TOTAL)	CAT 4	CAT 5	CAT 6	CAT 7	INCLUDING
Services and Other									
Energa	3 556,94	155,65		155,65		0,01	119,18	159,87	3 991,65
Energa Informatyka i Technologie	11 866,94	649,08		649,08		9,93	17,04	394,15	12 937,15
Energa Logistyka	90 213,01	195,87		195,87	101,18	44,74	0,00	323,77	90 878,56
CCGT Grudziądz	262 016,72	14,82		14,82			4,89	69,38	262 105,81
CCGT Ostrołęka	66 589,48	19,24		19,24			8,39	54,30	66 671,41
Energa Green Development	25 466,73	3,87		3,87			0,13	22,12	25 492,85
Distribution Business Line									
Energa Operator	235 447,64	283 058,46		283 058,46		3 584,96	68,77	5 212,44	527 372,27
Energa Operator Electrical Power Contracting	3 768,41	581,14		581,14	355,97	88,61	2,26	490,68	5 287,06
Sales Business Line									
Energa Obrót	598,24	32 462,64	5 895 532,57	5 927 995,21		0,04	73,21	775,23	5 929 441,93
Energa Oświetlenie	19 590,73	12 888,70	207,30	13 095,99		326,84	0,86	261,43	33 275,85
Enspirion	84,53	7,17		7,17			1,93	26,14	119,78
Generation Business Line									
Energa Wytwarzanie	9 181,95	38 809,26	0,00	38 809,26		159,39	4,62	297,62	48 452,84
Energa Kogeneracja	30 834,42	19 105,98		19 105,98	265,35	7 305,00	0,01	188,03	57 698,78
Energa Ciepło Ostrołęka	761,93			0,00	57,23	5,25	119,74	80,44	1 024,59
Energa Ciepło Kaliskie.	124,90	7 675,98	29 244,09	36 920,07	134,60	31,66	10,91	124,68	37 346,83
Energa Elektrownie Ostrołęka	5 809,85	214 239,10		214 239,10	151,05	215,51	27,74	428,34	220 871,59
Energa Serwis	2 978,37	86,51		86,51		8,49	0,01	168,92	3 242,30
Energa Group	751 516,36	588 424,90	5 895 532,57	6 483 957,47	1 065,38	11 780,42	459,68	9 077,53	7 257 856,83



TOTAL EMISSIONS IN THE ENERGA GROUP

Table 63. Total Scope 1, 2 and 3 GHG emissions by LB and MB (Mg CO2)

	2023	2024
Total Greenhouse Gas Emissions (LB)	9 906 126	9 611 182
Total GHG emissions (MB)	9 889 376	9 577 697

GREENHOUSE GAS INTENSITY

Table 64. Greenhouse gas emission intensity in terms of net revenues (Mg CO2/PLN million)

	2023	2024
Total greenhouse gas (LB) emissions per net revenue	0,00043	0,00042
Total GHG emissions (MB) per net revenue	0,00043	0,00042

METHODOLOGY FOR COUNTING EMISSIONS

The methodology for calculating emissions in the three scopes that make up Energa's carbon footprint is based on the GHG protocol. In setting organisational boundaries, the Energa Group has chosen an approach to consolidating its GHG emissions based on operational control, according to which the organisation is responsible for 100% of emissions from operations over which it exercises operational control. The scope of operational control is consistent with the scope of financial control. The Energa Group calculates greenhouse gas emissions in three ranges. Issues are calculated at the level of subsidiaries and then aggregated to the Group level.

Scope 1 emissions are direct emissions of GHG gases from operations owned or controlled by the Energa Group, i.e. emissions related to the generation of energy and heat, emissions from the combustion of fuels in company cars, emissions resulting from accidents. Scope 2 emissions are indirect emissions resulting from purchased energy/heat/cooling/steam consumed by the Group companies. Scope 3 emissions are all other indirect emissions (not included in Scope 2) that occur in the Energa Group's value chain. As part of Scope 3, the Group reports the following categories:

Upstream categories (top of the value chain):

- Category 1 – purchased goods and services.
- Category 2 – Capital Goods.
- Category 3 – activities related to fuels and energy.

- Category 4 – transport and distribution of purchased goods.
- Category 5 – waste from operating activities in facilities not owned by the Energa Group.
- Category 6 – Business trips not carried out in vehicles owned by the Energa Group.
- Category 7 – Employee commuting.

Downstream categories:

- Category 13 - Lease of space to other entities.
- Category 14 – Franchises.

Due to their low materiality (2023 data: category 13 - 0.0007% of total Scope 3 emissions and category 14 - 0.0014% of total Scope 3 emissions), it was decided to exclude these downstream categories from the scope of emissions counting for 2024. To estimate the emissions associated with transporting workers, the results obtained from respondents were extrapolated to the whole group, assuming that the collected data would be representative for all workers. Subsequently, the total estimated emissions were allocated to individual companies based on the share of the company in the total number of employees of the group. For example, this means that even if no one in a company employing about 25 people completed the survey, the emissions were assigned to it proportionally – as about a quarter of a percent of the group's total emissions. This approach allowed all organizational units to be taken into account, regardless of the level of employee involvement in the study.

The following table describes the detailed reasons for excluding a given category.

Table 65. Reasons for excluding certain categories

Category	Reason for exclusion
Category 8	The Energa Group includes emissions from leased assets in its scope 1 and 2 emissions.
Category 9	The exclusion of the category was determined by experts as part of the project.
Category 10	The Energa Group does not sell products that are subsequently processed.
Category 11	The scope of category 11 does not apply to the Energa Group.
Category 12	The Energa Group does not sell products such as photovoltaic installations, but only provides services in this area.
Category 15	The exclusion of the category was determined by experts as part of the project.

Each time, for all ranges, the calculation of annual emissions is made according to the general formula: EMISSION [tCO2e] = annual quantity [unit] · emission factor [tCO2e/unit].

Scope 1 emissions reported under the EU-ETS are installations covered by the emissions trading system, where no indicators are used (emission values are taken directly from reports under the above-mentioned system). In the case of direct emissions from the combustion of fuels in own and/or leased vehicles, local central heating and hot water installations - the source of the indicators comes from the reports of the National Inspectorate of Fuel Protection. Fugitive emissions – refrigerant losses, e.g. from air conditioning systems, the source of indicators is the GHG Protocol Global Warming Potential Values.

Scope 2 emissions are calculated using two methods: LB and MB according to the GHG Protocol methodology. This means that during the calculation, for each item concerning the purchased and simultaneously consumed electricity/heat, the same amount of consumption is multiplied by the average national index – for the LB method (KOBiZE index), and the energy seller index – in the case of the MB method. The results of scope 2 emissions are presented as two quantities – the sum of indirect energy emissions LB and MB.

For each of the scope 3 categories, the best available method was selected due to the availability of data, in accordance with the GHG Protocol. The emission factors are derived from publicly available databases (e.g. DEFRA, Exiobase, BEIS, etc.), the values of the factors are provided in the data aggregation tool and are available for each category. The list includes the type of factor (LCA, combustion, etc.) specifying which emissions are taken into account for a given product/service, as well as data sources for each of them.

The emission scopes and categories defined in the GHG Protocol have been designed to be mutually exclusive, so that it is not possible for organizations to count emissions twice between scopes and categories.

If it was identified that the purchased services/goods were sold or purchased to the Group companies, appropriate adjustments were made.

Category 1 includes all emissions related to the extraction, production and transport of goods and services, and Category 2 refers to capital goods purchased by Energa companies, with emissions from use being taken into account in Scope 1 and 2, respectively. For Category 1&2, emissions figures were extrapolated from 90% to a full 100%. The analysis was based on data from suppliers, who account for 90% of total turnover.

In Scope 3, the vast majority of emissions come from Category 3. Scope 3, category 3 emissions include emissions related to the use of energy resources generated in the upper part of the value chain (activity A). These include emissions resulting from the extraction, processing and transport of raw materials necessary for production from electricity and heat, both used by the Energa Group and sold to end users. For the purposes of this report, it has been assumed that the allocation of the so-called upstream emissions from the purchase of energy resources in time falls on the reporting year in which they were purchased. Thus, unused stocks from the previous year are not taken into account. This approach most faithfully reflects the moment when GHG emissions arise and gives a correct view of the intensity of the Group's decarbonisation activities in the current year. In other words, if the Energa Group makes a significant purchase of energy resources in a given year, emissions related to their extraction and transport will be reported in the year in which these raw materials were purchased, regardless of the period of time for which they are used by the Group. In addition, it was decided to include emissions related to the sale of natural gas in category 3, despite the fact that according to the GHG Protocol methodology it would be possible to classify them as a separate category (e.g. category 11 – Use of products sold). Due to the marginal share of this type of activity in the Group's total volume of emissions, a simplified approach was adopted and these emissions were classified as category 3 as part of emissions related to energy feedstocks. This approach allows for methodological consistency, simplification of data presentation and does not significantly affect the overall Scope 3 emissions profile reported by the Energa Group.

Category 4 includes emissions from the transport and distribution of products and purchased services, provided that the vehicles are not owned or controlled by Energa companies. Category 5 includes emissions related to the removal and processing of waste generated as a result of the Group's operations in the reporting year, which take place in facilities that are not owned or controlled by Energa. Category 6 includes all emissions related to transport and employee travel related to business travel in vehicles not owned or operated by the Group. Category 7 includes all emissions related to the transport of employees as part of business-related activities in the reporting year (in vehicles not owned or operated by Energa).

PROPORTION OF SCOPE 1 AND 2 GREENHOUSE GAS EMISSIONS REGULATED BY THE EU ETS

Energa calculates the percentage of scope 1 greenhouse gas emissions from the regulated EU ETS for its companies covered by the EU ETS.

Energa covered by the EU ETS	Rate* for 2024
Energa Elektrownie Ostrołęka	0,99973
Energa Kogeneracja	0,99309
Energa Ciepło Kaliskie	0,99030
Energa Group	0,99553

**Greenhouse gas emissions (t carbon dioxide equivalent) from installations covered by the EU ETS / Scope 1 greenhouse gas emissions (t carbon dioxide equivalent)*

The percentage of scope three emissions calculated using primary data from suppliers or other partners in the value chain is 0.

The Energa Group does not have data on the following issues:

- Share of contractual instruments, scope 2 greenhouse gas emissions.
- Disclosure of types of contractual instruments, scope 2 greenhouse gas emissions.
- Percentage of marketable scope 2 GHG emissions related to purchased electricity bundled with instruments.
- Percentage of contractual instruments used for the sale and purchase of energy bundled with power generation attributes for scope 2 GHG emissions.
- Percentage of contractual instruments used to sell and buy released energy attribute claims for scope 2 GHG emissions.
- Disclosure of the types of contractual instruments used for the sale and purchase of energy bundled with power generation attributes or in relation to claims on segregated energy attributes.
- Biogenic CO2 emissions from biomass combustion or biodegradation not included in scope 2 greenhouse gas emissions
- Biogenic CO2 emissions from the combustion or biodegradation of biomass that occur in the value chain not included in Scope 3 GHG emissions.

[E1-7]

The Energa Group does not implement projects to remove greenhouse gases and reduce greenhouse gas emissions financed with carbon dioxide emission credits in its own operations or in the value chain.

[E1-8]

DOMESTIC CARBON PRICING

More than 90% of the ORLEN Group's CO2e emissions (Scope 1 emissions in accordance with the GHG Protocol) are covered by the EU ETS. In the Energa Group, almost all emissions are generated by the following companies: Energa Elektrownie Ostrołęka, Energa Ciepło Kaliskie and Energa Kogeneracja. Internal prices of carbon dioxide emissions are set at the level of ORLEN SA.

In its investment and strategic planning, ORLEN takes into account the costs related to the taxation of greenhouse gas emissions. These costs are a key factor influencing the assessment of the economic profitability of a given investment or direction of development.

The projections for emission allowances under the EU ETS are analysed in different scenarios and then compared with the overall market consensus. Short-term cyclical fluctuations are smoothed out, in line with common price modeling practice.

Carbon costs are taken into account in the sectors covered by the EU ETS and for all entities that are subject to it. The average price of emission allowances in the EU ETS is expected to be €107.94 between 2025 and 2030, followed by €171.98 in 2030-2035 (all nominal values).

[E2] POLLUTION

[E2.IRO-1]

DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL POLLUTION-RELATED IMPACTS, RISKS AND OPPORTUNITIES

Energa Group conducts annual reviews of its resources and operations to identify actual and potential pollution-related impacts, risks and opportunities, taking into account its own operations and the entire value chain, as part of the functioning integrated environmental and energy management system conforming to the EMAS Regulation and ISO 14001 and 50001 standards.

Emissions of pollutants to the air dominates in the Generation Business Line as a key aspect. They are related to the combustion of non-renewable fuels (coal, gas) in conventional assets (Energa Elektrownie Ostrołęka, Energa Kogeneracja, Energa Ciepło Kaliskie). The key substances emitted into the air from coal combustion (channeled emissions) are: SO2, NOx,CO2, dust and particulate matter (PM10, PM2.5), Hg, heavy metals and HCl. In addition, all Group companies may contribute to fugitive emissions from repair processes (e.g., painting of utility poles), storage (storing chemicals necessary for operations) and as a result of emergencies (air conditioner leaks, replenishing SF6 in switches at main power supply stations).

In the case of emissions channeled into the air, Energa companies comply with the requirements laid down in administrative permits (integrated and sectoral ones), including with regard to the permissible values of these emissions. Measurements of channeled emissions are performed on a continuous or periodic basis. For fugitive emissions, Energa conducts calculations based on the product of the amount of substance that has escaped into the air and a dedicated emission factor.

Energa Group's impact on local communities is subject to a process of ongoing consultation resulting from issues, concerns or inquiries raised by local communities. For more on dialogue with local communities, see S4

[E2-1]

POLICIES RELATED TO POLLUTION

The environmental and energy policy defined by Energa SA's Board of Directors applies to all Group companies that maintain a management system, and formally delineates their general intentions and desired courses of action with regard to their environmental performance in conjunction with the energy result. It establishes a commitment to ensure compliance with applicable laws, as well as to continuously improve performance and limit adverse environmental impacts. Energa Companies are obliged to achieve the overarching goal through investment and organizational tasks dedicated to individual business lines.

The tool for implementing the policy is the Environmental and Energy Management Program, described in an eponymous document. The program defines and clarifies the mechanisms of the environmental and energy management system, including key procedures. The procedures define the roles, responsibilities and requirements for sustainable operational control and process monitoring, including avoiding emissions into the air and, where this is impossible, proceeding in accordance with laws and administrative decisions.

Energa companies manage impacts related to air pollution resulting from channeled and fugitive emissions. Water and soil pollution is also managed within the framework of a functioning management system, but is not a significant issue (negligible scale of impact). Soil contamination most often occurs when transformers fail or are vandalized (the result of theft of copper windings or electrical insulating oil).

The Energa Group uses chemical substances (including hazardous substances) in accordance with the requirements of the law, in compliance with the guidelines of safety data sheets for these substances. All workers working with dangerous substances are familiarised with physical, health and environmental hazards, protective measures and precautions for handling and storing substances, as well as risk factors. Energa companies try to minimize the use of potentially hazardous substances in processes where they are necessary, taking into account the technology used. In accordance with the law, we refrain from using certain hazardous substances, e.g. R-22 refrigerant in air conditioning devices.

Energa Group companies have developed and implemented instructions on how to act in emergency situations

[E2-2]

POLLUTION RELATED ACTIVITIES AND RESOURCES

In 2024, emissions of pollutants into the atmosphere decreased to 2,687 Mg, i.e. by 703 Mg compared to 2023. The reduction in emissions is mainly related to lower coal-fired electricity generation at Energa Elektrownie Ostrołęka.

ENERGA ELEKTROWNIE OSTROŁĘKA

The Company continued its investment activities aimed at reducing CO2 emissions to a level not exceeding 550g/kWh. In this respect, the project entitled "Conversion of Boiler OP650 No. 3 to biomass combustion at 50%" was and still is being implemented. The investment consists in adapting the systems of unit No. 3 to CO2 emission standards at a level not exceeding 550g/kWh. In mid-2024, technological tests were carried out. In 2025, it is planned to carry out re-tests of biomass co-firing at a share of approx. 50%, so as to ensure that the indicated emissions are achieved in the following years.

The amount of capital expenditures (CAPEX) incurred for investments in 2024 amounted to PLN 1.79 million. The planned costs for 2025 in the implementation of the project, i.e. "Conversion of Boiler OP650 No. 3 to burn biomass at a share of 50%" are PLN 3.9 million.

The table on the next page shows the key pollutant emissions of the Energa Group companies.

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Table 66. Emissions generated by Energa Goup (Mg)

	The sum of all emissions to the air		Nox		Sox		Volatile organic compounds (VOCs)		HCL		Dust (PM)		Other emissions of compounds to air	
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Services and Others	**1**	**1**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**1**	**1**
Energa Informatyka i Technologie	1	1	0	0	0	0	0	0	0	0	0	0	1	1
Business Line Distribution	**66**	**61**	**3**	**3**	**1**	**1**	0	0	**23**	**22**	**0**	**0**	**39**	**34**
Energa Operator	19	18	1	1	0	0	0	0	18	17	0	0	0	0
Energa Operator Wykonawstwo Elektroenergetyczne	47	43	2	2	1	1	0	0	6	6	0	0	39	34
Business Line Sales	**4**	**4**	**0**	**0**	**0**	**0**	**0**	**0**	**4**	**4**	**0**	**0**	**0**	**0**
Energa Oświetlenie	4	4	0	0	0	0	0	0	4	4	0	0	0	0
Business Line Generation	**3 318**	**2 621**	**1 240**	**967**	**1 080**	**1 112**	**95**	**73**	**1**	**0**	**67**	**69**	**835**	**400**
Energa Kogeneracja	454	538	188	208	191	248	29	32	0	0	34	39	12	11
Energa Ciepło Ostrołęka	1	1	1	1	0	0	0	0	0	0	0	0	0	0
Energa Ciepło Kaliskie	239	186	56	45	139	99	9	7	0	0	10	9	25	26
Energa Elektrownie Ostrołęka	2 623	1 896	996	713	749	765	56	34	0	0	23	21	798	363
Energa Serwis	1	0	0	0	0	0	0	0	1	0	0	0	0	0
Energa Group	**3 390**	**2 687**	**1 243**	**970**	**1 081**	**1 112**	**95**	**73**	**28**	**26**	**67**	**69**	**875**	**436**

[E2-3]

POLLUTION TARGETS

Where appropriate, the Energa Group companies set targets related to the reduction of air pollution. When setting targets, the Energa Group does not take into account environmental thresholds. In the case of Energa Elektrownie Ostrołęka, in 2025 the project entitled "Conversion of the OP650 Boiler No. 3 to biomass combustion at a 50% share" will be continued. The planned costs for 2025 in the implementation of this project are PLN 3.9 million.

In the case of Energa Kogeneracja, the objectives related to the abandonment of coal combustion in favour of the transitional fuel - gas are presented in the table below. The underlying level of issuance refers to the last year before the commencement of investment activities. The current level of emissions refers to the last closed annual accounting period (2024). In Kalisz, despite decarbonization, the absolute volume of CO2 emissions is increasing, but this is due to a significant increase in electricity production capacity from 5 MW in 2020 to 20 MW in 2025.

Table 67. Pollution reduction targets - Energa Kogeneracja

Project name	Nature of the Objective/Scope of the Objective	CAPEX, OPEX [PLN million]	Year of completion of the investment	Baseline CO2 emissions (for 2019 for EC Elbląg, for 2020 for EC Kalisz)	Current CO2 emissions (as of 2024)	CO2 emission target (after commissioning)
3xSG10MW Elbląg	construction of a cogeneration system with a total capacity of about 30 MWe and 30 MWt at the Elblag CHP plant, consisting of three internal combustion engines fueled by natural gas	Capex: PLN 324 million Opex: approx. PLN 120 million / for the first year	4Q2026 commissioning	CO2 emissions: 219,390 t CO2 emission factor: 326.7 kg/MWh	CO2 emissions: 56,187 t CO2 emission factor: 121.6 kg/MWh	CO2 emissions: 75,045 t CO2 emission factor: 113.7 kg/MWh
KRS 2x20MWt+ 10MWt+SU W Kalisz	construction of a reserve-peak oil and gas boiler plant (RPBH) with two boilers of about 20 MW each and a 10 MW boiler, as well as a new water treatment plant (WTP), within the grounds of the CHP plant in Kalisz.	Capex: PLN 53.9 million Opex: approx. PLN 9.2 million / for the first year	1Q2025 commissioning	CO2 emissions: 62,604 t CO2 emission factor: 429.9 kg/MWh	CO2 emissions: 42,830 t CO2 emission factor: 397.9 kg/MWh	CO2 emissions: 63,765 t CO2 emission factor: 236.5 kg/MWh
2xSG10MW Kalisz	construction of a cogeneration system with a total capacity of about 20 MWe and 20 MWt at the Kalisz CHP plant, consisting of three internal combustion engines fueled by natural gas	Capex: PLN 107.5 million Opex: approx. PLN 90 million / for the first year	3Q2025 commissioning			

Where justified, the Energa Group companies have established provisions for the costs of environmental protection and repair of the effects of environmental failures. At the end of 2024, Energa Elektrownie Ostrołęka had a provision of PLN 58.16 million. Energa Operator has concluded agreements with authorised entities specialising in removing the effects of environmental events (emissions of pollutants into the soil). The cost of removing the effects of such events in 2024 is PLN 1.08 million. For the next year, the amount of PLN 1.30 million has been planned in the budget.

[E2-4]

AIR, WATER AND SOIL POLLUTION

In the case of organised emissions in generation units, the Energa Group uses direct (continuous with the use of an IR analyser or periodic) methods of control measurement of pollutant emissions. The data is stored in the companies' internal IT systems for a period consistent with the requirements of the law in this respect.

The Energa Group companies do not emit microplastics as part of their manufacturing/distribution activities.

Table 68. Emissions to air at the Energa Group which relate to emissions for which the threshold value according to Annex II of Regulation 166/2006 is exceeded (kg)

No. according to Annex II of Regulation 166/2006	Pollution according to Annex II d of Regulation (EC) No 166/2006 of the European Parliament and of the Council	Unit	Issue of Energa Elektrownie Ostrołęka	Energa Kogeneracja emissions	
				EC Elbląg	EC Kalisz
5	Nitrous oxide (N2O)	kg	12 932	-	-
22	Nickel and its compounds (as Ni)	kg	-	60	-
24	Zinc and its compounds (as Zn)	kg	244	-	-
80	Chlorine and its inorganic compounds (as HCl)	kg	21 370	28 515	-
11	SOx/SO2	kg	765 857	-	126 140
8	Nox	kg	712 766	-	-

[E2-5]

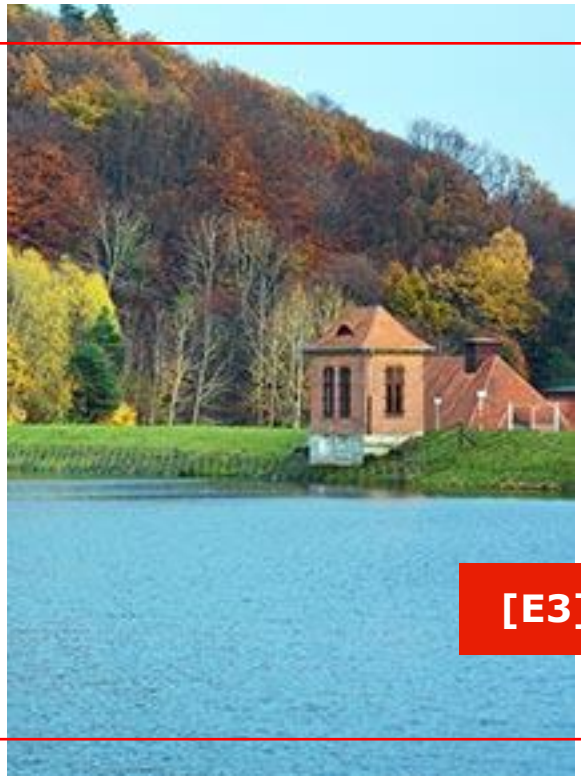
SUBSTANCES OF CONCERN AND SUBSTANCES OF VERY HIGH CONCERN

Table 69. Total Quantity of Substances of Concern That Are Manufactured or Used During Manufacturing (Mg)

No.	Name	Quantity – Energa Elektrownie Ostrołęka	Quantity – Energa Kogeneracja	Quantity – Energa Ciepło Kaliskie
1.	Mazout	3 889,41		
2.	Light heating oil	4 912,73	43,05	
3.	Limestone meal for flue gas desulphurization	12 910,95		
4.	Ammonia water for flue gas denitrification	1441,72		
5.	Consumption of iron(III) sulphate (40% $Fe_2(SO_4)_3$)	9,18		
6.	Consumption of hydrochloric acid (33% HCl)	6,62		
7.	Consumption of hydrochloric acid (33% HCl) per 100%	46,83	46,70	
8.	Consumption of soda lye (45% NaOH) per 100%	82,88	21,70	
9.	Consumption of $Ca(OH)_2$ 100% dry	173,06		
10.	Polymer consumption	0,80		
11.	Consumption of trisodium salt 15% Ixonos Na3T	8,8		
12.	Consumption of $FeCl_3$	9,80		
13.	Consumption of hardness stabilizer and corrosion inhibitor			
14.	Kotamina	1,12		
15.	Trisodium phosphate	0,50	1,20	0,17
16.	Sodium sulfite	0,50		0,27
17.	Consumption of antifoam agent	0,1		
18.	Diesel fuel consumption to power the generator set	1,36		

Table 70. Total amount of substances of concern leaving the facilities as emissions, products or as part of products or services

Spółka	Emisja z wycieku gazów cieplarnianych	Ilość [Mg]	Kategoria zagrożenia
Energa Elektrownie Ostrołęka	R410A – refrigerant	0,02711	15) hazardous to the environment - substances and mixtures that, when released into the environment, pose or may pose an immediate or delayed threat to one or more elements of the environment
Energa Informatyka i Technologie	R410A – refrigerant	0,0167	15) hazardous to the environment - substances and mixtures that, when released into the environment, pose or may pose an immediate or delayed threat to one or more elements of the environment
Energa Wytwarzanie	R134A – refrigerant	0,00033	15) hazardous to the environment - substances and mixtures that, when released into the environment, pose or may pose an immediate or delayed threat to one or more elements of the environment
	R410A – refrigerant	0,00072	
	R1234YF – refrigerant	0,000631	
	SF6 – insulating gas	0,00943	
Energa Operator	SF_6 – insulating agent in switchboards	0,03725	4) Gas under pressure – condensed gas, H280 – Contains gas under pressure; may explode if heated 15) Hazardous to the environment – SF_6 is one of the most potent greenhouse gases,
	HFC-32 – refrigerant	0,054807	3) Extremely flammable – H220 – Extremely flammable gas, 4) Gas under pressure – condensed gas, H280 – Contains gas under pressure; may explode if heated
	HFC-125 – refrigerant	0,023859	4) Gas under pressure – condensed gas, H280 – Contains gas under pressure; may explode if heated 15) Hazardous to the environment – High GWP, impact on the greenhouse effect,
	HFC-134 – refrigerant	0,009877	4) Gas under pressure – condensed gas, H280 – Contains gas under pressure; may explode if heated 15) Hazardous to the environment – High GWP, impact on the greenhouse effect,
	HFC-134a – refrigerant	0,025284	4) Gas under pressure – condensed gas, H280 – Contains gas under pressure; may explode if heated 15) Hazardous to the environment – High GWP, impact on the greenhouse effect,
	HCFC-22 – refrigerant	0,006	4) Gas under pressure – condensed gas, H280 – Contains gas under pressure; may explode if heated 8) Toxic substances – H331 – Toxic if inhaled, 9) Corrosive/irritant – H315 – Causes skin irritation, 13) Target organ toxicity – H336 – May cause drowsiness or dizziness, 14) Hazardous to the ozone layer – HCFC-22 is an ozone-depleting substance, CAUTION: equipment leakage, failure, old equipment for disposal.



[E3] WATER

[E3-1]

POLICIES RELATED TO WATER

The environmental and energy policy defined by Energa SA's Management Board applies to all Group companies which have a management system in place and formally delineates the overall intentions and desired directions to be pursued by Companies with regard to their environmental performance and in conjunction with their energy results. It establishes a commitment to ensure compliance with applicable laws, as well as to continuously improve performance and limit adverse environmental impacts. Energa Companies are required to achieve their overarching goal through investment and organizational tasks allocated to individual business lines. As regards water resources, we do not directly identify (and will not, in the course of our activities, identify) targets or tasks, since the largest amount of water is withdrawn for energy purposes – damming in hydropower facilities

The tool for implementing the policy is the Environmental and Energy Management Program, described in the eponymous document. The program defines and details the environmental and energy management system mechanisms, including key procedures. The procedures define the roles, responsibilities and requirements for sustainable operational control and process monitoring, including water withdrawals and discharges with the provision of risk and opportunity analysis (for installations/facilities/companies for which this is relevant).

The Management Board of Energa SA and the Management Boards of the companies included in the system are responsible for implementing the Policy.

The Management Program procedures ensure that stakeholders, especially financial ones, are informed about compliance, the results of environmental monitoring and energy efficiency (in accordance with the commitments and requirements adopted). The Policy is made available to stakeholders on the Energa Group website – link. Those interested in more detailed information, including details applicable to specific facilities of Group companies, can obtain it by directing an inquiry to: *emas@energa.pl*

There is no direct reference in the Environmental and Energy Policy to water treatment as a step toward a more sustainable water supply.

The policy covers the entire scope of Energa Group's operations, regardless of whether they are located in areas with significant water scarcity.

The Group has no impact on ocean and marine activities and has not adopted policies or practices related to ocean and marine sustainability.

[E3.IRO-1]

SIGNIFICANT IMPACTS, RISKS AND OPPORTUNITIES RELATED TO WATER

Energa Group conducts annual reviews of its resources and actions to identify actual and potential water-related impacts, risks and opportunities within its own operations as part of its active Environmental and Energy Management System conforming to the EMAS Regulation and ISO 14001 and 50001 standards.

An important aspect of the Environmental and Energy Management System is the collection of data from and dialogue with local communities. The Energa Group's impact on local communities is subject to a process of ongoing consultation resulting from issues, concerns or inquiries raised by local communities

[E3-2]

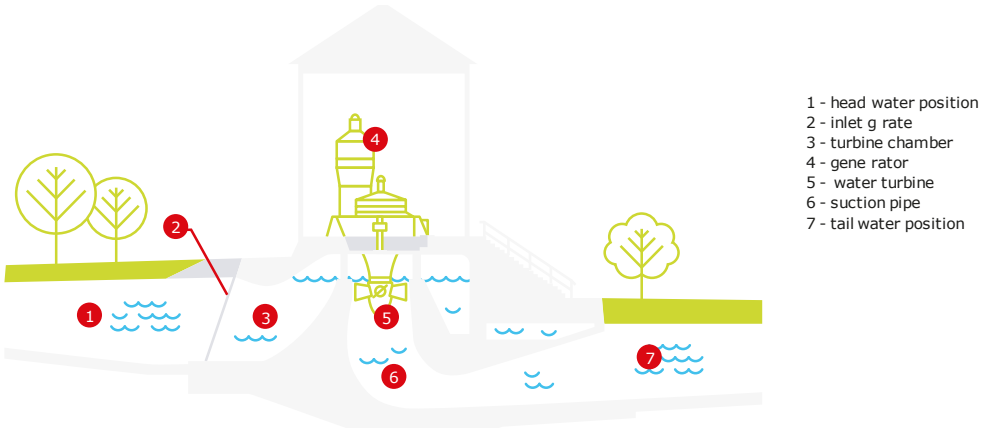
ACTIONS AND RESOURCES RELATED TO WATER

The vast majority of the water withdrawn by the Energa Group is used to produce energy in hydropower plants. Water flows through Energa Wytwarzanie's power plants, but it should be noted that this water withdrawal is non-consumptive, i.e. after flowing through the turbines the water is returned to the environment in the same amount without any significant change in its physicochemical parameters. Energa therefore does not contribute to the creation of areas affected by water scarcity.

ENERGA WYTWARZANIE

The nature of its business makes Energa Wytwarzanie's share of water withdrawal significant relative to the entire Energa Group, but the company does not have the ability to significantly influence the amount of surface water withdrawal. Water withdrawal for power engineering purposes in a given year is affected by both external factors (climatic conditions, such as drought and precipitation) and internal factors (necessary shutdowns of facilities in the course of repairs and upgrades). The company has the ability to regulate only water damming levels, which are maintained within the limits specified in the water permits it holds. With the gradual modernization of the facilities, their operation is optimized, allowing more efficient production while maintaining similar water withdrawal parameters.

Figure 35. Hydropower plants as a component of symbiosis



In the case of Energa Wytwarzanie, the total surface water withdrawal for power generation recorded in 2024 was ca. 8.5% lower than in 2023, which is mainly due to lower water withdrawal at the Włocławek hydropower plant. At the same time, nearly 90% of small hydropower plants showed slightly higher withdrawal levels than in the previous year. However, these increases are not significant enough to offset the lower withdrawal at the Wloclawek hydropower plant.

Energa Wytwarzanie also withdraws underground water for utility purposes of the staff of its facilities or for residents of the company's on-site residential units. The permissible annual withdrawal of groundwater is regulated in the water permits held by the company. Most water withdrawal points supply water only to power plant buildings, making water consumption minimal.

Water supplied by municipal and communal utility companies is used to the extent necessary for the proper operation of the facilities and offices of Energa Group companies.

ENERGA KOGENERACJA

At the Elbląg Combined Heat and Power Plant (Energa Kogeneracja), water for technological purposes is drawn from the municipal water supply system. For cooling purposes, water is withdrawn from the Elbląg River, in the quantities specified in the integrated permit. Since the power generation facility is currently undergoing a comprehensive upgrade, water balance issues will be analyzed once the work is completed.

ENERGA ELEKTROWNIE OSTROŁĘKA

The power plant sources water from the Narew River and also from deep water wells, in compliance with the limits set out in the water-law permits and in the integrated permit. The company withdraws surface water from the Narew River:

- for the cooling process and for conducting technological processes (flue gas desulfurization, preparation of treated water for replenishment of water-steam circuits, heating system and hydraulic ash removal system),
- for the maintenance of the fire system and for utility purposes,
- to raise the weir bladder system at low water levels necessary for the operation of the power plant.

After passing through condensers, 99% of water is returned through a discharge canal to the Narew River, ensuring the biological continuity of the watercourse. The company conducts monitoring of the quality of the withdrawn surface and groundwater as well as upstream and downstream of the wastewater discharge point to the river. The purpose of monitoring is to assess the impact of the installation on the condition and composition of surface water. The results of quantity and quality monitoring are reported to the relevant environmental authorities. As part of the improvement of water management and of the efficiency of water resource consumption, part of the wastewater is reused in the company's own installation to compensate for losses in the hydraulic ash removal circuit. This wastewater stream includes neutralized wastewater from the Technological Water Preparation Station (117,168.00 m3) and pre-treated industrial wastewater. Thanks to these measures, the company reduced its water withdrawal for replenishing the hydraulic ash removal circuit losses by about 59% compared to 2023 (in 2023, 2,427,889.00 m3 was withdrawn, compared to 1,441,245.0 m3 in 2024), while also reducing the amount of industrial wastewater discharged into water by about 66%.

Groundwater is withdrawn at the company's own intake points (Vistula River basin area, Middle Vistula (Narew) River Water Region, groundwater body code: GW200051) and is used for:

- technological purposes,
- for utility purposes of the Company and neighboring plants,
- for power plant building drainage.

Drinking water treated at the company's own Drinking Water Treatment Plant satisfies the company's needs, and is also distributed to external entities. Drinking water meets the requirements of the Regulation of the Minister of Health of 7 December 2017 on the quality of water for human consumption. The quality is monitored by the company's in-house laboratory and as part of monitoring performed by the State District Sanitary Inspectorate. Internal and external consumers are informed about the quality of the drinking water. Points of withdrawal of water for human consumption are covered by fixed direct protection zones. Based on an analysis of the risk of contamination of these waters, which was determined to be acceptable, it was established that there was no need to designate an intermediate protection area for this withdrawal point. The Company undertakes all necessary efforts to mitigate adverse impacts related to the pollution of water intended for human consumption and ensures continuous quantitative monitoring of both surface and groundwater abstraction.

The priority is to optimize its consumption based on resources, especially groundwater, i.e. using it only for essential needs. Technological processes are optimized so that the amounts of water withdrawn are much lower than specified in environmental decisions.

The company monitors the condition and quality:

- of the surface water and groundwater it withdraws,
- of the aquatic environment around the "Łęg" landfill for non-hazardous and inert waste,
- upstream and downstream of the discharge point of wastewater entering the Narew River, to the extent resulting from permit requirements as well as to a wider extent.

Monitoring is performed to assess the impact of installations on the status and composition of surface waters. The results of water quantity, condition and quality monitoring are submitted to the relevant environmental authorities and the environmental protection inspectorate. The company cooperates with leading scientific institutions to better identify the impact of the power plant on the ichthyofauna in the Narew, and then identifies measures to improve the ecological status of the river.

ENERGA CIEPŁO OSTROŁĘKA

Energa Ciepło Ostrołęka has completed the refurbishment of the storm water drainage system at its office building in 2020. The project consisted in draining rainwater, through a system of manholes and wells with a settling pond for oil derivatives, into a sealed tank. As a result of the redevelopment, rainwater is stored and used to water green areas. The system brings measurable savings as regards the amount of water withdrawn from the water supply system. A purpose-built reservoir collects rainwater, which translates into a reduced demand for mains water by 10m3 per year. Group companies do not recycle water for reuse.

Group companies do not recycle water for reuse.

[E3-3]

TARGETS RELATED TO WATER

Energa Group has not set targets, metrics or a base year from which to measure progress in water resources. We also do not have a plan to do so in the future, due to the fact that the largest water withdrawal is for hydropower generation. According to E3-2, withdrawn water is returned to the environment in the same quantity and physicochemical state. Thus, we have no negative impact on water risk areas, including areas of high water stress. Water is withdrawn for technological purposes, including the cooling processes of manufacturing facilities, to a much lesser extent. Given the ongoing Energa Kogeneracja's plant upgrades, the need to set water targets will be analyzed after the investments are completed. The remaining water is withdrawn for the utility purposes of the companies' employees, mainly from the municipal/community sewerage systems. In this case, special methods, such as touchless sink faucets, are used to reduce water consumption in our offices.

[E3-4]

WATER CONSUMPTION

The figures presented in this chapter come directly from individual companies/installations. For power generation sources, the data comes from direct measurements taken at the installations. For office facilities, the data comes from third-party water suppliers (invoices). The tables below indicate water withdrawals for 2024 by Group company. The amount of water withdrawn in 2024 was 33,612,461,632 m3, which is approximately 3,152,016,042 m3 less than in the previous year, mainly due to lower water withdrawals for power generation by the Włocławek hydropower plant.

High water pressure risk has been identified only in the area of operation of some hydropower plants, where water is discharged into the environment in an amount equal to that withdrawn. The amount of water discharges in 2024, understood as the sum of wastewater and other waters leaving the organization's grounds and released into surface water, groundwater or to third parties, was approximately 33,609,961,542 m3.

Water consumption, defined as the amount of water withdrawn within the boundaries of the unit (or plant) and not discharged back to the water environment or to a third party, amounted to 2,500,090 m3. Energa does not reuse recycled water.

Water intensity of the Energa Group for 2024

The water intensity of Energa for 2024 amounts to 469.5 m³ per million EUR.

The indicator is calculated as the total water consumption from own operations (in m³) per each EUR 1 million of net revenue.

Total water consumption amounted to 2,500,090 m³, while net revenue for 2024 reached PLN 22,753 million, i.e. EUR 5,325 million.

All revenue from Business Lines related to the operations of the Energa Group is considered revenue associated with activities that have significant climate impact.

Table 71. Energa Group water withdrawal in m3/year

	Total volume of water withdrawn from all sources considered [m3/year]		Lakes (for cooling purposes) [m3/year]		Lakes (for non-cooling purposes) [m3/year]		Groundwater (for non-cooling purposes) [m3/year]		Rainwater collected directly and stored [m3/year]		Water from the municipal network [m3/year]	
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Services and Other	**2 495**	**2 562**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**2 495**	**2 562**
Energa	338	259	0	0	0	0	0	0	0	0	338	259
Energa Informatyka i Technologie	1 112	1 256	0	0	0	0	0	0	0	0	1 112	1 256
Energa Logistyka	1 045	729	0	0	0	0	0	0	0	0	1 045	729
CCGT Grudziądz			0	0	0	0	0	0	0	0	0	0
CCGT Ostrołęka	0	319	0	0	0	0	0	0	0	0	0	319
Business Line Distribution	**54 223**	**44 549**	**0**	**0**	**0**	**0**	**169**	**296**	**0**	**0**	**54 054**	**44 252**
Energa Operator	52 264	42 879	0	0	0	0	169	296	0	0	52 095	42 582
Energa Operator Wykonawstwo Elektroenergetyczne	1 959	1 670	0	0	0	0	0	0	0	0	1 959	1 670
Business Line Sales	**3 685**	**3 383**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**3 685**	**3 383**
Energa Obrót	1 996	1 957	0	0	0	0	0	0	0	0	1 996	1 957
Energa Oświetlenie	1 678	1 404	0	0	0	0	0	0	0	0	1 678	1 404
Enspirion	11	22	0	0	0	0	0	0	0	0	11	22
Business Line Generation	**36 764 417 270**	**33 612 411 138**	**2 225 713**	**2 542 900**	**703 285 440**	**750 145 800**	**320 358**	**369 906**	**10**	**10**	**190 667**	**183 987**
Energa Wytwarzanie	36 425 420 006	33 325 489 693	2 225 713	2 542 900	703 285 440	750 145 800	1 674	1 842	0	0	2 984	3 008
Energa Kogeneracja	7 480 824	6 839 944	0	0	0	0	0	0	0	0	94 820	100 445
Energa Ciepło Ostrołęka	84 369	73 245	0	0	0	0	0	0	10	10	84 359	73 235
Energa Ciepło Kaliskie	8 246	6 900	0	0	0	0	0	0	0	0	8 246	6 900
Energa Elektrownie Ostrołęka	331 423 825	280 001 356	0	0	0	0	318 684	368 064	0	0	258	399
Energa Serwis	0	0	0	0	0	0	0	0	0	0	0	0
Energa Group	**36 764 477 674**	**33 612 461 632**	**2 225 713**	**2 542 900**	**703 285 440**	**750 145 800**	**320 527**	**370 203**	**10**	**10**	**250 902**	**234 184**

Table 72. Energa Group water withdrawal by source vs. water pressure in 2024*

Water withdrawal sources	Total amount of water withdrawn [m3/year]	Amount of water withdrawn from water stress areas [m3/year]	Location of water stress area – indication of risk	Water pressure (low risk, medium risk, high risk)*
rivers (for cooling purposes)	294 893 973	11 895 961	Energa Elektrownie Ostrołęka, Energa Kogeneracja Elbląg CHPP, Kalisz CHPP, Energa Wytwarzanie Włocławek HPP	medium risk
rivers (for non-cooling purposes)	32 564 274 562	32 560 900 182	Energa Elektrownie Ostrołęka, Energa Kogeneracja Elbląg CHPP, Kalisz CHPP – medium risk; Energa Wytwarzanie: Włocławek HPP – medium risk,	medium/high risk
			SHPP Rakowiec, Pierzchały, Oława – high risk	
			Other SHPPs	
lakes (for cooling purposes)	2 542 900	2 542 900	Energa Wytwarzanie Żydowo PSP	medium risk
lakes (for purposes other than cooling)	750 145 800	750 145 800	Energa Wytwarzanie Żydowo PSP	medium risk
groundwater (for cooling purposes)	0	0		
groundwater (for non-cooling purposes)	370 203	2 139	Energa Wytwarzanie Pierzchały SHPP	high risk
			Energa-Operator Płock Branch Energa-Operator Gdańsk Branch Energa-Operator Kalisz Branch Energa Elektrownie Ostrołęka other points of withdrawal	medium risk
			Energa-Operator Koszalin Branch	low risk
rainwater collected directly and stored	10	10	Energa Ciepło Ostrołęka	medium risk
rainwater from other organizations	1 670	1 670		
water from the municipal network	232 514	119 087	Energa Wytwarzanie: SHPP Rakowiec, Pierzchały, Oława	high risk
			HPP Włocławek, Other SHPPs, Żydowo PSP	medium risk
			Energa Ciepło Kaliskie, Energa Ciepło Ostrołęka, Energa Serwis, Energa Kogeneracja, Energa Wytwarzanie, Centrala Energa-Obrót, Energa SA, Enspirion, Energa-Operator, Energa-Operator Wykonawstwo Elektroenergetyczne, Energa Oświetlenie, Energa Logistyka, Energa Informatyka i Technologie	medium / low risk
Total volume of water withdrawn from all sources considered	**33 612 461 632**	**33 325 607 749**		

** informacje na temat obszarów zwiększonego ryzyka deficytów wodnych zostały pozyskane ze strony internetowej WWF* https://riskfilter.org/water/explore/map

Table 73. Water discharges in the Energa Group [m³/year]

Water discharge by destination	Total water discharge [m3/year]	Water discharge to water stress areas [m3/year]	Total discharge treatment level – quantity of treated water [m3/year]
discharged to third parties in total, including:	146 707	3 264	0
discharged to third parties for use*	0	0	0
discharged into surface water	33 609 814 729	33 325 535 502	50 659
discharged into groundwater	0	0	0
discharged through the ground	106	0	0
Total volume of water discharges	**33 609 961 542**	**33 325 538 767**	**50 659**

[E4] BIODIVERSITY

[E3-1]

BIODIVERSITY AND ECOSYSTEMS TRANSITION PLAN AND INTEGRATING BIODIVERSITY AND ECOSYSTEMS INTO THE STRATEGY AND BUSINESS MODEL

Activities aimed at protecting biodiversity are an integral part of the Energa Group's corporate culture, which is aware of the relationship between its operations and the state of the natural environment. Implementing sustainable practices, taking action to protect habitats, managing natural resources and minimizing negative environmental impacts are among the key elements of our business strategy.

