Polenergia

2024

Consolidated Sustainability report for the year ended 31 December 2024

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DEAR LADIES AND GENTLEMEN,

It is with great pleasure that I present to you our latest sustainability report for the Polenergia Group.

This document confirms our daily work and credibility in implementing this idea.

By producing green energy, we remain in harmony with the natural environment, contributing to the protection of our planet's climate. We foster the principles of equality and inclusivity within our company. At the same time, we care for local communities, our partners, and all those alongside whom we operate. All of this is carried out with transparency and openness, in accordance with corporate governance and best practices.

This report has once again been prepared based on ESRS standards and has undergone independent verification. The external audit confirms our commitment to building a sustainable future based on decarbonization and green energy, as well as our transparent summary of non-financial results. For the third time, we have comprehensively and transparently reported our projects in line with the sustainable development taxonomy, as well as initiatives related to social engagement and biodiversity support (for which we allocate 1% of our net profit). Both the number and quality of these projects make us stand out in the market. Our efforts in reporting and establishing good market practices are entirely voluntary. The trust of local communities, employees, and our business partners represents a significant responsibility to our investors, customers, and future generations. Building strong, lasting, and united local communities that support the energy transition is at the core of our business.

The past year has been exceptional for us. On one hand, we increased our renewable energy production capacity, effectively supporting our partners in decarbonization. On the other, we were dynamically preparing for the implementation of a strategic offshore wind farm project, which will significantly scale up our operations and accelerate Poland's energy transition. To secure financing for this landmark project in the Group's history, we issued green bonds worth PLN 750 million for the first time, which were enthusiastically received by the market. This achievement would not have been possible without Polenergia's maturity and credibility in the ESG domain. Our continuous, responsible, and forward-thinking actions are reflected in our improving Sustainalytics rating, which places us among Europe's most advanced energy groups in implementing the green transition.

Behind all of the company's successes stand our dedicated employees, whose passion for creating a better world, care for their colleagues, and responsibility for our business partners drive us forward.