The biodiversity and ecosystem transition plan is a document currently being developed for the entire ORLEN Group by Orlen SA, in the part concerning the Energa Group in cooperation with Energa. The Energa Group does not have an analysis of the resilience of its strategy and business model with respect to biodiversity. The results of the analysis will be presented in the 2025 report.

[E3.SBM 3; E3.IRO-1]

SIGNIFICANT IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERRELATIONSHIP WITH THE STRATEGY AND THE BUSINESS MODEL

DESCRIPTION OF PROCESSES FOR IDENTIFYING AND ASSESSING RELEVANT IMPACTS, RISKS, DEPENDENCIES AND OPPORTUNITIES RELATED TO BIODIVERSITY AND ECOSYSTEMS

The Energa Group is aware of its actual and potential impacts on biodiversity and attaches great importance to minimising environmental risks. The process of identifying and assessing actual and potential impacts on biodiversity and ecosystems in our own locations and adjacent areas is closely related to the existing Environmental and Energy Management System. The System identifies activities that affect or may affect the environment, i.e. the so-called environmental aspects. Valuation of environmental aspects, determination of their impacts and threats caused by them, allows you to make balanced and responsible decisions that enable you to meet business needs with respect for the natural environment. The importance and impact of aspects, although typical for an energy company, are different in individual business lines. In the case of biodiversity-related issues, significant impacts concern generation installations and distribution infrastructure. An important aspect of the functioning of the Environmental and Energy System is the collection of data from local communities and dialogue with them. The Energa Group's impact on local communities is subject to a process of ongoing consultations resulting from problems, doubts and inquiries reported by local communities.

BIODIVERSITY IMPACTS RELATED TO RAW MATERIALS AND INVESTMENTS

The decommissioning of the Energa Group's coal assets will have a decidedly positive impact on biodiversity and climate change, but the CCGT units currently under construction (CCGT Grudziądz, CCGT Ostrołęka) will operate on non-renewable fuel (high-methane natural gas). The combustion of non-renewable fuel has a negative impact on climate issues and thus on particularly sensitive species of fauna and flora. The construction process itself also has a negative impact on biodiversity – including in terms of air emissions, noise and fragmentation of ecosystems. The investment process at the stage of issuing administrative decisions was subject to public consultations. The construction of the installations is carried out in accordance with the law, with the use of compensatory measures, e.g. necessary tree felling. All reports from local communities are being considered and, where appropriate, corrective action is taken to correct the negative impact of the work carried out.

The ongoing operation of generation installations based on renewable resources carries the risk of reducing the species population of aquatic organisms (hydroelectric power plants, offshore wind farms) and avifauna (wind farms). The most important environmental aspect of SHP is the dividing of the watercourse, preventing aquatic organisms from moving freely up and down the river. This is essential especially for migratory fish that spawn in the upper parts of rivers. In order to enable them to cross the barrage, Energa Wytwarzanie has been investing for years in the construction of fish ladders at power plants. These are complex, high-budget investments that take into account the key parameters of hydroelectric power plants: land slope, water flow, accessibility of neighboring areas, etc. Each investment requires the development of an individual concept for the restoration of the river. The construction of a fish ladder is a process that requires not only significant financial outlays, but above all time-consuming due to the need to obtain full documentation and all administrative arrangements each time. In the case of wind farms, the negative impact on biodiversity is associated with collisions of birds and bats with turbine blades. Energa Wytwarzanie monitors avifauna in the area of turbine operation and works on innovative solutions to reduce the risk of these collisions.

In the case of the location of Energa companies, it was not identified that it was necessary to implement measures to mitigate the loss of biodiversity, such as those set out in Directive 2009/147/EC of the European Parliament and of the Council on the conservation of wild birds; Council Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora; an environmental impact assessment (EIA) as defined in Article 1(2)(g) of Directive 2011/92/EU of the European Parliament and of the Council(76) on the assessment of the effects of certain public and private projects on the environment. Energa complies with the requirements of all administrative decisions, including those concerning the conditions for investment projects.

ACTIVITIES AND LOCATIONS THAT NEGATIVELY AFFECT BIODIVERSITY-SENSITIVE AREAS

In the course of its activities related to the implementation and maintenance of the Environmental and Energy Management System, the Energa Group identified the locations of companies that affect or may affect biodiversity in the scope of its operations. The locations were analysed in terms of the impact of individual companies on the areas of conservation and their impact on vulnerable species or habitats. The analysis concerned installations generating electricity/heat and Energa Operator, which, due to its extensive network of power lines, affects the continuity of ecosystems, passages through protected areas, their potential changes and disturbances.

POWER LINE INFRASTRUCTURE

In the case of the operation of distribution infrastructure, the key impacts on biodiversity are related to the maintenance and investment processes at substation facilities and power lines. Replacement of overhead power lines with insulated ones or underground cable lines occurs in situations where there is an increased number of disturbances caused, for example, by tree branches or animals. This most often happens in forest or wooded areas, when the distance to the wires is relatively short, or even decreases during the growth of trees, or in areas where animal species (mainly birds) live that can collide with the wires. Line replacement reduces the number of disturbances, which allows to maintain the proper quality parameters of the electricity supplied to consumers, minimizes the number of power outages, improves human safety and protection against fires caused by short circuits. The number of fatal accidents among animals (especially birds) is also decreasing, both caused by paralysis and as a result of collisions. Insulated wires exclude the possibility of electrocution, and due to their design (a large diameter wiring harness), they are more visible, which makes it easier for animals to avoid them. Another environmental effect of replacing overhead lines with cable lines is landscape protection. Overhead poles and lines are often the most important anthropogenic dominant. It is worth noting that all investments related to the construction of power lines carried out by Energa Operator, which are located in the vicinity or within protected areas, are subject to the environmental impact assessment procedure. Relevant reports are posted on the website: *https://energa-operator.pl/raporty-i-liczby/raporty-srodowiskowe*.

Table 74. Energa Operator: list of HV lines passing through biodiversity-sensitive areas

Protected areas	Number of areas	Length of HV lines passing through areas [km]
Landscape parks	18	183
Buffer zones of landscape parks	11	214
Nature reserves	14	6
Buffer zones of nature reserves	8	5
Buffer zones of national parks	1	5
Protected Landscape Areas	94	1263
Natura 2000 sites	69	615

LOCATIONS ASSOCIATED WITH GENERATION ASSETS

Energa Wytwarzanie operates in areas leased, managed or adjacent to protected areas and areas of high biodiversity outside protected areas. The impact of assets on protected areas is related to the historical change in land use, taking into account the time of commissioning of most of the offshore wind farms (early 20th century). The installations have been integrated into the natural environment for a long time, so their impact is continuous and irreversible. It is worth noting that the operation of Energa Wytwarzanie's assets has no impact on water and air pollution.

Energa Wytwarzanie is adjacent to or influences 35 protected areas with a total area of 956 thousand hectares. No need to implement measures to mitigate biodiversity loss, i.e. those set out in Directive 2009/147/EC of the European Parliament and of the Council on the conservation of wild birds, has not been identified; Council Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora; Environmental Impact Assessment (EIA) as defined in Article 1(2)(g) of Directive 2011/92/EU of the European Parliament and of the Council(76) on the assessment of the effects of certain public and private projects on the environment and, for activities in third countries, in accordance with equivalent national legislation or international standards, such as the performance measurement standard MKF No 6: protecting biodiversity and sustainably managing living natural resources. Independently, the company implements the provisions of permits for damming waters for energy purposes (including the construction of fish ladders).

Table 75. Energa Wytwarzanie: list of the company's locations adjacent to biodiversity-sensitive areas

A form of nature protection	Name of the protected area	Size of the area [ha]
Natura 2000 PLH (habitat) 10 areas	The Słupia Valley PLH220052	6 991
	The Łupawa Valley PLH220036	5 509
	Ostoja Słowińska PLH220023	32 955
	The Valley of the Wieprza and Studnica PLH220038	14 349
	The Wierzyca Valley PLH220094	4 618
	The Pasłęka River PLH280006	8 418
	The Włocławek Vistula Valley PLH040039	4 764
	The valley of Radew, Chociela and Chotla PLH320022	21 862
	The Parsęta River Basin PLH320007	27 710
	Lake Lubie and the Drawa Valley PLH320023	15 047
Natura 2000 PLB (Birds)8 sites	The Słupia Valley PLB220002	37 472
	Słowińskie Coast PLB220003	21 819

A form of nature protection	Name of the protected area	Size of the area [ha]
	Pasłęka Valley PLB280002	20 670
	Drawsko Refuge PLB320019	153 906
	Lake Miedwie and its surroundings PLB320005	16 511
	Ostoja Warmińska PLB280015	142 016
	Trzebiatów Coast PLB320010	31 758
	The Omulew Valley and Płodownicy	34 387
Protected Landscape Area12 areas	Lake Łętowskie and the vicinity of Kępice	5 600
	Radunia Valley	3 340
	Wierzyca Valley	10 784
	Gniewski	2 336
	Lower Łyna Valley	16 430
	Middle Łyna Valley	15 308
	Pasłęka Valley	43 307
	Nogat River	2 739
	Surroundings of Żydów and Biały Bór	12 350
	Radew Valley (Mostowo-Zegrze)	3 560
	Żuławy Gdańskie	30 092
	Ciechocinska Lowland	38 207
National Park/Landscape Park 3 areas	PK Słupia Valley	83 170
	Szczecin PK - Beech Forest (buffer zone)	20 938
	Słowiński National Park (buffer zone)	62 964
Nature reserve 2 areas	Huczka Valley	12
	Beaver Refuge on the Pasłęka River	4 240
INCLUDING	**35 sensitive areas**	**893 175**

IMPACT OF OWN OPERATIONS ON ENDANGERED SPECIES

The work identified species from the IUCN Red List and species from the National Conservation List whose habitats are located in the areas covered by the activity.

In the case of Energa Elektrownie Ostrołęka, important locations of protected areas located in the Natura 2000 area: the Lower Narew Valley and adjacent areas. It is a special protection area for birds (Birds Directive). The impact on these biodiversity-sensitive areas applies to two areas of the Power Plant:

- landfill site for non-hazardous and inert waste "Łeg" – Łęg przedmiejski
  (size of the protected area – 207 ha + 11 ha);
- facilities and installations where the company's operations are carried out (the size of the protected area - 26 ha).

The impact of the facilities and installations was examined during the environmental inventory carried out in 2008-2009, which covered the range of impact of the new heat source. Nesting of 15 protected species of birds currently not endangered was recorded. Of this number, one species – the red-backed shrike (Lanius collurio), is listed in Annex I of the Birds Directive. Among the species important for Natura 2000 sites, the grey nightingale (Luscinia luscinia) nests there. A singer was also identified. Monitoring of avifauna has not been carried out in the indicated area since then.

In 2024, the following bird species entered on the Red List of Polish Birds were observed at the landfill:

- Regionally extinct species: common sandpiper, red-horned sandpiper.
- Critically endangered species: warbler.
- Endangered species: Eurasian curlew, lapwing.
- Vulnerable species: black-necked warbler, rook, common snipe, gray gull.
- Species close to threatened: cursed, redshank.

Energa companies do not identify any adverse impacts in relation to land degradation, desertification and soil sealing.

[E4-2]

BIODIVERSITY AND ECOSYSTEM POLICIES

In 2025, the Energa Group will adopt the ORLEN Group's Biodiversity Policy. The Biodiversity Policy is part of the ORLEN Group's Climate Policy adopted by Orlen SA in May 2023. The Policy establishes a framework for integrating the protection and promotion of biodiversity into the Group's strategy and defining rules of conduct for the development of a business model that is sustainable, and its implementation protects and promotes the preservation of natural heritage. The document is available on the ORLEN *Group's Climate Policy website*.

By adopting the ORLEN Group's Biodiversity Policy, the Energa Group undertakes to:

- preserving and promoting biodiversity by establishing new projects, thereby enabling sustainable coexistence and the preservation, protection and promotion of natural heritage,
- undertaking activities to support biodiversity in the areas of existing activities and in the immediate vicinity,
- promoting a social culture in the field of biodiversity conservation, aimed at raising awareness among stakeholders.

Notwithstanding the above, since 2016, as part of the Environmental and Energy Management Programme based on the EMAS Regulation and ISO 14001 and ISO 14000 standards, the Energa Group companies have been analysing environmental aspects as well as risks and opportunities related to biodiversity.

[E4-3]

BIODIVERSITY AND ECOSYSTEM ACTIVITIES AND RESOURCES

Energa undertakes a number of activities to promote biodiversity and support for protected species. These include:

- protection of the white stork species in Poland,
- monitoring of avifauna,
- study of the effect on ichthyofauna,
- research cooperation with scientific teams,
- restocking of inland reservoirs,
- reclamation of furnace waste landfills,
- training and conferences for employees to increase environmental awareness,
- sowing flower meadows,
- planting trees,
- organizing local clean-up actions and collecting waste in areas adjacent to installations.

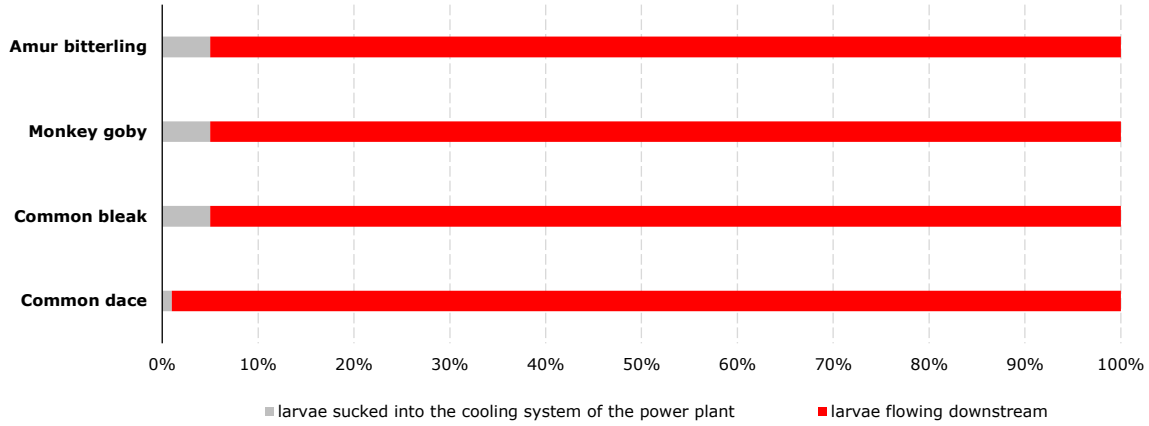
As part of its operations, including its investment projects, the Energa Group is not obliged to carry out activities to compensate for the loss of biodiversity in accordance with the procedure set out in the Environmental Protection Law.

ENERGA ELEKTROWNIE OSTROŁĘKA

The company regularly examines the impact of its operations on the environment of the Narew River. In 2024, tests were carried out on the thermal plume of post-cooling waters, i.e. the impact of the power plant on the thermals of water below discharge. Species and their habitats were also studied. An analysis of the effectiveness of the existing protection systems of power plants protecting and minimizing the penetration of fish into the cooling circuit and the scale of their potential killing in this circuit was carried out. The quantitative and qualitative composition of ichthyoplankton and other juvenile forms of fish sucked into the

cooling system of the power plant together with water from the Narew River used to cool the equipment was determined. During ichthyoplankton trap fishing, a total of 255 larvae belonging to 7 species of fish were obtained: roach, rosehip, chub, silver bream, bleak, dace and slender goby. The dominant was the slim goby (9188 individuals), which is considered an alien, invasive species. Quite numerous were: bleaks (29 individuals), dace (19 individuals) and rosehip (14 individuals), which is listed in Annex II to the Habitats Directive and is under partial protection. A calculation of the number of lively downstream flow of larvae indicates that far more fish swim downstream than are sucked into the cooling system.

Figure 36. Energa Elektrownie Ostrołęka. The number of larvae flowing down rivers in life



In the case of the rosehip, a full analysis of habitats and species was carried out – it was found that the operation of the power plant does not have a significant impact on the conservation status of this species. In 2023, an inventory of rush and submerged vegetation was carried out. The results indicate the effect of the thermal plume on plant communities. Below the discharge of warm water, the more intensively developed flora is clearly visible. Among the species, no alien and invasive taxa characteristic of heated waters have been recorded.

In 2024, for the fourth time, the company supported an action carried out as part of a long-term project to restock the Narew River in Ostrołęka. Only native species are allowed into the river – this time it was zander, which naturally lives in the waters of the Narew River. The fish were released into the water on a several-kilometre-long section between the Ostrołęka power plant and the tributary of the Omulew (the right tributary of the Narew). About 93 kg of zander were sent to the river, about 49 g each, i.e. a total of about 2000 fry.

In addition, the company carried out a campaign in 2024 entitled "Forests are our common good". Employees and their families have been involved in this pro-ecological initiative of planting trees in the Lelis Forest Range. As a result of the action, 39 volunteers planted over 2000 pine seedlings.

ENERGA WYTWARZANIE

Energa Wytwarzanie has been investing in the construction of fish ladders at power plants for years. Currently, 13 small hydroelectric power plants of Energa Wytwarzania are equipped with fish ladders: Drzeżewo, Borowo, Wojdyty, Kotowo, Łyna, Brąswałd, Braniewo, Rakowiec, Rościno, Smołdzino, Biesowice and Skarszów Dolny. In the coming years, the company plans to build fish ladders in another 10 of its low-power hydroelectric power plants in the West Pomeranian, Pomeranian and Warmian-Masurian Voivodeships. The last device of this type built by the company is a fish ladder at the Skarszów Dolny Offshore Wind Power Plant on the Skotawa River, which is an important site for sea trout. The fish ladder was put into service in 2024. The facility is located in the buffer zone of the "Słupia Valley" Landscape Park. The construction of fish ladders is a process that requires not only significant financial outlays, but above all time-consuming due to the need to obtain full documentation and all administrative arrangements each time.

Table 76. Energa Wytwarzanie: restocking of rivers

No.	Hydroelectric Power Plant	River	Execution 2024	Fish species
SŁUPSK AREA - ŁUPAWA 3 AND 4 FISHING DISTRICT, SŁUPIA 7 AND WIEPRZA 3				
1	DRZEŻEWO	ŁUPAWA	689 pcs.	**brown trout** (spring fry, summer fry, fry 5-10 grams)
2	ŁEBIEŃ		370 pcs.	
3	ŁUPAWA		500 pcs.	
4	POGANICE		1230 pcs.	
5	SMOŁDZINO		736 pcs.	
6	ŻELKOWO		980 pcs.	
7	STRUGA	SŁUPIA	1100 pcs.	
8	KRZYNIA		3650 pcs.	
9	BIESOWICE	WIEPRZA	800 pcs.	
10	CIECHOLUB	STUDNICA	1000 pcs.	
11	KĘPKA	WIEPRZA	2000 pcs.	
STRASZYN AREA - FISHING DISTRICT RADUNIA 4 and 5 and WIERZYCA 6				
12	EW RUTKI	RADUNIA	Estimates: 12,000 pcs.	**brown trout** (spring fry)
13	EW ŁAPINO		3000 pcs.	**Sea trout** (Smolt)
14	EW BIELKOWO		8000 pcs.	**grayling** (autumn fry)
15	EW STRASZYN		70,000 pcs.	**Ide** (summer fry)
16	EW PRĘDZIESZYN		10,000 pcs.	**Certa** (summer fry)
17	EW KUŹNICE		7,000 pcs.	**asp** (summer fry)
18	EW JUSZKOWO		200 kg	**Rope Stepek**
19	EW PRUSZCZ		200 kg	**Carp Stepek**
20	EW PRUSZCZ II		40,000 pcs.	**pike** (summer fry) (fry quantities and species subject to availability)
21	EW CZARNOCIŃSKIE PIECE	WIERZYCA	1950 pcs.	**Eel** (fry 10 g)
22	EW STOCKI MŁYN			
23	EW OWIDZ			
24	EW KOLINCZ			
OBSZAR OLSZTYN - OBWÓD RYBACKI ŁYNA 5				
25	EW KOTOWO	ŁYNA	no data	**ide, asp, chub, barbel, catfish, pike, carp, tench, pikeperch** (fry numbers and species depend on availability)
ELBLĄG AREA - PASŁĘKA 9 AND 10 AND WAŁSZA 2 FISHING DISTRICT				
26	EW PIENIĘŻNO	WAŁSZA	1970 pcs.	**brown trout** (spring fry)
			15000 pcs.	**brown trout** (broodling foraging)
27	EW PIERZCHAŁY	PASŁĘKA	17600 pcs.	**brown trout** (spring fry) - feeding hatchery
			6035 pcs.	**Sea trout** (Smolt 2+)
			30 kg	**European Eel** 10 gr - reared fry
KOSZALIN AREA - FISHING DISTRICT OF LAKE ROSNOWO ON THE RADEW RIVER NO. 1, FISHING DISTRICT OF THE RADEW RIVER NO. 3				
28	EW NIEDALINO	j. HAJKA	5000 pcs.	**Eel** (10 g stocking fry)
29	ESP ŻYDOWO	j. KAMIENNE	3000 pcs.	**brown trout** (summer fry 0+)
		rz. RADEW		
		j. ROSNOWO		
30	EW ROSNOWO	j. ROSNOWO	5000 pcs.	**Eel** (10 g stocking fry)

Energa Wytwarzanie also cooperates with external organisations in tasks aimed at maintaining and monitoring the species composition of ichthyofauna of selected rivers.

For several years, the company has been making the area of the Rościno Offshore Wind Farm with the fish ladder available to the Association of Towns and Municipalities of the Parsęta River Basin. The organization catches sea trout and salmon, obtains reproductive material for the so-called "artificial spawning", and then releases the fish back into the Parsęta River.

For 10 years, the company has also been cooperating with the Inland Fisheries Institute (National Research Institute) in the monitoring of ascending eels. For this purpose, at the Smołdzino Offshore Wind Farm on the Łupawa River, the institute's employees set up special traps and monitor the number of fish for 4 months. In the case of wind farm installations, the company conducts cyclical monitoring of avifauna.

ENERGA OPERATOR

In 2024, Energa Operator continued its cooperation with the Małopolska Ornithological Society. During the 3 years of cooperation so far, a total of 1,526 white stork chicks have already been ringed in 590 nests. In 2024, ringing took place in the Pomeranian, Warmian-Masurian, Greater Poland and West Pomeranian Voivodeships.

The company also continued cooperation with the Polish Society for the Protection of Birds as part of the white stork protection activities. The cooperation concerned the protection and ringing of stork chicks in the town of Żywkowo in the Warmian-Masurian Voivodeship.

In 2024, the company also supported the 8th International White Stork Census organized by naturalists. Such an inventory takes place once every 10 years. The last one took place in 2014. It is aimed at, among m.in, creating a database of stork nests, which will be available via the Internet. The company installed a total of 569 new platforms, including 2 platforms with nesting boxes, the so-called multi-family houses for storks and other bird species.

Energa Operator has become involved in the "Biodiversity Incubator" project. It will analyse the possibility of using old, unused, brick transformer towers (birdhouses or bats, places for insect nests).

[E4-4]

BIODIVERSITY OBJECTIVES

ENERGA WYTWARZANIE

Energa Wytwarzanie intends to continue the construction of fish ladders in order to eliminate the effects of dividing the watercourse at other hydroelectric power plants. The company will also continue the process of restocking rivers on an annual basis.

L.p.	Energa Wytwarzanie	Implementation date	Status
1.	Construction of a fish ladder at EW Kepice	2026 r.	Under implementation, at the stage of administrative procedures
2.	Construction of a fish ladder at EW Skarszow Dolny	2022-2024 r.	Realized
3.	Construction of a fish ladder at EW Niedalino	2026 r.	Under implementation, at the stage of administrative procedures
4.	Construction of a fish ladder at EW Strzegomino	2026 r.	Task in progress, conceptual work
5.	Construction of a fish ladder at EW Kępka	2027 r.	Under implementation, at the stage of administrative procedures
6.	Construction of a fish ladder at EW Wadąg	2026 r.	In progress

ENERGA OPERATOR

Energa Operator pursues the objective of protecting the white stork, including the installation of platforms on power poles. In 2025, the company plans to conclude an agreement with the Małopolska Ornithological Society, under which it declares supervision during the ringing of storks in nests built on low-voltage poles, located in the following voivodeships: Pomeranian, West Pomeranian, Kuyavian-Pomeranian, Greater Poland, Łódź and Warmian-Masurian Voivodeships. The company will cover part of the costs of purchasing sets of bird rings, i.e. metal rings and plastic rings, put on each of the ringed storks at the same time.

The company plans to conclude an agreement with the Topólka municipality regarding the installation of a webcam on an electric pole with a white stork nest. The camera will be designed to observe the nature of the stork's nest and live broadcast the habits of the stork family. As part of the agreement, Energa Operator will install a new type of platform for a stork's nest on a pole (see below), with nesting boxes for small birds, a power socket (for the needs of the camera) and a camera frame.

Energa Operator plans to impose additional obligations on contractors for construction and assembly works in the field of biodiversity protection:

- protection of excavations against amphibians, reptiles and small mammals
- conducting regular inspections of excavations (including before backfilling) for the presence of the above-mentioned animals in them; if they are found, they are to be carefully moved to a remote, safe place for a given species.
- conducting works in such a way as to limit interference with the vegetation to the necessary minimum, in particular through economical management of the construction site,
- protection of trees against damage,
- protection of birds against electrocution by installing deterrents or structures preventing them from sitting on elements of the power grid,
- installation of clearly visible markings on MV overhead lines in order to minimize the risk of collision of birds with the line.

[E4-5]

IMPACT MEASURES RELATED TO BIODIVERSITY CHANGE

The Energa Group has identified and identified locations located in or near biodiversity-sensitive areas that are affected by biodiversity. The number of locations and their area are given in the earlier parts of the chapter.

The Group plans to continue to monitor the identified sites, as well as other locations that may become potentially relevant in terms of biodiversity as part of the annual activity reviews.

[E5] RESOURCE USE AND CIRCULAR ECONOMY

[E5.IRO-1]

DESCRIPTION OF THE PROCESSES FOR IDENTIFYING AND ASSESSING MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO RESOURCE USE AND THE CIRCULAR ECONOMY

The Energa Group conducts annual reviews of its resources and operations in order to identify actual and potential impacts, risks and opportunities related to the use of resources and the circular economy in its own operations as part of its environmental and energy management system, in accordance with the EMAS Regulation and ISO 14001 and ISO 50001 standards.

The Energa Group's impact on local communities related to raw materials and waste is subject to a process of ongoing consultations resulting from problems, doubts and inquiries reported by local communities.

More on dialogue with local communities can be found in chapter S3.

Revenues are identified both in relation to the processes of the Group companies and to the activities of suppliers and co-operators that the Group may control. This analysis, in terms of the life cycle perspective of the product and service, includes in particular the purchase of energy resources (coal, biomass, gas), their transport (in particular with regard to generation installations), purchases, as well as design (regarding new and modernized generation and distribution infrastructure), as well as the design of services for customers, related to their energy management. The generation and distribution infrastructure built, operated and then disposed of is owned by the Group companies and generates direct revenues. The transfer of waste from its dismantling to subsequent owners and operators of neutralization or recovery/recycling processes is an area of indirect impact. Due to the intangible nature of the primary product (energy) and service (energy distribution and sale), the life-cycle perspective for their end-of-life and disposal is limited.

[E5-1]

POLICIES RELATED TO RESOURCE USE AND THE CIRCULAR ECONOMY

The Environmental and Energy Policy defined by the Management Board of Energa SA applies to all Group companies maintaining the management system and formally sets out the general intentions and desired directions of the Companies' activities with regard to the effects of their environmental activities and in connection with the energy performance. It obliges to maintain compliance with all applicable legal requirements, continuously improve the performance of operations and reduce the negative

impact on the environment. Energa companies are required to pursue the overarching objective through investment and organisational tasks dedicated to individual business lines.

The tool for implementing the policy is the Environmental and Energy Management Programme, described in the document of the same name. The programme defines and specifies the mechanisms of the environmental and energy management system, including key procedures. The procedures define roles, responsibilities and requirements for sustainable operational control and process monitoring, including rational management of resources (in particular energy) and waste management.

[E5-2]

ACTIVITIES AND RESOURCES RELATED TO RESOURCE USE AND THE CIRCULAR ECONOMY

The circular economy means closing the cycle of raw materials, products and waste in order to save natural resources (water, raw materials, energy) and minimise waste. The Energa Group has been implementing the assumptions of this economy for several years now. By optimising the consumption of resources, in particular non-renewable raw materials (phasing out coal assets) and waste generation, as well as efforts to reduce air emissions, the Energa Group not only reduces its negative impact on the environment, but also reduces the costs of its operations.

An example of the implementation of circular economy is the management of combustion waste and combustion by-products from a coal-fired power plant by Energa Elektrownie Ostrołęka since 2016. They are used in other technological processes, as well as transferred to external companies for the production of building materials. The financial benefits obtained include, m.in, avoiding fees resulting from waste storage. In the case of Energa Kogeneracja in connection with the modernisation of the assets of the Elbląg CHP Plant, gas boilers were built, which do not generate combustion waste and largely replace the existing coal-fired sources. Therefore, the reclamation of the closed furnace waste landfill in Jagodno was completed.

In order to increase the energy efficiency of transformers operated by Energa Operator, the aspect of minimizing no-load and load losses has been taken into account for many years. In 2024, repairs and overhauls of transformers were carried out, which resulted in financial savings of nearly PLN 19 million. Thanks to these activities, the company avoided the generation of approx. 264 Mg of hazardous waste.

Due to the need to keep small hydropower systems at optimal availability, it is necessary to regularly change industrial oils. The operation of systems containing lubricating oils (e.g. gears, bearings) causes gradual contamination of these oils both by solid particles and by water ingress. Each of these systems is crucial for electricity production, so lack of proper maintenance can lead to reliability issues with machinery, increased risk of failure, costly repairs and, consequently, downtime and lost production. Until now, oil changes have been associated with both the need to purchase new material and the generation of hazardous waste. From 2024, Energa Wytwarzanie purifies industrial oils independently by performing filtration, which extends their service life. In 2024, 800 liters of oils were filtered.

In order to mitigate the risk associated with the unknown costs of managing used elements from renewable energy sources, Energa has commenced analyses of the effective use/transfer of elements used in the operation of photovoltaic panels and turbine blades to external entities.

Energa also implements waste avoidance measures in its office operations, in line with the waste hierarchy. Energa Operator has agreed with the supplier of office supplies on the issues of economical packaging of delivered orders and collection of cardboard packaging immediately after delivery, so that they can be reused.

Waste-related activities are continuous and do not result in significant costs or capital expenditures.

[E5-3]

RESOURCE USE AND CIRCULAR ECONOMY OBJECTIVES

Energa applies a waste hierarchy in which it is crucial to avoid waste generation. Waste generated is segregated, stored and transferred to authorized external entities for disposal. It is preferred, where possible, to recover or recycle waste.

The key objective for the coming years is to maintain the zero balance of the Energa Elektrownie Ostrołęka landfill. This means that the amount of by-products/waste collected and managed will be equal to the amount of waste generated in the installation in a given year. We assume maximizing the use of CCPs, i.e. furnace waste stored in a landfill (ash-slag mixtures, fly ash microspheres) and management of by-products (fly ash), which translates directly into avoiding waste generation. The indicated purpose is not related to the requirements of the regulations (it is voluntary). Currently, the goal is being implemented annually in accordance with the assumptions.

[E5-4]

INPUT RESOURCES

In 2024, the Energa Group used 671,969 Mg of raw materials, i.e. 285,728 Mg less than in the previous year. Data is obtained from suppliers of materials and raw materials (invoices for deliveries) and on the basis of own measurements in the case of raw materials such as coal and biomass.

Significantly lower coal consumption is associated with Energa Elektrownie Ostrołęka, whose work at the request of the National Power System in 2024 has been reduced. In 2024, the NNC unit, which uses fuel in the form of light fuel oil to carry out the process, was largely used to supply the city of Ostrołęka with heat.

Due to the ongoing project to modernize the Elbląg CHP Plant, the amount of gas consumed by the company in 2024, which was used in the processes of operation of the installed equipment, is constantly increasing.

In 2024, Energa companies used 81,283 Mg of sustainable biomass for energy purposes. As a result, biomass can be considered zero-emission, in accordance with the requirements of the RED II Directive.

Spółki Energa wykorzystały w roku 2024 do celów energetycznych zrównoważoną biomasę w ilości 81 283 Mg. The sustainability criteria applied to biomass is that it must be produced, processed and used in a sustainable and efficient manner to optimize the reduction of greenhouse gas emissions and not cause deforestation, habitat degradation or loss of biodiversity. As a result, biomass can be considered zero-emission, in accordance with the requirements of the RED II Directive.

In the case of Energa Elektrownie Ostrołęka, biomass in the form of wood pellets in the total amount of 8637.45 Mg was delivered and then burned during tests of the co-firing process.

In the case of Energa Kogeneracja a total of 72,645.46 tons of biomass were burned. All biomass purchased and consumed by the Energa Group companies was obtained from external companies outside the Energa/ORLEN Group. All suppliers had certified systems for verifying the sustainable origin of biomass, and the biomass supplied had the required documentation.

In order to reduce the consumption of other raw materials at Energa companies, measures are being taken to reduce the consumption of transportation fuels. In 2024. Energa Oświetlenie Sp. z o.o. has introduced 10 electric cars in its fleet, as well as paper - switching to e-newspapers, implementation of e-invoices at Energa-Obrót, ZET Mobile application at Energa Operator.

In 2024, Energa Oświetlenie has built 7 charging stations integrated with light poles and the construction of more has been contracted. Implementation of projects related to the development of electromobility using the existing infrastructure, will allow to develop the most advantageous business models, and will also indirectly contribute in the future to the reduction of raw material consumption and CO2 emissions.

In 2024, Energa Group companies did not use recycled raw materials and recycled products and their packaging in their operations.

Table 77. Products, raw materials introduced to the Energa Group companies

RAW MATERIALS OR MATERIALS	2023	2024
NON-RENEWABLES		
Carbon [Mg]	847 377	562 827
Natural gas [m3]	14 645 326	15 327 291
Heating oil [Mg]	3 410	8 888
Diesel fuel [Mg]	3 100	3 274
Petrol [Mg]	971	969
Other non-renewable [Mg]	288	288
Consumption of other non-renewable raw materials and materials [Mg]	19 788	14 361
Total consumption of non-renewable raw materials [m3]	14 645 326	15 327 291
Total consumption of non-renewable raw materials [Mg]	874 934	590 607
RENEWABLE		
Biomass [Mg]	82 754	81 283
Total consumption of non-renewable raw materials [Mg]	82 754	81 283
Consumption of direct materials (e.g. steel) [Mg]	9	79
Total consumption of raw materials [m3]	14 645 326	15 327 291
Total consumption of raw materials [Mg]	957 697	671 969

[E5-5]

WASTE

Waste management at Energa's companies is carried out in accordance with the applicable laws, administrative decisions and internal regulations adopted, which provide that each waste generated is transferred for further management to specialised external entities. All companies are subject to registration in the BDO (Waste Database). Data on the amount of waste generated and transferred for management by companies in 2024 are obtained on the basis of records and reporting kept at BDO.

As part of its operations, Energa companies carry out the following processes: generation, segregation at the place of production, transport (exceptionally, only own waste) and initial storage at the place of production. In 2024, the Energa Group did not collect, dispose of, recover or recycle waste. These processes are carried out outside the organization, after the waste is handed over to an authorized recipient. Energa companies generated 52940 Mg of waste, i.e. 17,124 Mg less than in 2023. The percentage of non-recycled waste in the total amount of waste generated is 90.5%. Energa companies do not generate radioactive waste as part of their business.

The largest part of waste generated as a result of the operation of SHP installations is waste coded 19 09 01 (vegetation carried with the river current and retained on the inlet grates to hydroelectric power plants). It should be noted that the so-called "screenings" are not hazardous waste, they are neutral to the environment. Their number, independent of the Company, depends on the characteristics of the areas through which the river flows, the season of the year, and climatic conditions. In addition, the power plant service extracts and segregates other waste with which the river is polluted. Their removal from the inlet grates is not only necessary for the proper operation of hydro sets, but also contributes to the purification of surface waters. In 2024, the share of organic waste collected on SHP inlet grates accounted for approx. 57% of all waste generated (excluding municipal waste).

Energa Group companies also generate waste in the course of inspections, overhauls, repairs or upgrades of installations. Failure to perform these works would result in defective or ineffective operation of the equipment or failure to meet legal requirements

(periodic inspections). Occasionally, waste generation may be the result of a failure. Therefore, Energa has no influence on the amount of installation waste generated, but makes every effort to ensure that it is managed in accordance with internal and external regulations, and that its burden on the environment is minimal.

In the case of municipal waste, the frequency of its collection is determined by external entities on the basis of the Companies' declarations or contracts for the provision of this type of services. Their number results from the needs of Energa's employees in a given location or tenants of the company's residential premises.

The priority in the case of Energa Elektrownie Ostrołęka is to minimise the stream of furnace waste generated. The registration of the substance in REACH was the first step related to the possibility of introducing fly ash, ash-slag mixture, fly ash microspheres and gypsum to the market in order to manage the above-mentioned substances in a closed cycle. These substances have the status of by-products and are treated as a valuable raw material to be used in sectors of the economy other than energy. The conducted research allowed to show that these substances are safe for people and the environment and are perfect for further use as part of numerous material or product solutions. The Company fulfils the conditions of its administrative decision recognising gypsum and fly ash waste as by-products. All by-products manufactured in the company, both from synthetic gypsum and fly ash, are used economically in the directions indicated in the decisions. Coal fly ash in the amount of 75,721.30 Mg was used for the production of cement, ready-mixed concrete and precast concrete products, while 20,238.64 Mg of gypsum was used for the production of gypsum, dry building mortars and as an additive to the production of substrate for mushroom cultivation. The agreement with the Contractor for the management of the generated ash-slag mixture waste was concluded with a zero balance. This is a guarantee that the amount of waste deposited at the landfill will not be increased. In addition, in 2024, 34,596.65 tonnes of ash-slag mixture were transferred for commercial use, with the production of this waste at the level of 27,318.59 Mg. Microspheres from fly ash in the amount of 45.08 Mg were also transferred for further management.

The companies of the Distribution Line have implemented uniform rules for the return and classification of equipment as waste or for further use (as dismantling material), taking into account the principles of circular economy. In addition, they extended the requirements for waste recipients to include the obligation to provide information on the method of management of waste collected from companies in the previous year and on the amount and type of fuel used to provide the waste collection service. In addition, if the recipient is not the entity that processes the collected waste, he is obliged to provide information about the subsequent waste holders to whom the waste collected from the companies will be transferred.

Table 78. Quantities of waste generated and transferred for management by companies in 2024 (Mg)

	Total weight of waste		Weight of hazardous waste		Weight of non-hazardous waste		Ash Weight	
	2023	2024	2023	2024	2023	2024	2023	2024
Services and Other	**131**	**55**	**0**	**1**	**131**	**54**	**0**	**0**
Energa	1	1	0	0	1	1	0	0
Energa Informatyka i Technologie	13	9	0	0	13	9	0	0
Energa Logistyka	115	46	0	1	114	45	0	0
CCGT Grudziądz	0	0	0	0	0	0	0	0
CCGT Ostrołęka	3	0	0	0	3	0	0	0
Distribution Business Line	**4 929**	**4 815**	**627**	**943**	**4 302**	**3 872**	**0**	**0**
Energa Operator	3 121	3 319	616	931	2 505	2 388	0	0
Energa Operator Wykonawstwo Elektroenergetyczne	1 807	1 497	10	12	1 797	1 485	0	0
Sales Business Line	**475**	**287**	**13**	**13**	**462**	**274**	**0**	**0**
Energa Obrót	18	6	0	0	18	6	0	0
Energa Oświetlenie	456	281	13	13	444	268	0	0
Enspirion	0	0	0	0	0	0	0	0
Manufacturing Business Line	**64 529**	**47 782**	**109**	**93**	**2 179**	**2 592**	**62 241**	**45 097**
Energa Wytwarzanie	391	335	22	24	368	311	0	0
Energa Kogeneracja	13 937	13 632	28	22	269	817	13 640	12 794
Energa Ciepło Ostrołęka	75	7	0	0	75	6	0	0
Energa Ciepło Kaliskie	6 481	4 939	4	0	17	0	6 459	4 939
Energa Elektrownie	43 356	28 742	45	42	1 169	1 337	42 142	27 364
Energa Serwis	289	127	9	5	281	121	0	0
Energa Group	**70 064**	**52 940**	**748**	**1 050**	**7 074**	**6 793**	**62 241**	**45 097**

Table 79. Waste by use (Mg)

	Total weight of waste		Reuse		Recycling		Composting		Recovery (including energy recovery)		Combustion		Landfill		On-site storage		Other methods of waste management	
	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024
Usługi i Pozostałe	**131**	**55**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**131**	**55**
Energa	1	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1
Energa Informatyka i Technologie	13	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	13	9
Energa Logistyka	115	46	0	0	0	0	0	0	0	0	0	0	0	0	0	0	115	46
Linia Biznesowa Dystrybucja	**4 929**	**4 815**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**2 233**	**0**	**0**	**0**	**846**	**316**	**242**	**4 612**	**1 494**
Energa Operator	3 121	3 319	0	0	0	0	0	0	0	2 233	0	0	0	846	316	240	2 805	0
Energa Operator Wykonawstwo Elektroenergetyczne	1 807	1 497	0	0	0	0	0	0	0	0	0	0	0	0	0	3	1 807	1 494
Linia Biznesowa Sprzedaż	**475**	**287**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**475**	**287**
Energa Obrót	18	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	18	6
Energa Oświetlenie	456	281	0	0	0	0	0	0	0	0	0	0	0	0	0	0	456	281
Enspirion			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Linia Biznesowa Wytwarzanie	**64 529**	**47 782**	**0**	**0**	**6 493**	**5 033**	**307**	**192**	**55 982**	**40 999**	**0**	**0**	**844**	**1 056**	**21**	**10**	**882**	**493**
Energa Wytwarzanie	391	335	0	0	16	8	307	192	19	113	0	0	0	10	0	2	49	10
Energa Kogeneracja	13 937	13 632	0	0	0	0	0	0	13 769	13 507	0	0	110	99	2	0	56	26
Energa Ciepło Ostrołęka	75	7	0	0	0	0	0	0	0	0	0	0	0	0	0	0	75	7
Energa Ciepło Kaliskie	6 481	4 939	0	0	6 477	4 939	0	0	4	0	0	0	0	0	0	0	0	0
Energa Elektrownie Ostrołęka	43 356	28 742	0	0	0	0	0	0	42 190	27 379	0	0	734	946	19	8	413	409
Energa Serwis	289	127	0	0	0	86	0	0	0	0	0	0	0	0	0	0	289	41
Grupa Energa	**70 064**	**52 940**	**0**	**0**	**6 493**	**5 033**	**307**	**192**	**55 982**	**43 232**	**0**	**0**	**844**	**1 902**	**338**	**252**	**6 100**	**2 329**

EU TAXONOMY

REGULATORY FRAMEWORK

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment ("Regulation 2020/852") includes a requirement to disclose, in the consolidated non-financial statement, information on how and to what extent the operations of an undertaking are covered by the classification of environmentally sustainable economic activities.

The criteria used to determine whether a particular economic activity is conducted in a sustainable manner (i.e. in compliance with the EU Taxonomy) have been defined in:

- **Commission Delegated Regulation (EU) 2021/2139** of 4 June 2021 establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives;
- **Commission Delegated Regulation (EU) 2023/2485** of 27 June 2023 establishing additional technical screening criteria for determining the conditions under which certain economic activities qualify as contributing substantially to climate change mitigation or climate change adaptation and for determining whether those activities cause no significant harm to any of the other environmental objectives;
- **Commission Delegated Regulation (EU) 2022/1214** of 9 March 2022 establishing technical screening criteria for activities related to nuclear energy and natural gas with respect to economic activity in certain energy sectors;
- **Commission Delegated Regulation (EU) 2023/2486** of 27 June 2023 establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to pollution prevention and control, or to the protection and restoration of biodiversity and ecosystems and for determining whether that economic activity causes no significant harm to any of the other environmental objectives (Regulation (UE) 2021/2139, Regulation (UE) 2023/2485, Regulation (UE) 2022/1214, Regulation (UE) 2023/2486 jointly hereinafter referred to as "Technical Screening Criteria" or "TSCs").

The disclosure obligations were further detailed in **Commission Delegated Regulation (EU) 2021/2178** of 6 July 2021 specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation (Regulation (UE) 2021/2139, Regulation (UE) 2022/1214, Regulation (UE) 2023/2485, Regulation (UE) 2023/2486 and Regulation (UE) 2021/2178 are jointly hereinafter referred to as "EU Taxonomy" or "Taxonomy").

ENERGA GROUP'S CONSOLIDATED DISCLOSURES

As part of its 2024 disclosures, the Company is required to provide descriptive information and the percentage share of Energa Group's business activities that are Taxonomy-eligible with respect to six environmental objectives, i.e.:

- climate change mitigation and
- and adaptation (hereinafter jointly as "climate objectives"),
- sustainable use and protection of water and marine resources,
- transition to a circular economy,
- pollution prevention and control
- or the protection and restoration of biodiversity and ecosystems.

In addition, as regards the climate objectives, Energa Group discloses percentage share values relating to the turnover derived from the sale of products or services, capital expenditures (CapEx) and operating expenditures (OpEx) related to environmentally sustainable business activities. Key performance indicators are hereinafter referred to as the "Key Indicators" or "KPIs".

IDENTIFICATION OF TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES

According to the EU Taxonomy , an economic activity is eligible for Taxonomy regardless of whether that economic activity meets any or all of the TSCs. Energa Group has classified its activities on the basis of the description of activities contained in the Taxonomy, and additionally also using the NACE codes contained in the description. The business activities of Energa Group that are eligible for the Taxonomy are primarily related to the climate objective of climate change mitigation. The activities listed in the tables included at the end of this section of the Report are related to Energa Group's revenue-generating activities or those which incur capital expenditures or operating expenditures. Activities which are not related with revenue, capital expenditures or operating expenditures are not subject to disclosure requirements.

R&D projects that are in the early stages of implementation are not eligible for the EU Taxonomy.

It should be noted that the EU Taxonomy is subject to interpretation, therefore, during the classification process, Energa Group took into account the European Commission's FAQs (The documents are published on the European Commission's website under: 3. The FAQs repository, https://ec.europa.eu/sustainable-finance-taxonomy/home). The European authority's new determinations may affect both future classifications and the manner in which it assesses the alignment of activities.

After analyzing all of Energa Group's activities, it was determined that **twelve** business activities are eligible for the first environmental objective, i.e. climate change mitigation, while **one** activity is eligible for the climate change adaptation objective.

DETERMINATION OF THE ALIGNMENT OF TAXONOMY-ELIGIBLE ACTIVITIES (CLIMATE OBJECTIVES)

The process of determining the alignment of activities with the EU Taxonomy, in accordance with the obligations for the 2024 reporting year, took place within the framework of the climate objectives and consisted in analyzing the fulfillment of the substantial contribution criterion, as well as the "do no significant harm" (hereinafter "DNSH") criterion with respect to the other environmental objectives. In addition, an analysis was carried out to determine whether Energa Group meets the "minimum safeguards" criterion.

As regards the list of eligible activities, **nine** (eight for the climate change mitigation objective and one for the climate change adaptation objective) were found to be aligned with the EU Taxonomy classification.

SUBSTANTIAL CONTRIBUTION

The taxonomy establishes various criteria of substantial contribution for the eligible activities. When conducting the analysis, Energa Group assessed the fulfillment of the requirements established for each activity. The following explains how compliance with these criteria was assessed for each activity:

CLIMATE CHANGE MITIGATION:

1. For activity:

   4.1. "Electricity generation using solar photovoltaic technology".

   4.3. „Electricity generation from wind power".

   4.10. "Storage of electricity".

   7.6. "Installation, maintenance and repair of renewable energy technologies", Regulation 2021/2139 does not introduce specific requirements for substantial contribution; in principle it is enough to be conducting the activities listed in these items. Hence, Energa Group's activities listed above make a substantial contribution to climate change mitigation. Only in terms of investments carried out in the scope of activity

   4.1. "Electricity generation using solar photovoltaic technology" or

   4.3. "Electricity generation from wind power", it has been shown that no substantive contribution is made due to lack of such activity (electricity generation).

2. The EU Taxonomy provisions on compliance with the requirements of substantial contribution of activities:

   4.9. "Transmission and distribution of electricity" are not clearly formulated and require interpretation. Last year, when interpreting the compliance criteria, Energa Group took into account the approach used by most entities in the energy sector and assessed revenues derived from energy distribution, as well as the capital expenditures and costs incurred in this area as Taxonomy-aligned. It should be noted that the Group's approach may change in the future if the European Commission amends its regulations or publishes a relevant position.

3. The activities described above, related to electricity transmission and distribution, have been classified under two climate objectives: climate change mitigation and adaptation. In order to avoid double counting of key performance indicators, capital expenditure was separated by assigning it to each objective (including the separation, under climate change adaptation, of expenditure for converting lines from overhead to cable and replacing wires with insulated ones). The KPIs for the climate change mitigation objective included e.g. the construction and extension of HV/MV/LV overhead and cable connections and grids to connect RES, the installation and replacement of HV/MV transformers, the construction/extension and redevelopment of the electricity distribution network to connect electric vehicle charging stations and public road transport charging infrastructure, and the installation of smart metering infrastructure.

4. For activity:

   4.15. "District heating/cooling distribution", Regulation 2021/2139 introduces several alternative criteria, with meeting only one criterion being sufficient. The necessary analysis has been carried out, and in the case of Energa Group's operations, part of the Group's heat distribution activity complies with the criterion of an efficient district heating system and thus meets the requirements of substantial contribution.

5. For activity:

6. **4.20.** "Cogeneration of heat/cool and power from bioenergy" substantive contribution criteria were reviewed, in particular in relation to agricultural and forest biomass. The activity was found to be compliant with agricultural and forest biomass criteria.

7. As regards activity:

   6.15 "Infrastructure enabling low-carbon road transport and public transport", the criteria for substantial contribution were reviewed, in particular in relation to the dedication of infrastructure to the operation of vehicles with zero CO2 emissions in exhaust fumes. Under this activity, electric car charging infrastructure and hydrogen charging points were found compliant.

COMPLIANCE WITH THE "DO NO SINGNIFICANT HARM" (DNSH) CRITERIA

The DNSH criteria are designed to ensure that economic activities do not cause significant harm to other environmental objectives. The combination of the substantial contribution and DNSH criteria is intended to ensure consistency between the Taxonomy's objectives and to avoid one environmental objective being pursued at the expense of another. Individual DNSH criteria vary from activity to activity (except for the DNSH criteria for climate change adaptation, where the assessment approach is essentially the same for all activities). Energa Group analyzed the DNSH criteria related to all business activities which meet the criteria for substantial contribution. This analysis took into account, among other things, an assessment of the locations where the business activity is carried out, the specifics of the business activity in question and the DNSH criteria applicable to it. Hence, some activities

that meet the substantial contribution criterion, such as hydroelectric power plants commissioned decades ago, were not determined Taxonomy-aligned as it was impossible to confirm compliance with DNSH requirements.

ALIGNMENT WITH MINIMUM SAFEGUARDS

The assessment of Energa Group's alignment with the minimum safeguards took into account the recommendations contained in the Final Report on Minimum Safeguards, developed by the Platform On Sustainable Finance (hereafter "the Platform"), a European Commission's advisory body, taking into account Energa Group's procedures and processes. The assessment was carried out in relation to four areas, i.e. human rights, corruption and bribery, fair competition, and taxation.

Applying standards of responsible conduct is embedded in Energa Group's culture. These standards are reflected in many internal procedures and processes. The Group's primary policies in this regard are described in documents such as: ORLEN Group Code of Ethics, ORLEN Group Human Rights Protection Policy, policies governing employee issues (including: discrimination and equal treatment), Supplier Code of Conduct, Competition Law Compliance Policy, Energa Group Anti-Corruption and Anti-Fraud Policy and policies governing anonymous whistleblowing.

Let it be emphasized that Energa Group's due diligence activities are being constantly developed.

In its recommendation regarding the assessment of alignment with minimum safeguards, the Platform raises issues of identified violations in specific areas – Energa Group has not identified any court judgments issued in 2024 which would be relevant for the purposes of this assessment. No reports were also found in the registries of the OECD's National Focal Point or the Business and Human Rights Resource Center (BHRRC).

For more information on specific areas related to minimum safeguards, see the dedicated sections of this report: human rights issues – S1.SBM-3, the wage gap – S1-16, customer relations (G1-2, G1-6), taxation, and corruption and fraud (G1-3, G1-4, G-6).

KEY PERFORMANCE INDICATORS AND ACCOUNTING PRINCIPLES

Key performance indicators have been calculated in accordance with the guidelines included in Regulation 2021/2178. The same accounting principles that apply to the preparation of Energa Group's consolidated annual financial statements were applied to calculate the proportion of turnover, capital expenditures and environmentally sustainable operating expenditures. The calculation of indicators for the Group took into account the relevant consolidation exclusions used in the preparation of the financial statements. Intra-group sales were excluded from the presentation of key indicators. Energa Group does not present turnover resulting from own consumption, as own consumption is not declared separately in financial reporting. Own consumption is involved in activities such as

- **4.20** "Cogeneration of heat/cool and power from bioenergy",
- **4.30** "High-efficiency cogeneration of heat/cooling and electricity from gaseous fossil fuels",
- **4.31** "Production of heating/cooling energy from gaseous fossil fuels in an efficient heating and cooling system",
- **6.15** "Infrastructure enabling low-carbon road transport and public transport".

No financial item was taken into account more than once and the necessary disaggregation of data was applied where appropriate, eliminating the risk of double counting. In cases where a single taxonomy-eligible plant was used for eligible and non-eligible activities, only the turnover, capital expenditures and operating expenditures related to the particular taxonomy activity were separated for the purpose of calculating key performance indicators; in the few cases where this did not have a significant impact on the KPIs, a simplified approach was used.

TURNOVER KPI

The key performance indicator related to turnover was determined by dividing net revenues from the sale of products or the provision of services related to the Energa Group's eligible and Taxonomy-aligned business activities by the consolidated revenues of the Energa Group. Energa Group's Parent Company supervised the process of analyzing the compliance of activities with the TSCs and preparing key indicators. The basis for the calculation of the key turnover indicator was Energa Group's consolidated revenues for 2024, as disclosed in the consolidated financial statements under Revenue from sales, described in Note 10. The key indicator related to turnover was calculated based on financial data for the sales of products and services to external customers. The company does not present a breakdown of the turnover KPI by leasing and other revenues due to the fact that 99.8% of sales revenue in Energa Group comes from revenue from contracts with clients.

CAPEX KPI

The key indicator related to capital expenditures was determined by dividing the sum of capital expenditures related to Taxonomy-eligible and aligned activities by Energa Group's total capital expenditures.

With regard to capital expenditures, the basis for calculating the key indicator was Energa Group's capital expenditures, which include increases in fixed assets and fixed assets under construction, intangible assets and right-of-use assets, included in the consolidated financial statements for 2024 and described in Note 10 Business Lines (Business Segments) and on pages 39, 42, 44 of the consolidated financial statements in the Notes on tangible assets, intangible assets and right-of-use assets.

The difference between the CapEx reported in Energa Group's consolidated financial statements in Note 10 Business Lines and the denominator of the CapEx ratio is due to the inclusion of purchased property rights in the CapEx denominator (see Note 14. Intangible assets for additional information). Energa Group does not include property rights received free of charge in the CapEx denominator.

Where the same tangible or intangible assets were also used to produce products or services not included in the Taxonomy, capital expenditures were disaggregated. In determining the value of capital expenditures (in the numerator of the KPI for the activity), the degree of use of assets or intangible assets was taken into account. When the assets in question were used for the various activities included in the Taxonomy, the values associated with capital expenditures were allocated to the numerator only once.

The CapEx Key Performance Indicator takes into account capital expenditures, including those that are part of the plan (hereinafter the "CapEx Plan") to expand Taxonomy-eligible business activity or to enable Taxonomy-eligible business activity to be aligned with the classification. Detailed information on capital expenditures that are part of the CapEx KPI counter, including capital expenditures that are part of the CapEx Plan, is presented in the following table.

Table 80. Quantitative breakdown of the capital expenditures numerator at the aggregate level of economic activity into the categories occurring in the Energa Group as defined by Regulation 2021/2178

Aligned activity (No.)	Fixed assets increases (in PLN million)*	Intangible asset increases (purchase and creation for own use) (in PLN million)na własne potrzeby) (w mln zł)	Other increases (in PLN million)	Total CapEx for aligned activities (in PLN million)	Including, increases from mergers (in PLN million)	Including, reported in the CapEx Plan (in PLN million)	Planned capital expenditure under the CapEx Plan (in PLN million) (w mln zł)	Years covered by the CapEx Plan
CCM 4.1	3,09	0,00	0,00	**3,09**	0,00	0,00	0,00	n/d
CCM 4.3	6,93	0,03	0,00	**6,96**	0,00	0,00	0,00	n/d
CCM 4.9	2 516,31	57,70	0,00	**2 574,01**	0,00	0,00	0,00	n/d
CCA 4.9	382,41	0,00	0,00	**382,41**	0,00	0,00	0,00	n/d
CCM 4.10	7,79	0,70	0,00	**8,49**	0,00	0,00	0,00	n/d
CCM 4.15	2,26	0,00	0,00	**2,26**	0,00	0,00	0,00	n/d
CCM 4.20	0,18	0,08	0,00	**0,26**	0,00	0,00	0,00	n/d
CCM 6.15	3,97	0,00	0,41	**4,38**	0,00	0,00	0,00	n/d
Total	**2 922,93**	**58,52**	**0,41**	**2 981,86**	**0,00**	**0,00**	**0,00**	

** includes fixed assets under construction*

KPI OPEX

The key indicator related to operating expenditures was determined by dividing the sum of operating expenditures related to Taxonomy-eligible and aligned activities by the expenditures in a taxonomic approach. With regard to operating expenses, the basis for calculating the key indicator was Energa Group's operating expenses, which include activities related to building renovation, short-term leases, maintenance and repairs, and all other direct expenses related to the day-to-day operation of

tangible assets. In determining the direct expenses related to the day-to-day operation of tangible assets, maintenance costs were taken into account and in particular, the cost of maintenance and repair of machinery, the cost of maintenance materials, maintenance-related IT costs and servicing costs. The OpEx value includes the cost of maintenance and repair services also provided within the Energa Group. Detailed information on operating expenses, which are part of the OpEx KPI counter, is presented in the table below.

Table 81. Quantitative breakdown for operating expenses (in PLM million)

Operating expenses	Costs (in PLN million)
Research and development expenses	0,00
Building renovation activities	0,00
Non-capitalized leases	0,00
Maintenance and repair costs	253,43
Other	0,00
Total OpEx for aligned activities	**253,43**

The following tables are presented in fulfillment of the obligation to report key performance indicators and takes into account the aspects required by Regulation 2021/2178 and Regulation 2022/1214

Table 82. Percentage share of turnover from products or services related to Taxonomy-aligned business activities – disclosure for 2024

				Substantial contribution criteria						DNSH ("do no significant harm") criteria									
Business activity (1)	**Code or codes: (2)**	**Turnover (3) PLN milion**	**Share of turnover, year 2024 (4) %**	**Climate change mitigation (5) Y; N; N/EL**	**Climate change adaptation (6) Y; N; N/EL**	**Water and marine resources (7) Y; N; N/EL**	**Pollution (8) Y; N; N/EL**	**Circular economy (9) Y; N; N/EL**	**Biodiversity (10) Y; N; N/EL**	**Climate change mitigation (11) Y/N**	**Climate change adaptation (12) Y/N**	**Water and marine resources (13) Y/N**	**Pollution (14) Y/N**	**Circular economy (15) Y/N**	**Biodiversity (16) Y/N**	**Minimum safeguards (17) Y/N**	**Share of business activity which is aligned with the Taxonomy (A.1.) or eligible for the Taxonomy (A.2.) Turnover, 2023 (18) %**	**Category Supporting activity (19) E**	**Category Supporting transition activities (20) Y**
A. TAXONOMY-ALIGNED ACTIVITY																			
A.1. Types of (Taxonomy-aligned) environmentally sustainable activities																			
Electricity generation using solar photovoltaic technology	CCM 4.1	27,37	0,13%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0,15%		
Electricity generation from wind power	CCM 4.3	224,00	1,07%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1,61%		
Transmission and distribution of electricity	CCM 4.9	6 373,23	30,51%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	29,14%	E	
Storage of electricity	CCM 4.10	153,53	0,74%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0,48%	E	
Distribution in heating or cooling systems	CCM 4.15	17,80	0,09%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0,05%		
Cogeneration of heat/cool and power from bioenergy	CCM 4.20	124,14	0,59%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0,00%		
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	3,52	0,02%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0,01%	E	
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	53,57	0,26%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0,22%	E	
Turnover from (Taxonomy-aligned) environmentally sustainable activities (A.1)		6 977,16	33,41%	33,41%	0,00%	0,00%	0,00%	0,00%	0,00%	Y	Y	Y	Y	Y	Y	Y	Y		
Including supporting activity		6 583,85	31,52%	31,52%	0,00%	0,00%	0,00%	0,00%	0,00%	Y	Y	Y	Y	Y	Y	Y	29,85%	E	
Including transition activity		0,00	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	Y	Y	Y	Y	Y	Y	Y	0,00%		Y
A.2 Taxonomy-eligible but environmentally unsustainable activities (non-aligned with the Taxonomy)				**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**										
Electricity generation from hydropower	CCM 4.5	394,66	1,89%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								5,79%		
Distribution in heating or cooling systems	CCM 4.15	19,37	0,09%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,08%		
Cogeneration of heat/cool and power from bioenergy	CCM 4.20	1,90	0,01%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,55%		
Production of heat/cool from gaseous fossil fuels in an efficient district heating and cooling system	CCM 4.31	61,83	0,30%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								28,00%		
Turnover from Taxonomy-eligible but environmentally unsustainable activities (activities not aligned with the Taxonomy) (A.2)		477,76	2,29%	2,29%	0,00%	0,00%	0,00%	0,00%	0,00%								6,69%		
A. Turnover from Taxonomy-eligible activities (A.1+A.2)		7 454,92	35,69%	35,69%	0,00%	0,00%	0,00%	0,00%	0,00%								38,35%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITY																			
Turnover from Taxonomy-non-eligible activities	13 431,1	64,31%																	
TOTAL	**20 886,0**	**100,00%**																	

The code is an abbreviation of the relevant objective to which the business activity may make a substantial contribution, as well as the section number dedicated to the activity in question in the relevant annex concerning the objective, i.e.:

- Climate change mitigation: CCM
- Climate change adaptation: CCA
- Water and marine resources: WTR
- Circular economy: CE
- Pollution prevention and control: PPC
- Biodiversity and ecosystems: BIO

Where business activities make a substantial contribution to **multiple environmental objectives**, non-financial companies shall specify, in bold, the most relevant environmental objective for the calculation of financial companies' key performance indicators, while avoiding double reporting. If the use of financing revenues is not known, financial companies calculate, in their relevant key performance indicators, financing for those business activities that contribute to multiple environmental objectives under the most relevant environmental objective, reported in bold in this formula by non-financial companies. An environmental objective can only be reported in bold once per line to avoid double inclusion of economic activities in financial companies' key performance indicators. This does not apply to the calculation of Taxonomy alignment for business activity related to the financial products defined in Article 2(12) of Regulation (EU) 2019/2088. Non-financial companies also report the scope of eligibility and alignment by individual environmental objective, which includes alignment with each environmental objective for those activities that make a substantial contribution to multiple objectives, using the following formula:

For example, the code of the "Afforestation" activity would be: CCM 1.1

Y - Yes, Taxonomy-eligible and aligned activities for the corresponding environmental objective

N - No, Taxonomy-eligible activities, which are not aligned with the Taxonomy for the corresponding environmental objective

N/EL - Not eligible, activity which is not eligible for the Taxonomy for the corresponding environmental objective

EL - Taxonomy-eligible activity for the corresponding objective

	Share of turnover/Total turnover	
	Alignment with the Taxonomy by objective	Taxonomy eligibility by objective
CCM	33,41%	35,69%
CCA	0,00%	0,00%
WTR	0,00%	0,00%
CE	0,00%	0,00%
PPC	0,00%	0,00%
BIO	0,00%	0,00%

Table 83. Percentage share of capital expenditures for products or services related to Taxonomy-aligned activities – disclosure for 2024

				Substantial contribution criteria						DNSH ("do no significant harm") criteria									
Business activity (1)	**Code or codes: (2)**	**Capital expenditure (3) PLN milion**	**Percentage share of capital expenditure, year 2024 (4) %**	**Climate change mitigation (5) Y; N; N/EL**	**Climate change adaptation (6) Y; N; N/EL**	**Water and marine resources (7) Y; N; N/EL**	**Pollution (8) Y; N; N/EL**	**Circular economy (9) Y; N; N/EL**	**Biodiversity (10) Y; N; N/EL**	**Climate change mitigation (11) Y/N**	**Climate change adaptation (12) Y/N**	**Water and marine resources (13) Y/N**	**Pollution (14) Y/N**	**Circular economy (15) Y/N**	**Biodiversity (16) Y/N**	**Minimum safeguards (17) Y/N**	**Share of business activity which is aligned with the Taxonomy (A.1.) or eligible for the Taxonomy (A.2.) Capital expenditure 2023 (18)**	**Category Supporting activity (19) E**	**Category Supporting in favor of passages (20) Y**
A. TAXONOMY-ALIGNED ACTIVITY																			
A.1. Types of (Taxonomy-aligned) environmentally sustainable activities																			
Electricity generation using solar photovoltaic technology	CCM 4.1	3,09	0,06%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	3,68%		
Electricity generation from wind power	CCM 4.3	6,96	0,14%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0,23%		
Transmission and distribution of electricity	CCM 4.9	2 574,01	50,85%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	45,65%	E	
Transmission and distribution of electricity	CCA 4.9	382,41	7,55%	N/EL	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	2,28%		
Storage of electricity	CCM 4.10	8,49	0,17%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0,04%	E	
Distribution in heating or cooling systems	CCM 4.15	2,26	0,04%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0,04%		
Cogeneration of heat/cool and power from bioenergy	CCM 4.20	0,26	0,01%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0,00%		
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	4,38	0,09%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0,46%	E	
Capital expenditure for (Taxonomy-aligned) environmentally sustainable activities (A.1)		2 981,86	58,91%	51,35%	7,55%	0,00%	0,00%	0,00%	0,00%	Y	Y	Y	Y	Y	Y	Y	52,37%		
Including supporting activity		2 586,89	51,10%	51,10%	0,00%	0,00%	0,00%	0,00%	0,00%	Y	Y	Y	Y	Y	Y	Y	46,14%	E	
Including transition activity		0,00	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	Y	Y	Y	Y	Y	Y	Y	0,00%		Y
Taxonomy-eligible but environmentally unsustainable activities (non-aligned with the Taxonomy)				**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**										
Electricity generation using solar photovoltaic technology	CCM 4.1	178,83	3,53%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,00%		
Electricity generation from wind power	CCM 4.3	73,24	1,45%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,00%		
Electricity generation from hydropower	CCM 4.5	1,78	0,04%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,27%		
Distribution in heating or cooling systems	CCM 4.15	2,95	0,06%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,35%		
Cogeneration of heat/cool and power from bioenergy	CCM 4.20	0,66	0,01%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,38%		
Electricity generation from gaseous fossil fuels	CCM 4.29	1 236,24	24,42%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								33,77%		
High-efficiency co-generation of heat/cool and power from gaseous fossil fuels	CCM 4.30	45,35	0,90%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,20%		
Production of heat/cool from gaseous fossil fuels in an efficient district heating and cooling system	CCM 4.31	10,78	0,21%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,02%		
Capital expenditure for Taxonomy-eligible but environmentally unsustainable activities (activities non-aligned with the Taxonomy) (A.2)		1 549,83	30,62%	25,64%	0,00%	0,00%	0,00%	0,00%	0,00%								34,99%		
A. Capital expenditure for Taxonomy-eligible activities (A.1+A.2)		4 531,69	89,52%	76,99%	7,55%	0,00%	0,00%	0,00%	0,00%								87,36%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITY																			
Capital expenditure for Taxonomy-non-eligible activities		530,31	10,48%																
TOTAL		**5 062,00**	**100,00%**																

Method of calculating the adjusted CapEx KPI in connection with bond issue: $\frac{\text{CAPEX (z)ogółem} - \text{F}}{\text{CAPEX ogółem}}$

Total CAPEX (z) – the sum of capital expenditures related to (Taxonomy-aligned) environmentally sustainable activities

F – amount of financing raised in the form of green bonds or debt securities

The code is an abbreviation of the relevant objective to which the business activity may make a substantial contribution, as well as the section number dedicated to the activity in question in the relevant annex concerning the objective, i.e.:

- Climate change mitigation: CCM
- Climate change adaptation: CCA
- Water and marine resources: WTR
- Circular economy: CE
- Pollution prevention and control: PPC
- Biodiversity and ecosystems: BIO

Where business activities make a substantial contribution to **multiple environmental objectives**, non-financial companies shall specify, in bold, the most relevant environmental objective for the calculation of financial companies' key performance indicators, while avoiding double reporting. If the use of financing revenues is not known, financial companies calculate, in their relevant key performance indicators, financing for those business activities that contribute to multiple environmental objectives under the most relevant environmental objective, reported in bold in this formula by non-financial companies. An environmental objective can only be reported in bold once per line to avoid double inclusion of economic activities in financial companies' key performance indicators. This does not apply to the calculation of Taxonomy alignment for business activity related to the financial products defined in Article 2(12) of Regulation (EU) 2019/2088. Non-financial companies also report the scope of eligibility and alignment by individual environmental objective, which includes compliance with each environmental objective for those activities that make a substantial contribution to multiple objectives, using the following formula:

For example, the code of the "Afforestation" activity would be: CCM 1.1

Y - Yes, Taxonomy-eligible and aligned activities for the corresponding environmental objective

N - No, Taxonomy-eligible activities, which are not aligned with the Taxonomy for the corresponding environmental objective

N/EL - Not eligible, activity which is not eligible for the Taxonomy for the corresponding environmental objective

EL - Taxonomy-eligible activity for the corresponding objective

	Share of capital expenditure/Total capital expenditure	
	Alignment with the Taxonomy by objective	Taxonomy eligibility by objective
CCM	51,35%	76,99%
CCA	7,55%	7,55%
WTR	0,00%	0,00%
CE	0,00%	0,00%
PPC	0,00%	0,00%
BIO	0,00%	0,00%

Table 84. Table 79. Percentage share of operating expenditure for products or services related to Taxonomy-aligned activities – disclosure for 2024

				Substantial contribution criteria						DNSH ("do no significant harm") criteria									
Business activity (1)	**Code or codes: (2)**	**Operating expenditures (3) PLN milion**	**Percentage share of operating expenditures, year N (4) %**	**Climate change mitigation (5) Y; N; N/EL**	**Climate change adaptation (6) Y; N; N/EL**	**Water and marine resources (7) Y; N; N/EL**	**Pollution (8) Y; N; N/EL**	**Circular economy (9) Y; N; N/EL**	**Biodiversity (10) Y; N; N/EL**	**Climate change mitigation (11) Y/N**	**Climate change adaptation (12) Y/N**	**Water and marine resources (13) Y/N**	**Pollution (14) Y/N**	**Circular economy (15) Y/N**	**Biodiversity (16) Y/N**	**Minimum safeguards (17) Y/N**	**Share of business activity which is aligned with the Taxonomy (A.1.) or eligible for the Taxonomy (A.2.) Operating expenditures, 2023 (18)**	**Category Supporting activity (19) E**	**Category Supporting in favor of passages (20) V**
A. TAXONOMY-ALIGNED ACTIVITY																			
A.1. Types of (Taxonomy-aligned) environmentally sustainable activities																			
Electricity generation using solar photovoltaic technology	CCM 4.1	0,81	0,18%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0,19%		
Electricity generation from wind power	CCM 4.3	24,31	5,37%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	3,87%		
Transmission and distribution of electricity	CCM 4.9	217,86	48,08%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	53,56%	E	
Storage of electricity	CCM 4.10	4,33	0,95%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0,87%	E	
Distribution in heating or cooling systems	CCM 4.15	4,81	1,06%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1,02%		
Cogeneration of heat/cool and power from bioenergy	CCM 4.20	0,00	0,00%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0,00%		
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	0,61	0,13%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0,21%	E	
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0,69	0,15%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0,00%	E	
Operating expenditures for (Taxonomy-aligned) environmentally sustainable activities (A.1)		253,43	55,92%	55,92%	0,00%	0,00%	0,00%	0,00%	0,00%	Y	Y	Y	Y	Y	Y	Y	59,71%		
Including supporting activity		28,64	49,16%	49,16%	0,00%	0,00%	0,00%	0,00%	0,00%	Y	Y	Y	Y	Y	Y	Y	54,63%	E	
Including transition activity		0,00	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	Y	Y	Y	Y	Y	Y	Y	0,00%		Y
A.2 Taxonomy-eligible but environmentally unsustainable activities (non-aligned with the Taxonomy)				**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**										
Electricity generation from hydropower	CCM 4.5	30,51	6,73%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								5,79%		
Distribution in heating or cooling systems	CCM 4.15	0,50	0,11%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,09%		
Cogeneration of heat/cool and power from bioenergy	CCM 4.20	0,00	0,00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0,02%		
Operating expenditures from Taxonomy-eligible but environmentally unsustainable activities (activities non-aligned with the Taxonomy) (A.2)		31,01	6,84%	6,84%	0,00%	0,00%	0,00%	0,00%	0,00%								5,90%		
A. Operating expenditures from Taxonomy-eligible activities (A.1+A.2)		284,44	62,77%	62,77%	0,00%	0,00%	0,00%	0,00%	0,00%								65,61%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITY																			
Operating expenses from Taxonomy-non-eligible activities	168,83	37,23%																	
TOTAL	**453,17**	**100,00%**																	

The code is an abbreviation of the relevant objective to which the business activity may make a substantial contribution, as well as the section number dedicated to the activity in question in the corresponding annex for the objective, i.e.:

- Climate change mitigation: CCM
- Climate change adaptation: CCA
- Water and marine resources: WTR
- Circular economy: CE
- Pollution prevention and control: PPC
- Biodiversity and ecosystems: BIO

Where business activities make a substantial contribution to multiple environmental objectives, non-financial companies shall specify, in bold, the most relevant environmental objective for the calculation of financial companies' key performance indicators, while avoiding double reporting. If the use of financing revenues is not known, financial companies calculate, in their relevant key performance indicators, financing for those business activities that contribute to multiple environmental objectives under the most relevant environmental objective, reported in bold in this formula by non-financial companies. An environmental objective can only be reported in bold once per line to avoid double inclusion of economic activities in financial companies' key performance indicators. This does not apply to the calculation of Taxonomy alignment for business activity related to the financial products defined in Article 2(12) of Regulation (EU) 2019/2088. Non-financial companies also report the scope of eligibility and alignment by individual environmental objective, which includes compliance with each environmental objective for those activities that make a substantial contribution to multiple objectives, using the following formula:

For example, the code of the "Afforestation" activity would be: CCM 1.1

T – Tak, działalność kwalifikująca się do systematyki i zgodna z systematyką w przypadku odpowiedniego celu środowiskowego

N – Nie, działalność kwalifikująca się do systematyki, ale niezgodna z systematyką w przypadku odpowiedniego celu środowiskowego

N/EL – Nie kwalifikuje się, działalność niekwalifikująca się do systematyki w przypadku odpowiedniego celu środowiskowego

EL – działalność kwalifikująca się do systematyki w przypadku odpowiedniego celu

	Share of operating expenditures/Total operating expenditures	
	Alignment with the Taxonomy by objective	Taxonomy eligibility by objective
CCM	55,92%	62,77%
CCA	0,00%	0,00%
WTR	0,00%	0,00%
CE	0,00%	0,00%
PPC	0,00%	0,00%
BIO	0,00%	0,00%

Table 85. Nuclear energy and natural gas activities

	Nuclear energy activities	Turnover	CapEx	OpEx
1	The company conducts research, develops, demonstrates and deploys innovative electricity generating systems which produce power through nuclear processes with minimal waste from the fuel cycle, or finances these activities or has exposure to them.	No	No	No
2	The company conducts the construction and safe operation of new nuclear facilities for the generation of electricity or process heat, including for district heating or industrial processes such as hydrogen production, as well as their safety upgrades using the best available technologies, or finances these activities or has exposure to them.	No	No	No
3	The company conducts safe operation of existing nuclear facilities which generate electricity or process heat, including for district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades, or finances these activities or has exposure to them.	No	No	No
	Natural gas activities	**Turnover**	**CapEx**	**OpEx**
4	The company builds or operates facilities for the generation of electricity using gaseous fossil fuels, or finances this activity or has exposure to it.	Yes	Yes	No
5	The company conducts the construction, modernization and operation of facilities for the combined generation of heat/cooling and electricity using gaseous fossil fuels, or finances these activities or has exposure to them.	No	Yes	No
6	The company conducts, finances or has exposure to the construction, modernization and operation of heat generating/cooling facilities using gaseous fossil fuels.	No	Yes	No

Table 86. Taxonomy-aligned business activities (denominator)

	Type of business activity	Amount and share – turnover						Amount and share – CapEx						Amount and share – OpEx					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1	The amount and share of Taxonomy-aligned economic activities referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%
2	The amount and share of Taxonomy-aligned economic activities referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%
3	The amount and share of Taxonomy-aligned economic activities referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%
4	The amount and share of Taxonomy-aligned economic activities referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%
5	The amount and share of Taxonomy-aligned economic activities referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%
6	The amount and share of Taxonomy-aligned economic activities referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%
7	**The amount and share of other types of Taxonomy-aligned economic activities not referred to in items 1-6 above in the denominator of the applicable key performance indicator**	**6 977,16**	**33,41%**	**6 977,16**	**33,41%**	**0,00**	**0,00%**	**2 981,86**	**58,91%**	**2 599,45**	**51,35%**	**382,41**	**7,55%**	**253,43**	**55,92%**	**253,43**	**55,92%**	**0,00**	**0,00%**
8	**Total applicable key performance indicator**	**20 866,00**	**100%**	**20 886,006**	**100,00%**	**0,00**	**0,00%**	**5 062,00**	**100%**	**5 062,00**	**100%**	**5 062,00**	**100%**	**453,17**	**100%**	**453,17**	**100%**	**0,00**	**0,00%**

Table 87. Taxonomy-aligned business activities (numerator)

	Type of business activity	Amount and share – turnover						Amount and share - CapEx						Amount and share - OpEx					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1	The amount and share of Taxonomy-aligned economic activities referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable key performance indicator	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%
2	The amount and share of Taxonomy-aligned economic activities referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable key performance indicator	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%
3	The amount and share of Taxonomy-aligned economic activities referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable key performance indicator	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%
4	The amount and share of Taxonomy-aligned economic activities referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable key performance indicator	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%
5	The amount and share of Taxonomy-aligned economic activities referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable key performance indicator	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%
6	The amount and share of Taxonomy-aligned economic activities referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable key performance indicator	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%
7	**The amount and share of other types of Taxonomy-aligned economic activities not referred to in items 1–6 above in the numerator of the applicable key performance indicator**	**6 977,16**	**33,41%**	**6 977,16**	**33,41%**	**0,00**	**0,00%**	**2 981,86**	**58,91%**	**2 599,45**	**58,91%**	**382,41**	**7,55%**	**253,43**	**55,92%**	**253,43**	**55,92%**	**0,00**	**0,00%**
8	**The total amount and total share of Taxonomy-aligned economic activities in the numerator of the applicable key performance indicator**	**6 977,16**	**33,41%**	**6 977,16**	**33,41%**	**0,00**	**0,00%**	**2 981,86**	**58,91%**	**2 599,45**	**58,91%**	**382,41**	**7,55%**	**253,43**	**55,92%**	**253,43**	**55,92%**	**0,00**	**0,00%**

Table 88. Taxonomy-eligible but non-aligned activities

	Type of business activity	Amount and share – turnover						Amount and share - CapEx						Amount and share - OpEx					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1	The amount and share of Taxonomy-eligible but not Taxonomy-aligned economic activities referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%
2	The amount and share of Taxonomy-eligible but not Taxonomy-aligned economic activities referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%
3	The amount and share of Taxonomy-eligible but not Taxonomy-aligned economic activities referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%
4	The amount and share of Taxonomy-eligible but not Taxonomy-aligned economic activities referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0,00	0,00%	0,00	0,00%	0,00	0,00%	1 236,24	24,42%	1 236,24	24,42%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%
5	The amount and share of Taxonomy-eligible but not Taxonomy-aligned economic activities referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0,00	0,00%	0,00	0,00%	0,00	0,00%	45,35	0,90%	45,35	0,90%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%
6	The amount and share of Taxonomy-eligible but not Taxonomy-aligned economic activities referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	61,83	0,30%	61,83	0,30%	0,00	0,00%	10,78	0,21%	10,78	0,21%	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00%
7	**The amount and share of other types of Taxonomy-eligible but not Taxonomy-aligned economic activities not referred to in items 1–6 above in the denominator of the applicable key performance indicator**	**7 393,09**	**35,40%**	**7 393,09**	**35,40%**	**0,00**	**0,00%**	**5,38**	**0,11%**	**5,38**	**0,11%**	**0,00**	**0,00%**	**31,01**	**6,84%**	**31,01**	**6,84%**	**0,00**	**0,00%**
8	**The total amount and total share of Taxonomy-eligible but not Taxonomy-aligned economic activities in the denominator of the applicable key performance indicator**	**7 454,92**	**35,69%**	**7 454,92**	**35,69%**	**0,00**	**0,00%**	**1 297,76**	**25,64%**	**1 297,76**	**25,64%**	**0,00**	**0,00%**	**31,01**	**6,84%**	**31,01**	**6,84%**	**0,00**	**0,00%**

Table 89. Taxonomy-non-eligible activities

	Type of business activity	Turnover		CapEx		OpEx	
		Amount	Percentage share	Amount	Percentage share	Amount	Percentage share
1	The amount and share of the economic activity referred to in line 1 of formula 1, which is not Taxonomy-eligible under Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0,00	0,00%	0,00	0,00%	0,00	0,00%
2	The amount and share of the economic activity referred to in line 2 of formula 1, which is not Taxonomy-eligible under Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0,00	0,00%	0,00	0,00%	0,00	0,00%
3	The amount and share of the economic activity referred to in line 3 of formula 1, which is not Taxonomy-eligible under Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0,00	0,00%	0,00	0,00%	0,00	0,00%
4	The amount and share of the economic activity referred to in line 4 of formula 1, which is not Taxonomy-eligible under Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0,00	0,00%	0,00	0,00%	0,00	0,00%
5	The amount and share of the economic activity referred to in line 5 of formula 1, which is not Taxonomy-eligible under Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0,00	0,00%	0,00	0,00%	0,00	0,00%
6	The amount and share of the economic activity referred to in line 6 of formula 1, which is not Taxonomy-eligible under Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0,00	0,00%	0,00	0,00%	0,00	0,00%
7	**The amount and share of other types of Taxonomy-non-eligible economic activities not referred to in items 1–6 above in the denominator of the applicable key performance indicator**	**13 431,08**	**64,31%**	**530,31**	**10,48%**	**168,73**	**37,23%**
8	**The total amount and total share of Taxonomy-non-eligible economic activities in the denominator of the applicable key performance indicator**	**13 431,08**	**64,31%**	**530,31**	**10,48%**	**168,73**	**37,23%**

11.3 SOCIAL INFORMATION

[S1] OWN WORKFORCE

[S1.SBM-2]

INTERESTS AND VIEWS OF STAKEHOLDERS

Energa Group's own workforce is the key group of stakeholders impacted by the Group. Employees are the Group's greatest asset, and the Energa Group's respect for labour and human rights translates into long-term sustainable growth, regulatory compliance, and competitiveness.

The interests and rights of employees have a direct impact on the Energa Group's strategy and business model, especially in areas related to job security, compensation, social dialogue and skills development. Mainstreaming these aspects across the organisation supports Energa's long-term operational efficiency and reputation as a responsible employer.

[S1.SBM-3]

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION OF WITH STRATEGY AND BUSINESS MODEL

The actual and potential impacts, as well as risks and opportunities related to employees in the Energa Group are closely related to the strategy and business model. The Energa Group's strategy focuses on the energy transition, which affects the demand for new competences. The development of renewable energy technologies and digitization require the improvement of staff qualifications and lead to gradual changes in the employment structure. The impact of regulatory changes, including compliance with ESG requirements and labour rights standards, affects HR policies and working conditions. The business model assumes strengthening work ethics, which shapes internal relations and the level of employee engagement.

The Energa Group is adapting its activities to effectively manage the impact of its strategy on human resources by investing in employee development, training programmes tailored to the transformation of the energy sector, caring for human and employee rights, ensuring occupational safety, and adapting the structure and conditions of employment to long-term business and regulatory objectives. The Energa Group's strategy and business model not only affect the workforce, but also evolve in response to changing market needs and challenges, which ensures the organisation's stability and competitiveness.

All persons who are the Energa Group's own employee resources and who may be significantly affected by the Energa Group are covered by the disclosure in this chapter of the Sustainability Statement.

SIGNIFICANT NEGATIVE IMPACTS

In its double materiality analysis, the Energa Group identified negative impacts on its own employees, which most often result from the specific nature of the company's business line. These are both general and systemic impacts, resulting, for example, from the transformation of the energy market, from the occupational risk associated with working with active energy infrastructure. The identified significant negative impacts on the Energa Group's own employees relate to the following issues:

- **Job security** – the energy transition and the reduction of coal assets may create uncertainty about the stability of jobs.
- **Working time and work-life balance** – overtime, especially in the event of mass emergencies, on-call work, affect work-life balance and working time. Due to the nature of the work performed, certain occupational groups are excluded from the possibility of remote work.
- **Adequate pay –** no uniform remuneration system for the Energa Group.
- **Social dialogue and collective bargaining** – inability to meet all the financial expectations of the social side
- **Occupational health and safety** – occupational risk related to active energy infrastructure, work in the power industry is associated with key hazards, such as: exposure to contact with electric voltage, electric arc, work at height, in trenches or work carried out in difficult weather conditions that cause an increased level of threat to health and life.
- **Training and development** – despite the above-average level of training budgets and their active use by employees, there are substantive areas in which not all development expectations of employees can be met.

MATERIAL POSITIVE IMPACTS

The Energa Group has identified significant positive impacts of its operations on its employees:

- **Stable employment** – employment under employment contracts, active measures to ensure the security of employment of employees, which is guaranteed by the Agreement on securing employee, social and trade union rights for Energa Group employees, concluded on 18 September 2017, as amended, as well as the provisions of the Collective Bargaining Agreements and internal sources of labour law. Employment security programs also include activities related to adaptation to climate change and decarbonization plans, including employees in various social programs.
- **Flexible working hours** - maintaining work-life balance for employees. The possibility of using remote work and flexible forms of employment, compliance with working time regulations.
- **Adequate pay and attractive employment conditions** – competitive salaries, benefit packages (medical care, insurance, social benefits) and additional support programs for employees, such as some elements of the Family-Friendly Employer Program, health prevention programs.
- **Social dialogue and collective bargaining** – creating conditions conducive to open social dialogue through regular meetings, consultations and communication with the social side. Full recognition of trade union organizations as representatives of employees in terms of their collective rights and interests, openness of the Management Boards to receive feedback from representatives of the social side while sharing important information, strategic goals and planned changes, participation in consultations on matters that directly affect employees, e.g. in the field of organizational changes, introduction of new systems or decisions regarding working conditions and Wage.
- **Freedom of association –** total freedom of association. There are numerous trade unions operating in the companies, exercising the right of employees to information, consultation and participation.
- **Occupational health and safety –** one of the most important issues affecting the working conditions of employees, high quality of occupational health and safety standards, programmes and training aimed at improving the level of occupational health and safety, monitoring accident rates and building awareness and attitudes to safe performance of work through OHS training and proactive activities.
- **Gender equality and equal pay for work of equal value – the** Energa Group has regulations in place containing rules for creating a working environment conducive to the professional development of employees, without distinction between genders. These regulations describe the prohibition of any form of discrimination, also on the basis of gender, and provide women with the same opportunities for promotion and professional development as men.
- **Counteracting violence and harassment** – the Code of Ethics implemented, Ethics Officers, the Clarification Committee and intervention teams aimed at counteracting mobbing and affecting the sense of security of employees.
- **Development and training programmes** – in order to ensure an appropriate level of competence of the Employees, in line with their role, tasks and responsibilities in terms of the implementation of the Group's strategy, taking into account the Company's financial capabilities, training and development activities are carried out. Training management includes a comprehensive approach to planning, designing, using various forms of training and assessing their effectiveness.

Positive influences apply to both full-time employees and people employed on B2B contracts and through the Temporary Employment Agency. These activities contribute to improving the quality of work, professional development and increasing employee satisfaction and commitment.

SIGNIFICANT RISKS

- **Employment security** – the impact of the transformation of the power sector, high costs of shields for employees of the energy sector provided for in the Act.
- **Adequate pay** – lack of a consistent and competitive remuneration and motivation system in the Energa Group, the purpose of which is to ensure and retain qualified employees and motivate them in the long term in order to maintain appropriate commitment and responsibility for the performance of tasks, which affects the achievement of the Energa Group's business objectives.
- **Social dialogue and collective bargaining** – securing the rights of power engineers, agreements (Agreement for Employees of the Polish Power Industry on the occasion of the transformation of the power sector) and social agreements (e.g. Collective Bargaining Agreement.
- **Occupational health and safety** – the risk of accidents at work leading to the costs of compensation, downtime and material losses in the energy infrastructure.
- **Training and development** – lack of identification and understanding of employee needs, as well as lack of implementation of initiatives to use the potential of employees.

SIGNIFICANT OPPORTUNITIES

- **Social dialogue** – constructive and substantive social dialogue with respect for the interests of each party, based on independence and trust, and on the search for compromise solutions.
- **Occupational health and safety** – high health and safety standards reduce the risk of accidents and downtime, improving operational safety and stability.
- **Training and development** – using the professional and development potential of the Energa Group's employees, regular training increases efficiency, innovation and safety at work. Higher qualifications of employees allow to improve the company's financial results, among others. By optimizing costs, better adapting to changes and legal requirements, it allows you to improve financial results, m.in. by: optimizing costs, not paying financial penalties and achieving business goals.

THE IMPACT OF THE ENERGY TRANSITION ON WORKING CONDITIONS

The Energa Group's plans for energy transition and CO_2 emission reduction, in line with international agreements, have a significant impact on employees, including both risks and opportunities. This impact varies from Business Line to Business. The Energa Group is adapting its HR strategy to the transformation of the sector, focusing on retraining employees and minimising social risks.

Linia Biznesowa	Czynniki	Wpływ
DISTRIBUTION Business Line	Development of HV, MV, LV networks for them to accommodate new RES installations, energy storage and electromobility facilities, investments in power infrastructure; rollout of remote reading meters.	Creation of jobs for engineering and technical staff, stability of tenure, and upskilling schemes. The need for reskilling further to digitisation processes.
GENERATION Business Line	Development of RES (investments, mergers, acquisitions), replacement of coal with gas, construction of CCGT units in Grudziądz and Ostrołęka, downsizing coal assets, decarbonisation.	Furthering skills linked to RES and gas-steam technologies. Need to retrain workers in connection with decarbonisation plans.
SALES Business Line	Digitisation and reduction of costs for EBITDA growth, process flexibility, growing share of green energy in sales, development of lighting services.	The development of lighting infrastructure creates new job opportunities. Automation of processes may lead to job insecurity and may necessitate reskilling.

GROUPS AT PARTICULAR RISK

The Energa Group identifies the main groups of employees who may be adversely affected by the specific nature of the industry and the nature of work. Based on the materiality assessment in accordance with ESRS 2 IRO 1, the entity analyses risk exposure through monitoring of working conditions, social dialogue and incident reporting.

Vulnerable groups:

- Operational and technical workers – exposed to hazards related to the functioning energy infrastructure, work at height, in trenches, contact with electric voltage, electric arc and extreme weather conditions.
- Shift workers and on-call workers – shift work and on-call duty can lead to circadian rhythm disturbances, fatigue and health burdens.
- Employees in the conventional energy sector – due to the energy transition, including decarbonisation, may be exposed to job insecurity and the need to retrain.
- Older employees – an aging workforce may be more exposed to the negative effects of intensive physical work and limited adaptability to new technologies.
- Women in technical professions – A lower representation of women in the technical sector may result in limited access to development opportunities and the risk of unequal treatment.

The Energa Group analyses the negative impact on its own employee resources in various areas, taking into account the specific nature of occupational groups and their exposure to risk. Knowledge about the higher exposure of people with special characteristics is gained through:

- Identification of groups of employees on the basis of labour market research and internal regulations, e.g. Age Management Policy.
- Direct information from trade unions about labor problems, e.g. overtime when removing the effects of failures.
- An annual analysis of wage rates (benchmarking), which allows to assess their adequacy in the context of different occupational groups.
- Monitoring overtime in individual occupational groups, e.g. by controlling the limits of overtime of employees by managers.
- Ongoing identification of hazards, risk assessment and analysis of accidents. Regular work environment surveys are carried out, occupational risk assessments and job instructions are updated.

The Energa Group monitors these areas, implementing measures to minimise the risk and adapting working conditions to the needs of various professional groups.

As part of the Energa Group's operations, operations exposed to a significant risk of forced labour or child labour are not identified.

GROUPS OF EMPLOYEES WITH SIGNIFICANT OPPORTUNITIES

The Energa Group identifies significant opportunities that apply to specific groups of employees:

- RES and innovation specialists – an increase in demand for experts in RES, digitization and automation, which opens up new opportunities for professional development and promotion.
- Senior employees – the opportunity to use their experience as mentors and internal trainers, supporting younger staff.
- Retraining of employees in the conventional energy sector – training programs enabling the transition to new areas, e.g. renewable energy, IT or technical services.
- Employees in the distribution and grid area – investments in the development of the distribution network and energy storage increase the demand for engineering and technical staff, creating stable jobs.

[S1-1]

POLICIES RELATED TO OWN WORKWORCE

The Energa Group systematically adjusts its HR policies to the needs of its employees and market requirements. The Group has implemented a number of employee resource management policies, ensuring stability of employment, competence development and compliance with ethical standards.

Polityka	Cel	Zakres i dostępność	Mechanizmy monitorowania
ORLEN Capital Group's Code of Ethics	It sets the standards of conduct to be adhered to in relationships between employees and stakeholders, promoting the principles of integrity, respect, and responsibility.	The Code of Ethics covers both employees and stakeholders, as well as the ORLEN Group environment, including the Energa Group. Anyone who believes that a Group company is not complying with the principles set forth in the Code may report a violation/complaint to the Ethics Officer.	The Code of Ethics is owned by ORLEN S.A., which also reviews and monitors it. The Company, through the Ethics Officer, monitors whether received complaints have been handled correctly and on time.
Human Rights Policy	The policy sets ORLEN-wide standards of conduct and commitments relevant to respect and protection of human rights, including in the context of Group workers.	The policy applies to both Group employees and external stakeholders, as well as the supply chain. The policy also identifies a variety of whistleblowing channels and guarantees anonymity for whistleblowers.	It includes a chapter dedicated to monitoring mechanisms, in which the Group commits both itself and its employees and stakeholders to exercise due diligence in complying with the principles and commitments set out in the document. The policy declares a continuous analysis of the procedures and principles that make up compliance with human rights, and ORLEN SA is the only company obliged to update the policy.
Anti-Bullying and Anti-Discrimination Policy	It provides for mechanisms dedicated to protecting employees from discrimination and unwelcome behaviour, inclusive of a mechanism for reporting violations anonymously, and for consultations. It foresees protection against discrimination on the grounds of racial or ethnic origin, colour, sex, sexual orientation, gender identity, disability, age, religion, political opinion, national or social origin and other forms of discrimination covered by Union and national law.	The Policy covers employees and business partners of Energa Group Entities. Abuse can also be reported by people from outside the organisation, including business partners and customers.	The status of implementation of the guidelines/recommendations indicated in reports on actions to be taken by the Employer further to submitted complaints is reviewed periodically.
Occupational Health and Safety Policy	The policy is meant to ensure a safe and healthy working environment for Energa Group's workforce and contractors. Purposes: To keep and reduce consistently the Total Recordable Incident Rate (TRIR) in the course of the Group's fuel and energy transition. To improve employee and contractor safety systems in place at Energa Group Companies.	In the area of occupational safety, the policy addresses the occupational health and safety management systems in place at Energa Group Companies, as well as the related arrangements for managing contractor safety.	Process monitoring: monitoring the level and achievement of KPI of the occupational safety area (including the number of work-related accidents of employees and contractors, accident rates of the Energa Group).

Polityka	Cel	Zakres i dostępność	Mechanizmy monitorowania
ORLEN Group's Diversity Policy	The policy promotes inclusivity and equal opportunity, ensuring a welcoming work environment regardless of gender, age, background, beliefs or form of employment. It highlights the benefits of diversity, such as increased productivity, motivation and creativity of teams.	The Policy covers employees and business partners of Energa Group Entities.	The application of this policy is controlled within the framework of oversight on the enforcement of company bylaws and through control of compliance.
Wellbeing Policy	It focuses on employee well-being, covering medical insurance, preventive health care, subsidising employee hobbies and extra days off	The Policy covers employees and business partners of Energa Group Entities.	The Policy application is controlled through supervision over enforcement of company bylaws. In addition, Employees of Energa Group Companies are required to communicate any concerns regarding the enforcement of the policy rules.
ORLEN Group's Employee Potential Management Policy	It defines the Energa Group's HR strategy, sets the main human resources management policy lines and gives the companies leeway in making their own HR policies.	The policy applies to all ORLEN Group employees.	The Policy is owned by ORLEN S.A., which also reviews and monitors it for relevance. On its part, the Company monitors the quality of the standards described in the Policy, e.g. updates the onboarding presentation, updates the recruitment standards, etc.
Remuneration regulations	Regulates dismissal and wage issues to ensure employee protection	They define the principles of remuneration in individual companies, taking into account the competences of employees, not their gender.	
Rules for training	They define training standards and procedures at the Energa Group, ensuring the development of competences and adaptation to changing market requirements.	The rules for the implementation of training for Energa Group companies are a general document which defines in particular: the process of planning training and developing an annual training plan; the responsibilities of all participants in the training management process; rules for employee participation in training, employees' rights and obligations; the principles of financing training by the company; assessment of the quality and effects of training; the rules for the Company to conclude training agreements with employees, regulating the mutual obligations of the parties in the event of the employee's participation in the training.	Process monitoring: providing and monitoring the implementation of guidelines for planning training in companies for a given year, obtaining aggregate data from companies in the field of training management, ongoing monitoring of the implementation of the training budget, collecting assessments of the quality and effects of training and verification of training service providers on the basis of training evaluation surveys.

The Management Board of Energa SA is responsible for the adoption of policies in the Energa Group. The Human Resources Policy Department or other designated organisational units supervise the status of policy implementation at the Energa Group companies. The Management Boards of individual companies of the company implement the provisions of the Policy through the company's personnel areas. The most important document in the company, which defines the framework for cooperation in the Group in individual areas, is the Cooperation Agreement in the Energa Group. The Policy is appendices and is publicly available on the Energa Group's Intranet.

The policy as a directional document is defined by the owner of the enterprise, i.e. ORLEN SA. At the same time, the company's companies, i.e. the Energa Group, implement its provisions on their own, specifying the solutions addressed to the relevant professional groups. Policies are reviewed by substantive units in the company.

RESPECT FOR HUMAN RIGHTS

The ORLEN Group's human rights policy is implemented on the basis of internal regulations, national legislation, international standards and guidelines, in particular based on:

- Universal Declaration of Human Rights
- The International Labour Organization Declaration on Fundamental Principles and Rights at Work, i.e. based on the key conventions of the International Labour Organization
- UN Guiding Principles for Business, i.e. the United Nations Framework Document "Protect, Respect and Remedy"
- Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises
- International Finance Corporation (IFC) Standards
- The Ten Principles of the United Nations Global Compact.

All policies concerning the Energa Group's own employee resources adopted and in force are in line with relevant internationally recognised instruments, including the UN Guiding Principles on Business and Human Rights. The ORLEN Group's human rights policy is directly related to the prohibition of human trafficking, forced or compulsory labour, and child labour.

The Human Rights Protection Policy defines the key principles of activities, behaviours and regulations applicable in the Group, which are directly or indirectly related to the care for respect for human rights within the organisation and in relations with external stakeholders.

The Energa Group's commitment to human rights in relation to employees includes creating an open and tolerant work environment, occupational health and safety, employee welfare, equality in employment, freedom of association and cooperation with the trade unions, a total ban on child and forced labour, prohibition and prevention of discrimination, mobbing and any irregularities in the workplace.

SOCIAL INCLUSION

The Energa Group fulfils its specific commitments with regard to the social inclusion of people from vulnerable groups and takes positive action for their benefit through the implemented policies and initiatives:

- ORLEN Group Code of Ethics **–** sets out the principles of fair treatment of employees, promotes respect in professional relations and emphasises the commitment to eliminate all forms of unequal treatment.
- ORLEN Group Diversity Policy – ensures equal treatment of all employees, regardless of gender, age, origin, sexual orientation, disability or beliefs. It promotes inclusivity and creates a work environment based on respect and equal opportunities.
- Anti-mobbing and anti-discrimination policy – includes mechanisms to protect persons exposed to discrimination and mobbing, including the possibility of anonymous reporting of violations and support for employees affected by undesirable behaviour.
- Wellbeing policy – supports the well-being of employees, including those with special health needs, through access to medical insurance, disease prevention and co-financing of additional initiatives to foster their integration into the work environment.
- Occupational Health and Safety Policy of the Energa Group – describes the basic guidelines for the Group companies on the measures taken to ensure a high level of occupational health and safety of employees.

An example of a policy concerning the social inclusion of people from vulnerable groups among the Energa Group's own employee resources is the Age Management Policy at the Energa Group, under which the companies have made the following commitments:

- conducting an analysis of the personnel status in terms of the age structure in individual areas of the company in a minimum 5-year perspective,
- conducting an analysis of the course of processes, scopes of activities and workload of tasks performed in individual organizational units, taking into account the law, work on request, as well as information obtained from the management staff,
- review of existing HR tools and processes in order to systematize them and assess the effectiveness of each of them (synergy effect) in terms of age management or implementation of new tools that have not yet been used in a given company,
- annual monitoring of the staff structure in terms of age, projected departures and turnover in relation to the competences / number of jobs necessary to maintain the continuity and efficiency of business processes.

Each Energa Group company is required to submit conclusions from personnel analyses together with a description of recommended actions to the HR Policy Department of Energa SA within the deadline specified by the Department. If, as a result of the analysis, the company, in consultation with the Human Resources Policy Department, finds that special measures are necessary to secure the "generation gap", it implements an Age Management Programme tailored to its needs and the market environment, describing the operational activities planned for implementation.

The Energa Group does not have any specific policies in place with respect to specific obligations regarding the social inclusion of persons from vulnerable groups among its own employee resources or positive actions for their benefit.

[S1-2]

PROCESSES FOR ENGAGING WITH OWN WORKERS AND WORKERS' REPRESENTATIVES ABOUT IMPACTS

The Energa Group cooperates with employees and their representatives as part of social dialogue and decision-making processes, taking their opinions into account through:

- regular meetings with trade unions, negotiating working conditions and salaries, consultations on labor law and remote work limits. Employees, through trade unions, report their needs regarding job security, working time (e.g. remote work) and wages,
- the activities of the OHS Committee (more: OHS Committees),
- training plans are created on the basis of employee reports submitted by superiors and as part of Development Conversations, which allows for the development of an annual training plan,
- in the case of complaints about undesirable behaviour, the employer undertakes explanatory and intervention measures in accordance with the applicable procedures,
- Selected companies conduct surveys in which employees can express their opinions and submit initiatives. Their implementation depends on the decision of the management board,
- employee engagement and satisfaction survey.

The Energa Group cares about open communication, ensures transparency of personnel decisions and involves employees in shaping working conditions. Through these mechanisms, the Energa Group takes into account the opinions of its employees, involving them in key aspects of human resources and occupational safety management.

STAGES AND FREQUENCY OF COOPERATION

The engagement and satisfaction survey, which is conducted every 2 years, is addressed to the Energa Group's employees in order to obtain feedback, m.in. on satisfaction with working conditions, support for diversity, innovation, mutual cooperation, management style, remuneration and benefits. The survey is in the form of an (electronic) survey.

The opinions obtained in the surveys are extremely valuable because they come directly from employees and show what activities the employer takes to support employees in their daily work, as well as indicate areas for improvement and improvement in order to build an engaging work environment even better and more effectively. The result of engagement and satisfaction surveys are the implementation of initiatives to improve the work environment.

The HR Director at Energa SA is operationally responsible for ensuring that cooperation with employees has taken place and that its results have influenced the Energa Group's approach. The HR Director reports directly to the President of the Management Board.

OHS COMMITTEES

Workers of Energa Group Companies and their representatives co-shape and improve occupational safety by working on the Occupational Health and Safety Committee, which is appointed in each Company, using the 'Report a Hazard' (Zgłoś Zagrożeni) system, participating in the occupational risk assessment process, and acting on the Group Companies' Work Conditions Improvement Planning Teams.

Companies with a headcount of 250 plus have OHS Committees, composed of employee representatives, labour inspectors, and occupational physicians. In addition, OHS Improvement Teams are in place. Employees participate in the activities of the OHS Committee, report hazards, take part in risk assessments and in teams for improving working conditions. The OHS work stages and cooperation comprise of activities of the OHS Committee, which has the following tasks:

- To give opinion on planned changes in the organisation and workplace equipment;
- To analyse the findings of risk assessments;
- To give opinion on the standard personal protective equipment, work clothing, and footwear to be provided to workers,
- To review periodic health and safety assessments;
- To provide opinion on measures to prevent accidents at work and occupational diseases;
- To develop conclusions and give opinions on the plan to improve occupational health and safety conditions, to assess its delivery.

Meetings of the OHS Committee are held on a regular basis (at least once a quarter). As regards OHS consultations in Energa Group companies, employees are represented in these by workers' representatives and trade unions. Workers' representatives and trade unions are a party to formalised consultations on OHS aspects, such as preparation and updating of risk assessments, standard protective clothing and footwear allocation tables, entitlements to energy meals and beverages, determination of basic medical care for employees, and designing solutions to improve occupational safety. They sit on Health and Safety Committees and Health and Safety Improvement Planning Teams.

[S1-3]

PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKERS TO RAISE CONCERNS

WHISTLEBLOWING CHANNELS AND THEIR EFFECTIVENESS

As part of its management processes, the Energa Group strives to ensure effective remedies and mechanisms for reporting breaches in the event of a material adverse impact on its own employee resources. This approach includes both the evaluation of the effectiveness of the activities and the availability of channels for reporting problems. Each channel provides for a different catalogue of corrective actions, which largely depend on the type of case and the reported violation. The channels for reporting violations and thus the corrective measures cover areas such as: occupational health and safety, personal data, mobbing and discrimination, violation of the Code of Ethics, violations of the law/abuse, protection of human rights in the supply chain and relations with stakeholders.

In the case of occupational health and safety, the Energa Group companies carry out ongoing hazard identification, risk assessments and analysis of accidents. The process is carried out in the field of developing and updating *the Occupational Risk Assessment* for individual employees' workplaces, conducting work environment tests, identifying hazards in work instructions and procedures for monitoring working conditions.

Corrective measures are applied in cases of discrimination, mobbing and violations of the Code of Ethics, adapting actions to the specific situations of employees reporting the problem.

CHANNELS FOR REPORTING VIOLATIONS

- Health and safety: *bhp@energa.pl*
- Reporting of occupational safety hazards: ODYS system *(Report a hazard to the ENERGA Group)*
- Personal data: *nodo@energa.pl*
- Harassment/discrimination (including harassment and sexual harassment): *antymobbing@energa.pl*
- Ethics Officers – dedicated e-mail boxes in GE companies
- Violations of law/abuse: *sygnal@energa.pl*

- Violations of the Supplier Code of Conduct. Reporting channels include: dedicated e-mail addresses, IT systems (ODYS – reporting health and safety violations) as well as by post or directly to a dedicated employee (Ethics Officer).

The Energa Group provides its employees with access to effective mechanisms for reporting problems and takes corrective measures to eliminate the negative effects. All channels for reporting and resolving doubts are established independently by the Energa Group, including Energa SA.

SUPPORT FOR THE AVAILABILITY OF TICKETING CHANNELS

The availability of reporting channels is ensured through publicly accessible information on the Energa Group's website under the section "Compliance in the Energa Group." Energa Group provides employees with effective mechanisms for reporting irregularities and ensures their ongoing monitoring, enabling prompt and adequate responses to reported issues.

The accessibility of these mechanisms is supported through:

- Trainings and workshops – regular internal training sessions and workshops for employees and individuals involved in the prevention of mobbing and discrimination,
- Occupational health and safety (OHS) training systems,
- Internal communication – a dedicated tab in the intranet providing information on procedures and available reporting channels,
- Awareness meetings – periodic sessions aimed at enhancing employee awareness of the available mechanisms for reporting violations, including harassment and sexual harassment.

Energa Group actively promotes the availability of these mechanisms, ensuring transparency of procedures and safeguarding the security of individuals reporting irregularities. The effectiveness of the complaint mechanisms is continuously monitored and assessed under the Anti-Mobbing Programme, which encompasses both preventive and corrective actions.

MONITORING AND EVALUATION OF EFFECTIVENESS

The effectiveness of corrective measures is assessed by:

- recommendations of the Inquiry Committee and the Ethics Officer after the proceedings have been completed.
- monitoring compliance with recommendations and implemented corrective actions.
- analysis of the repeatability of notifications and the effectiveness of interventions undertaken.
- analysis of the number of reports of inappropriate behaviour and the timeliness of investigations.
- verification of the implementation of the guidelines and recommendations contained in the reports of the Intervention Teams.
- the possibility of ongoing consultations of the members of the Intervention Teams with the Investigation Committee on the application of the Anti-Mobbing and Anti-Discrimination Policy.
- internal audits and preventive visits carried out at the corporate level (by Energa SA), constituting a comprehensive assessment of the state of occupational safety in the companies.

The Energa Group ensures the effectiveness of its complaint mechanisms and ensures that they are recognisable and that employees trust them. Active use of these structures indicates the awareness of employees in the field of procedures for reporting violations.

[S1-4]

TAKING ACTION ON MATERIAL IMPACTS AND APPROACHES TO MITIGATING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO OWN WORKFORCE, AND EFFECTIVENESS OF THOSE ACTIONS AND APPROACHES

The Energa Group takes preventive measures and corrective measures to prevent adverse impacts on employee resources and ensure their stability and well-being, consistently implementing solutions to support employees, ensuring stable working conditions and professional development.

ACTIONS TO PREVENT SIGNIFICANT NEGATIVE IMPACTS

- Job security – clear rules for concluding employment contracts and stable employment conditions.

- Time management – monitoring periods of work accumulation (e.g. in winter), reducing overtime, optimizing schedules and enforcing the use of holidays in accordance with regulations.
- Close cooperation with the social side – collective bargaining in order to adapt the terms of employment to the expectations of employees.
- Competitive remuneration – market benchmarking, salary negotiations and agreements with the trade unions regarding pay rises and remuneration regulations.
- Unification of remuneration rules.
- Work-life balance – additional parental rights, the Passion programme, medical care, the MyBenefit platform, the Multisport card, co-financing of life insurance and an agreement on remote work.
- Support for employees – assistance programs in the areas of health, benefits and work organization, tailored to the needs of employees.

OSH ACTIONS AND CORRECTIVE MEASURES

In 2024, the Energa Group companies took steps to improve the level of safety resulting from the schedule for the implementation of the requirements set out in the ORLEN Group's Segment Occupational Health and Safety Management System Policy.

- Review of the ORLEN Group's Technical Standards by the Group companies and identification of the need to implement individual requirements (with particular emphasis on the 'Safety +' standards).
- Development by the Energa Group of uniform rules for reporting, analysing and recording near-miss events.
- Implementation of mechanisms for planning OHS improvement at the Energa Group companies, included in the Energa Group's OHS Policy.
- Preparation by the Energa Group of assumptions for the incentive system for contractors.
- Preparation by the Energa Group of assumptions for a uniform role, competence requirements and target operating model for persons performing fire safety tasks.
- Energa Group companies review the ORLEN Group's Fire Safety Standards and identify implementation needs (taking into account the specific nature of their operation).

The Energa Group makes sure that its business practices do not have a negative impact on its employees, ensuring safe working conditions and compliance with health and safety standards.

- Principles for safe performance of work – implementation of detailed OHS instructions and *Framework Rules for the Organisation of Particularly Hazardous Work (Appendix 5 to the Energa Group's OHS Policy).*
- Safe work organisation systems – the companies of the Distribution, Generation and Sales Business Lines (Energa Lighting) have procedures in place to organise work with power equipment that minimise occupational risk.
- Supervision and control – Work planning, preparation, and execution processes take into account the highest safety standards, eliminating tensions between business requirements and worker protection.
- Safety alerts – all accidents occurring at the Energa Group are reported and analysed. Safety Alerts are used to communicate with all Energa Group companies regarding accidents.
- In-depth analysis of accidents at work – this is a uniform methodology for the method of analysing accidents at work occurring in the Energa Group companies. It is a graph presenting a description of the circumstances of the event, identified causes and undertaken/planned corrective actions aimed at preventing similar events in the future. The Energa Group has a practice of discussing all Safety Alerts and accident analyses developed using the event tree method during regular coordination meetings of representatives of the OHS area of the Energa Group and the OHS Office of ORLEN SA.

CORRECTIVE MEASURES IN CASE OF ACTUAL NEGATIVE IMPACTS

- Monitoring working conditions – analysis of the situation of employees and adaptation of HR strategies to changing conditions.
- Close cooperation with the social side – collective bargaining in order to adapt the terms of employment to the expectations of employees.
- Activities of Ethics Officers at Energa Group companies – Ethics Officers ensure compliance with the provisions of the ORLEN Group's Code of Ethics and support the company in taking appropriate corrective actions. The Ethics Officer is the direct recipient of a "report of a breach of the Code of Ethics" (which may also be submitted by entities and individuals from the company's environment) and conducts an investigation. As part of the actions taken, it cooperates with the company's substantive units depending on the issue to which the infringement relates. The proceedings end

with a report in which the Ethics Officer outlines the proposed corrective actions and how they are monitored. There is no closed catalogue of activities – they are flexibly adapted to the situation.

- Activities of the Investigation Committee and Intervention Teams as part of anti-mobbing solutions – the Committee and the Team conduct explanatory (Committee) and intervention (Team) proceedings in the area of reports of adverse reactions and mobbing or discrimination. The explanatory proceeding ends with a report with a recommendation for the employer, while the intervention proceeding ends with a report with guidelines for the employer. Corrective measures are taken by the employer based on the information provided in the report.

ACTIONS TAKEN DURING THE REPORTING YEAR AND PLANNED FOR THE FUTURE

The Energa Group implements and plans key measures to support the development of employees, occupational safety and compliance with the principles of equal treatment. These activities contribute to the implementation of the company's strategic goals and policies.

1. Working conditions and salaries:
   - availability of remote work where possible,
   - optimization of overtime through monitoring and control in accordance with legal regulations,
   - planning work taking into account key periods (e.g. reinforcement of assembly teams during breakdown seasons).
2. Social dialogue – implementation of wage agreements and annual wage negotiations – Implementation of Directive 2023/970 on equal pay for women and men, taking into account the specificities of the energy sector.
3. Well-being and work-life balance:
   - Passion program – co-financing of employees' interests (recruitment 2 times a year).
   - co-financing in the field of medical care, MyBenefit platform, Multisport cards.
   - agreement on the rules of remote work.
4. Occupational health and safety (OSH):
   - implementation of Safety + standards and unification of reporting of near-miss events.
   - developing mechanisms for planning the improvement of OSH conditions.
   - review and implementation of fire safety standards.
   - creating an incentive system for contractors.
5. Training and development:
   - continuation of training budgets, striving for 100% use of funds for competence development.
6. Training in counteracting mobbing and recognizing adverse reactions as part of the Anti-Mobbing Program.

All activities will be continued in 2025–2026 according to the schedule and will contribute to the achievement of key KPIs and the development of the organisational culture and safety at the Energa Group.

ADDITIONAL INITIATIVES TO INCREASE THE POSITIVE IMPACT OF THE

The Energa Group is implementing additional initiatives aimed at increasing the positive impact on employee resources:

- improvement of work and Employer Branding – implementation of innovative systems supporting work efficiency and image development in order to attract talents from the market,
- transparent communication – intensification of communication about changes, events and processes taking place in the company, including improvement of the aesthetics and attractiveness of the published content,
- equal pay – annual analyses and planning the implementation of the EU directive on transparency and equal pay,
- individual development plans – development of employee development programs based on the results of Development Talks.

These activities support professional development, improve working conditions and build an organizational culture based on transparency and commitment.

ADDITIONAL OSH ACTIVITIES

The Energa Group companies carry out additional campaigns and initiatives as part of employee health prevention, i.e. preventive vaccinations (e.g. against influenza, tetanus, typhoid, tick-borne meningitis, hepatitis), densitometric examinations, ultrasound or mammography examinations, prostate cancer prevention, dermatoscopic examinations, eye and hearing tests, trichological consultations, workshops with a physiotherapist, cardiology consultations, dietary advice and on a healthy lifestyle, workshops on first aid, co-financing of corrective glasses for employees.

SAFETY DAYS

The Occupational Safety and Health Protection Days at the Energa Group, organised regularly since 2021, are an initiative to promote occupational safety among employees and contractors among the Group's companies. Each subsequent edition of this initiative, and with it the planned activities, opens up opportunities for both company employees and external contractors to take part in activities consolidating and verifying knowledge and skills in the field of occupational health and safety.

TRACKING AND EVALUATING THE EFFECTIVENESS OF ACTIONS TAKEN

The Energa Group monitors and evaluates the effectiveness of its activities and initiatives to improve working conditions and wages through the following processes:

- assessment of the effectiveness of salary negotiations – negotiations begin in Q1 of the year to which the increases relate and should be completed by 30 April,
- implementation of development plans – assessed annually as part of the Development Interview, enabling the adaptation of training activities to the needs of employees,
- analysis of salary benchmarks – regular comparison of wage rates with the market in order to adjust the remuneration policy.

Through these mechanisms, the Energa Group ensures the effectiveness of the measures it implements and their real impact on employee resources.

PROCESSES DEFINING THE SELECTION OF APPROPRIATE ACTIONS AND MONITORING THEIR EFFECTIVENESS

The Energa Group defines the necessary and appropriate actions in response to actual or potential negative impacts on employees by:

- analysis of market trends and internal conditions – e.g. assessment of the need to expand remote work,
- meetings with trade unions – consultations on working conditions and wages,
- analysis of staff turnover – monitoring the outflow of employees and identifying the causes,
- An overview of the implementation of well-being programs and their impact on employee satisfaction.

Thanks to these processes, the Energa Group adapts its operations to changing conditions, ensuring stability and well-being of its employees.

ACTIONS TO MITIGATE MATERIAL RISKS AND SEIZE OPPORTUNITIES

The Energa Group takes steps to mitigate material risks and take advantage of opportunities arising from the impact on its own employee resources, and monitors their effectiveness, focusing on improving remuneration systems, competence development and internal communication.

- Job security – clear rules for concluding employment contracts in accordance with the law.
- Optimization of working time and task load – monitoring of periods of work accumulation (e.g. in winter), optimization of overtime, enforcement of timely use of leaves; taking into account in the company's strategy the uneven workload of employees and overtime work, setting detailed operational objectives in this respect, regulating the rules of remote work in consultation with the social side.
- Competitive remuneration and harmonisation of remuneration rules – Market benchmarking, collective bargaining, wage agreements with the social side, introducing greater importance of bonus components in order to increase the competitiveness of remuneration and attract new talent; focusing activities aimed at reducing the competence and generation gap in the energy industry.
- Work-life balance – programmes supporting the well-being of employees, m.in. additional parental rights, *the Passion Programme,* medical care, *MyBenefit, Multisport card,* co-financing of life insurance.
- New communication channels – development of tools that enable direct communication with employees to increase the transparency of information transfer.

The Energa Group ensures that its business practices do not cause adverse effects on its employees, ensuring safe working conditions and compliance with OHS standards by:

- Principles for safe performance of work – implementation of detailed OHS instructions and *Framework Rules for the Organisation of Particularly Hazardous Work (Appendix 5 to the Energa Group's OHS Policy).*

- Safe work organisation systems – the companies of the Distribution, Generation and Sales (Energa Oświetlenie) business lines have procedures in place to organise work on power equipment that minimise occupational risk.
- Supervision and control – Work planning, preparation, and execution processes take into account the highest safety standards, eliminating tensions between business requirements and worker protection.

Through these measures, the Energa Group effectively mitigates potential risks and ensures compliance of operational practices with the principles of employee safety and protection.

RESOURCES NEEDED TO MANAGE SIGNIFICANT EMPLOYEE IMPACT

The Energa Group devotes key resources to managing its impact on employees, including human resources, technological systems and internal regulations.

The main resources in managing the significant impact on employees:

Human resources:

- management boards of the Energa Group companies – responsible for shaping the HR policy, employment security and remuneration adequacy.
- personnel (HR) areas – HR managers and qualified staff supporting HR and payroll processes.
- trade union organisations – 35 chairmen representing the social side in dialogue and collective bargaining.

Regulations and systems:

- HR and payroll IT systems – supporting the management of salaries, working time and employment.
- internal regulations and policies, i.e. personnel policies, remuneration regulations and Collective Bargaining Agreements, which ensure stability and predictability of working conditions.

The Energa Group effectively uses these resources to ensure that its HR practices are in line with its strategic objectives and to minimise employment risks.

TIME HORIZON FOR THE IMPLEMENTATION OF KEY ACTIONS

The key activities are specified in the annual work schedules. Most of the activities are continuous and subject to a process of continuous improvement. In the case of occupational health and safety, the Schedule for the implementation of the requirements set out in the ORLEN Group's Segment Occupational Health and Safety Management System Policy should be implemented by the end of 2026.

INCIDENTS REQUIRING REMEDIAL MEASURES AGAINST INJURED PERSONS

The Energa Group has an extensive ethical system in place to protect employee rights and respond to potential violations.

Safeguards and whistleblowing mechanisms:

- The policies for counteracting mobbing and discrimination, human rights protection and whistleblowers set out procedures for reporting breaches and corrective actions.
- Ethics Officers receive reports of ethical violations, conduct educational activities and monitor compliance with the Code of Ethics.
- Anonymous reporting of irregularities – the possibility of reporting breaches of the law in the Energa Group via dedicated channels, in accordance with the *Whistleblower Protection Policy*.
- The ORLEN Group Code of Ethics sets out the values and principles of conduct that every employee is obliged to observe.
- Activities of the Investigation Committee and Intervention Teams, which consider complaints about undesirable behaviour, suspicions of mobbing and discrimination, issue guidelines and recommendations for employers in the course of their decisions.

Through these mechanisms, the Energa Group ensures effective response to potential irregularities and supports an ethical and safe working environment.

[S1-5]

[S1-5]

TARGETS RELATED TO MANAGING MATERIAL IMPACTS, ADVANCING POSITIVE IMPACTS, AS WELL AS TO RISKS AND OPPORTUNITIES

HEALTH AND SAFETY AT WORK

The Energa Group sets time-bound targets focused on results aimed at reducing negative impacts, increasing positive effects and managing risks and opportunities in the area of occupational health and safety.

In this area, the goal is to reduce accidents through the implementation of the OHS Policy and strategic activities, measured by TRIR and LTIFR indicators.

Health and safety at work:

TRIR (Total Recordable Incident Rate): Until 2024-2026: ≤ 0.34; By 2030: ≤ 0.31

LTIFR (Lost Time Injury Frequency Rate): Until 2024-2026: ≤ 1.70

OSH: base year – 2024

The OHS objectives apply to our own employees and employees in the value chain, the so-called contractors.

METHOD AND RELEVANT ASSUMPTIONS FOR THE DETERMINATION OF OSH OBJECTIVES:

The Energa Group sets OHS targets, focusing on a systematic reduction of the TRIR ratio. Goal setting and monitoring process:

- cooperation with employees and their representatives – the social side is involved in setting OHS goals and assessing their implementation
- Performance tracking – monitor progress on TRIR and take corrective action if necessary.
- Conclusions and improvements – the results of the occupational safety analysis affect the introduction of new protective measures and the improvement of procedures.
- Methodology for setting goals:
  - **a** Data sources – TRIR indicators are in line with national and international occupational safety standards.
  - **b** Compliance with regulations – health and safety objectives take into account the requirements of national and EU policy and sustainable development strategies.
  - **c** Adaptation to the local situation – safety strategies are developed in accordance with the specifics of the energy industry and workplace risks.

In 2024, no changes were made to the Energa Group's OHS objectives.

TRACK RESULTS

Results are tracked through cyclical reporting and accounting for the goals of the managerial staff. Constant monitoring includes the analysis of KPIs in the area of occupational safety, including the number of accidents and accident rates of employees and contractors.

OSH: In 2024, the following indicators were achieved:

Energa Group's TRIR = 0.28

LTIFR of the Energa Group = 1.41

OTHER AREAS OF IMPACT ON OWN EMPLOYEE RESOURCES

In other employee areas, in order to reduce negative impacts, increase positive effects and manage risks and opportunities, the Energa Group sets qualitative objectives indicating the direction of its actions:

- Employment security – building the image of a stable and attractive employer by ensuring stability of employment, having and implementing appropriate regulations on working standards and conditions.

- Working time – continuation of activities to improve work organization, optimization of overtime and work planning for professional groups related to the energy industry (e.g. electrical fitters), use of holidays in accordance with the Leave Plan.
- Adequate pay – annual salary negotiations, leveling the wage gap and analysis of salaries in relation to market rates in a benchmarking study. Continuation of the wage policy, including annual increases taking into account inflation.
- Social dialogue and collective bargaining – agreeing on the amount of benefits and other key issues in consultation with the trade unions, maintaining cooperation and mutual respect in relations with employees and trade unions.
- Freedom of association and collective bargaining – creating an environment conducive to the activities of workers' organisations and supporting trade unions, consultations on labour matters in accordance with the Trade Unions Act.
- Work-life balance – maintenance and development of additional benefits affecting the maintenance of work-life balance min. through additional parental rights, the Passion program, medical care, the MyBenefit platform, the Multisport card, co-financing of life insurance and the possibility of remote work.
- Occupational health and safety – objectives set out in the ORLEN Group's Strategy and the OHS implementation schedule. The Energa Group companies prepare annual plans to improve OHS conditions (prepared by 31 March each year).
- Gender equality and equal pay – reducing the pay gap as required by the EU directive.
- Training and skills development – implementation of the training plan and full use of the training budget.

The Energa Group adapts its activities taking into account the challenges of the labour market and the needs of employees.

The Energa Group regularly monitors these areas and introduces improvement measures, although it does not always define specific quantitative targets.

[S1-6]

CHARACTERISTICS OF THE UNIT'S EMPLOYEES

The Energa Group operates in four Business Lines, which determines the types of positions in each area. In addition to the Group's core business, there are universal groups of positions: senior management, management and support staff.

Key job groups by Business Lines:

- LB Dystribution – electrical fitters, engineering and technical staff.
- LB Sales – employees of the sales area.
- LB Genetations – electrical fitters, fitters, operators, service technicians.
- LB Services and other – operational employees (sales, logistics, purchasing, warehouse workers), designers and IT specialists (programmers, testers, project managers).

An employee is a natural person employed under an employment contract. In addition to persons employed under an employment contract, own employees include persons who are not full-time employees, such as persons performing work on the basis of a cooperation agreement (B2B) or employed through a Temporary Employment Agency (APT).

The data are presented in persons as total employment (active + inactive employees) as at the last day of the month of a given year.

The Energa Group conducts its operations and employs employees exclusively in Polish. We will not hire employees in other EU countries, as well as outside the EU.

All data are presented in persons as total employment (active + inactive employees) as at the last day of the month of a given year.

The Energa Group conducts its operations and employs employees exclusively in Polish. We will not hire employees in other EU countries, as well as outside the EU.

EMPLOYMENT IN THE ENERGA GROUP AS AT 31 DECEMBER 2023-2024

NUMBER OF EMPLOYEES

Table 90. Number of employees by gender, Business Line and country (as of 31.12)

Linia Biznesowa*	2023		2024	
	Woman	Man	Woman	Man
Services and Others	320	511	349	680
Distribution Business Line	1 129	4 372	1 168	4 504
Sales Business Line	599	474	600	457
Generation Business Line	223	1104	227	1085
Total employees	**2 271**	**6 461**	**2 344**	**6 726**
Poland	2 271	6 461	2 344	6 726
Other countries	0	0	0	0

** For many years, the Energa Group has been providing headcount by business line, and this breakdown has been presented as a continuation of the presentation of long-term data*

2024 is another period of employment stabilization. Changes in employment result mainly from ownership changes, implementation of strategic and investment projects, as well as a temporary increase in employment under the age management policy and the need to transfer knowledge and skills after retiring employees – in order to prevent competence gaps.

NUMBER OF EMPLOYEES BY GENDER AND TYPE OF EMPLOYMENT

Table 91. Number of employees by gender, type of contract and working time (as of 31.12)

Type of employment of employees (in whole numbers)	2023		2024	
	Woman	Man	Woman	Man
for a limited period of time	199	490	226	701
for an indefinite period of time	2 072	5 971	2 118	6 025
which are not guaranteed working hours	0	0	0	0
full-time	2 243	6 447	2 313	6 714
part-time	28	14	31	12
Total number of employees	**2 271**	**6 461**	**2 344**	**6 726**

The Energa Group employs as many as 89.8% of people under employment contracts for an indefinite period of time, and 99.5% of people are employed full-time, thus guaranteeing a stable workplace and development.

EMPLOYEE DEPARTURES

Table 92. Number of employees who left the Energa Group by gender, Business Line and state in 2023 and 2024

Business Line*	2023		2024	
	Woman	Man	Woman	Man
Services and Others	22	37	22	40
Distribution Business Line	43	254	55	244
Sales Business Line	26	28	29	58
Generation Business Line	13	83	16	80
Total employees	**104**	**402**	**122**	**422**
Poland	104	402	122	422
Other countries	0	0	0	0

The turnover rate at the Energa Group in 2024 was **6%** (calculated as the total number of employees who left the Group divided by the number of employees at the end of the year).

Personnel movements in 2024 remained at a stable level, not deviating from previous years. More than half of the departures (51%) in 2024 were the result of employees switching to retirement benefits.

[S1-7]

CHARACTERISTICS OF NON-EMPLOYEES WORKERS IN THE UNDERTAKING'S OWN WORKFORCE

In 2024, the number of non-employees included in the employee's own resources was 174. These people were dominated by people working on the basis of cooperation agreements (B2B), mainly in the IT area, and accounted for 73.6% of all non-employees. The remaining part (26.4%) are people employed through the Temporary Employment Agency to support activities in the area of electricity distribution.

Table 93. Number of non-employees constituting their own employee resources

Type of contract	2024
Number of people working on the basis of a cooperation agreement (B2B)	128
Number of people employed through a Temporary Employment Agency (ATP)	46
Total	**174**

The number of employees was given as of December 31, 2024. The data were presented only for 2024, without comparison with the state for 2023.

Employees who are credited from own employee resources and who are not employees constitute **1.9%** of own employees.

[S1-8]

COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE

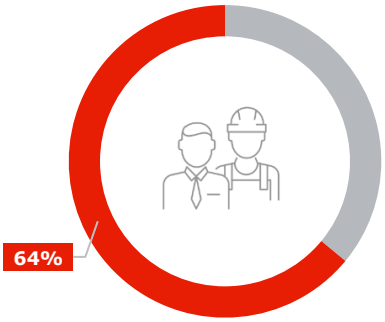
The remuneration system at the Energa Group is decentralised and diversified (32 employers). It is regulated by Collective Bargaining Agreements, Remuneration Regulations, the Labour Code and collective agreements concluded with trade unions. Approximately 77% of the Energa Group's employees are covered by Collective Bargaining Agreements, while the remaining employees are remunerated on the basis of the Remuneration Regulations or individual terms and conditions under employment contracts. In the case of Employers with Collective Bargaining Agreements, all employees have their working and pay conditions determined on the basis of the applicable regulations.

The Energa Group does not conduct any operations outside Polish, so all the data below relate only to Polish.

Figure 37. Unionization in the Energa Group

Tere are 35 trade unions
operating in the Energa Group.

Trade union membership as of
31.12.2024 amounted to **64%,** i.e. about **5.7 thousand employees.**



[S1-9]

DIVERSITY METRICS

Table 94. Number of top management employees by gender (as of 31.12.2024)

Gender	2024	
	Liczba	Udział %
Women	34	39%
Men	54	61%
Energa Group	**88**	**100%**

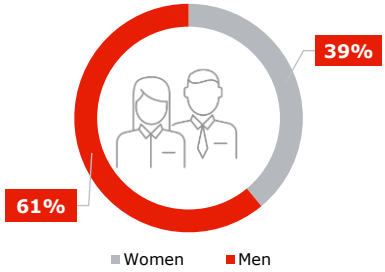
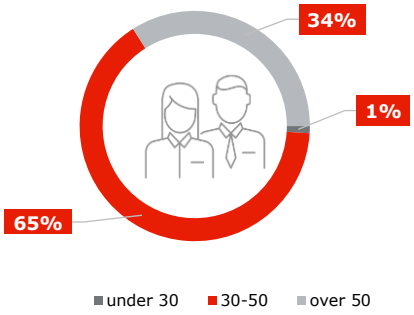


Table 95. Liczba pracowników kadry kierowniczej najwyższego szczebla w podziale na wiek (na dzień 31.12.2024 roku)

Age	2024	
	Liczba	Udział %
under 30	1	1%
30-50	57	65%
over 50	30	34%
Energa Group	**88**	**100%**



The assumption in the Energa Group is that top management includes N-1-level directors, who report directly to the companies' management boards.

Given the introduction of reporting by new job groups, data is presented for 2024 only.

Table 96. Liczba pracowników w podziale na lnie biznesowe, wiek i płeć (stan na 31.12.2024 r.)

Linia biznesowa*	2023						2024					
	Woman			Men			Women			Men		
	under 30	30-50	over 50	under 30	30-50	over 50	under 30	30-50	over 50	under 30	30-50	over 50
Services and Other	20	235	65	41	318	152	26	254	69	67	439	174
Distribution Business Line	61	692	376	440	2126	1806	69	703	396	526	2 172	1 806
Sales Business Line	36	471	92	49	322	103	35	467	98	43	314	100
Generation Business Line	17	141	65	53	462	589	16	152	59	50	474	561
Total headcount	**134**	**1539**	**598**	**583**	**3228**	**2650**	**146**	**1 576**	**622**	**686**	**3 399**	**2 641**
Poland	134	1539	598	583	3228	2650	146	1576	622	686	3399	2641
Pozostałe kraje	0	0	0	0	0	0	0	0	0	0	0	0

The specific nature of the industry in which the Energa Group operates shapes the employment structure, in which as many as 74% of all employees are men. At the same time, the nature of the Group's operations imposes the need for experienced employees to perform their tasks, gaining their skills over the years, which can be seen in the table presented above in the 30-50 and over 50 age groups.

[S1-10]

ADEQUATE WAGES

The level of adequate wage was determined on the basis of the national minimum wage published by the Central Statistical Office. There are no employees in the Energa Group whose remuneration is lower than adequate pay.

[S1-11]

SOCIAL PROTECTION

In order to meet the needs of its employees, the Energa Group signed an agreement with the trade unions to secure employee rights, i.e. the Agreement on securing employee, social and trade union rights for employees of the ENERGA Group, concluded on 18 September 2017. as amended.

Pursuant to the Act of 4 March 1994 on the Company Social Benefits Fund, employers who meet the criteria of the Act have a Company Social Benefits Fund. In addition, employees can join group life insurance subsidized by employers.

[S1-13]

TRAINING AND SKILLS DEVELOPMENT METRICS

Employee development and improvement of qualifications is one of the key tasks of all Energa Group companies in the area of HR policy. These activities enable employees to improve their qualifications and also help to level the playing field. An important aspect of employee development is also cooperation in teams, including sharing new skills with other employees at the workplace, as well as sharing the acquired knowledge. Thanks to the Development Interview, the employee can report their own training needs to the supervisor.

The Energa Group's training policy covers 2 paths:

1. Training courses organised centrally by Energa to standardise and align knowledge in key areas for the Energa Group.
2. Trainings provided by companies as part of internal training budgets, projects and programs.

From the formal point of view, the above solutions are supported by two types of documents: Rules for the Implementation of Training at the Energa Group (regulation attached to the Cooperation Agreement at the Energa Group) and Rules for the Implementation of Training at Individual Companies (internal documents of the companies). This approach allows Energa, as the leading company, to coordinate the Group's training policy, and at the same time gives our companies a lot of flexibility in terms of internal educational needs. Thanks to this, our employees improve their specialist, developmental and language qualifications, and they also have the opportunity to benefit from co-financing of higher education and postgraduate studies. Managers benefit from the development of skills as part of the MBA studies.

The rules for the implementation of training for Energa Group companies are a general document which specifically defines:

- the process of planning training and developing an annual training plan and budget,
- the responsibilities of all participants in the training management process,
- rules for employee participation in training, rights of employees and their obligations,
- the principles of financing training by the company,
- assessment of the quality and effects of training,
- the rules for the Company to conclude training agreements with employees, regulating the mutual obligations of the parties in the event of the employee's participation in the training.

The rules define the recommended solutions (m.in. in the field of financing, accounting, planning or evaluation) in companies. They also regulate the issue of division of responsibility in the training management process. The regulation allowed for the implementation of consistent training rules in all Energa Group entities.

DEVELOPMENT PROGRAMS

The Energa Group implements training programmes both at the level of individual companies and the entire Group. They are partly related to the ORLEN Group's strategy pursued by other related parties. The most important training programs covering all Group companies are:

- Leadership Development Program – a set of training courses dedicated to managerial staff broken down into management levels (Business Leader, Area Leader, Leader of Leaders, Leader of Others) to develop competencies related to active, committed leadership and employee management.
- Leader Club – these are 2-hour thematic webinars dedicated to managerial staff from the managerial level. They concern a modern, contemporary approach to various aspects related to the function of a leader: stress management, conflict management, taking responsibility, mental health.

In 2024, the following training sessions were conducted at Energa and individual companies:

- Training for employees and managers called "Development Conversation" – the aim of the training was to prepare managers to prepare and conduct a development conversation with employees and to prepare employees to effectively participate in a development conversation.
- Training for security employees – employees of the Energa Group's security offices have been trained in connection with the ongoing armed conflict in Ukraine.
- Training for employees on counteracting corruption and misconduct – training carried out in accordance with the provisions of the Corruption and Misconduct Prevention Policy at the Energa Group.
- Project Management Programme for Energa Group employees – The programme is designed to comprehensively prepare the Energa Group's employees to carry out projects in our organisation and is dedicated to employees performing the roles of, m.in others, Project Managers, key members of project teams or representatives of project management units. The Programme edition will end in 2025.

Training activities dedicated to relevant professional groups, such as engineers, technicians, fitters and service technicians, are carried out at the level of companies within the Energa Group and to the greatest extent relate to the rights related to holding the position (e.g. SEP licence).

The Energa Group's documentation on recruitment and training is intended to pursue objectives other than employee promotion. The document that is the basis for promotion is a request for a change in pay/working conditions – which indicates the current financial conditions and/or position held and the changed financial conditions and/or position along with the justification for the change. The decision on promotion/raise is made by the direct supervisor on the basis of an individual assessment of the employee's work in the context of the unit in which he or she is employed. A tool that will be able to support the manager in the decision (although it is not a tool systemically dedicated to the promotion process) is the Development Interview, which is an overview of the current development goals and setting the next ones in the time perspective of 1-3 years. The implementation of RR began in 2023 and from 2024 it will be carried out regularly 1 time a year.

PERFORMANCE AND CAREER DEVELOPMENT REVIEWS

Table 97. Reviews of performance and career development at the Energa Group by gender and employee categories

Kategorie pracowników	Liczba przeglądów		Udział %	
	Women	Men	Women	Men
Senior management	0	1	0	100
Management	104	474	18	82
Sales Employees	100	79	56	44
Production workers	674	2533	21	79
Energa Group	**881**	**1790**	**33**	**67**

TRAINING HOURS

NUMBER OF TRAINING HOURS

Figure 38. Number of training hours

AVERAGE NUMBER OF TRAINING HOURS PER EMPLOYEE

Figure 39. Average number of training hours per employee

TRAINING HOURS BY GENDER AND EMPLOYEE CATEGORIES

Table 98. Training hours by gender and employee categories

Categories of employees	Number of training hours		Average number of training hours	
	Kobiety	Mężczyźni	Kobiety	Mężczyźni
Senior management	1 177	2 303	35	43
Management	3 925	15 911	30	26
Sales Employees	2 155	1 423	16	16
Production workers	3 897	157 601	13	32
Other employees	21 681	15 684	12	15

[S1-14]

HEALTH AND SAFETY METRICS

Effectiveness of the ENERGA Group's occupational health and safety management system

Table 99. OSH indicators – employees and employee resources

Employees and employee resources	2023	2024
Number of victims in fatal accidents at work	0	0
Number of injured in accidents at work with reported sickness absence (LTI), including fatal accidents	29	29
Number of injured in accidents at work without sickness absence, including the number of registered traumatic events/work-related ill health (MTC, FAC)	8	15
Rate of accidents at work with reported sickness absence (LTI), including fatal	1,97	1,94
Accident accident rate (including work-related injuries/ill health) (LTI, MTC, FAC) including fatal accidents at work	2,52	2,94
Number of recognised occupational diseases *(employees only)*	0	1
Number of days of sickness absence related to accidents at work	952	1033

ALSO APPLIES [S2-5]

Table 100. OHS metrics – contractors

Contractors	2023	2024
Number of victims in fatal accidents at work	0	1
Number of injured in accidents at work with reported sickness absence (LTI), including fatal accidents	3	8
Rate of accidents at work with reported sickness absence (LTI), including fatal	0,41	0,72

Table 101. Total OHS metrics for employees and contacts

Employees, employee resources, contractors – total	2023	2024
Number of victims in fatal accidents at work	0	1
Number of injured in accidents at work with reported sickness absence (LTI), including fatal accidents	32	37
Rate of accidents at work with reported sickness absence (LTI), including fatal	1,45	1,42

For the above division, fatal accidents at work and accidents at work with recorded sickness absence (LTI) are registered and monitored.

Compared to 2023, in 2024 there was a decrease in the incidence of accidents at work with sickness absence (LTI), including fatalities, for employees, employee resources and contractors combined. The value of this indicator was 1.42 (in line with the adopted target). In 2024, the achievement of the target for the indicator was set at ≤ 1.7.

At the same time, there was an increase in the number of accidents at work with sickness absence (LTI). This increase is related to the increased accident rate in the area of contractors, which is influenced by the increased number of investment projects implemented (1 fatal accident was recorded in this area).

With regard to accidents at work, preventive measures are defined and an in-depth analysis is carried out, including a description of the circumstances of the incident, identified causes and corrective actions. In addition, regular meetings are held between representatives of the Energa Group's OHS Service to discuss the results and conclusions of in-depth analyses of accidents at work.

INFORMATION ON THE REPORTING METHOD

- In order to effectively manage occupational health and safety at work and the risks in this area, the Energa Group is divided into:
  - **a** employees employed under employment contracts and persons who are not employees but constitute employee resources, e.g. persons performing work for the Energa Group on the basis of civil law contracts (contract of mandate, contract for specific work), cooperation agreements (B2B) or external contracts,
  - **b** contractors, i.e. employees of external companies performing work for the Energa Group companies, e.g. performing operational, repair, maintenance or investment work on their premises and/or infrastructure.
- The number of victims of fatal accidents at work is the number of accidents at work resulting in the death of an employee/contactor within 6 months from the date of the event.
- The number of persons injured in accidents at work with recorded sickness absence (LTI), including fatal accidents, is the number of accidents at work acknowledged by the employer, which are accidents caused by an external cause that resulted in sickness absence or death due to work-related injury or illness. As part of this data, unreported accidents on the road and from work.
- The number of persons injured in accidents at work without sickness absence, taking into account the number of registered injuries/ill health events related to work (MTC, FAC) is the number of accidents at work acknowledged by the employer, which are accidents caused by an external cause, which did not result in sickness absence or death due to work-related injury or illness.

- The rate of accidents at work with recorded sickness absence (LTI), including fatal accidents, is calculated according to the formula: Number of victims of accidents at work with recorded sickness absence (LTI), including fatal accidents, multiplied by 1,000,000, then divided by the number of man-hours worked.
- The accident accident frequency rate (including injuries / ill health) (LTI, MTC, FAC) including fatal accidents at work is calculated according to the formula: Number of victims of accidents at work (LTI, MTC, FAC), including fatal accidents, multiplied by 1,000,000, then divided by the number of man-hours worked.
- The number of man-hours is the number of hours actually worked, excluding sickness and holiday absences. It is calculated on the basis of data contained in the HR and payroll systems of Employers. In the case of contractors' man-hours, they are calculated on the basis of contracts or service acceptance documentation, but some of this data may be estimated due to the lack of systems for recording their actual working time.
- The number of recognised occupational diseases determines the number of decisions issued by state authorities confirming the presence of occupational diseases in employees who work or have worked for Energa Group companies. Occupational diseases are caused by harmful factors in the workplace or the way in which work is performed.
- The number of days of sickness absence related to accidents at work is the number of days of sick leave due to injury or illness in connection with accidents at work.

[S1-15]

WORK-LIFE BALANCE

The Energa Group has assumed that family leave is maternity and parental leave. Eligible persons include persons who had a child in the period of 24 months back from the end of the reporting year and persons whose child was born before that period and who took family leave in 2024.

Table 102. Family leave by gender in 2024

Category	Women	Men	Energa Group
Number of employees entitled to family leave	116	334	450
Number of employees who have taken family leave	107	44	151
Percentage of employees entitled to family leave*	4,9%	5,0%	5,0%
Percentage of employees who have taken family leave*	4,6%	0,7%	1,7%

The percentage of employees is calculated in relation to the number of employees of a given gender in the Energa Group.

[S1-16]

REMUNERATION METRICS (PAY GAP AND TOTAL REMUNERATION

Table 103. Wage gap and ratio of the highest earner's salary to the median salary of employees in 2024

Salary metrics	
The gender pay gap	8,2%
Ratio of the highest earner's salary to the median salary of employees	4,7

The gender pay gap was calculated as the difference in the average level of pay between male and female workers, expressed as a percentage of the average level of pay of male workers.

In 2024, the Energa Group's ratio was 8.2%.

The ratio of the salary of the highest earning person in the organization to the median salary of all other employees in 2024 was 4.7.

Data on the level of employment and wages come from the HR and payroll systems of Energa and its subsidiaries and are consolidated at the Energa Group level.

[S1-17]

INCIDENTS, COMPLAINTS AND SERIOUS HUMAN RIGHTS IMPACTS

In accordance with the provisions of the Energa Group's Anti-Mobbing and Discrimination Policy, harassment is defined as "a manifestation of discrimination, any undesirable behaviour the purpose or effect of which is to violate the dignity of an employee and to create an intimidating, hostile, humiliating, humiliating or offensive atmosphere towards him/her. Any behavior undertaken in order to humiliate another person and show one's superiority over him."

Table 104. Number of incident reports, complaints and their financial consequences at the Energa Group in 2024 .

Number of complaints reported:	
Number of complaints about mobbing	10
Number of complaints resolved ***(including: clarified/withdrawn/incomplete/unjustified admission)***	10
Number of complaints in the process of being clarified/accepted for clarification	0
Number of complaints found to be justified:	2
in the field of mobbing	1
discrimination	1
in the field of undesirable behaviours	0
Amount of fines, sanctions and damages in 2024	0

The above data applies to the employees of the Energa Group. Apart from reports from its own employee resources, the Group has not received any other reports regarding incidents, complaints about mobbing and discrimination.

The Energa Group did not identify any incidents of respect for human rights, i.e. forced labour, trafficking in human beings or child labour, and did not identify serious incidents of respect for human rights related to employees in the reporting period, which would concern non-compliance with the UN Guiding Principles on Business and Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for multinationals.

[S2] WORKERS IN THE VALUE CHAIN

[S2.SBM-2]

INTERESTS AND VIEWS OF STAKEHOLDERS

As part of the double materiality study, the Energa Group interviewed direct suppliers and their employees. The results of this research formed the basis for the identification of topics relevant to employees in the value chain. The Group does not conduct direct opinion polls among employees in the value chain. The activities will be deepened in subsequent reporting periods.

[S2.SBM-3]

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

SCOPE OF DISCLOSURE

The Energa Group is systematically expanding its knowledge of the impact in the value chain, including the impact related to employees in the value chain. The Group is aware that the scope of sustainability reporting in this area requires further detailed analyses, which are planned in subsequent reporting periods. The analyses carried out so far have made it possible to identify significant impacts on employees in the value chain, which concern a specific group of employees about whom the Group has the greatest knowledge. These are employees of our subcontractors, the so-called contractors, and it is this particular group that is affected by the disclosure of employees in the value chain.

All persons performing work in the value chain over whom the Energa Group may have material influence, including revenues related to the Energa Group's own operations and value chain, also through our products or services, as well as business relationships, will be gradually included in the scope of the disclosure if an in-depth analysis reveals the materiality of these influences.

TYPES OF PEOPLE WHO WORK IN THE VALUE CHAIN

The identified significant impact of the Energa Group on employees in the value chain results primarily from relations with the so-called contractors, i.e. employees of external entities performing work for the Energa Group companies on the basis of an agreement or contract, and not being part of the Group itself.

Employees in the Energa Group's value chain are a diverse group that includes employees of our direct suppliers, more than 98% of whom are from Poland, the rest from the EEA. The range of sub-suppliers supplying raw materials and components goes much further and can apply to the entire world. These are employees involved in the extraction of raw materials, production of components, subassemblies necessary for the production of e.g. wind farm components, photovoltaic panels, etc.

A list of the most important raw materials and materials, components, products and services provided by our suppliers by our suppliers to our sub-suppliers is presented in chapter ESRS2 presenting the Energa Group's value chain..

In the area of significant impact, employees in the value chain include people responsible for designing, implementing, implementing, investing, servicing, maintenance and auxiliary works for energy infrastructure (as part of the Distribution, Generation and Sales Business Line). This group includes contractors performing work related to the removal of failures, including mass failures, employees of electricity sales agents on the mass market and small enterprises, as well as contractors responsible for unloading raw materials and their transport. They perform work at different stages of the life of projects and products, depending on the specifics of the services provided.

The Energa Group owns and maintains the so-called RKW – Register of Qualified Contractors covering contractors performing work on the power infrastructure of the Group's largest company – Energa Operator.

The employees in the value chain who are influenced by the Energa Group are persons associated with the Group's operations through companies providing services to it. These workers fall into three main groups:

- employees performing work at locations owned by Energa Group companies but not its employees, i.e. persons who are not self-employed or employed by companies specialising in the provision of employment-related services (covered by the ESRS S1 disclosure).
- Staff working for actors in the upstream value chain, such as those involved in the extraction of raw materials, the production of components or other forms of processing.
- Employees working for downstream entities in the value chain, such as those involved in logistics providers, distribution providers, franchisees, or retailers.

For the Energa Group, the group particularly exposed to negative impacts are employees of the so-called contractors, i.e. employees of external entities performing work for the Energa Group companies on the basis of an agreement or contract, and not being part of the Group itself.

MATERIAL NEGATIVE IMPACTS

The Energa Group's impact on contractors is associated with the occupational risk associated with working on active energy infrastructure. Working in the power industry carries key hazards, such as: contact with electric voltage, electric arc, work at height, in trenches and in difficult weather conditions, which generates a risk to health and life. These threats apply to both employees of Energa Group companies (see S1) and contractors, i.e. employees of external companies performing work for the Group. Factors such as lack of sufficient experience, job turnover, further subcontracting, lack of qualified contractor supervision, poor quality training for obtaining the necessary qualifications and failure to comply with safety procedures increase the risk of accidents. In addition, the lack of direct supervision by the Group companies over the tasks performed by contractors may lead to negligence in the field of occupational health and safety, which affects the health and life of employees.

Managing the negative impact on contractors in the energy industry is crucial to minimize the risks arising from the specifics of this industry and to provide contractors with appropriate conditions for safe work. Implementing effective health and safety procedures, training and enforcing established rules, as well as working with responsible contractors and suppliers, are designed to minimise any negative impacts.

MATERIAL POSITIVE IMPACTS

Closely related to the systemic negative impact on work in the power industry, significant positive impacts were also identified resulting from the Energa Group's activities aimed at ensuring the best possible working conditions for contractors working on energy infrastructure.

The Energa Group places great emphasis on creating safe working conditions for its contractors. High health and safety standards, programmes and training aimed at increasing the level of safety and monitoring the accident rate, contribute to increasing awareness of safe work. Corrective actions formulated after all accidents and near misses as well as regular OHS training have a positive impact on creating a safe working environment, minimizing the risk of accidents.

MATERIAL RISKS

As part of the double materiality process, a significant risk for the Energa Group related to the work of contractors was identified:

- risk of accidents at work leading to costs of compensation, downtime and material losses in the energy infrastructure.

The Energa Group analyses the negative impact on contractors, taking into account the specific nature of their work and their exposure to risk. Knowledge about the greater exposure of people with special characteristics is gained through ongoing hazard identification, risk assessment and analysis of accidents. Regular work environment surveys are carried out, occupational risk assessments and job instructions are updated.

The Energa Group is fully aware of the possibility of other risks related to safety in the value chain, which it will examine in detail in subsequent reporting periods, i.e. risks related to occupational health and safety and training among employees related to the extraction of raw materials and the production of components from outside the EEA. The topic will be deepened and analysed in subsequent reporting periods.

CHILD LABOR AND FORCED LABOR

No significant country-level or commodity-level impacts have been identified in the Energa Group's value chain in respect of which there is a significant risk of child labour, forced labour or compulsory labour of persons performing work in the Group's value chain.

The Group makes every effort to eliminate subcontractors from areas at risk of child labour or forced labour. As part of direct purchases carried out by Energa Logistyka, appropriate guidelines are applied, described in detail in the Code of Conduct for suppliers, while in the case of acquisition projects under which we take over installations/companies with an "as-is" situation, where the contractor is responsible for the order and deliveries, and the Energa Group is only the recipient of the solution already in place, we pay particular attention to the components used. As part of the technical and environmental review carried out in the course of the transaction process, we examine the technology used each time, and if a supplier from China is identified, it is indicated as a risk in the red flag report.

[S2-1]

POLICIES RELATED TO VALUE CHAIN WORKERS

Occupational health and safety is one of the key areas of responsibility of the Energa Group and is closely related to the business activities of all Group companies. OHS aspects of the Energa Group are regulated by national regulations – the Labour Code and other acts, detailed regulations and standards. The main internal regulation applicable to all companies is the Occupational Health and Safety Policy of the Energa Group (OHS Policy) – constituting one of the appendices to the Cooperation Agreement with the Energa Group.

This policy describes the most important guidelines for the Group companies regarding the actions taken to ensure a high level of safety for both employees and external contractors, i.e. contractors, in the field of health and safety and fire protection. All employees of the Group and contractors performing work on behalf of the companies are involved in the implementation of the OHS Policy.

More about the OHS Policy - chapter S1-1.

At the corporate level, the Energa Group owns and operates *General health and safety requirements for external contractors* performing work on the premises or infrastructure of the Energa Group companies, constituting Appendix 3 to the Occupational Health and Safety Policy of the Energa Group. On the basis of general requirements, the Group companies have developed and implemented their detailed requirements for external contractors, which are tailored to the specifics of a given company and constitute an appendix to each concluded contract or order for the performance of works.

RESPECT FOR HUMAN RIGHTS IN THE SUPPLY CHAIN

The human rights policy applies both to the Group's employees and to external stakeholders and the supply chain. The Energa Group undertakes to emphasise the importance of human rights and promote them wherever it operates, expecting all cooperating entities to respect them. Compliance with human rights by the entities with which the Group companies cooperate is an important factor taken into account when establishing mutual relations.

As part of its commitment to respecting human rights throughout the supply chain, the Group expects its suppliers to act in accordance with the highest standards of business ethics and in accordance with the law and applicable international standards. These efforts are reflected in the ORLEN Group's Code of Conduct for Suppliers, which regulates key issues related to supplier relations.

The Code aims to develop and improve responsible business practices among suppliers, as well as to act in accordance with the Group's values, being one of the pillars of responsible business and sustainable development in procurement processes. In our

Supplier Code of Conduct, we require our suppliers to respect broadly understood human rights and to provide safe and healthy working conditions. We expect suppliers to:

- will not tolerate any cases of child labour (persons under 15 years of age) and will provide special safeguards for juvenile workers (persons under 18 years of age and above the statutory minimum working age),
- will not allow any form of treatment inconsistent with human rights according to the Universal Declaration of Human Rights,
- they will not allow modern slavery (slavery, forced, compulsory or slave labour, slavery or human trafficking),
- clearly define their impact on human rights as soon as the need for such action is agreed,
- respect the cultural, economic and social rights of local communities, minorities, indigenous peoples and other vulnerable groups,
- have adequate remedial mechanisms in place in the event of human rights violations;
- notify the Group companies immediately, in writing, if they become aware of or have reason to believe that any Group company or any of the Group companies' officers, agents or companies operating in their own supply chain has breached any of the above requirements;
- comply with all occupational health and safety laws applicable to the country in which they operate.
- The supplier ensures safe and healthy working conditions through the implementation of procedures, certified health and safety management systems and/or its own safety programs, good practices and solutions aimed at completely eliminating accidents, avoiding injuries and illnesses among the Supplier's employees caused by the work performed.

More about the Supplier Code of Conduct in sections: G1-1, G1-2..

The Group undertakes activities aimed at:

- prevention of negative impact on human rights, directly and indirectly related to the conducted activity,
- strives to raise suppliers' awareness of the importance of caring for human rights in their own operations, while reserving the right to verify compliance with them.

Care for the health and safety of employees is a paramount value at the Energa Group, an important element of the organisational culture and business ethics, as well as an expression of care for fundamental human rights.

The Energa Group provides all its employees and contractors with a safe and hygienic working environment, making every effort to ensure that workplaces are free from threats to health and life and organised in a manner that protects against accidents and serious damage to health. These activities are carried out on three levels – by shaping a safety culture, developing personal safety, and by undertaking a number of activities and modern proactive initiatives aimed at preventing accidents, industrial accidents, fires and other undesirable events.

All policies addressing m.in workers in the value chain are in line with relevant internationally recognised instruments, including the UN Guiding Principles on Business and Human Rights. The ORLEN Group's Human Rights Protection Policy is directly related to the prohibition of trafficking in human beings, forced or compulsory labour and child labour.

More on the reference to international standards in the section: S1-1.

CONTROLS FOR HUMAN RIGHTS POLICIES IN THE VALUE CHAIN

The control mechanisms for the Human Rights Policy in the value chain include:

- monitoring the compliance of business partners' activities with the applicable law and internal policies – at Energa SA, the verification of partners is carried out by the Security Office before signing the contract,
- involvement of stakeholders through dialogue, educational activities and exchange of good practices,
- corrective measures to be taken in the event of non-compliance;
- assessment of risks related to individual links in the value chain – both in operational and social terms; For example, Energa SA has a risk card in place regarding potential negative relations with local communities.

The Energa Group takes steps to continuously improve its supervisory systems and control mechanisms in order to effectively identify and counteract potential human rights violations along the entire value chain. The Energa Group has a Code of Conduct for suppliers, and the Human Rights Policy in the area of the value chain refers directly to the total ban on human trafficking, forced or compulsory labour and child labour.

[S2-2]

PROCESSES FOR ENGAGING WITH VALUE CHAIN WORKERS ABOUT IMPACTS

The Energa Group does not have a policy in place that would regulate the processes of cooperation with employees in the value chain, or that would describe the possibility of representation of supply chain employees through their representatives or reliable proxies, or procedures describing the stage, types or frequency of employee involvement in the value chain.

Cooperation with employees in the value chain affected by the identified significant influences, i.e. contractors, takes place on the basis of contracts signed with companies selected through procurement procedures and procedures or on the basis of orders that contain provisions on the need to know and comply with the applicable procedures and instructions for the safe performance of works.

When concluding a contract for the performance of work for the Energa Group companies owning and managing energy assets, contractors sign, among m.in, declarations that they have read *the Instructions for the Organisation of Safe Work on Power Equipment*, as well as instructions for the operation of power equipment, workplace instructions and instructions for performing work, depending on the scope of work to be assigned to a given contractor.

Depending on the nature of their work, contact and cooperation with contractors takes place directly and through representatives (e.g. direct superiors) during the course of work commissioned by Energa Group companies. In the course of the work, the OHS service and technical services monitor compliance with OHS rules on an ongoing basis during the work carried out by contractors/subcontractors, subjecting them to periodic OHS inspections.

One of the objectives of the inspection activities is to comply with the man-hours indicated by the contractor in the agreed documentation allowing the contractor to perform the work. Contractors may perform work on behalf of a Group company only during the company's working hours. Any need to work different hours is each time agreed and verified by the persons responsible on behalf of the Companies for a given scope of work performed by the contractor. .

The Group companies provide contractors with their internal instructions, procedures and standards as well as other health and safety regulations, the application of which increases the level of safety of persons engaged by contractors to perform work. In addition, in their detailed OHS requirements for contractors, companies define catalogues of disciplinary actions for contractors and their employees and subcontractors in the event of non-compliance with the applicable OHS standards.

An employee delegated to take care of contractors performing activities on the premises of the Group companies is responsible for proper communication, ensuring all means of support for contractors, including those related to solving their problems or submitting applications. Part of the active activities in cooperation with contractors from the RKW register (contractors performing works for Energa Operator) is the operation of a dedicated electronic contact channel – an e-mail box. The e-mail address is used to inform contractors about changes in the provisions of the Regional Planning Authority, health and safety or tenders. Contractors can also send documentation in electronic form and submit inquiries.

Before performing work, employees of external entities are each time trained in the field of health and safety and familiarized with the environmental principles and requirements in force in a given company. Providing additional introductory OHS training for contractors, setting specific requirements regarding the need for persons performing work for contractors of the Energa Group companies to have appropriate qualifications and authorisations, as well as regular training for contractors on the energy market, new products and tariffs (agents' employees).

EVALUATING THE EFFECTIVENESS OF COOPERATION

At the stage of concluding a contract or mandate, the Energa Group companies designate an employee or employees who are responsible for supervising the work performed by an external entity and provide the necessary information necessary for the efficient and safe performance of the commissioned tasks. The OHS service of each company and the designated technical staff are in constant contact with contractors when it comes to compliance with OHS rules during work and periodically verify the contractors' compliance with the requirements through periodic OHS inspections. The OHS services and the designated technical staff of the companies report any non-conformities to the contractors on an ongoing basis, which are immediately corrected.

The Energa Group does not have any planned and deliberate activities aimed at learning the perspective of value chain employees. In the case of activities on the premises of the Group companies, delegated coordinators supervising the work of contractors react to any situation that would require intervention or additional support for contracts exposed to special activities.

[S2-3]

PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR VALUE CHAIN WORKERS TO RAISE CONCERNS

Negative impacts are related to accidents, in particular accidents at work involving employees in the value chain, resulting in damage to health and sickness absenteeism.

WHISTLEBLOWING CHANNELS

The Energa Group does not have special contact channels dedicated exclusively to employees in the value chain. Other channels, described in detail in pt. S1-3, enable anonymous and voluntary reporting of all types of irregularities.

Whistleblowing channels also available to employees in the value chain - S1-3.

AVAILABILITY OF CHANNELS FOR EMPLOYEES IN THE VALUE CHAIN

Part of the active activities in cooperation with contractors from the RKW register (contractors performing works for Energa Operator) is to run a dedicated electronic contact channel. All contractors have information about the address. It is a source of information exchange with contractors.

TICKET TRACKING AND MONITORING

In the case of external reports, the company has specific procedures in place for analyzing this type of report. There are no formal mechanisms to assess whether employees in the value chain are aware of and trust processes as a way to report their concerns or needs and address them.

Grievance Mechanisms – S1-3.

The Energa Group's rules for reporting breaches of law enable reporting irregularities and breaches of law related to the company's operations. As part of the anonymous whistleblowing system, the role of the Whistleblower has been defined, which is the same as the institution of the Whistleblower, in accordance with Directive 2019/1937 of the European Parliament and of the Council on the protection of persons who report breaches of Union law (EU) 2019/1937 of 23 October 2019 (the "Rules for Reporting Breaches of Law at the Energa Group" introduce provisions ensuring the protection of whistleblowers).

Each channel provides for a different catalogue of corrective actions, which largely depend on the type of case and the reported violation. In the case of occupational health and safety, the Energa Group companies carry out ongoing hazard identification, risk assessments and analysis of accidents. The process is carried out in the field of developing and updating *the Occupational Risk Assessment* for individual employees' workplaces, conducting work environment tests, identifying hazards in work instructions and procedures for monitoring working conditions.

The Energa Group ensures the effectiveness of its complaint mechanisms and ensures that they are recognisable and that employees trust them. Active use of these structures indicates that contractors are aware of their whistleblowing procedures. The Group does not have mechanisms in place to verify the awareness of the existence of the described processes among employees in the value chain.

[S2-4]

TAKING ACTION ON MATERIAL IMPACTS ON VALUE CHAIN WORKERS, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO VALUE CHAIN WORKERS, AND EFFECTIVENESS OF THOSE ACTION

ACTIONS TO PREVENT SIGNIFICANT ADVERSE IMPACTS

The OHS requirements and high standards adopted by the Energa Group companies for contractors undoubtedly have a positive impact on their work and on ensuring safe and healthy working conditions for both them and the company's employees:

- Persons engaged by suppliers to carry out the work must have appropriate professional qualifications, authorizations and qualification certificates.
- contractors are required to comply with the provisions of the OHS Instructions and OHS Standards in force at the Energa Group companies.

- Contractors must have appropriate personal protective equipment, properly selected, controlled and efficient tools, power tools, equipment and machinery.
- All of the above means that the contractor is obliged to continuous development, training employees and gaining qualifications.
- internal audits are also carried out and preventive visits are carried out at the corporate level (by Energa SA), constituting a comprehensive assessment of the state of occupational safety in the companies.

Building awareness of safe work through training

Contractors are provided with mandatory introductory safety training. Their purpose is to provide information on safety standards and additional requirements applicable at the Energa Group companies. During the training, knowledge is transferred and contractors' awareness is built in the field of:

- proper assessment of the situation,
- knowledge of potential risk and ways to mitigate it,
- compliance with health and safety procedures and rules,
- the proper use of protection systems and measures,
- respond to threats and report any observed observations or non-compliances that may reduce the level of safety.

Energa Operator also has its training ground in Bąków, which provides specialist training in work on power infrastructure. The training offer of the training ground is also used by external entities. The Regulations of the Energa Operator training ground in Bąków and the Rules for the organization of training at the training ground in Bąków and the requirements for their participants (for employees of external entities) are available on the company's website in the tab about us – training ground.

In addition, the training offer is printed in the form of leaflets as needed – for example, in 2024, leaflets informing about the training offer were distributed at the nationwide energy industry fair ENERGETAB 2024.

The Energa Group cooperates with contractors to ensure a safe working environment, m.in. by:

- controlling places and places of work,
- presenting their requirements from an early stage,
- organizing joint health and safety inspections.

The effectiveness of OHS inspections of contractors is assessed and verified by the companies. All incidents involving contractors are reported and have an impact on the assessment of a given contractor, and are also reflected in the determination of preventive and corrective actions. In addition, in their detailed OHS requirements for contractors, companies define catalogues of disciplinary actions for contractors (as business entities) and their employees and subcontractors in the event of non-compliance with the applicable OHS standards.

Evaluation of the effectiveness of the activities carried out

The Energa Group assesses the effectiveness of its activities using OHS indicators such as:

- accident rates (including accidents and man-hours reported by contractors),
- the number of reports from a given category that concerns employees in the value chain.

These measures allow for the assessment of the effectiveness of activities in the area of impact on employees in the value chain.

Mechanisms for taking action

The Energa Group lacks a single process that describes the mechanisms for taking action. Many aspects of the Group's operations affect the way in which the Group and individual companies make decisions related to the actions to be taken in response to specific real threats affecting employees in the value chain. Other actions that affect the corrective actions taken are:

- analysis of accident events,
- recommendations from health and safety inspections,
- reports as part of a breach report and other communication channels through which information on potential risks is collected.

The Group has regulations that describe the rules of cooperation with external entities and expectations regarding their approach to employees. The Group applies and expects all suppliers with whom it cooperates to apply minimum standards in the areas of human rights, safe work standards, environmental protection and anti-corruption. A fundamental condition for cooperation is compliance with local legal regulations, rules and regulations. The content of the Supplier Code of Conduct is available on the website.

On the basis of general requirements, the Energa Group companies have developed and implemented their detailed requirements for external contractors, which are tailored to the specific nature of a given company and constitute an appendix to each concluded contract or order for the performance of works.

In addition, in their detailed OHS requirements for contractors, companies define catalogues of disciplinary actions for contractors and their employees in the event of non-compliance with the applicable OHS standards. The Energa Group companies publish detailed OHS requirements for contractors and published on their websites. Regulations such as the Supplier Code of Conduct are improved and updated as further needs arising from external regulations are identified, as well as internal needs and event analysis.

The OHS indicators of companies take into account aspects of the contractors' operations, which facilitates the adoption of appropriate preventive measures.

The Energa Group takes preventive measures and corrective measures to prevent adverse impacts on employee resources and ensure their stability and well-being, consistently implementing solutions to support employees, ensuring stable working conditions and professional development.

The OHS services and the designated technical staff of the companies periodically verify the contractors' compliance with the requirements through periodic OHS inspections. The OHS services and the designated technical staff report any non-conformities to contractors on an ongoing basis, which are immediately corrected.

OSH ACTIONS AND CORRECTIVE MEASURES

The OHS indicators of companies take into account aspects of the contractors' operations, which facilitates the adoption of appropriate preventive measures.

In 2024, the Energa Group companies implemented measures to improve the level of safety resulting from the schedule for the implementation of the requirements set out in the ORLEN Group's Segment Occupational Health and Safety Management System Policy.

- Review of the ORLEN Group's Technical Standards by the Group companies and identification of the need to implement individual requirements (with particular emphasis on the 'Safety +' standards).
- Development by the Energa Group of uniform rules for reporting, analysing and recording near-miss events.
- Implementation of mechanisms for planning OHS improvement at the Energa Group companies, included in the Energa Group's OHS Policy.
- Preparation by the Energa Group of assumptions for the incentive system for contractors.
- Preparation by the Energa Group of assumptions for a uniform role, competence requirements and target operating model for persons performing fire safety tasks.
- Review of the ORLEN Group's Fire Safety Standards by the Energa Group companies and identification of implementation needs (taking into account the specific nature of their operation)

The Energa Group makes sure that its business practices do not have a negative impact on its employees, ensuring safe working conditions and compliance with health and safety standards.

- Principles for safe performance of work – implementation of detailed OHS instructions and *Framework Rules for the Organisation of Particularly Hazardous Work (Appendix 5 to the Energa Group's OHS Policy).*
- Safe work organisation systems – the companies of the Distribution, Generation and Sales Business Lines (Energa Oświetlenie) have procedures in place to organise work with power equipment that minimise occupational risk.
- Supervision and control – the processes of planning, preparing and executing work take into account the highest safety standards, eliminating tensions between business requirements and the protection of employees.
- Safety alerts – all accidents occurring in the Energa Group are reported and analysed in analysis. Safety Alerts are used to communicate with all Energa Group companies regarding accidents.
- In-depth analysis of accidents at work – this is a uniform methodology for the method of analysing accidents at work occurring in the Energa Group companies. It is a graph presenting a description of the circumstances of the event,

identified causes and undertaken/planned corrective actions aimed at preventing similar events in the future. The Energa Group has a practice of discussing all Safety Alerts and accident analyses developed using the event tree method during regular coordination meetings of representatives of the OHS area of the Energa Group and the OHS Office of ORLEN SA.

All activities will be continued in 2025–2026 in accordance with the schedule and will contribute to the achievement of key KPIs and the development of the organisational culture and safety at the Energa Group

Safety days

The Occupational Safety and Health Protection Days at the Energa Group, organised periodically since 2021, are an initiative to promote occupational safety at the Group companies and promote healthy lifestyles among employees and contractors. Each subsequent edition of this initiative, and with it the planned activities, opens up opportunities for both employees of the Companies and external contractors to take part in activities consolidating and verifying knowledge and skills in the field of occupational health and safety.

INCIDENTS REQUIRING REMEDIAL MEASURES AGAINST INJURED PERSONS

In the reporting year, one fatal accident was recorded among contractors. As a result of an in-depth analysis of the circumstances and causes of the accident, a number of corrective actions were taken to prevent the occurrence of similar events in the future, m.in.:

- increased OHS supervision by the contracting company and the contractor and its subcontractors,
- additional OHS coordinators were appointed on the contractor's side,
- the obligation to prepare plans for unloading materials as an attachment to the documentation specifying safe rules for the performance of work has been introduced,
- the principle of issuing opinions on documentation specifying safe rules for the performance of work by the personnel of the Company commissioning the work has been introduced,
- auxiliary equipment for vertical transport was supplemented,
- communication during vertical transport operations was improved,
- the contractor's staff and its subcontractors were retrained,
- additional health and safety instructions have been introduced to the daily briefings carried out by the contractor and its subcontractors,
- improvements have been made to the possibility of using disciplinary actions to prioritize compliance with health and safety regulations by the contractor.

In 2024, no serious issues or incidents were reported regarding human rights violations related to the Energa Group's value chain at upstream and downstream.

[S2-5]

TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

METHOD AND MATERIAL ASSUMPTIONS FOR DEFINING CONTRACTOR-RELATED OBJECTIVES

The Energa Group sets OHS targets related to the work of its contractors with respect to the Energa Group's accident rates, which apply to both its own employees and contractors. The main objective is to re-educate accidents as measured by TRIR and LTIFR indicators and to systematically reduce the TRIR rate.

Implementation of the OHS objective at the Group level is one of the main objectives of the Management Board of Energa. The Management Boards of all companies also have the implementation of the TRR and directional actions specified in the OHS Strategy included in their objectives. In key companies conducting operational activities, OHS objectives are cascaded to the management and managerial staff. All the objectives set for 2024 have been achieved, and thus the Energa Group has implemented all the activities set out in the OHS Strategy.

Given the common goal for employees and contractors, the goal setting process, monitoring, methodology and other aspects are described in detail in Chapter S1.

Health and safety at work

TRIR (Total Recordable Incident Rate): Until 2024-2026: ≤ 0.34; By 2030: ≤ 0.31

LTIFR (Lost Time Injury Frequency Rate): Until 2024-2026: ≤ 1.70

The base year for OHS indicators is 2024

More on goals, metrics and methodology of counting – S1-14.

Results are tracked through cyclical reporting and accounting for the goals of the managerial staff. Constant monitoring includes the analysis of KPIs in the area of occupational safety, including the number of accidents and accident rates of employees and contractor.

[S3] AFFECTED COMMUNITIES

[S3.SBM-2]

INTERESTS AND VIEWS OF STAKEHOLDERS

The Energa Group systematically strives to build positive relationships with affected communities (hereinafter also referred to as local communities), which are directly and indirectly impacted by its operations. The Group generates positive impact by actively engaging in activities that bring tangible benefits to communities and makes every effort to minimise the adverse effects of its operations. The aim is not only to mitigate potential difficulties but also to create lasting and positive change that enables residents to experience the tangible benefits of cooperation with the Energa Group.

The Group gathers feedback from affected communities through various forms of dialogue and collaboration. Cooperation with local communities, authorities, and public institutions is essential for the implementation of infrastructure projects and the development of local energy strategies. The process of incorporating community feedback aims to address concerns and interests of groups impacted by the Group's activities and also includes responses to reports and protests from communities, as well as negotiations—for example, regarding the termination of transmission easement agreements or the payment of compensation. The Energa Group takes stakeholder perspectives into account at all stages of preparing and implementing infrastructure projects, particularly those related to the construction and modernisation of the distribution network and generation assets. This process includes public consultations, impact assessments, and dialogue with representatives of local authorities and communities affected by planned developments. These activities are carried out in accordance with the Local Community Relations Management Policy. Ongoing impact assessments, systematic collection of community feedback, and the monitoring of reported needs and concerns enable the Group to identify risks and take timely remedial action.

These efforts help mitigate social and environmental risks, strengthen relationships with the external environment, and build lasting public acceptance and trust in ongoing projects—all of which support the Energa Group's long-term strategic objectives. In particular, for stakeholder groups especially exposed to impact, the Group demonstrates a strong commitment to initiating and maintaining relationships based on transparent and open communication.

[S3.SBM-3]

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

Managing the impact on local communities is the foundation for shaping the Energa Group's long-term strategy. Both the risks and opportunities associated with these relationships are critical to achieving business and operational goals. Developing an appropriate approach to social responsibility, communication and cooperation with local communities can significantly affect the success of investment projects, as well as build a positive image of the Group. Good relations with local residents and authorities are a key element for the implementation of the company's strategy, especially in the area of renewable energy, where projects often require local acceptance and cooperation. Due to the specific nature of the Energa Group's individual Business Lines (Generation, Distribution, Sales), the impact of each of them on local communities may vary.

TYPES OF COMMUNITIES AFFECTED AND SIGNIFICANT IMPACTS ON THESE GROUPS

In its development and investment plans, the Energa Group takes into account all communities on which it may have a significant impact as part of its operations, value chain and products and services. As part of the double materiality process, the types of communities on which the Energa Group's operations have a significant impact, both systemic and incidental, through its own operations and through the value chain, were analysed. The group does not operate in areas inhabited by indigenous peoples.

SIGNIFICANT NEGATIVE IMPACT ON LOCAL COMMUNITIES

- **Vicinity of generation assets** – these are residents and communities located in the immediate vicinity of generation facilities, i.e. hydroelectric power plants, wind farms, photovoltaic installations, combined heat and power plants and others. Local communities are exposed to impacts related to potential environmental risks resulting from the operation of production facilities, e.g. in the form of emissions, noise or impact on biodiversity, which may have consequences for the local environment (more on environmental impacts is described in the relevant environmental chapters).
- **Transmission infrastructure** – these are communities associated with land used by the Group's company: Energa Operator, especially in the context of HV, MV and LV lines, through which:
  - **a.** overhead high-voltage lines can reduce landscape values,
  - **b.** limit the use of private land,
  - **c.** affect the safety resulting from the close proximity of the energy infrastructure, during failures resulting from sudden weather phenomena,
  - **d.** Possibility of restricting land use – in the case of construction of transmission lines or transformer stations, the Company often acquires or establishes a transmission easement on private land, which may lead to a limitation of the possibility of using this land by its owners, which in turn may affect its market value.
- **New investments** - local communities may also experience negative impacts resulting from uncertainty and anxiety in connection with the impact of the investment on the immediate environment, doubts regarding the use of real estate during the implementation of the investment and the operation of the investment, loss of income and subsidies related to the implementation of the investment, lack of knowledge of the procedures for the payment of compensation and compensation, difficulties in connection with the construction works carried out (noise, traffic intensity, lack of access to the property), concerns about safety during the implementation of the investment and during the operation of the infrastructure, uncertainty in connection with the rules of operation of the property through which the investment runs.

Significant positive impact

- **Transmission infrastructure -** by supplying electricity and heat to municipalities and cities in their area, local communities are directly beneficiaries of the quality and reliability of energy supply. The stability of energy supply is of key importance for the functioning of residents, local companies and public institutions. Cooperation with local authorities and public institutions is crucial for the implementation of infrastructure projects and the development of local energy strategies.
- **New investments** - GE's investments have a positive impact on local communities in many dimensions. Cooperation with local suppliers and subcontractors contributes to the increase in employment and the development of local markets. Revenues to local governments are fixed revenues allocated to the implementation of investments and activities for the benefit of local communities. Investment proposals and support programs can help communities grow and improve quality of life.
- **Residents of the entire area of the Energa Group's operations** – the Energa Group's activities as part of building social commitment are wide-ranging and concern various groups of the community. The Energa Group is involved in:

a. support for local initiatives, community integration, support for culture, sport and other social activities through CSR activities and sponsorship are an important element of building social involvement, enabling support for local sports teams, cultural institutions and educational organizations. As a result, the Energa Group promotes values such as physical activity, culture, education and environmental protection in the area of its direct business activities.

b. financing of local infrastructure: renovation of schools, day-care centres and public facilities that serve residents,

c. assistance in crisis situations: Energa offers financial and in-kind support to communities affected by natural disasters, such as assistance in reconstruction after floods,

d. conducting targeted programmes, including educational programmes, supporting specific needs reported by local communities or important to the Energa Group.

SIGNIFICANT RISKS AND OPPORTUNITIES RELATED TO LOCAL COMMUNITIES

The Energa Group identifies significant risks arising from impacts and dependencies related to local communities. Effective management of these relationships is crucial for operational stability and long-term development of the company.

1. Risk related to compensation claims of property owners - some investments require negotiations with landowners and local communities. There may be claims for damages resulting from interference with private property or restricted access to real estate, risks arising from adverse court judgments, protracted administrative processes and claims against property owners. In extreme cases, there may be a risk of disruption of the operation of generation and transmission facilities as a result of protests or downtime in ongoing investments.
2. Risk associated with compensation claims resulting from disruption of safety as a result of accidents, including damage suffered during violent weather events.

The risks identified by the Energa Group relate to local rural and urban communities due to potential social conflicts related to the location of energy projects (e.m.in. the issue of land and compensation for transmission easement). On the other hand, security risks relate primarily to people living in and staying in the vicinity of the Group's energy infrastructure.

The Energa Group's operations are not only related to single, sudden incidents, but result from the long-term impact of the energy infrastructure and its systemic impact on the environment. None of the Energa Group companies recorded any serious environmental disasters, such as spills of toxic substances that could directly threaten local communities. However, there may be technical incidents and conflicts arising from business relationships that require ongoing management and corrective actions.

GROUPS PARTICULARLY EXPOSED TO THE RISK OF INFLUENCE

The Energa Group understands that communities with special characteristics, such as residents of rural areas dependent on natural ecosystems or residents of urban areas in the vicinity of power installations, may be exposed to different types of risks resulting from their activities and investments. To assess this, before each project, the Group company conducts environmental, social and economic analyses that allow:

- Identify the most vulnerable groups (e.g. local farmers at risk of crop loss)
- understand the specificities of hazards (e.g. the impact of noise, pollution or landscape changes),
- conduct a dialogue with local stakeholders (e.g. cooperation with authorities, NGOs and residents).

A model example is the implementation of the CCGT Ostrołęka project, as part of which an analysis of the impact of the investment on human rights was carried out in the planning and implementation process, taking into account the impact on vulnerable groups. i.e. the unemployed, the elderly, refugees, people with disabilities, socially or digitally excluded people.

In addition, a Stakeholder Engagement Plan was developed for the investment, which defined an approach to communication with vulnerable groups (people socially excluded due to their competences, education, age, people who do not use the Internet and people with special needs in terms of communication and functioning), i.e. communication that takes into account social and digital competences and the resulting problems with acquiring knowledge technical and legal issues, emphasis on direct contacts and emphasizing the possibility of telephone contact.

Thanks to these measures, the Energa Group is able to better manage risk and implement measures to minimise the negative impacts, protecting the most vulnerable communities.

[S3-1]

POLICIES RELATED TO AFFECTED COMMUNITIES

The key document governing the Energa Group's cooperation with local communities is the **Energa Group's Relations Management Policy with Local Communities**.

The policy aims to build lasting, positive relationships with communities and prevent conflict and crisis situations. It is in line with the Energa Group's Sustainable Development Strategy 2024–2030. The Policy sets out the rules for cooperation with local communities, defines the roles and tasks of the Energa Group entities and the procedures for managing the risk related to social relations. Key activities include analysing the impact of projects on the community, identifying potential risks, and implementing preventive and mitigation mechanisms. Designated community coordinators are responsible for coordinating activities. By adhering to the policy, the Energa Group strives to build relationships based on partnership, honesty and trust, taking into account both social and economic aspects. In 2024, there were no significant changes to the Energa Group's Local Community Relations Management Policy.

The Energa Group's Local Community Relations Management Policy covers all Energa Group entities and regulates their relations with local communities in the areas of its operations. It concerns cooperation with residents, social organizations, institutions and local governments, as well as the entire value chain, taking into account business, investment and social aspects. The Management Board is responsible for the implementation of the Policy. At the Energa SA level, a coordinator for relations with local communities has been appointed, who is responsible for supervising the implementation of the policy and for coordinating activities undertaken for the benefit of local communities. If the Management Board of an Energa Group entity does not appoint a Local Community Coordinator, its duties are performed directly by the Management Board of the Energa Group entity. An important element of the policy is the establishment of a dedicated e-mail address, which will be the main point of contact for local communities and other stakeholders. Monitoring of the Energa Group's policy for managing relations with local communities includes an ongoing analysis of the impact of its activities on relations with residents and identification of potential risks. Energa Group entities are obliged to implement preventive measures and monitor them effectively, and if necessary, to take corrective actions.

This Policy refers to third-party standards and initiatives: General Recommendations on Managing Relations with Local Communities at an ORLEN Group Company, ORLEN Group Human Rights Protection Policy, ORLEN Group Code of Ethics, ORLEN Group Core Values: Responsibility, Development, People, Energy, Reliability, in certain cases, the policy provides for the possibility of obtaining an opinion or recommendation from the Director of the ORLEN External Relations Office, or Local Communities Ombudsman of ORLEN S.A. A summary of the Policy is available to stakeholders on the https://grupa.energa.pl/otoczenie website in the Sustainable Development tab. Stakeholder participation in the Energa Group 's Local Community Relations Management Policy covers residents, social organisations, institutions and local governments adjacent to the Group's infrastructure. The key role is played by Local Community Coordinators and, if no coordinators are appointed, by the Management Board of the Energa Group entity, who manage relations, analyse the impact of activities and identify risks. Energa Group entities are obliged to cooperate and engage in dialogue with communities, as well as to implement mechanisms to prevent conflicts and support sustainable development.

More on policies related to local communities in chapter S1, including those related to respect for human rights and compliance with international guidelines.

In line with its Human Rights Policy, the Energa Group is committed to respecting international guidelines such as the United Nations Guiding Principles on Business and Human Rights (UNGPs), the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises.

Key elements of these commitments and the mechanisms for their implementation include:

- With regard to local communities within the areas affected by the Energa Group's assets, respect for the human rights of local and Indigenous communities is a fundamental priority. This includes adherence to ILO Convention No. 169 concerning Indigenous and Tribal Peoples in Independent Countries.
- The Group undertakes actions to balance the impact of its business activities on local communities, recognising the distinct rights of Indigenous Peoples, with due consideration for their cultures, lifestyles, institutions, connection to land, and development aspirations. Energa Group engages in dialogue with local communities, implements development initiatives, and—where necessary—enters into cooperation agreements.

Energa Group confirms that its commitments as a participant in the UN Global Compact since 15 September 2014 are aligned with international standards, including the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

The Group has not recorded any cases of non-compliance with international standards concerning the protection of local communities' rights, either in its own operations or in its value chain. Moreover, it applies appropriate procedures to ensure an effective response in case of any potential violations.

[S3-2]

PROCESSES FOR ENGAGING WITH AFFECTED COMMUNITIES ABOUT IMPACTS

The Energa Group takes into account the views of local communities at every stage of its operations, striving to minimise inconvenience and build positive relationships with stakeholders. Public consultations, analysis of submitted feedback, and the implementation of mitigation measures help tailor activities and operations to the needs of residents.

The Group engages communities and their representatives by ensuring transparency and open dialogue. Particularly in the case of large-scale investments, regular stakeholder consultations are held to communicate planned actions (e.g. regarding land use – in dialogue with landowners). The cooperation process aimed at addressing the concerns and interests of groups affected by the company's operations also includes responses to community reports and protests, as well as negotiations, for example regarding the termination of transmission easement agreements or the payment of compensation.

For Energa Operator, cooperation with local communities and local government representatives is a key component in the implementation of projects, especially those focused on energy efficiency improvements and sustainable development.

As part of the SERENE and SUSTENANCE projects (more details in Section S3-4), meetings were held with local government representatives, officials, and members of the communities involved. These meetings were both informative and educational in nature.

During the implementation phase of investment projects, the Group carries out social communication activities to inform and involve local communities. In the case of the CCGT Ostrołęka investment, a dedicated website was launched, informational materials were prepared, and meetings were held with representatives of local authorities and residents. In addition, a Stakeholder Engagement Plan was developed for the project, outlining the communication approach for specific groups, including vulnerable and at-risk stakeholders. The plan includes:

- identification and profiling of stakeholders,
- analysis and assessment of stakeholders' impact on the project,
- assumptions for the stakeholder communication process,
- a communication action plan broken down by project phase,
- communication tools,
- procedures for lodging complaints,
- monitoring, evaluation, and reporting principles related to stakeholder engagement activities.

The Energa Group also maintains direct dialogue with affected communities through regular business meetings in its Sales Regions. Cooperation is conducted primarily at the level of:

- local authorities representing the interests of residents,
- sales managers and administrative staff operating within local government structures,
- local community leaders and organisations, through initiatives tailored to the specific needs of each community.

To ensure effective cooperation, strategic decisions are made by the Company's Management Board. Operational decisions are made by Department Directors and Heads of Organisational Units, while Project Managers and subject-matter experts provide expertise, manage projects, and monitor their effectiveness.

Although the Energa Group does not currently apply a formal performance measurement model, the effectiveness of cooperation with affected communities is assessed through ongoing monitoring of the results of social dialogue and relationships with partners, including trade unions. In addition, the Group evaluates the effectiveness of its engagement based on the outcomes and long-term impact of implemented social initiatives on local communities.

COOPERATION WITH OTHER ENTITIES CONNECTED TO LOCAL COMMUNITIES

The energa group also cooperates with organisations that maintain strong relationships with local communities and possess specialist expertise in specific areas — particularly in relation to the impact on local communities through environmental factors. These include the university of gdańsk development foundation (frug), the polish angling association, the małopolska ornithological society, and the polish society for the protection of birds. In collaboration with these entities, the group implements initiatives that support biodiversity conservation in response to the needs of local communities.

[S3-3]

PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR AFFECTED COMMUNITIES TO RAISE CONCERNS

The Energa Group applies a comprehensive approach to corrective measures, focusing on quick and effective response to failures and minimising their impact on local communities. The model of social relations and the processes of cooperation with groups affected by the negative effects of the investment are the basis for determining the necessary corrective actions. This process includes:

1. **Identifying the impact:**
   - Conducting environmental impact assessments (EIAs), e.g. environmental analyses to identify potential negative impacts, and collecting reports, e.g. on safety issues from local communities through consultations, face-to-face meetings or e-mail contact.
2. **Impact analysis:**
   - Use an integrated risk management system to prioritize threats and risks.
3. **Planning activities:**
   - Developing concrete social relations plans that set out compensatory measures (e.g. land reclamation, compensation payments), corrective actions and communication strategies with local stakeholders.
   - Include consultation with residents, property owners, local authorities and experts, as well as integrate the results into existing policies.
4. **Implementation of activities:**
   - Implementation of agreed measures, such as upgrading infrastructure to improve safety, measures to minimise the impact on land, such as wetting landfills, paying compensation to farmers or rehabilitating brownfield land.
5. **Monitoring and evaluation of effects and effectiveness:**
   - Regular reporting, collecting feedback from the community and verifying the effectiveness of the implemented actions, the effectiveness of corrective measures, which allows for possible corrections. Where necessary, external experts are involved to assess compliance with best practices and ensure their long-term effectiveness
   - The Energa Group has mechanisms in place to ensure that processes for remedying damage resulting from adverse impacts on communities are accessible and effective. This approach is based on the following elements:
6. **Transparent reporting and audits:**

- Regular publication of ESG reports and audits allows you to monitor the effectiveness of corrective actions and their compliance with international standards.

7. **Dedicated communication channels:**
   - Hotlines, online platforms and whistleblower protection mechanisms allow affected communities to report problems and incidents, allowing for a quick response.
8. **Regular consultations:**
   - Specialists responsible for the dialogue with stakeholders ensure that compensatory solutions and actions meet the needs of the affected groups.

Thanks to this approach, the Energa Group's recovery solutions are perceived as adequate and satisfactory by the communities, which is confirmed by regular consultations and reports on the measures implemented.

CHANNELS FOR REPORTING CONCERNS BY AFFECTED COMMUNITIES

The Energa Group has established and provides a variety of communication channels that enable communities to report problems directly. Depending on the segment of operations and individual Group Companies, the available communication tools and mechanisms include:

- the website of grupaenerga.pl and the websites of the Companies;
- traditional correspondence – a channel that allows anonymous reporting by post;
- electronic correspondence;
- Customer Service Offices - 65 local offices with direct service;
- hotlines and telephone contact;
- an online platform for customers, enabling ticket tracking and service management;
- social media;
- Regular surveys allow you to assess the quality of cooperation and identify areas for improvement.
- face-to-face meetings;
- A dedicated email address *spolecznosci.lokalne@energa.pl*.

The Energa Group supports the availability and effectiveness of communication channels through a variety of processes tailored to its relations with stakeholders. It regularly organizes consultations and meetings, both individual and group, enabling the exchange of information and electronic communication. In addition, it conducts public consultations, educational and social activities, e.m.in. through the Energa Foundation, and sponsors local events, as well as improves existing processes on an ongoing basis. Monitoring of requests and analysis of the level of satisfaction with their processing allow you to assess the effectiveness of processes. Through these activities, Energa builds trust and ensures transparency and availability of its structures in order to address the reported concerns and needs.

The Energa Group assesses whether the communities affected by its activities are aware of and trust the existing structures and processes through active dialogue and communication with stakeholders. Cooperation with local communities, organization of meetings, as well as information and educational activities enable the collection of opinions and adaptation of available mechanisms to the needs of the community. The Energa Group has implemented the Whistleblower Protection Policy at the Energa Group, which protects persons using reporting channels against retaliation.

In addition, the guarantees of protection for the public are a provision in the ORLEN Group's Human Rights Protection Policy, which guarantees the anonymity and safety of persons who report or disclose information on breaches, while committing to an effective and reliable remedial process and implementation of remedial measures.

[S3-4]

TAKING ACTION ON MATERIAL IMPACTS ON AFFECTED COMMUNITIES, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO AFFECTED COMMUNITIES, AND EFFECTIVENESS OF THOSE ACTIONS

Managing influence, both current and potential, is a priority task in an organization. The Energa Group is working to prevent and mitigate impacts that may have a negative impact on communities, as well as to promote activities that generate positive effects. With regard to material issues related to sustainable development, the Group takes action at a lower (operational decision) and higher (strategic decision) level of the organization. These activities are undertaken primarily in areas of direct impact, such as

areas adjacent to transmission lines and generation assets, and in the case of projects in the areas where the Energa Group operates.

All activities aimed at mitigating the negative impact are at the same time activities that contribute to mitigating the risks identified by the Group in connection with local communities.

IMPACT ON LAND

With regard to the impact on land, one of the measures to provide remedies is to provide financial compensation. The Energa Group regularly pays compensation, e.g. to farmers for unharvested crops in areas flooded as a result of hydroelectric power plant operations. Remedial measures include reasonable compensation for financial losses and compensatory measures such as improving the technical condition of the land. The Energa Group also conducts public consultations with residents to discuss problems arising from the company's operations and to develop solutions to minimise the negative impact, and to adapt its activities to the needs reported by communities, e.g. changing the schedule of activities affecting local communities. In the case of power projects, at the stage of design documentation, arrangements are made with plot owners and representatives of the local community (local government, commune head, mayor).

SAFETY IMPACT

In the context of **its impact on safety** , the Energa Group has in place monitoring systems and procedures for responding to security incidents, which include rapid response to crisis situations related to threats to the community, and has developed recovery plans after incidents such as infrastructure failures or abnormal emissions.

In addition, the Energa Group conducts regular consultations with residents on the security of industrial facilities in order to ensure that residents have access to information about potential threats and actions to minimise them. Support for the safety of local communities is carried out through activities such as:

- Supporting the safety of communities through infrastructure modernization - modernization of transmission lines and transformers to minimize the risk of failures that may affect local communities;
- Implementation of infrastructure projects, such as street lighting and illuminations, to improve public safety, especially in smaller towns.
- Cooperation with local services, e.g. fire brigades, police and other services to organize exercises and simulations aimed at preparing communities for crisis situations.

Electricity is a threat in itself, but the infrastructure of Energa Operator is constructed in such a way that the risk of negative impact is minimized, i.e. by:

- use of insulating materials,
- maintaining appropriate distances from the ground and other objects,
- appropriate marking of infrastructure elements,
- restricting access to infrastructure elements through barriers, fences, closures,
- There are also regulations and standards in place during construction to minimize risks.

Energa Operator makes every effort to minimise this risk. The company's representatives also undertake preventive and educational activities in this area. An example of their implementation is the program for students called Safe Land of Energa Operator.

Through these activities, the Group ensures that damage remediation processes are both accessible and effective, responding to the needs of communities in accordance with the principles of sustainable development.

IMPACT ON SECURITY THROUGH SUPPORT FOR ENERGY DEVELOPMENT

The development of energy technologies and legislative changes related to environmental protection and decarbonization contribute to the emergence of new forms of organization in the energy sector. One of the key trends is the development of energy communities that allow for more local, sustainable and efficient energy management. As the operator of the electricity distribution system, Energa Operator plays an important role in the energy transition and the development of local communities. Projects such as **SERENE** (*'Sustainable and integrated energy systems in local communities*') and **SUSTENANCE** *('Sustainable energy system for new carbon-neutral energy communities*') aim to support sustainable energy development by verifying the feasibility of new local energy communities that provide maximum effective use of electricity and heat at the place of its generation.

Energa Operator was the first in Poland to take up the challenge of working with a customer and helping them create a collective prosumer connected to the power grid, along with the entire existing infrastructure, such as photovoltaic panels, chargers for electric cars based on V2G technology and energy storage. The impact of the projects on local energy communities was multidimensional:

1. **Increasing the availability of renewable energy**: projects such as SERENE and SUSTENANCE support the development of infrastructure to enable the integration of renewable energy sources (RES) into the national energy system. This allows local communities to benefit from cleaner, greener energy, which has a positive impact on their development and the quality of life of their residents.
2. **Supporting innovation and new technologies:** projects promote the deployment of new technologies in the field of energy storage, electric car chargers and improving energy efficiency. Such innovations not only improve energy management at the local level, but also create new jobs and opportunities for local businesses to grow.
3. **Education and involvement of local communities:** Through the SERENE and SUSTENANCE projects, Energa Operator engages local communities in processes related to the energy transition through education on sustainable energy use and safe behaviour in the vicinity of energy infrastructure. Such activities raise environmental awareness and support the active participation of residents in creating a more sustainable energy future.
4. **Reducing CO2 emissions and improving air quality:** Through the integration of renewable energy sources and the development of smart grids, these projects contribute to reducing greenhouse gas emissions and improving air quality in local communities. This, in turn, has a positive impact on the health of residents and the fight against climate change.

By engaging in projects such as SERENE and SUSTENANCE, we achieve a broad positive impact on local communities, supporting both sustainable development and improving the quality of life of residents through access to cleaner energy, greater energy security and increased innovation.

CSR ACTIVITIES - BUILDING SOCIAL INVOLVEMENT OF LOCAL COMMUNITIES

One of the main pillars of the Energa Group's Sustainable Development Strategy for 2024-2030 is to shape a positive social impact. The support of local communities is reflected in the implementation of projects that cover the area of the Group's operations as well as the whole of Poland.

In 2024, activities for the benefit of local communities were carried out jointly by the Marketing Department, the ESG Department and the Energa Foundation – supervised by two members of the Management Board of Energa SA, the Energa Foundation and the Supervisory Boards, respectively. The scope of individual areas is regulated by the organizational regulations.

EDUCATION AND DEVELOPMENT OF SOCIAL AWARENESS

The Energa Group organises numerous educational programmes to raise environmental and energy awareness among local communities.

ENERGY PLANET

An original, nationwide educational programme of the Energa Group for students in grades 0-3, which has been engaging teachers, children and their families since 2010. So far, about 312 thousand children and 7 thousand teachers have taken part in the campaign. Thanks to the materials made available on the PlanetaEnergii.pl, children will learn m.in the rules of safe use of electrical devices and behaviour around energy facilities, gain knowledge about waste segregation, resource conservation and discover their impact on nature and biodiversity. By providing teachers with expert materials and lesson plans, children can participate in lessons that expand knowledge and instill good habits. The program not only imparts knowledge, but also shapes good habits through practical activities. It encourages us to go beyond the classic teaching patterns and shows how fascinating and valuable the natural world is. The 13th edition of the program was attended by over 12 thousand students from 640 classes from all over Polish. The program abounded in competitions, workshops, biodiversity picnics and local educational projects that made participants aware that even the smallest communities can have a real impact on environmental protection. With the support of ambassadors: Marzena Rogalska, Katarzyna Stoparczyk, Krzysztof Konieczny and Aneta Chmielińska, attention was paid to the protection of forest ecosystems. The participants undertook joint activities for the benefit of nature, involving school and local communities. 100 awarded institutions received rich packages to support biodiversity, nature picnics were organized in the top 3 schools and funds were donated to set up their own ecological gardens.

HOUSES OF GOOD ENERGY

This social programme of Energa SA is implemented in cooperation with Energa Obrót and the Energa Foundation. It is directed at care and educational institutions located mainly within Energa's business operations area. Through the implementation of energy transformation projects at these facilities, the institutions reduce their direct environmental impact and lower operational costs, allowing them to allocate the resulting savings to the needs of their residents. In addition to the installation of renewable energy solutions, the programme also includes a wide range of educational and respite activities, with the active involvement of employee volunteers. As part of the Group's corporate social responsibility, four editions of the programme have been carried out to date. Photovoltaic panels with a total capacity of 297.68 kW have been installed on the rooftops of 27 care and educational institutions located in eight provinces in Poland and one location abroad. Beginning in 2024, the programme also includes the installation of energy storage systems with a total capacity of 30 kWh. The initiative supports nearly 600 children in Poland and 1,000 children in Africa. In 2024, two editions of environmental education were organised for children from Łasin and Człuchów, along with two respite stays for children from Tuchom, Gostków and Lidzbark. Holiday campaigns were also held for all ten participating institutions in that year, including the delivery of 160 gift packages from employees and the organisation of Christmas workshops in Rumia, Toruń and Golub-Dobrzyń.

CHRISTMAS CAMPAIGN - GOOD ENERGY PACKAGES

160 Christmas packages funded by Energa employees and group packages, sweet gifts, as well as Christmas workshop meetings - these are the activities of the annual Good Energy Package campaign carried out for the benefit of new charges of the Good Energy program. Beautifully wrapped gifts go to new care and educational facilities, which the Group has provided with its program care. Each package is prepared according to the wish list previously prepared by the children - both individual and group gifts. The Good Energy Parcels campaign is attended by volunteers from various Energa Group companies, who also organise Christmas art workshops, during which they decorate homes before Christmas with their children.

PLANTINGS AND ECOLOGICAL WORKSHOPS

Activities combined with employee volunteering as part of the 'We Care for the Earth' project were carried out in cooperation with the social start-up Dotlenieni.org and the ORLEN Foundation. This is another initiative aimed at counteracting environmental degradation related to climate change and soil drying. The "We Care for the Earth" project also involves the charges of care facilities. The action was also accompanied by ecological workshops, thanks to which the youngest could learn the secrets of their gardens and understand the importance of taking care of the greenery around us. During the workshops, the children plant trees, shrubs, and build nesting boxes for birds and insect houses, which, when hung in children's homes, will attract new residents. The children broadened their knowledge with information about their individual species, occurrence and habits.

SHINE WITH ENERGY

The program supports integration and social involvement, local patriotism, and promotes energy efficiency. In a nationwide plebiscite, residents and supporters vote for the towns with the most beautiful light decorations, and charitable support goes to the awarded places. In the 2024/2025 edition, 345 cities took part in the competition, of which Skoczów won, receiving household appliances worth PLN 60 thousand. In total, families and various aid facilities from 16 awarded cities from all over Polish will receive support worth over PLN 200 thousand. The programme improves the living conditions of beneficiaries and builds a positive image of Energa. Thanks to the campaign, the aid has already reached hundreds of places supporting those in need throughout the country. The allocation of prizes takes place in dialogue with stakeholders, in cooperation with local MOPS and MOPRs, which buy household appliances and donate them to those in need.

PROMOTING PHYSICAL ACTIVITY AND HEALTHY LIFESTYLES

ENERGY TEAM

It is a program that promotes physical activity among children and young people by organizing sports competitions and equipping schools with sports equipment. In 2024, 319 schools from all over Polish participated in the program, including 181 schools participating for the first time and 138 institutions that have been regularly participating in the initiative for several years. The winners were the schools that were able to engage the highest percentage of students in grades 4-7 among all school youth to perform the tasks prepared by the ambassadors. They had to prove their result by sending videos of the students practicing. In total, over 121,000 exercises were performed and over 5,700 videos were recorded, on the basis of which the jury selected the winners. During the grand finale, young people could try various sports disciplines and take part in classes with outstanding athletes such as Anna Rogowska, Paweł Tarnowski, Jan Tatarowicz and Przemysław Świercz. School teams, consisting of 10 girls and 10 boys, competed for the Cup of Team Energy and the title of the best team in Poland. Each participant received a gift, and the most committed students from each team were additionally awarded individual prizes. The schools that were among the winners also received cheques worth PLN 15,000 for the purchase of sports equipment for their gyms.

ACTIVE CHARITY

It is a program of public group volunteering, which promotes physical activity among all age groups for charitable purposes. The initiative has been implemented continuously since 2014 by Energa SA and the Energa Foundation. It is addressed to the Group's employees, their families, acquaintances and friends, and all interested parties who, taking care of their health, support those most in need. The assumption of the campaign is activity in any form, and each kilometer traveled is added to the common pool of kilometers of program participants. If the participants manage to exceed the assumed mileage limit within a specified period of time, the funds will be transferred by the Energa Foundation to selected beneficiaries for the indicated purpose. Participants of the programme have the opportunity to indicate a beneficiary, which gives them the opportunity to look at social needs in their immediate vicinity and a sense of agency, because together these needs can be addressed.

In the 11 editions of the program so far, 4,068 participants have covered a total of over 4 million km. The kilometers were converted into real aid in the amount of PLN 2.58 million for 134 facilities - a total of over 6 thousand people.

In this year's 11th edition of the program, 716 participants covered a total of 515,444 km, thanks to which the full amount of PLN 250,000 went to those in need.

OTHER INITIATIVES

The Energa Group also conducts additional initiatives to ensure a positive impact on local communities, i.e.:

- Promoting sustainable management of land and natural resources through information campaigns and cooperation with local organizations and support for local initiatives for environmental protection;
- Cooperation with the Foundation for the Development of the University of Gdańsk (FRUG) on the "Direction Baltic" project aimed at protecting the marine environment;
- Organization of workshops for local communities, explaining the principles of safe use of electrical installations and responding to hazards.
- Financing of local infrastructure: renovation of schools, day-care centres and public facilities that serve residents;
- Emergency assistance: financial and in-kind support for communities affected by natural disasters, such as assistance in reconstruction after flooding;
- Activities for groups at risk of exclusion, e.g. integration of seniors and children through the "Energy of Integration" program;

SPONSORSHIP ACTIVITIES

Sponsorship activities are carried out in the following areas:

- **SPORT** – sponsorship of sports associations, leagues and professional teams, as well as projects (including mass events) of a national or transnational nature or of particular importance for a given region, city or local community.
- **CULTURE** – sponsorship of cultural initiatives and events of a nationwide nature or important for the local community, as well as patronage of cultural facilities.
- **SOCIAL PROJECTS** – as part of our sponsorship activities, we also cooperate in social projects that are not 100% commercial, including business and industry events of a local nature.

In 2024, the following were completed in total:

124 sponsorship agreements, including **75** of a social nature, where the number of direct beneficiaries is over **322 thousand people,**

23 volunteering activities initiated by Energa Group employees, where a total of 570 volunteers supported 2,074 beneficiaries and 5 activities for the benefit of the environment were carried out together,

5 nationwide social programmes implemented on their own initiative, taking advantage of the synergy of marketing activities and cooperation between the Energa Group companies and the Energa Foundation:

Houses of Good Energy – 4th edition, 10 care and educational facilities – a total of 262 beneficiaries.

Active Charity – 11th edition, a total of 716 volunteers will support 10 social entities from all over Polish,

Planet of Energy - 13th edition, 640 schools, active participation of about 12 thousand students in grades 0-3,

Shine with Energa - 15th edition, active participation of 345 cities, aid went to families and aid facilities from 16 awarded cities from all over Polish,

Team Energy – 7th edition, 181 schools, active participation of students in grades 4-7.

EMPLOYEE VOLUNTEERING BY ENERGA EMPLOYEES

- **23** volunteer projects were submitted and carried out by employees of the Energa Group in 2024.
- A total of **570 volunteers were involved in the action**.
- They devoted over 2,154 hours **to selfless work for the benefit of those in need**, supporting a total of **2,074 beneficiaries**.

The group of beneficiaries supported by our volunteers included children, seniors and people with disabilities. The employees visited single mothers' homes, orphanages, hospices, community centers and animal shelters. The Energa Group organises volunteering activities in cooperation with and under the supervision of the ORLEN Foundation, which has been developing the Employee Volunteering Programme for nearly six years. Volunteering is carried out with the support of volunteering ambassadors in the Group's companies.

DIRECTIONS OF ACTIVITIES

In the case of activities related to building social involvement, the Energa Group engages in activities in the area of business impact, taking into account the Group's development, investment and strategic directions. The plans were recorded in the sponsorship and marketing plan being implemented. It also sets out overarching quality objectives with the participation of the affected communities.

In the implemented social programs, the assumptions for increasing the positive impact on affected communities were presented in the process of operationalization of the sustainable development strategy through the setting of individual project goals and milestones.

Within the scope of the sponsorship agreements implemented, the applicant each time refers to the sustainable development goals that the project implements. It is the employer who identifies the needs of the environment and makes a specific request for sponsorship/social support. Regardless of the type of support provided, the provisions of the contract regulate how the progress of work and the achievement of the assumed goals are expected, as well as what regular contact and all arrangements/requests look like. The evaluation of the assumptions of cooperation takes place both during the summary of a given implementation and when requesting continuation, during negotiations.

In the case of social programs, the areas for possible development are discussed each time with the participants/co-organizers of the projects.

In 2024, the following specific objectives related to CSR activities were pursued:

- support for local communities in places where they do business, with particular emphasis on areas covered by the ORLEN Group's projects;
- presence in local communities.

MONITORING THE EFFECTIVENESS OF ACTIVITIES

The Energa Group monitors the effectiveness of its actions through audits, environmental monitoring, public consultations, and data analysis. This enables the organisation to implement improvements and adapt its actions to the needs of local communities as well as to corporate objectives. Ongoing monitoring of the progress of social projects and sponsorship agreements is conducted via phone contact, on-site visits, the organisation of joint initiatives for local communities, and the verification of project assumptions with the involvement of participants. In addition, the progress of individual projects—and consequently, the situation of beneficiaries—is monitored through regular reporting, conducted in accordance with a standardised template defined in the agreement. The Group has not recorded any reported incidents of human rights violations in connection with its interactions with affected communities.

RESOURCES

The social objectives are pursued on the basis of an appropriately designed structure for managing the Energa Group's social area. The central place is occupied by the ESG Department (from 1 February 2025, the Sustainability Office), reporting directly to the President of the Management Board. The Office's competence includes defining the rules and guidelines for managing the social area at the Energa Group and coordinating the aggregation of information related to it. As part of its competences, the ESG Department also supervises all activities of the Energa Group in the social area, the ENERGA Foundation, and the Group's companies. As of 1 February 2025, the CSR area has been separated from the Marketing Department and operates as an independent Department of Social Projects and CSR, directly reporting to the Vice-President of the Management Board.

The tasks of the Social Projects and CSR Department include, in particular, planning, implementation and coordination of corporate social responsibility activities at Energa SA, development of plans for the Company's CSR activities, organisation and implementation of the Company's CSR programmes and projects, coordination of the process of preparation, implementation and settlement of CSR contracts, reporting on CSR activities (register of contracts and reports on the implementation of contracts), taking actions to support the implementation of the sustainable development goals set out in the 2030 Agenda and the Sustainable Development Strategy of the Energa Group, in cooperation with the Sustainable Development Office and the Marketing Department. The Energa Group also has local community coordinators, appointed in accordance with the Local Community Relations Management Policy. The Coordinators are responsible for maintaining ongoing relations and conducting dialogue with stakeholder groups in the Group's environment, as well as for supporting investment and operation processes, with particular emphasis on social aspects

[S3-5]

TARGETS RELATED TO LOCAL COMMUNITIES

The Energa Group does not currently set quantitative targets for managing material impacts and risks related to land use and safety in the context of affected communities. These activities are closely linked to the Group's investment and modernisation plans, where the overarching objective is to ensure the quality and reliability of energy supply, while respecting the rights of local communities. The Group plans to develop a process for defining such targets, including the active involvement of affected communities. At present, Energa is focusing on assessing the feasibility of setting measurable goals by collecting relevant data and evaluating existing practices to ensure that future objectives are both effective and clearly communicated.

[S4] CONSUMERS AND END-USERS

INTERESTS AND VIEWS OF STAKEHOLDERS

The interests of energa group's customers and end users are at the core of the group's focus due to the nature of its business activities. Relationships with consumers and end users are key to building a long-term development strategy and shape a business model aimed at delivering high-quality service, building trust, and fostering customer and end-user loyalty. Consumer feedback and needs influence the development and adaptation of the product offering, as well as the optimization of service

[S4.SBM-3]

MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODE

CUSTOMERS AND END USERS OF THE ENERGA GROUP

The interests of the Energa Group's customers and end-users are a central focus of the Group, given the nature of its operations. Interactions with consumers and end-users fall within two distinct business processes. A distinction is made between customers and end-users of:

- electricity distribution, provided by the Distribution Business Line through Energa Operator,
- electricity sales, handled by the Sales Business Line through Energa Obrót.

These two independent areas are associated with separate impacts, risks, and opportunities due to the specific nature of the services provided by the respective companies within the Energa Group.

CONSUMERS AND END-USERS OF THE ELECTRICITY DISTRIBUTION SERVICE – PRIORITISING POWER SUPPLY QUALITY AND RELIABILITY

Energa-Operator is a Distribution System Operator (DSO), which is required by its concession for the distribution of electricity, to develop, operate and upgrade the distribution infrastructure within the area where it operates, so as to provide customers connected to the network with electricity having suitable quality parameters. Transmission infrastructure consists of distribution lines, transformer stations and metering equipment, among many other devices. The company operates over an area covering **24% of the country's** territory and ensures continuous, secure and uninterrupted supply of electricity to more than **3,4 m** customers in northern and central Poland, regardless of which company actually sells the electricity.

Our commitment to quality and reliability of supply means continuous investing in infrastructure with a view to strengthening the resilience and stability of supply, which translates into our very good performance in terms of continuity of electricity supply to customers (SAIDI/SAIFI). In addition to ensuring security of supply, Energa-Operator is obliged to apply a compliance programme, which requires non-discriminatory and equal treatment of users and potential users of the system. Furthermore, the company ensures rapid response to reported outage/failures by providing a 24-hour emergency hotline and an online feature for reporting outage.

CONSUMERS AND END-SUERS OF ELECTRICITY SALES SERVICE

Energa-Obrót is a company responsible for the sale of electricity and additional services (such as photovoltaic installations, electric vehicle charging stations, and heat pumps), offered both as standalone products and as part of bundled packages to all customer segments – from industrial clients, through large, medium, and small businesses, to individual households.

As of the end of 2024, the company served over 3.3 million customers, including approximately 3.1 million clients under the G tariff – dedicated to households. As part of its operations, Energa-Obrót ensures access to and transparency of information through responsible customer communication and marketing practices. Key outcomes include the incorporation of customer expectations – identified through satisfaction surveys – into the products and services offered, the creation of clear terms and conditions for offers, contracts, and invoices, as well as the resolution of complaints and grievances. The company has clearly defined procedures for handling customer complaints and claims.

It also takes care to protect customer privacy by implementing data protection controls and reporting personal data security incidents to the relevant authorities.

MATERIAL IMPACTS RELATED TO CONSUMERS AND END-USERS

Energa Group customers do not use products that are inherently harmful, nor services that may violate their rights to privacy, freedom of expression and non-discrimination, are dependent on accurate and accessible product- or service- related information, and are not particularly vulnerable to impacts from marketing and sales strategies;

The Energa Group does not carry out activities that would seek to discriminate against consumers, and any citizen of legal age who enjoys full rights can contract electricity services from the Group. The Group operates in compliance with applicable laws, including those relating to personal data protection and the Compliance Program (Energa-Operator). Data Protection Impact Assessments (DPIAs) are conducted in cases that may involve material impacts on data subjects' privacy. All processes are handled with respect for privacy, and personal data is processed only to the extent necessary to achieve specific purposes, as per the 'privacy by design' and 'privacy by default' principles.

Energa Group and its companies: Energa-Operator and Energa-Obrót serve different types of consumers and end-users, who can be affected by material impacts generated by the company's own operations and by the value chain

MATERIAL NEGATIVE IMPACTS

In terms of actual and potential negative impacts, Energa Group identifies systemic and incidental impacts:

- Privacy of consumers and end-users - companies with large customer bases are particularly vulnerable to cyberattack incidents, which may affect the privacy of consumers and end-users through the risk of data breaches in accordance with data protection criteria (e.g., RODO),

- Access to quality information - the energy industry has its own peculiarities expressed, among other things, through the construction of tariffs, which must contain certain elements (including - statutory, e.g., power fee), these provisions are often intricate and complicated for many customers, causing difficulty in understanding, interpreting the components of contracts, invoices.

- Personal safety - as a result of network failures, e.g. weather-related, there may be a lack of energy supply and consequently, e.g. no, power supply to essential appliances, heating, lighting, which may pose a threat to the safety of consumers, especially in hospitals, nursing homes or among those dependent on medical devices.

- Access to products and services - the level of prices for energy and energy carriers is independent of the Energa Group, but this can lead to the problem of energy poverty and disconnections resulting from unpaid dues.

  Appropriate marketing practices - the primary goal of marketing is to increase sales, a golden mean is needed in this aspect between encouraging the use of products, i.e. electricity or peri-energy products, and the requirements of sustainability. The design of the offer due to the intricacy of the components, the specifics of the industry - can be incomprehensible to the potential customer and make it difficult to compare.

ACTIONS THAT ADVANCE POSITIVE IMPACTS ON CONSUMERS AND END-USERS

In order to enhance and strengthen positive impacts, the Energa Group entities engage in a wide range of initiatives and actions.

POSITIVE IMPACTS – SPECIFIC TO ELECTRICITY DISTRIBUTION SERVICE:

- Ensuring occupational safety and personal safety of consumers by investing in energy supply quality and reliability, for example in grid upgrades and expansion and in rapid-response systems (24-hour emergency hotline, online notification of outage).
- Commitment to protection of children – this is pursued through 'Safe Land of Energa-Operator' programme, which teaches children how to behave near live power infrastructure and how to safely use electrical equipment.

POSITIVE IMPACT – SPECIFIC TO THE ELECTRICITY SALE SERVICE AND OTHER PRODUCTS:

- Responsible marketing practices – promoting sustainable products and services, including sale of RES-based electricity, and educating customers about the environmental impacts behind their choices and the benefits of green solutions.

POSITIVE IMPACT – COMMON TO THE DISTRIBUTION AND SALES BUSINESS LINES

- **Personal Data Security** – a high level of safeguards ensures the protection of personal data privacy and its processing in accordance with the information clause and applicable regulations, appropriate to the nature of the cooperation. The Group adheres to the highest standards of personal data and privacy protection.
- **Care for Freedom of Expression and High-Quality Information** – ensuring customers have access to diverse contact and customer service channels, such as a helpline, Customer Service Office, online forms, as well as regularly updated website content and informational materials. These channels enable open communication with the Group, the submission of inquiries, complaints, and claims. In efforts to improve the provision of distribution services, the guiding principle is to make it as convenient as possible for consumers to exercise their rights. At Energa Obrót, the *Prościej* ("Simpler") project has been implemented, which involves using plain language in communication with customers. This significantly contributes to improving the quality of information, including contract content and general terms and conditions.
- **Non-discrimination and Equal Access to Products and Services** – with regard to distribution services, in accordance with the provisions of the energy law act of 10 april 1997 (journal of laws of 2024, item 266, as amended) – article 9c(3), the distribution system operator (dso) is obligated to apply objective and transparent principles that ensure equal treatment of system users. Therefore, energa operator does not segment its customers and provides the same electricity distribution services regardless of the type or location of the customer's connection.

MATERIAL RISKS AND OPPORTUNITIES

The Energa Group monitors risks and opportunities related to its impact on consumers, arising from both operational activities and business relationships of its companies. This enables the implementation of measures aimed at minimizing negative impacts while leveraging opportunities to build a positive corporate image. As part of the Integrated Risk Management System, annual reviews are conducted to assess identified consumer-related risks.

- **Risk of business continuity disruption (distribution)** – related to the personal safety of consumers, which may pose threats to life and property. The potential for power outages may lead to financial penalties imposed by the President of the Energy Regulatory Office (URE) for failure to meet required quality indicators.
- **Risk related to ensuring privacy and personal data protection (distribution and sales)** – in the event of data breaches, supervisory authorities may impose significant financial penalties and enforce corrective measures (e.g. warnings, reprimands, orders to modify data processing operations). On the other hand, effective data protection management supports the Group's positive image, enhances customer trust, and attracts new clients, which can have a favorable impact on financial performance.
- **Risk of breaching the principle of equal treatment (sales and distribution) –** associated with proceedings conducted by the Energy Regulatory Office in cases of violation of equal treatment of system users.
- **Risk related to marketing practices (sales**) – includes potential consumer dissatisfaction, costs of legal proceedings, financial penalties resulting from court rulings and administrative decisions, as well as ineffective handling of consumer inquiries**.**

Risk mitigation measures contribute to improved service quality and consumer safety, and also serve as mechanisms for identifying and managing risk (e.g. related to distribution network failures or data breaches), while creating opportunities to strengthen customer relations and minimize the adverse impacts of operational activities.

KEY OPPORTUNITIES:

- Opportunities related to the expansion of smart grids and the connection of new consumers and producers, made possible by the use of additional non-repayable financial resources from european funds and national public funding.

- Opportunities stemming from marketing activities – increased revenues and gaining a competitive edge through the use of responsible marketing practices.

Taking advantage of opportunities related to consumer influence presents a chance for the group's continued growth and for strengthening the positive impact of energa group's services on its customers

CONSUMERS AND END-USERS WITH SPECIFIC CHARACTERISTICS

Given the technical nature of the distribution network operation, the provision of services is standardised for all customers. The risks apply to the entire consumer base and are not specific to any particular group (e.g., distinguished by age or other criteria). The Energa Group has not identified any risks or opportunities specific to a group of consumers; all operational and regulatory issues are relevant to the entire consumer base. Energa-Operator applies objective and transparent principles that guarantee equal treatment of customers, and the distribution services provided are identical for all electricity buyers, regardless of the type or location of connection.

Nevertheless, certain groups of consumers may be particularly exposed to negative impacts of distribution network failures, which includes inter alia 'vulnerable customers' and people with respiratory problems, who benefit from statutory immunity against cut-off for failure to pay their electricity bills.

The shielding mechanisms enable consumers who have successfully requested such immunity (through an online form, by mail, or in a Customer Service Office) to benefit from additional safeguards. In addition, the Energa-Operator's Compliance Programme ensures standardised and non-discriminatory treatment of all users based on standard contracts, notifications and complaints handling procedures, and equal access to all interaction channels. In the event of underperformance of the distribution network, customers may seek a discount. Analysis of paid discounts is one of the factors taken into account when planning network upgrades to improve reliability. Based on this, the Energa Group systematically monitors whether consumers are exposed to increased risk of adverse impacts, which significantly helps it plan measures to improve the reliability of the distribution network.

Those at risk of energy poverty are another group of customers vulnerable to negative systemic impacts. Prices of electricity and energy commodities are beyond the Group's control, but may lead to energy poverty and cause customers to be cut off for unpaid bills; The Distribution System Operator is bound by the rates in the tariff of Energa-Operator S.A., which is approved by the President of the Energy Regulatory Office (President of ERO). The document specifies the tariff rates and electricity distribution settlement (billing) rules and describes other tariff activities carried out by the company.

In 2023, Energa Group launched work on harmonised measures against energy poverty. The analysis of the scale and characteristics of the problem has translated into work on dedicated solutions for those social groups that, in addition to being vulnerable consumers, are also in need of a special approach, as recommended by EU regulations and the Energy Poverty Advisory Hub (EPAH). The work is under way.

[S4-1]

POLICIES RELATED TO CONSUMERS AND END-USERS

The Energa Group has policies and procedures in place that set forth rules of conduct in interactions with consumers. Details of the policies are described in the table on the next page. They policies are as follows:

- Energa Group Code of Ethics (for more see Section S1, G1)
- Energa Group Human Rights Protection Policy (for more see Section S1)
- Energa Group Personal Data Security Policy
- Compliance Programme (applicable to Energa-Operator)
- Books of standards for individual sales and service channels (Energa Obrót)
- Code of Good Practice for Sellers of Electricity and Gaseous Fuels of the Association of Energy Trading (Energa Obrót)
- Principles of supervision and coordination of the customer service process in the Energa Group
- Energa Group Marketing Policy
- Traffic and Distribution Grid Operation Manual
- Information Exchange Standards
- Tariff of Energa-Operator S.A.
- Energa-Operator Code of Good Customer Service Practices

- Code of Good Practices for Electricity Distribution System Operators.

Company boards are responsible for overseeing the implementation and execution of the above policies and other bylaws.

The Group does not segment customers in pursuing its impacts, risks and opportunities management policies. The policy covers all consumers and is the foundation of the Energa Group's activities vis-a-vis them.

CONSUMERS AND END-USERS AND HUMAN RIGHTS

In the Energa Group, the protection of human rights, including consumer rights, is pursued under the Energa Group Human Rights Protection Policy. The policy lays a foundation for commitments to all stakeholders, including consumers. Energa Group operates its business in a way that respects human rights and does not affect them in any respect. In its interactions with consumers, the Group is guided by the principles of equal treatment, transparency and fairness. The Energa Group sees to it that its services and operational processes do not infringe on customers' fundamental rights and freedoms, providing them with safe and fair access to its service offering.

If potential or actual negative impacts of activity are identified, the Energa Group takes appropriate measures to eliminate or minimise them, while allowing any incompliance to be remedied. In addition, the Group promotes high human rights protection standards among its business partners and other parties that communicate with customers, which ensures consistent application of the rules at all levels of operations. The Energa Group ensures that its consumer-oriented policies comply with international standards, including the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises.

In fulfillment of its statutory obligations, Energa Obrót provides comprehensive energy services on an equal treatment basis, which comprises, among other things, providing customers with documents detailing their rights and obligations, billing rules, terms and conditions for concluding and terminating contracts, and means of filing complaints. In addition, Energa-Obrót provides free contact channels (sales outlets, electronic customer service desk, chat, mobile app) for obtaining additional information and raising complaints, and employs dispute resolution mechanisms, including procedures conducted by the Coordinator for Negotiations appointed by the relevant regulatory authorities. As a result of the violation monitoring mechanisms in place, the Energa Group did not record any infringements on the human rights of consumers and end-users.

Polityka	Cel	Zakres i dostępność	Mechanizmy monitorowania
Personal Data Security Policy	The purpose of the policy is to ensure that Energa Group companies comply with their obligations regarding the processing of personal data of individuals, as per applicable laws. The Policy is based on Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC, and on the Polish Personal Data Protection Act of 10 May 2018, as amended.	As is required by the law, the Policy does not differentiate between different categories of stakeholders and applies the same rights, obligations and opportunities to everyone. The policy has been put in place to facilitate practical fulfilment of the legislative requirements in the course of the Group's operations. The policy is not disclosed to customers, but only to employees as guidance on how to ensure compliance, inter alia with data privacy laws in specific cases. Policy-based contents that are communicated to customers and end-users take the form of information clauses or notices.	Company bylaws derived from the Policy are monitored through annual reviews of personal data protection risks and internal and external audits and controls.
Compliance Programme	Energa-Operator's Compliance Programme, which is approved by the President of the Energy Regulatory Authority, requires the company to afford non-discriminatory and equal treatment to users and potential users of the power system.	The programme defines conduct vis-a-vis all system users, including consumers, with no exceptions. Required by the Energy Law, it is communicated to customers via Energa-Operator S.A.'s website, with company employees obliged to adhere to its provisions, which have the status of a company bylaw.	Adherence to the Compliance Programme is monitored by the Compliance Officer, who collects information provided by company employees on an ongoing basis and information reported by the organisational units of the company's Headquarters and Branches on an annual basis. Each year, the Compliance Officer prepares a report on the implementation of the Programme in the previous year, which is presented to the Management Board of Energa-Operator S.A. and forwarded the President of the Energy Regulatory Authority by the end of March each year.
Code of Good Practice for Sellers of Electricity and Gaseous Fuels of the Association of Energy Trading	The purpose of the Code is to compile a catalogue of activities of reliable sellers of electricity and gaseous fuels in their interactions with consumers.	The Good Practices contain wording required by mandatory provisions of law and set out additional practices aimed at protecting customers' interests. When interacting with customers, energy companies are obliged to exercise due diligence appropriate to a professional, observe good morals, and comply with the law. The Good Practices describe the process whereby contracts are to be concluded, amended, and terminated, their scope and form, address customer service issues, and explain how notifications, complaints and grievances are to be received. The Good Practices apply to interactions with households as consumers/end-users.	Energa Obrót holds a certificate issued by the Society of Energy Trading, which confirms that it has signed the Code of Good Practices and passed the verification audit on 5 and 6 December 2024.

PROCESSES FOR ENGAGING WITH CONSUMERS AND END-USERS ABOUT IMPACTS

FORMS OF ENGAGEMENT WITH CUSTOMERS IN THE DISTRIBUTION BUSINESS LINE

The Distribution Business Line (Energa-Operator) engages with customers on an ongoing basis with a view to continuously improve customer service, which is of crucial importance. Energa-Operator provides 24/7 contact channels for reporting failures or outages – 991 emergency hotline, SMS, online outage/failure reporting form. In addition, its website provides an outage map, where ongoing scheduled and emergency outages are charted. Customers can talk to a consultant fact to face in a Customer Service Office or a Connection Service Point (operated by each branch), contact the Distribution Hotline at 801-404-404, use traditional mail, electronic mail, or an online form. The company provides access to interaction channels for all customer groups. Energa-Operator strives to handle customers' matters during the first interaction so as to ensure the greatest possible convenience. System changes are effected towards increased customer service automation, which reduces the time a customer waits for an answer or information.

Energa-Operator works to raise customers' awareness by making information materials available on its website and preparing information handouts available at Customer Service Offices. It updates and revises information in correspondence to market, regulatory and legislative developments.

The process named 'Handling customer requests in the distribution and emergency areas' includes a procedure for assessing the quality of responses to customer reports and complaints. Randomly selected requests/notifications or complaints are reviewed every month. The findings of these surveys are helpful in improving customer service and in addressing their service-related expectations. Verifying the quality of work of the Power Outage Reporting Hotline is another operational activity pursued on a continuous basis, which is done by listening to randomly selected calls and holding weekly operational meetings where remedial actions are agreed and effected right away. The main engagement channels are as follows:

- Power Outage Reporting Hotline (Telefoniczne Centrum Zgłoszeniowe) – a 24/7 emergency line,
- online failure notification feature,
- Customer Service Offices and Connection Service Points,
- information and educational campaigns,
- innovative community engagement projects, i.e. OneNet, Serene, and Sustenance,
- indirectly through the Energy Regulatory Office (URE) and the Office of Competition and Consumer Protection (UOKiK).

On-going monitoring of the number and type of reported concerns translates into corrective processes – legitimate concerns (warranted complaints) are addressed in the curricula of internal employee training through the revision or rewording of internal and external documents/information materials. Changes are prepared for implementation from the moment the complaint is considered warranted or in the near future, and are effected through the adoption of new document forms for use/company bylaws and/or revisions of existing documents.

The effects of engagement with consumers and end-users translate into:

- better customer service,
- addressing customers' service-related expectations,
- revision of internal and external documents,
- training of employees in the services they provide,
- enhancing interaction channels (face-to-face, electronic and telephone).

In keeping with legislative requirements, the Group prepares a development plan for the coming years, which is approved by the President of the Energy Regulatory Authority. Since the beginning of 2025, the process has comprised public consultations, which will increase transparency and enable broader stakeholder participation in giving shape to the Group's strategy.

Operational interaction with customers through the Hotline and online outage/failure reporting feature fall into the responsibility of the Distribution Department – Operator's Services Office, while the operation of Customer Service Offices and Connection Service Points is managed and overseen by the Distribution Services Department.

FORMS OF ENGAGEMENT WITH CUSTOMERS IN THE SALES BUSINESS LINE

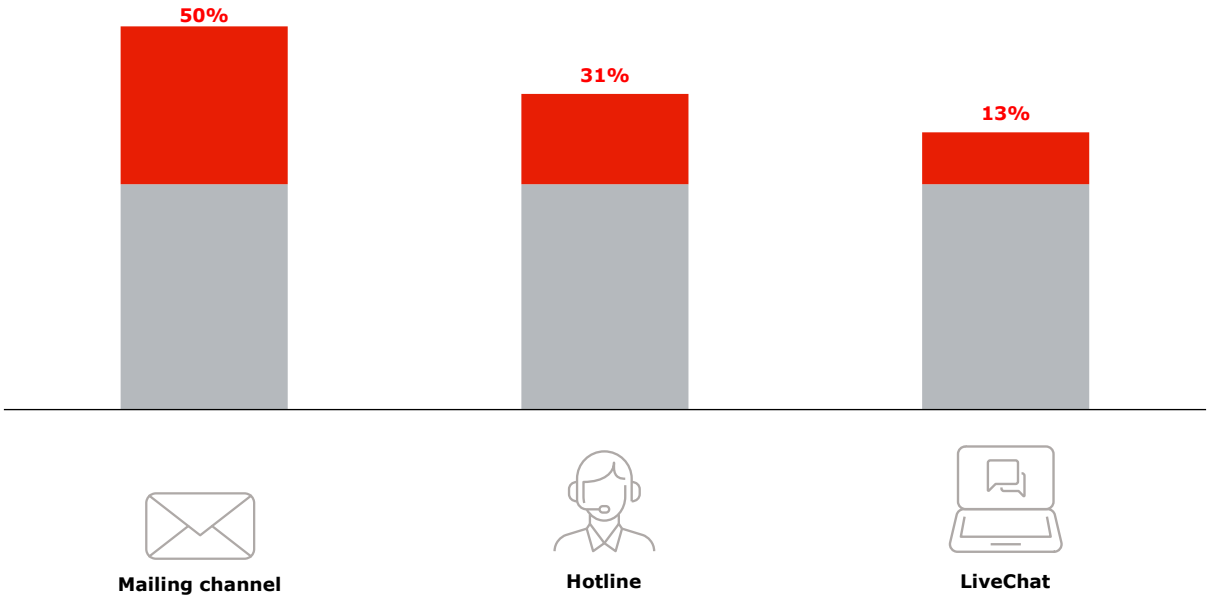
The **Sales Business Line (Energa Obrót)** actively engages with consumers and end-users through dialogue in order to gather better understanding of their needs and refine the product and service offering. Consumer and end-user feedback is taken into account in the process of managing identified impacts and allows the sales and service strategy to be kept up to date on an ongoing basis. In the area of customer service, Energa Group's overriding goal is to provide the best possible service. In all the

customer interaction channels (hotline, chat, letters, etc.), the company focuses on the comprehensiveness of the proposed solution and the minimisation of customer effort.

In order to cater for customers' expectations, Energa Obrót has taken a number of measures to expand its offering, for example by adding 'green' products, with a view to providing customers and end-users with energy at affordable prices and with appropriate quality parameters. The company handles communication and marketing activities and monitors customer satisfaction responsibly.

In 2024, over **2 million customers** contacted Energa-Obrót

Year-on-year increases amounted to: correspondence channel – 50%, helpline – 31%, chat – 13%, respectively..



FORMS OF DIALOGUE

- customer satisfaction and opinion surveys,
- qualitative and quantitative marketing surveys, surveying likelihood to recommend (Net Promoter Score – NPS),
- solving customer's issue during the initial interaction (First Time Resolution – FTR, via the hotline, mailing channel and LiveChat),
- Customer Advocate,
- educational campaigns, website, social media.

The company maintains ongoing dialogue with customers to effectively manage potential and actual impacts. Customers are able to file complaints, requests and reports through various contact channels, including a hotline, an online customer service office, brick-and-mortar outlets and a website.

KEY OUTCOMES FROM ENGAGEMENT WITH CUSTOMERS

Regular satisfaction surveys allows the company to understand how consumers perceive the company's offering and marketing activities. The company monitors customer interactions, including inquiries via the hotline, in order to identify areas for improvement. The website contents are updated correspondingly for them to be more understandable and accessible to customers. In addition, complaints and grievances are analysed view a view to eliminating the underlying causes and delivering service quality improvement measures. The key outcomes of engagement with customers are as follows:

- awareness of customer expectations,
- creating products and services tailored to customer expectations,
- creating transparent T&Cs of contracts and offers,
- simplifying language in customer communication,

- responding quickly to reported outages/failures and customer complaints,
- understandable contents of invoices.

The Director of the Operations Division is responsible for operational interaction with customers.

Actions taken to gain insight into consumer opinions and to assess their effectiveness are described in detail in Section S4-3, dedicated to remedial measures [S4-3]

[S4-3]

PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR CONSUMERS AND END-USERS TO RAISE CONCERNS

The Energa Group has a comprehensive solution for consumers and end-users to report their concerns, complaints and non-conformities, which they can report through designated contact channels.

If violations are reported to the Energa Group's Personal Data Protection Office, preventive and remedial measures are taken and have been or will be implemented to avoid recurrence. Group companies review personal data protection risks annually, identify unacceptable risks and propose remedial actions. In addition, they verify the implementation of the previous year's remedial measures.

Energa Obrót has also streamlined the process for handling reports/notifications, and customers can resort to the Customer Advocate to have the most complicated matters resolved. The Advocate's role is to provide advice and seek the best solution for customers in complex and lengthy cases. The Advocate is in charge of analysing responses sent to customers and verifying the correctness of the complaint resolution process.

The organisation responds to negative impacts brought to its notice in complaints and in the course of disputes by modifying sales and customer service processes in each market segment, adapting them to the needs and expectations of consumers and users.

RECORDING AND ANALYSIS OF CONCERNS

All reported concerns, including signals of potential irregularities, fraud or conflicts of interest, are recorded in the IT systems for tracking the status of concern, how the problem has been addressed and who has been involved in handling it. The data of whistleblowers is protected and anonymised, and whistleblowers are informed of the action taken through the Security Office. Where required, the Energa Group liaises with external authorities (e.g., the Police, the Prosecutor's Office).

ENQUIRIES AND PREVENTIVE ACTIONS

On the basis of recorded reports, explanatory proceedings are initiated, resulting in reports containing recommendations for the organisation. Risk sheets concerning fraud and conflicts of interest are prepared periodically. In addition, the Group undertakes preventive actions such as employee training, email communications, intranet articles, and the provision of anonymised information to the management team.

EFFECTIVENESS MONITORING OF THE CHANNELS

The Energa Group provides a wide range of communication channels – including traditional and electronic ones. These channels are regularly monitored for the quality of information provided and the timeliness of processing requests.

Energa Obrót conducts customer satisfaction surveys every year, which include an evaluation of customer service rendered through the hotline, sales outlets, chat and the Electronic Customer Service Office (eBOK). The results of these surveys and analyses of processed complaints are used to eliminate sources of error and are passed on to employees as recommendations, contributing to the continuous improvement of service processes. The company's marketing research efforts comprise annual customer satisfaction surveys, which cover key aspects of interaction, such as satisfaction with the tariff group and offer opted for, and evaluation of understanding of the contract and invoice. In addition, if a customer has been in contact with the company in the past six months, the customer is asked to rate their satisfaction with the service they received from consultant of the Hotline, Showroom, Chat or eBOK.

The annual satisfaction surveys, which measure indicators such as Net Promoter Score (NPS) and First Time Resolution (FTR), collect data on:

- satisfaction of customers with the individual communication channels (e.g., Sales Outlets, Hotline, LiveChat),
- the effectiveness of the reported concern resolving process,
- the likelihood to recommend the contact channels available.

The effectiveness of the implemented measures is evaluated on the basis of the absence of recurrence of a non-conformity or legitimate complaint, as well as on the basis of reduction in the frequency of similar incidents compared to previous years.

The Energa Group provides a wide range of online and traditional communication channels (for more see S4-1) via which consumers and end-users can directly report their concerns, needs and possible non-compliance. The interaction channels are promoted by drawing customers' attention to them directly or by displaying a link to the relevant webpage/online form on the companies' main websites. In addition to the channels listed in Section S4-1, there are also specialised channels:

- the e-mail address of the Data Protection Officer, as established by the Energa Group's Personal Data Security Policy.

DEALING WITH COMPLAINTS

In the **Distribution Business Line**, Energa-Operator allows both sellers and customers to sent inquiries and complaints. Interaction with sellers is handled by a dedicated computerised tool, namely the Seller Portal, available at https://swi.energa-operator.pl, which can be used for filing enquiries and making complaints. Each seller is given access to the portal and its own login and password. In addition, sellers can receive support in urgent and emergency cases from dedicated consultants. The complaint procedure and timeliness are described in the Traffic and Distribution Grid Operation Manual (Instrukcja Ruchu i Eksploatacji Sieci Dystrybucyjnej – IRiESD) in Chapter H: Complaints procedure and information obligations.

- Complaints from Energa-Operator's customers are accepted through all standard contact channels, i.e. by e-mail, through an online form, by phone, by mail, and in person. In 2024, the company received **6173** legitimate complaints raised by customers and granted.
- The overall on-time response rate at the end of 2024 was 99.7%.

Complaints mainly concerned general customer service issues, such as inaccuracies in information received during previous telephone interaction, but also grievances against the outcome of raised complaints. Other issues complained against included the legitimacy of requests for payment, invoices received past the deadline, and refusals to accept a report of ongoing major outage. The company does not conduct marketing or sales activities. The review of the quality and timeliness of responses to complaints entails measures to optimise processes and customer service.

In the Sales Business Line – Energa Obrót allows all customers to file a complaint, request, grievance or report, which can sent to the company's headquarters address, reported to the hotline, to the electronic customer service office, at an outlet or through the website. A customer's concern must be processed within 30 days of receipt, unless the energy law, the tariff, the distributor's tariff or the Traffic and Distribution Grid Operation Manual stipulate a different time-limit. A customer's request or complaint with regard to billing should be processed within 14 days of receipt.

Where the initial resolution has proven unsatisfactory, the customer may resort to the Energy Trading Customer Advocate. Energa Obrót is the only entity in the energy market with a Customer Advocate.

The Advocate's role is also to provide advice and seek the best solution for customers in complex and lengthy cases. The main rule behind the Ombudsman's service is independence from the company's customer service channels. The Advocate does not handle complaints and reports, nor deals with debt collection, but analyses responses sent to customers and reviews the complaint resolution process for regularity. Complaints and opinions addressed to the Customer Advocate can be sent via a special form available at: *https://energa.pl/dom/kontakt/rzecznik-klienta-2.html*

- In 2024, the Customer Advocate responded to 251 interventions.
- About 21% of the cases involved complaints related to the presentation of the offer and the contracting process.
- The remaining 79% were requests for spreading the payment of debts into installments, prosumer-related issues, and billing complaints.

Other initiatives

The Energa Group has additionally implemented comprehensive policies designed to protect whistleblowers and notifiers from any form of retaliation. The procedures in place allow reports to be made both openly and anonymously, with full confidentiality and protection of personal data safeguarded as per the Personal Data Security Policy. The policies, including anti-corruption, conflict-of-interest management and whistleblower policies, lay the foundation for protecting whistleblowers and preventing possible retaliation.

By regularly monitoring the effectiveness of reporting channels and engaging with internal and external stakeholders, the Energa Group is continuously improving its structures, thereby building consumer and end-user confidence in the system for reporting concerns and needs. In 2024, the Distribution Business Line recorded a total of 395,041 incoming calls to the 991 emergency number, 210,380 calls to the distribution hotline, and 8038 through other forms of contact.

[S4-4]

TAKING ACTION ON MATERIAL IMPACTS ON CONSUMERS AND END-USERS, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO CONSUMERS AND ENDUSERS, AND EFFECTIVENESS OF THOSE ACTIONS

The Energa Group undertakes a range of actions aimed at preventing negative impacts, enhancing positive outcomes for consumers and end users, as well as mitigating risks and seizing opportunities.

Except where otherwise indicated for a specific action, all reported actions:

- cover all customers, own operations and, where applicable, are implemented through business relationships;
- are carried out as ongoing processes, and either do not have separately identifiable budget allocations in a given year, or do not require significant capital or operating expenditures, and therefore are not reported as cost items;
- are subject to continuous improvement and are not assigned a specific time horizon for completion.

DISTRIBUTION – ENERGA-OPERATOR

- Upgrading network infrastructure, including maintenance and modernisation of the power grid, including upgrade of distribution lines and implementation of failure monitoring systems, as well as development of HV, MV, LV networks necessary for connection of renewable energy sources (RES)
  a. Expected outcomes: increased reliability of electricity supply and improved operational security. Improved SAIDI and SAIFI
  b. In 2024, Energa-Operator undertook investment projects worth more than PLN 2.8 billion in order, inter alia, to improve the continuity of power supply to customers (SAIDI/SAIFI), reduce network losses, meeting the required quality parameters of electricity supply, and make the HV network capable of serving the growing demand for power.
- **Installation of remote meters**:
  a. Expected outcomes: 100% of customers' meters replaced with remote reading devices by the end of 2026,
- **Educational activities to specifically protect children:**
  a. The educational programme 'Safe Land Energa-Operator' – the company organized 7 large Safe Energa-Operator Land educational events and 4 meetings in schools. A total of more than 7,300 children participated in educational events in 2024.

SPRZEDAŻ:

- Commitment to High-Quality Information:
  a. Price lists and tariffs – clear presentation of energy costs, including all additional charges, discounts, and payment deadlines; revised invoice layout to improve readability.
  b. Energy consumption information – regular reports provided to consumers regarding their energy usage, including tips on energy saving.
  c. Contract terms – detailed yet understandable explanations of cooperation terms, including contract duration, termination conditions, and contractual penalties; simplification of consumer contract content under the "Simpler" project.
  d. Green energy – information on the origin of energy (e.g. renewable sources) and its environmental impact.
  e. Technology accessibility – explanations regarding the operation of smart meters, consumption monitoring applications, and financial support programmes
- **Responsible Marketing Practices**:

A. the key objective in implementing responsible marketing practices is to inform customers and potential customers about the company's products and services, with a strong focus on delivering high-quality information. The Group recognises the importance of maintaining a balance between encouraging the use of electricity and energy-related products, and meeting the requirements of sustainable development. The Group ensures that all marketing messages are clear and unambiguous. All marketing campaigns are centrally overseen and verified by Energa SA for compliance with the adopted standards of responsible marketing communication. The Group also promotes products that enhance energy efficiency (e.g. photovoltaics, balcony solar panels, and electric vehicle charging stations).

SALES & DISTRIBUTION:

- Improving the handling of consumer reports and complaints, including the implementation of procedures enabling prompt responses to consumer submissions, and the continued operation of the Customer Ombudsman (Energa Obrót), responsible for analysing and monitoring the complaint resolution process.
    - Expected outcomes: reduction in the number of complaints and shorter resolution times, leading to improved consumer satisfaction.

Energa Group collects and analyses customer feedback regarding their experiences, preferences, and expectations related to the company, its products, and services. This knowledge serves as the basis for initiatives aimed at improving customer satisfaction, developing new products, and enhancing service standards.

These actions are designed to ensure or facilitate the implementation of remedial measures in response to actual material impacts. All of the above efforts are intended not only to minimise negative impacts but also to strengthen the Group's positive impact on consumers and end users.

RISK-MITIGATING MEASURES

ne identified risk is associated with the mishandling of customers' notifications, that is satisfying the quality standards of customer service in the provision of the distribution service. The risk is inherent in providing services to customers by means of all the interaction channels and IT tools, with fines and court actions to be expected if the standards are not met. This risk is minimised inter alia by ongoing monitoring of notifications, as well as of complaints and grievance with a view to mitigating the risk of litigation.

In order to minimise material risks associated with the various aspects of the company's business dealings and operations, including litigation, administrative proceedings and customer service, the companies have put in place a number of mitigation measures. They include:

- implementation of processes, procedures and job instructions for dealing with legal proceedings,
- working with experienced law firms that provide legal opinions and represent the company in court cases,
- contractual arrangements whereby the obligations to obtain administrative decisions and/or rights to dispose of land/property are transferred to contractors,
- using insurance policies and bank guarantees as collateral for some of the risks associated with the Company's dealings,
- putting in place procedures to monitor and validate processes for handling customers' and sellers' requests/reported concerns to ensure the required quality standards,
- auditing, seeking advice from specialised consulting firms, and applying controls to IT systems to minimise the risks of inadequate service quality and court action.

The effectiveness of all the activities is tracked through appropriate procedures designed to ensure high-quality responses to customers, audits, controls and reporting of material issues through dedicated tools.

ACTIONS TO ADVANCE MATERIAL OPPORTUNITIES

In particular, the Energa Group aims to exploit opportunities through the following actions:

- Appropriate marketing activities and furthering sales of renewable energy and other 'green' products with a view to increase the customers base and boost revenues.
- Increasing network reliability by investing in network infrastructure upgrades and retrofits, among other things.

HOW ACTIONS ARE TAKEN

The Energa Group, taking into account the state of technical knowledge, implementation costs and the context of data processing, takes appropriate technical and organisational measures to ensure that its own practices do not add to material negative impacts on consumers or end-users. Data processing operations conform to data protection rules, and in cases where processing may involve a high risk of violating the rights of data subjects, the impact is assessed as per the GDPR. In addition, for processing operations based on legitimate interests, a balance of interests analysis is carried out to ensure that the processing does not affect people's privacy and does not override their interests. The Group has implemented a Personal Data Security Policy in compliance with the GDPR, and detailed policies including processing impact assessment, data protection by design and interest balance testing.

HUMAN RIGHTS INCIDENTS

No serious human rights issues or incidents related to consumers or end-users were reported within the Energa Group. The Group is committed on an ongoing basis to respecting and protecting human rights across its operations, inclusive of interactions with customers.

RESOURCES ALLOCATED FOR MANAGING MATERIAL IMPACTS

In the Distribution Business Line, in accordance with the Energa Group's Risk Management Policy, Risk Owners perform reviews of Risk Sheets twice a year, or more often if necessary. Risk management is handled by the Risk Function of the Security Office in the Control and Security Department. After each Risk Review, a Review Report is prepared and presented to Energa-Operator's Management Board. After it has been approved by the company's board, the Report, along with the Risk Sheets, is sent to Energa's Risk Function. Once a quarter, an update on reviews or proposed changes, if any, are presented to the Energa-Operator's Supervisory Board.

[S4-5]

TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

TARGET SETTING PROCESS

The Energa Group uses a management by objectives (MBO) system, which sets operational objectives aimed, inter alia, at reducing the response time following a complaint or grievance. These objectives are set at various levels of the organisation and include both management (board and directors) and employees. Goals of a strategic nature concerning, among other things, the activities of the Management Board, are approved by the Supervisory Board. In setting the objectives consumers or their representatives, who might have detailed insight into their situation, are not engaged with. Decisions on objectives are based solely on the Energa Group's internal management procedures.

The processes for tracking the achievement of set goals take the form of annual measurements and surveys. After each survey, key conclusions and plans for improvement resulting from the evaluation of the achievement of these goals for consumers and end-users are identified.

TARGETS IN THE DISTRIBUTION BUSINESS LINE – ENERGA-OPERATOR

Enhancing the reliability and quality of electricity supply to consumers is directly linked to the concept of energy security, which forms a core responsibility of Energa-Operator as a Distribution System Operator (DSO). The adoption of appropriate strategic directions and the consistent implementation of key modernisation investments focused on improving supply continuity have a direct impact on customer satisfaction with the services provided. he continuity of electricity supply is significantly influenced by weather conditions. In recent years, increasingly frequent and extreme meteorological phenomena, previously unseen in such intensity, have contributed to a higher number and wider scope of network failures, including large-scale outages, as well as serious damage to power infrastructure. This is particularly critical given that a significant portion of Energa-Operator's grid is overhead infrastructure. The adverse weather conditions in 2024—including hurricane-force winds (which, among other things, caused trees located outside the designated clearance zones to fall and severely damage power lines by tearing conductors and breaking poles), lightning, heavy snow and rain, and heatwaves—resulted in a notable increase in both the number and scale of failures, including widespread outages. These events led to extensive damage across all voltage levels of the company's power grid and caused electricity supply disruptions for a significant number of customers.

Table 105. Frequency of interruptions to supply of electricity to Energa-Operator's customers in 2024 – SAIFI (number of interruptions/customer/year)

Type of interruption	2023 outcome [%]	2024 outcome
Planned and unplanned interruptions, including catastrophic interruptions (excluding mass outages)	**1,74**	**2,10**
Interruptions related to mass failures	**0,41**	**0,20**

The SAIFI (System Average Interruption Frequency Index) measures the average number of long and very long interruptions experienced by customers. It is calculated as the total number of customers affected by such interruptions during the year divided by the total number of customers served. While the company does not define specific SAIFI targets, it continuously strives to improve performance.

Table 106. Average duration of interruptions distributed by Energa-Operator in 2024 – SAIDI (minutes/customer/year)

Type of interruptions	Realizacja 2023 [w%]	Realizacja 2024 [w%]
Planned and unplanned interruptions, including catastrophic interruptions (excluding mass outages)	**117,1**	**144,0**
Interruptions related to mass failures	**72,1**	**19,1**

SAIDI (System Average Interruption Duration Index) – measures the average duration of a long and very long interruption in minutes per customer per year; it represents the sum of the products of its duration and the number of customers exposed to the effects of the interruption per year, divided by the total number of customers served. The company does not set SAIDI targets.

Targets for the SAIDI and SAIFI indicators are set by the Supervisory Board of Energa Operator (target levels for 2025). At the time of preparing this Sustainability Report, these targets had not yet been formally adopted by the Supervisory Board of Energa Operator. Nevertheless, the company internally monitors the performance of these indicators and strives to achieve the best possible results.

TARGETS IN THE SALES BUSINESS LINE – ENERGA OBRÓT

MEASUREMENT OF CUSTOMER EXPERIENCE (CX)

CX is measured continuously based on voice recordings of automated phone calls answered from customers, customers who have visited a Sales Outlet, or who have used the hotline or LiveChat. The indicators are as follows:

- Net Promoter Score (NPS), or the likelihood that the customer will recommend a given contact channel,
- First Time Resolution (FTR), or the percentage of customer's problem resolved during the first interaction.

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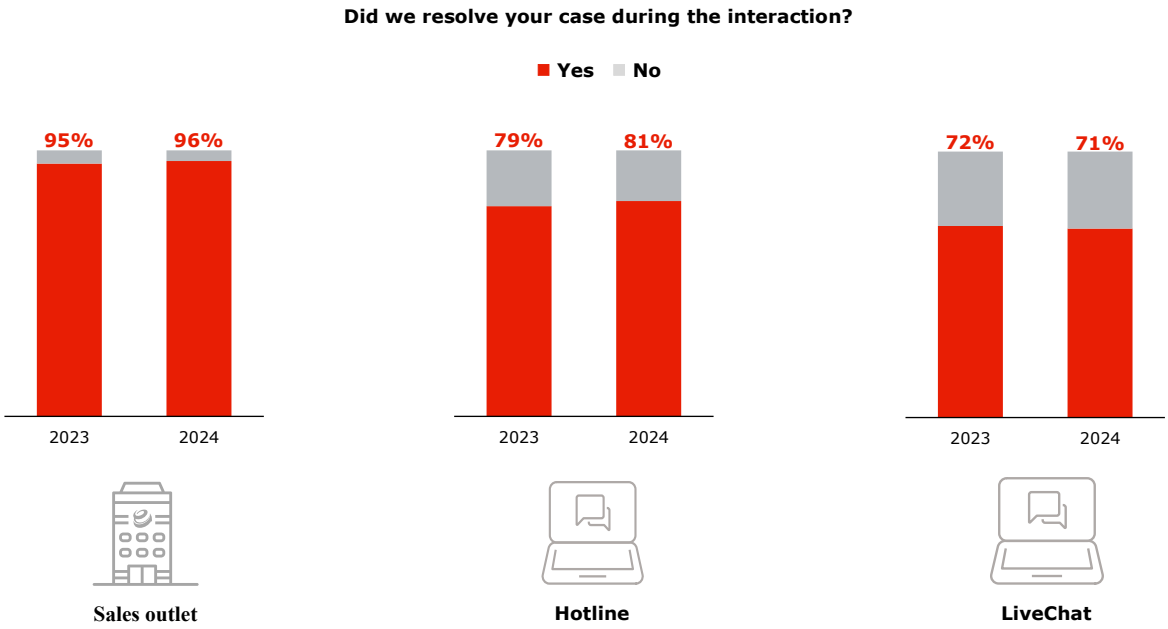
Table 107. Net Promoter Score (NPS)

Customer interaction channels	2023 outcome [in %]	2024 outcome
Sales outlets	76%	85%
Hotline	69%	75%
LiveChat	51%	49%

The company has set a target to achieve, by 2025, a Net Promoter Score (NPS) — reflecting the customer's willingness to recommend — at the following levels for individual communication channels:

- **Customer service offices** – 85%
- **Combined for helpline and LiveChat** – 70%

Additionally, the company monitors the **First Time Resolution (FTR)** rate, which measures the percentage of customer issues resolved during the first contact.



he company aims to maintain the First Time Resolution (FTR) rate — the percentage of customer issues resolved during the first contact — at the following levels across communication channels in 2025:

- Customer service offices – 96%
- Helpline – 81%
- LiveChat – 71%

An analysis of the annual average values of customer experience (CX) indicators highlights a consistently high quality of service in Customer service offices and via the helpline. Only LiveChat, as a relatively new service channel, recorded a decline in customer ratings in 2024 compared to the previous measurement period. The Customer service office channel, where advisors interact with customers directly, achieved higher FTR rates than remote channels such as the helpline and LiveChat. This is attributed to the specific nature of remote channels, which lack the advantages of face-to-face interaction.

GRIEVANCE MECHANISM

Any customer of Energa-Obrót has the right to submit a complaint, request, grievance, or report. Submissions can be made by post to the company's registered office, via the customer hotline, the electronic customer service portal, in person at a customer service office, or through the website. A customer case must be processed within 30 days of receipt, unless the

Energy Law, applicable tariff, distributor's tariff, or the Distribution Grid Operation and Maintenance Manual specify a different deadline. Requests or complaints concerning billing matters should be resolved within 14 days of receipt. Response time is one of the key performance indicators for complaint-handling procedures.

TIMELY RESPONSES TO COMPLAINTS AND OTHER CONCERNS

Interaction channels	2023 outcome (%)	2023 outcome (%)
Contact by letter	91%	97%
Contact by e-mail	93%	98%

The previous year is the baseline. The target is 100% of responses to complaints and other concerns made on time. The company does not set targets for timeliness of response.

11.4 GOVERNANCE INFORMATION

[G1] BUSINESS CONDUCT

[G1.GOV-1]

THE ROLE OF THE ADMINISTRATIVE, SUPERVISORY AND MANAGEMENT BODIES

The Supervisory Board of ENERGA S.A. exercises ongoing oversight over the company's activities in all areas of its operations, including compliance with the principles of ethics and with best business practices. Its competencies are defined by generally applicable regulations, including in particular the Commercial Companies Code and the provisions of the Company's Articles of Association, taking into account the Regulations of the Supervisory Board and, in cases provided for by generally applicable regulations, by resolutions of the General Meeting of Shareholders and resolutions of the Supervisory Board and other internal organizational acts applicable to the Company.

Members of the Supervisory Board, Members of the Management Board, as well as subordinate Heads of individual organizational units, have expertise, competence and experience in the business areas they oversee within the Company's business operations. Management Board Members have expertise in the areas of business conduct, anti-corruption and whistleblower protection, among other things.

The competencies of the members of the Supervisory and Management Boards are presented in the Management Report on Activities.

[G1.SBM-3]

BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE

CODE OF ETHICS

The Energa Group attaches great importance to conducting business in an ethical and responsible manner. We comply with the requirements arising from applicable laws, regulations in place at Energa Group (within the scope of the Cooperation Agreement), as well as the values and standards of conduct contained in the ORLEN Group Code of Ethics. A unified document for the ORLEN Group has also been implemented in Energa Group Companies. The annex was adopted in the form of a "group regulation" titled ORLEN Group Code of Ethics. All our activities are based on fundamental values, which are: **Responsibility, Development, People, Energy and Reliability**. Compliance of the actions, decisions, attitudes and behavior of all employees with the values contained in the Code is the basis for development and growth, as well as the achievement of business goals.

STRATEGICZNE WARTOŚCI WYNIKAJĄCE Z KODEKSU ETYKI GRUPY KAPITAŁOWEJ ORLEN

The ORLEN Group Code of Ethics regulates ethical issues related to the functioning of the Group, and thus governs the principles of conduct both in relations with the external environment and within the Group. It is a document that supports the implementation of the company's business strategy, as well as a tool to help resolve potential work-related ethical dilemmas. All employees are required to familiarize themselves with the principles and standards of ethical behavior described in the ORLEN Group Code of Ethics. This obligation in Energa Group companies is fulfilled on an ongoing basis by a dedicated human resources area, including, among other things, during the induction training of each newly hired employee. In accordance with the regulations of the Energa Group Cooperation Agreement, Energa Group companies are obliged to inform employees, through the available internal communication channels, such as e.g. e-mail and the Intranet, about the adopted ORLEN Group Code of Ethics, as well as about the employees' obligation to familiarize themselves with its content and application.

We understand ethical conduct as adherence to the guidelines of the ORLEN Group Code of Ethics in force at Energa Group. In practice, this means respecting other employees and stakeholders, working together in a spirit of open dialogue, understanding, tolerance and support, and creating a good, friendly atmosphere in the work environment. Ethical behavior also means acting in accordance with the law, i.e. not accepting undue financial benefits, not withholding or falsifying information, and not misleading others. With our actions, we jointly build the company's image. The requirements are related to the provisions of applicable laws, guidelines of supervisory institutions, internal regulations and other Energa Group regulations, which are binding on all Energa Group entities.

In case of doubts related to the values and ethical principles in place at Energa Group, or in case of any deviations from the principles, employees of Energa Group companies may report any suspected violations of the ORLEN Group Code of Ethics to the Ethics Officer in person, by telephone, by message sent to a dedicated e-mail address or by traditional mail.

A company-specific e-mail address has been set up in each Energa Group company where an Ethics Officer has been appointed. In other companies, reports of suspected violations of the Code of Ethics can be made directly to the employer (this applies to Energa Group companies with fewer than 100 employees).

Employees are informed of the mechanisms that enable them to obtain advice on ethical issues through internal correspondence channels, such as the Intranet, or the organization of training, including using an e-learning platform or online training courses. Possible violations may be reported personally or anonymously (the decision is up to the person submitting the report). Each message is treated confidentially. The person who makes the report is protected from retaliation provided that he or she had reasonable grounds to believe that the reported information about the violation was true at the time of reporting. This also applies to those assisting in making the report.

INITIATIVES TO PROMOTE ETHICAL BUSINESS CONDUCT

Energa Group has implemented a number of systemic solutions to ensure regulatory compliance, transparency of operations and promotion of an ethical approach to business.

- ORLEN Group Code of Ethics, which defines the principles of fair and responsible business,
- Energa Group Anticorruption and Antifraud Policy,
- Energa Group's Whistleblower Protection Policy,

- ORLEN Group Human Rights Protection Policy,
- Energa Group Diversity Policy,
- Compliance Management System,
- A whistleblowing system that allows employees and stakeholders to report irregularities,
- Ethics and compliance training provided to various levels of the organization.
- ENERGA Compliance Platform, which supports users of the Compliance System in the execution of current tasks within the compliance management process in ENERGA Group at the level of individual ENERGA Group Entities.
- The Compliance Reporting Platform, which enables ongoing monitoring of compliance with legal and internal regulations and improves the transparency of compliance processes, facilitating risk analysis and corrective actions,
- Supplier Code of Conduct and ethics assessment and verification of suppliers,
- Signatory of the Charter on Children's Rights in Business of the Forum for Responsible Business,
- Cooperation with organizations that promote ethics in business, including the Responsible Business Forum and United Nations Global Compact.
- Development of the Catalogue of Undesirable Behaviors, which was created through the cooperation of Energa SA employees during ethics workshops and is a collection of various examples of conduct which is contrary to the generally applicable rules of professional ethics and has detrimental effects in the workplace. Every employee of Energa SA received a copy of the Catalogue.
- Intranet updates on topics related to human rights protection and ethics.
- Quick contact details of the Ethics Officer are available on the intranet.

COMPLIANCE MANAGEMENT SYSTEM

Energa Group conducts its business ethically and responsibly, implementing the requirements arising from the provisions of applicable laws, adopted internal regulations specific to Energa Group entities, and in accordance with the values and standards of conduct contained in the ORLEN Group Code of Ethics.

With more than 9,000 employees, serving more than 3 million customers, the scale and the specifics of the Group's operations expose it to the risk of actions which violate applicable laws, accepted internal regulations, standards and values. Possible consequences of irregularities include legal, financial and image-related sanctions. Energa Group's Compliance Management System is a response to these threats, as a set of mechanisms that reduce the risk of negative consequences resulting from non-compliance with applicable (external and internal) regulations and other requirements. The Compliance System is an interconnected set of organizational and process elements, policies and regulations, objectives and tools, as well as competencies and information for ensuring compliance in Energa Group.

THE ENERGA GROUP COMPLIANCE MANAGEMENT SYSTEM INCLUDES, IN PARTICULAR:

- a unified and structured approach to compliance management in Energa Group based on the Energa Group Compliance Management Policy and compliance management methodology,
- an effective organizational structure in Energa Group entities with Energa Group's supervisory and coordinating role,
- identification of so-called compliance areas (sets of relevant requirements grouped into thematic scopes),
- designation of the so-called requirement owners, responsible for their implementation (compliance) in ENERGA Group entities,
- implementation of a compliance management process which identifies requirements, assesses and monitors compliance (including planning and implementation of corrective actions, if necessary),
- dedicated tools to support users of the Compliance System in performing tasks as part of the ongoing maintenance of the compliance management process in Energa Group and as part of the periodic review of the compliance management process in Energa Group (Energa Group Compliance Platform and Energa Group Compliance Reporting Platform),
- communication and reporting of Energa Group's compliance status on (3) levels of the Compliance organizational structure, i.e., at the level of companies, individual compliance areas and the Group as a whole,
- a wide range of compliance training and awareness-raising activities for employees.

The Compliance System, implemented in Energa Group, refers to international ISO standards, best practices in compliance management and the specifics of the diversity and scale of Energa Group's operations. In 2024, Energa Group's Compliance Reporting Platform was recognized by the Polish ESG Association, which awarded ENERGA SA a Platinum Award and the title of ESG Innovator 2024 in the G category.

BUSINES CONDUCT POLICES

Policy	Purpose and scope	Responsibility	Monitoring mechanisms
ORLEN Group Code of Ethics	■ It sets standards of conduct in employee and stakeholder relations, promoting the principles of integrity, respect and responsibility.	■ The Code of Ethics covers both employees and stakeholders, as well as the environment in which ORLEN Group, including Energa Group, operates. Anyone who believes that a Group company is not complying with the principles set forth in the Code may report a violation/complaint to the Ethics Officer.	■ ORLEN SA is the owner of the Code of Ethics and as such it is in charge of reviewing and monitoring the regulations. Through its Ethics Officer, the company monitors whether the complaints filed have been handled correctly and in a timely manner.
Anticorruption Policy	■ Reducing the risk of corruption and fraud within Energa Group's operations. ■ Ensuring a transparent and fair business model. ■ Strengthening the awareness of ethical and anti-fraud principles among employees and contractors. ■ The policy applies to all employees of Energa Group, regardless of the contractual basis of their cooperation with the Group, as well as to third parties representing Energa Group companies (External Representatives). It also covers contractors and cooperating entities. The policy applies to all markets in which Energa Group operates.	■ Energa Group's Board of Directors is responsible for implementing the Policy and for overseeing and promoting fair conduct. ■ The Director of the Office of Security and Internal Control is responsible for monitoring the implementation of the policy, coordinating anti-corruption activities and overseeing control mechanisms. ■ Anti-corruption Coordinators at Energa Group companies are responsible for implementing the Policy in their respective companies, including for organizing training sessions, preparing annual reports and providing ongoing consultation to employees.	■ Internal audits and controls implemented by the Office of Security and Internal Control to identify corruption and fraud risks. ■ ■ Control mechanisms are in place for all business processes, and data on corruption risks are regularly analyzed based on the results of audits and internal controls. ■ Records of contractors and monitoring of commercial contracts and powers of attorney are required.
Whistleblower Protection Policy	■ Provides effective and secure mechanisms for reporting violations of the law or internal regulations, while ensuring that whistleblowers are protected from retaliation. ■ Supports building a culture of compliance and transparency and strengthens Energa Group's position as a responsible business leader. ■ Energa Group's whistleblower protection policy covers all Group companies, as well as their employees, associates, persons employed under civil law contracts, volunteers, interns, members of boards of directors and supervisory boards, and other persons associated with the organization in the context of work. The regulations apply both before and after the employment relationship is established.	■ The Energa SA Office of Security and Internal Control, headed by the Office Director, who coordinates the reception of reports, their analysis and follow-up, is responsible for the implementation of the Policy. The Director may delegate authority to their employees and security units in Group companies. ■ Achievement of policy objectives is monitored through periodic reports and evaluations of activities.	■ Register of internal notifications. ■ Follow-up reporting and analysis. ■ Conducting internal audits and recommendation implementation checks. ■ Mapping risks associated with possible violations of the law and retaliation.

Policy	Purpose and scope	Responsibility	Monitoring mechanisms
Energa Group Compliance Management Policy	■ Defines the principles and framework of the compliance management process in Energa Group. ■ Establishes the responsibilities of participants of the compliance management process and defines the basic concepts of compliance management. ■ Establishes a unified and structured approach to compliance management in the Energa Group, including detailed rules of conduct for individual roles in the compliance management process. ■ All Employees of the Energa Group are required to familiarize themselves with and adopt the principles described in the Policy.	■ The Supervisory Board of Energa SA monitors the functioning of Energa Group's Compliance Management System. ■ Energa SA Board of Directors/Compliance Management System Officer supervises and coordinates the operation of the Compliance Management System in Energa Group. ■ The Boards of Directors of Energa Group Entities are responsible for introducing and ensuring the operation of the Compliance System at the respective Lead Entity/ Energa Group Entity, respectively. ■ The Compliance Management System Team at Energa SA is in particular responsible for: monitoring the application of the Compliance Management Policy in Energa Group, maintaining and developing the Compliance System in Energa Group, cooperating with Energa Group Entities and Energa SA organizational units on compliance issues, including formulating guidelines and implementing training and communication activities in this regard, managing received compliance incident reports and taking investigative actions.	■ The Energa Group Compliance Management Methodology is an integral part of the Energa Group Compliance Management Policy. ■ The Register of Requirements and Responsibilities is a compliance management tool for recording key provisions of applicable laws and adopted regulations specific to Energa Group Entities. ■ The Compliance Register is a compliance management tool used to determine the relevant parameters for compliance management: assessing the impact of non-compliance risks, determining the compliance status of individual Requirements within compliance areas, and determining the actions required to ensure compliance. ■ Dedicated website for Energa Group Stakeholders: *https://ir.energa.pl/pl/ir/serwis-relacji-inwestorskich/lad-korporacyjny/zgodnosc-w-grupie-energa-compliance* and an information website dedicated to Energa Group Employees on the Energa Group Intranet. ■ Register of dedicated training courses for Energa Group employees conducted by the Compliance Management System Team at Energa SA.
Purchasing Instruction	■ Standardization of procurement processes within the Energa Group. ■ Ensuring the secure and timely fulfillment of business needs. ■ Enhancing the value of the Energa Group by obtaining favorable business terms and procuring services, supplies, and construction works with defined quality parameters. ■ Building commercial relationships with Suppliers. ■ The Purchasing Instruction in force within the Energa Group applies to all Group companies. It covers all activities from the planning stage, through procurement preparation, selection of procurement procedure, supplier selection and approval, contract signing, to contract execution and payment settlement.	■ The Purchasing Area of Energa Logistyka Sp. z o.o. is responsible for the execution of the procurement process for companies within the Energa Group, excluding the IT/OT category, for which ORLEN S.A. holds responsibility. ■ The procurement process is carried out through the cooperation of the Buyer, the Requestor, and the Contract Implementer. In the procurement procedure, the Buyer is responsible for commercial and formal aspects, the Requestor is responsible for technical and substantive aspects, and the Contract Implementer is responsible for the execution of orders/contracts and invoice settlements..	■ Functional control exercised by the Business Area. ■ Verification of tender documentation by the Procurement Team, the Procurement Area, and the Business Area. ■ Approval of the Supplier Selection Sheet by the Procurement Area and the Business Area. ■ Obtaining opinions from the Control and Security Area, and verification by the Controlling Area, Financial Verifier, and Financial Verification Area, including aspects related to environmental protection, safety, and occupational health and safety (OHS). ■ Procurement Team members signing declarations of no affiliation with Bidders.

Policy	Purpose and scope	Responsibility	Monitoring mechanisms
Supplier Code of Conduct	■ A set of principles of conduct for Suppliers. ■ Raising awareness and promoting best practices in responsible business and sustainable development. ■ Strengthening cooperation and partnership with Suppliers. ■ The Supplier Code of Conduct applies to all Suppliers and Contractors cooperating with the ORLEN Capital Group. It constitutes an integral element of cooperation with Suppliers, including their qualification and evaluation process.	■ The Buyer conducting the procurement procedure is responsible for verifying the acceptance of the provisions of the Supplier Code of Conduct.	■ Verification of declarations and documents submitted by Suppliers during the procurement process. ■ Acceptance of the Code constitutes a formal requirement in procurement procedures. .
Rules for the Application within the Energa Group of the Organizational Standard: Compliance Policy with competition law of the ORLEN Capital Group Companies	■ Systematisation and harmonisation of the rules ensuring compliance of the Energa Group entities with the requirements of competition and consumer protection laws, as well as the implementation of appropriate organisational mechanisms enabling the highest level of legal security for the Energa Group entities, and ensuring an efficient and lawful course of inspections conducted by: the President of the Office of Competition and Consumer Protection and/or the European Commission at the Energa Group entities in matters related to competition and consumer protection.	■ Entities of the Energa Group are required to comply with the principles set out in the provisions of competition and consumer protection law and to act in accordance with good market practices.	■ Monitoring is carried out through the Compliance Management System in the Energa Group.
Information Security and Cybersecurity Management Policy in the Energa Group	■ Definition of the principles governing the management, protection, and sharing of information, as well as resources and information systems within the Energa Group in the areas of IT and OT.	■ All Energa Group companies are required to undertake actions aimed at ensuring information security.	■ Conducting audits in the area of information security by the Security and Internal Control Office. ■ Possibility for an Energa Group company to request a control in the event of identified irregularities.
Tax Management Policy in the Energa Group	■ Indication of the guidelines to be followed by Energa Group companies to ensure effective management of tax risk and tax-related costs arising from their business operations. ■ The policy applies to all taxes that the Energa Group is required to account for in connection with its business activities.	■ ENERGA S.A. Coordinator – responsible for coordinating tax-related matters at the Energa Group level. ■ Lead Entity Coordinator – responsible for coordinating the above-mentioned matters within the Business Line and for cooperation with the ENERGA S.A. Coordinator. ■ Company Coordinator – responsible for coordinating tax-related matters within the respective Energa Group company.	■ Verification of actions undertaken by Energa Group companies by the ENERGA S.A. Coordinator, Lead Entity Coordinators, and Company Coordinators. ■ Responding to any signals indicating non-compliance with the Tax Management Policy by the aforementioned individuals.

[G1-2]

MANAGING OF RELATIONSHIPS WITH SUPPLIERS

Energa Group manages procurement processes as regards fair dealing with suppliers.

In Energa Group, procurement processes are managed through two purchasing centers:

- Energa Informatyka i Technologie – for IT/OT purchases (now ORLEN SA) and
- Energa Logistyka – for all other purchases.

These centers serve EG companies as regards procurement. The Group's approach to supplier relations, which takes into account sustainability risks, is manifested through the introduction of a unified document regulating purchasing processes, i.e. **the Purchasing Instruction** in force in Energa Group, which describes the procurement processes in detail, taking into account the principles of transparency and competitiveness, and introduces the principles of equal and fair treatment of suppliers.

Energa Group also introduced a procurement tool known as the CONNECT Purchasing Platform, along with a Central Purchasing Category Tree (CDK), which is uniform throughout the ORLEN Group. These tools streamline procurement processes and, through their functionality, ensure fair dealing with suppliers.

The Group's approach is to verify contractors at the stage of entering into procurement procedures, which is accomplished, e.g., through the effective **Supplier Code of Conduct.** The Code governs Energa Group's obligations towards its suppliers, as well as expectations towards them, and rules of their conduct. It also establishes measures for performance monitoring, which minimizes Energa Group's supply chain risks related to sustainability issues.

Energa Group performs security and financial verification of contractors, which significantly reduces contracting risks. For this purpose, the principles enshrined in the following documents are applied:

- Instructions for the verification of contractors – consistent rules for verification of contractors who participate in procurement proceedings conducted by Energa Logistyka Sp. z o.o. to reduce the risk of irregularities in business dealings and to ensure the security of the company.
- Instructions for financial verification of suppliers – consistent rules for financial verification to ensure stability and security of cooperation with Suppliers.

In Energa Group, contracts concluded as a result of procurement procedures include provisions that take into account social and environmental criteria:

- The contractor represents that, in the conduct of its business, it applies the principles of ethics, fighting corruption, observance of labor and human rights, compliance with the occupational health and safety rules, and acting in conformity with the requirements of environmental protection.
- The contractor represents that it exercises due diligence in verifying its suppliers, also in terms of the correctness of their tax settlements, with particular emphasis put on VAT settlements.

PERIODIC EVALUATION OF SUPPLIERS

The annual assessment of suppliers includes an evaluation against occupational health and safety, as well as environmental criteria:

OCCUPATIONAL SAFETY AND HEALTH ASSESSMENT CRITERIA:

1. TRR accident rate
2. Number of fires or accidents at work within the company's premises or while working for the company, caused by the contractor's employees and its subcontractors.
3. Number of equipment failures caused by employees of the contractor or its subcontractors.
4. Remarks concerning non-compliance with health, safety and fire regulations.
5. Number of interventions related to non-compliance with health, safety and fire regulations.
6. Frequency of observations and interventions.
7. Overall occupational safety and health evaluation

ENVIRONMENTAL ASSESSMENT CRITERIA:

1. Achievement of the intended environmental effects.
2. Provision of services in accordance with the requirements of environmental law.
3. Cooperation with administrative authorities, including inspections and their results.
4. Completeness and quality of documents confirming service performance, including records of waste generated or received.
5. Compliance with the terms of the contract as regards environmental protection, including timeliness of performance.

PRead more about payment practices: G1-6 [G1-3]

[G1-3]

PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

The anti-corruption process at Energa Group was developed as a series of interrelated activities and consists of four stages:

- prevention,
- identification,
- verification or control,
- calibration.

Creating anti-corruption awareness is key. This is the basis on which fraud can be identified with the use of two groups of information sources:

- reports by stakeholders, e.g. the whistleblowing process, or
- other complaint procedures, or via system alerts from corporate applications.

After the identified irregularities are qualified, cases are submitted for verification or control as a follow-up. In the course of investigations or inspections, not only is fraud confirmed or ruled out, but also the *modus operandi* of the perpetrators is identified, e.g. in corruption cases, and can be incorporated into systemic solutions through the calibration of corporate applications. Implementation of the *Energa Group Anti-corruption and Anti-fraud Policy* is designed to both prevent and mitigate the possible negative impacts of corruption. Contractors and participants of procurement proceedings declare that they have no ties which may be deemed a conflict of interest, as well as no ties with other contractors participating in the procurement process in question. The use of an anti-corruption clause in agreements with contractors allows for their ongoing monitoring for potential corruption incidents and their investigation. As part of the standardization of anti-corruption activities, the internal regulations of the security area were updated for compliance with the solutions applied and required by ORLEN SA. The legislative process of the Whistleblower Protection Act was monitored on an ongoing basis with the aim of enabling quick implementation of internal regulations in Group companies mirroring the relevant statutory provisions. Any modifications to the anti-corruption clause are recommended for application throughout the Group.

The Energa Group Whistleblowing Policy ensures that cases are examined independently and that follow-up actions are taken. In the case of reports concerning the actions of the Board of Directors of ENERGA S.A. or the Board of Directors of another Energa Group Company, follow-up activities are carried out under the supervision of the Supervisory Board of ENERGA S.A. or of the Energa Group Company, respectively. The rules for conducting investigations in Energa Group define the terms of reporting and informing the management and supervisory bodies of the results of the investigations conducted.

COMMUNICATION OF THE ENERGA GROUP ANTI-CORRUPTION AND ANTI-FRAUD POLICY

The Energa Group Anti-Corruption and Anti-Fraud Policy is made available to internal stakeholders on intranet pages, and its main principles are presented during mandatory anti-corruption training sessions.

Excerpts from the various organizational documents that make up the anti-corruption and anti-fraud system are available on the website, and are also made available to contractors, during procurement proceedings, and an anti-corruption clause is used in contracts.

ANTI-CORRUPTION TRAINING

Mandatory anti-corruption training for all employees is provided in Energa Group companies. Designated employees of the Offices of Security and Internal Control authorized to receive and qualify whistleblower reports and conduct follow-up actions are subject to periodic training in regulatory awareness, including protection of whistleblowers.

The anti-corruption and anti-bribery training program is structured in two main parts: basic training and follow-up training. Basic training consists of four modules in the form of a lecture and case studies. The anti-corruption training program includes a discussion of anti-corruption policies, in a legal and systemic context, a discussion of basic corruption concepts, including liability for corruption, the structure and maintenance of an organization's anti-corruption system, prevention of conflicts of interest, and procedures for reporting information from whistleblowers. Supplementary training is conducted in the form of on-site or e-learning sessions intended to refresh participants' knowledge of the issues covered in the basic training, as well as to provide examples that allow the application of the acquired knowledge in practice during workshop exercises, case analyses and tests.

FUNCTIONS AT RISK OF CORRUPTION AND BRIBERY

The key positions considered to be at risk of corruption and bribery are primarily those of members of governing bodies who have key influence over business decisions and oversee the operation of the internal control system, as a set of processes and controls operating within the organization. In 2024, anti-corruption training was provided to 24 of the 56 Board Members of Energa Group companies, representing 42% of those deemed at risk of corruption and bribery in the Group due to their tasks and responsibilities.

WHISTLEBLOWER PROTECTION POLICY

Energa SA has implemented a comprehensive whistleblower protection system that encompasses both the establishment of internal reporting channels and the implementation of effective safeguards to protect individuals submitting reports from any retaliatory actions. As part of this system, a dedicated reporting platform is available, enabling both anonymous and non-anonymous submissions of violations. In addition, specific contact channels have been designated, such as a hotline and an email address, managed by the Office of Security and Internal Control.

o ensure the effectiveness of the system, the company conducts extensive awareness-raising and training initiatives. Employees regularly participate in training sessions on whistleblower protection, reporting procedures, and follow-up actions. Individuals responsible for receiving and processing reports undergo specialized courses to prepare them for their roles. Furthermore, informational materials regarding the whistleblowing and protection system are made available via the intran

The protection of whistleblowers from retaliatory actions is a key component of the system. All reports are treated confidentially, and the identity of the whistleblower is not disclosed without their explicit consent. The company has established a zero-tolerance policy for reprisals against individuals who submit reports and has implemented a monitoring mechanism to detect any potential retaliatory actions. This mechanism is overseen by the Office of Security and Internal Control of Energa SA.

In cases involving corruption or bribery, the company ensures the full independence of the investigative process. Internal investigations are conducted by the Security and Internal Control Office of Energa SA and are carried out independently of the company's management and operational structures. Individuals who may have any connection to the case are excluded from the investigative process, ensuring objectivity and transparency of procedures. In cases of particular significance, the company may engage independent external experts, such as law firms, auditors, or specialized entities.

The adopted measures guarantee a high level of whistleblower protection and the effectiveness of investigative actions, while ensuring compliance with applicable national laws and EU regulations.

[G1-4]

CONFIRMED INCIDENTS OF CORRUPTION OR BRIBERY

SENTENCES FOR VIOLATIONS OF ANTI-CORRUPTION AND ANTI-BRIBERY LAWS

In 2024, there were no convictions and no fines imposed for violations of anti-corruption and anti-bribery laws.

ACTIONS TO ADDRESS VIOLATIONS OF ANTI-CORRUPTION PROCEDURES AND STANDARDS

All measures to counter violations of anti-corruption and anti-bribery procedures and standards are based on the following components:

- anti-corruption policy,
- verification of business partners,
- reporting channels and whistleblower protection,
- conducting investigations and internal audits,
- managing conflicts of interests,
- training and communication.

The above components have been fully implemented in Energa Group in 2024. Details of the above components and how they are implemented and operate are described in the sections: [G1-3].

[G1-6]

PAYMENT PRACTICES

STANDARD PAYMENT TERMS IN ENERGA GROUP

The majority of Energa Group companies do not have standard payment terms for suppliers defined in internal documents. Payment terms are determined in each case when negotiating/signing a contract or placing an order. Individual payment deadlines apply to particular orders, depending on the supplier's terms. Many companies request a payment term of 14 or 30 days from the date of receipt or from the invoice date. Less common are payment terms of 7, 21 or 60 days. A payment term of 60 days is set mainly for high-value payments related to investment projects. Due to system limitations, the companies are unable to break down standard payment terms by major categories of suppliers, hence the information provided applies to the general pool of suppliers. With complete documentation and full substantive approval from the companies concerned, payments are made on the scheduled dates. On rare occasions payment may be made ahead of schedule to maintain a positive relationship with the contracting party in question. Some of the companies have documents such as the "General Terms and Conditions for the Purchase of Goods and Provision of Services" or "General Terms and Conditions for Purchase Orders" that specify their standard payment terms.

AVERAGE TIME TO SETTLE INVOICES

The average time for making payments to contractors in Energa Group is 24 days. Individual companies make payments in accordance with the dates specified in the applicable contracts. On some occasions, early payments are made by companies to foster the best possible relations with their counterparties. We realize that, especially in the case of SMEs, timely payment can affect liquidity and good financial standing, and thus also the future delivery of quality services and materials. Possible payment delays may result, for example, from the supplier's failure to fully deliver the service/goods (e.g., due to the lack of an acceptance protocol), from the need for the contractor to complete all documentation, from the need to perform a substantive verification of invoices, or from failure to deliver an invoice to the company on time.

PERCENTAGE OF PAYMENTS THAT COMPLY WITH STANDARD TERMS AND CONDITIONS

The rate of payments that are in line with the Energa Group's standard payment terms is **69%**.

POLICIES ON PAYMENT PRACTICES

Energa Group does not have a policy to ensure payment delays, particularly for SMEs. The Group will analyze the need for such a practice and report the results of this analysis in the next reporting year. W Spółkach Grupy Energa funkcjonują regulacje wewnętrzne nakierowane na ograniczenie ryzyka opóźnień w płatnościach, w szczególności na rzecz MŚP. W szczególności określony jest proces realizacji płatności oraz terminy jakie obowiązują osoby zaangażowane w ten proces. Spółki Grupy, które nie korzystają ze stosownych zwolnień ustawowych, realizują również obowiązek przygotowywania sprawozdań o stosowanych terminach zapłaty w transakcjach handlowych nałożony przepisami Ustawy o przeciwdziałaniu nadmiernym opóźnieniom w transakcjach handlowych, którego celem jest zapewnienie jawności praktyk płatniczych oraz obniżenie ryzyka wchodzenia w relacje biznesowe z partnerami stosującymi nadmiernie wydłużone terminy zapłaty.Grupa przeanalizuje potrzebę posiadania takiej polityki i zaraportuje wyniki tej analizy w kolejnym roku sprawozdawczym.

NUMBER OF PENDING COURT PROCEEDINGS RELATED TO LATE PAYMENTS

In 2024, there were 13 pending legal proceedings for late payments (active and passive ones) in Energa Group. All proceedings were resolved.

ESRS2. APPENDIX B.

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SBM-2	Interests and views of stakeholders	p. 150
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Table 109. Lista punktów danych, które pochodzą z innych przepisów UE

Wymóg dotyczący ujawniania informacji i powiązany z nim punkt danych	Odniesienie do rozporządzenia w sprawie ujawniania informacji związanych ze zrównoważonym rozwojem w sektorze usług finansowych	Odniesienie do trzeciego filaru	Odniesienie do rozporządzenia o wskaźnikach referencyjnych	Odniesienie do Europejskiego prawa o klimacie	Rozdział
ESRS 2 GOV-1 Board's gender diversity paragraph 21(d)		✓	✓		p. 152
ESRS 2 GOV-1 Percentage of board members who are indepdendent paragraph 21(e)			✓		p. 152
ESRS 2 GOV-4 Statement on due diligence paragraph 30	✓				p. 155
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40(d)(i)	✓	✓	✓		p. 144
ESRS 2 SBM-1 Involvement in activities related to chemical production 40(d)(ii)	✓		✓		n/a
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40(d)(iii)	✓		✓		n/a
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40(d)(iv)			✓		n/a
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				✓	p. 170
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16(g)		✓	✓		p. 170
ESRS E1-4 GHG emission reduction targets paragraph 34	✓	✓	✓		p. 179
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	✓				p. 181
ESRS E1-5 Energy consumption and mix paragraph 37	✓				p. 181
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	✓				p. 181
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	✓	✓	✓		p. 182
ESRS E1-6 Gross greenhouse gas intensity paragraphs 53-55	✓	✓	✓		p. 182
ESRS E1-7 GHG removals and carbon credits paragraph 56				✓	p. 189
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			✓		PHASE-IN
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66(a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)		✓			PHASE-IN

Wymóg dotyczący ujawniania informacji i powiązany z nim punkt danych	Odniesienie do rozporządzenia w sprawie ujawniania informacji związanych ze zrównoważonym rozwojem w sektorze usług finansowych	Odniesienie do trzeciego filaru	Odniesienie do rozporządzenia o wskaźnikach referencyjnych	Odniesienie do Europejskiego prawa o klimacie	Rozdział
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67(c)		✓			PHASE-IN
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			✓		PHASE-IN
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	✓				p. 194
ESRS E3-1 Water and marine resources paragraph 9	✓				p. 197
ESRS E3-1 Dedicated policy paragraph 13	✓				p. 197
ESRS E3-1 Sustainable oceans and seas paragraph 14	✓				p. 197
ESRS E3-4 Total water recycled and reused paragraph 28(c)	✓				p. 200
ESRS E3-4 Total water consumption in m³ per net revenue on own operations paragraph 29	✓				p. 200
ESRS 2 IRO1-E4 paragraph 16(a)(i)	✓				p. 204
ESRS 2 IRO1-E4 paragraph 16(b)	✓				p. 204
ESRS 2 IRO1-E4 paragraph 16(c)	✓				p. 204
ESRS E4-2 Sustainable land/agriculture practices or policies paragraph 24 (b)	✓				p. 208
ESRS E4-2 Sustainable ocean/seas practices or policies paragraph 24(c)	✓				p. 208
ESRS E4-2 Policies to address deforestation paragraph 24(d)	✓				p. 208
ESRS E5-5 Non-recycled waste paragraph 37(d)	✓				p. 216
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	✓				p. 216
ESRS 2 SBM-3-S1 Risk of incidents of forced labour paragraph 14(f)	✓				p. 237
ESRS 2 SBM-3-S1 Risk of incidents of child labour paragraph 14(g)	✓				p. 237
ESRS S1-1 Human rights policy commitments paragraph 20	✓				p. 241
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21		✓			p. 241
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	✓				p. 241

Wymóg dotyczący ujawniania informacji i powiązany z nim punkt danych	Odniesienie do rozporządzenia w sprawie ujawniania informacji związanych ze zrównoważonym rozwojem w sektorze usług finansowych	Odniesienie do trzeciego filaru	Odniesienie do rozporządzenia o wskaźnikach referencyjnych	Odniesienie do Europejskiego prawa o klimacie	Rozdział
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	✓				p. 241
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32(c)	✓				p. 245
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	✓	✓			p. 257
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	✓				p. 257
ESRS S1-16 Unadjusted gender pay gap paragraph 97(a)	✓	✓			p. 261
ESRS S1-16 Excessive CEO pay ratio paragraph 97(b)	✓				p. 261
ESRS S1-17 Incidents of discrimination paragraph 103(a)	✓				p. 262
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	✓	✓			p. 262
ESRS 2 SBM-3-S2 Significant risk of child labour or forced labour in the value chain paragraph 11(b)	✓				p. 263
ESRS S2-1 Human rights policy commitments paragraph 17	✓				p. 265
ESRS S2-1 Policies related to value chain workers paragraph 18	✓				p. 265
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	✓	✓			p. 265
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19		✓			p. 265
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	✓				p. 269
ESRS S3-1 Human rights policy commitments paragraph 16	✓				p. 276
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	✓		✓		p. 276
ESRS S3-4 Human rights issues and incidents paragraph 36	✓				p. 297
ESRS S4-1 Policies related to consumers and end-users paragraph 16	✓				p. 290

Wymóg dotyczący ujawniania informacji i powiązany z nim punkt danych	Odniesienie do rozporządzenia w sprawie ujawniania informacji związanych ze zrównoważonym rozwojem w sektorze usług finansowych	Odniesienie do trzeciego filaru	Odniesienie do rozporządzenia o wskaźnikach referencyjnych	Odniesienie do Europejskiego prawa o klimacie	Rozdział
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	✓		✓		p. 297
ESRS S4-4 Human rights issues and incidents paragraph 35	✓				p. 297
ESRS G1-1 United Nations Convention against Corruption paragraph 10(b)	✓				p. 303
ESRS G1-1 Protection of whistleblowers paragraph 10(d)	✓				p. 303
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24(a)	✓		✓		p. 311
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	✓				p. 311

12 MANAGEMENT BOARD REPRESENTATION AND INFORMATION

Gdańsk, XX April 2025

The Management Board of Energa SA hereby informs and represents that:

1. to the best of its knowledge, the annual separate financial statements, the annual consolidated financial statements and reference data have been prepared in accordance with the applicable accounting policies and that they give a true, fair and clear view of the assets and financial position of Energa SA and the Energa Group, and of their financial results. The Management Board's Report on the operations of the Energa Group and Energa SA gives a true view of the development, achievements and condition of the Energa Group and Energa SA, and includes a description of the key risks and threats;,
2. PKF Consult Spółka z ograniczoną odpowiedzialnością sp. k., the entity authorized to examine financial statements, which audited the separate financial statements of Energa SA for the financial year ended 31 December 2024 and the consolidated financial statements of the Energa Group for the financial year ended 31 December 2024, was selected in accordance with the applicable laws and regulations. That entity and the auditors who audited the aforesaid statements met the conditions for expressing an impartial and independent opinion from the audit of the separate financial statements and the consolidated financial statements in accordance with the applicable laws and regulations and professional standards,
3. the selection of the audit firm examining the annual separate financial statements and the annual consolidated financial statements was compliant with legal provisions, including those governing the selection and the procedure for selecting audit firms, and states that:
   - **a** the audit firm and the members of the audit team met the conditions required for preparing an impartial and independent auditor's report from the audit of the annual separate financial statements and the annual consolidated financial statements in accordance with the applicable laws and regulations, professional standards, and principles of professional ethics,
   - **b** the Group complies with the applicable legal provisions governing the rotation of audit firms and lead auditors as well as with the mandatory cooling-off periods,
   - **c** the issuer has a policy in place governing the selection of audit firms and a policy on the provision of non-audit services by audit firms, their related parties or members of their service networks to the issuer, including services conditionally exempted from the prohibition on provision by audit firms.

Sławomir Staszak
President of the Management Board of Energa SA

Magdalena Kamińska
Vice-President of the Management Board of Energa SA

Piotr Szymanek
Vice-President of the Management Board of Energa SA

Łukasz Minuth
Director of the Finance Department

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GLOSSARY OF TERMS AND ABBREVIATIONS

AMI (Advanced Metering Infrastructure)	An integrated set of smart electricity meters, modules and communication systems enabling the collection of data on energy consumption for specified users.
Billing	A detailed receipt, a statement of all charges for value-added services used by a subscriber in a billing period.
Biomass	Solid or liquid, biodegradable substances of plant or animal origin, originating from products, waste and residues from agriculture, forestry and related industries, as well as the biodegradable fraction of other waste, in particular agricultural raw materials.
CAPEX (Capital Expenditures)	Capital expenditures.
CBRF	Centrum Badawczo-Rozwojowe im. M. Faradaya (Faraday Research and Development Centre), established for the purpose of implementation of Energa's Innovation Strategy for 2017-2020, with a perspective beyond 2025.
CO_2	Carbon dioxide.
EIB (European Investment Bank)	European Investment Bank
EBITDA (Earnings before interest, taxes, depreciation and amortization)	Energa SA defines EBITDA as operating profit/loss plus depreciation/amortisation and impairment of non-financial non-current assets. Since the EBITDA definition changed in 2016, EBITDA for comparable periods (2013-2015) has been recalculated according to the new definition.
EBIT (earnings before interest and taxes)	Operating profit.
EBOR	European Bank for Reconstruction and Development
Issuer, issuer	Energa SA
EMTN	The Euro Medium Term Note (EMTN) programme
Energa SA, Energa, Energa SA	Parent company of the Energa Group.
Energa Operator, Energa Operator SA, EOP	Energa Operator SA, a subsidiary of Energa SA and the Lead Entity of the Distribution Business Line in the Energa Group.
Energa Obrót, Energa Obrót SA, EOB	Energa Obrót SA, a subsidiary of Energa SA and the Lead Entity of the Sales Business Line in the Energa Group.
Energa OZE, Energa OZE SA	Energa OZE SA, a subsidiary of Energa SA and the Lead Entity of the Generation Business Line in the Energa Group. Energa Wytwarzanie SA was renamed Energa OZE SA on 3 September 2019.
	The Euro Medium Term Notes issuance programme.
ESG	Environmental, Social, Governance
EU	The European Union.
EUR	Euro, the currency used in European Union's eurozone countries.
WSE	Giełda Papierów Wartościowych w Warszawie SA (the Warsaw Stock Exchange)
The Energa Group, the Group, Energa	A group of companies engaged in distribution, trade and generation of electricity and heat. It also conducts activity related to street lighting, design, procurement of materials, grid-related services, specialised transport, hotel and IT services.
Tariff group	Group of customers off-taking electricity or heat or using electricity or heat supply services with respect to which a single set of prices or fee rates along with their terms and conditions are applicable.
GUS	Główny Urząd Statystyczny (the Central Statistical Office).
GW	Gigawatt, unit of power in the International System of Units, 1 GW = 10^9 W.
GWe	Gigawatt of electric power.
GWh	Gigawatt hour.
IRS (Interest Rate Swap)	An interest rate swap agreement between two parties, under which the parties pay interest to each other on a contractual nominal amount calculated according to a different interest rate.
KNF	Komisja Nadzoru Finansowego (the Polish Financial Supervision Authority).
Cogeneration, CHP	An engineering process of simultaneous production of heat and electric or mechanical energy in the course of the same engineering process.
Covenants	Contract clauses used as safeguards, especially in lending agreements.
KRS	Krajowy Rejestr Sądowy (the National Court Register).
NPS	National Power System
kWh	Kilowatt hour, unit of electricity generated or used by a 1 kW device in an hour; 1 kWh = 3,600,000 J = 3.6 MJ.
MEW	Small hydro power plant.
MW	Unit of power in the International System of Units, 1 MW = 10^6 W.
MWe	Megawatt of electric power.
MWh	Megawatt hour.
MWt	Megawatt of electric power.
NBP	Narodowy Bank Polski (the National Bank of Poland), Poland's central bank.

NFOŚiGW	Narodowy Fundusz Ochrony Środowiska i Gospodarki Wodnej (the National Fund for Environmental Protection and Water Management).
NIB	Nordic Investment Bank
EGM	The Extraordinary General Meeting of Energa SA.
Renewable energy sources, RES	Sources converting the energy of wind, solar radiation, geothermal energy, waves, currents and marine tides, run of rivers and energy obtained from biomass, landfill biogas as well as biogas from sewage discharge or treatment processes or the decomposition of plant and animal remains to generate electricity.
DSO, Distribution System Operator	A utility company distributing gaseous fuels or electricity, responsible for grid operation in a gas or electricity distribution system, current and long-term operational safety of the system, operation, maintenance, repairs and the necessary expansion of the distribution network, including connections to other gas or electricity systems.
TSO, Transmission System Operator	A utility company transmitting gaseous fuels or electricity, responsible for grid operation in a gas or electricity transmission system, current and long-term operational safety of the system, operation, maintenance, repairs and the necessary expansion of the transmission network, including connections to other gas or electricity systems.
OZEX_A	Volume-weighted average price for all transactions pertaining to the PMOZE_A contract on an exchange session.
PGE	PGE Polska Grupa Energetyczna SA.
GDP	Gross Domestic Product.
PLN	Polish zloty; national currency.
PMI	Forward-looking index of the Polish industry
PMOZE_A	Property rights in certificates of origin for renewable electricity generated starting from 1 March 2009, as specified in the certificate of origin.
p.p.	Percentage point.
ECP	Electricity connection point
GCP	Gas connection point
Property rights	Transferable rights constituting a commodity arising from certificates of origin for renewable energy and energy from cogeneration.
PSE	Polskie Sieci Elektroenergetyczne Spółka Akcyjna with its registered office in Warsaw, entered in the Register of Entrepreneurs of the National Court Register under KRS No. 0000197596; a company designated by the President of the URE's decision No. DPE-47-58(5)/4988/2007/BT of 24 December 2007 to operate as the electricity transmission system operator in the Republic of Poland in the period from 1 January 2008 to 1 July 2014.
yoy	Year on year.
DAM	Day-Ahead Market
SAIDI (System Average Interruption Duration Index)	System Average Interruption Duration Index.
SAIFI (System Average Interruption Frequency Index)	System Average Interruption Frequency Index.
Smart Grid	An electricity system that integrates in an intelligent way the behaviours of all participants of generation, transmission, distribution and use processes in order to supply electricity in an economic, sustainable and safe manner. Comprehensive power industry solutions allowing for linking, mutual communication and optimal control of previously dispersed elements of energy networks.
SPOT	Day-Ahead Market (DAM): an energy market operating in the "day ahead" time interval (DA) supplying energy on day D.
Certificate of origin	Certificate of origin from renewable energy sources, a green certificate, and a certificate of origin from cogeneration.
Certificate of origin from cogeneration	A document issued by the President of the URE pursuant to Article 9I of the Energy Law confirming that electricity has been generated in high-efficiency cogeneration in: (i) a gas-fired cogeneration unit or a cogeneration unit with a total installed electrical capacity at source under 1 MW (known as the yellow certificate), (ii) a cogeneration unit fired by methane released and captured during deep mining operations in coal mines (open, in liquidation or closed), or gas obtained by processing biomass, (known as a purple certificate), or (iii) another cogeneration unit (known as a red certificate).
Certificate of origin from renewable energy sources, green certificate	A document issued by the President of the URE pursuant to Article 9e of the Energy Law confirming that electricity has been generated from a renewable energy source (known as a green certificate).
Tariff G	A tariff group for individual customers – households.
Polish Power Exchange, TGE	Towarowa Giełda Energii SA, a commodity exchange where admitted commodities are traded, i.e. electricity, liquid and gaseous fuels, mine gas, pollution emission allowances and property rights arising from certificates of origin, whose price of depends directly or indirectly on the price of electricity, liquid or gaseous fuels and the volume of pollution emissions.
TPA (Third Party Access)	A principle under which the owner or operator makes its network infrastructure available to third parties in order to provide services to customers. In the case of electricity, this means the possibility of using the network of a local energy distributor to deliver energy purchased from any seller to the indicated location.
TWh	Terawatt hour, a multiple of the SI unit of electricity. 1 TWh equals 10^9 kWh.
EU	The European Union.
URE	The Energy Regulatory Office.

WACC	Weighted average cost of capital.
WIBOR (Warsaw Interbank Offered Rate)	Warsaw Interbank Offered Rate.
Cofiring	Generation of electricity or heat using a process of simultaneous and joint combustion of biomass or biogas with other fuels in a single device; a portion of the energy generated in this manner can be deemed to be energy generated in a renewable energy source.

GRUPA ORLEN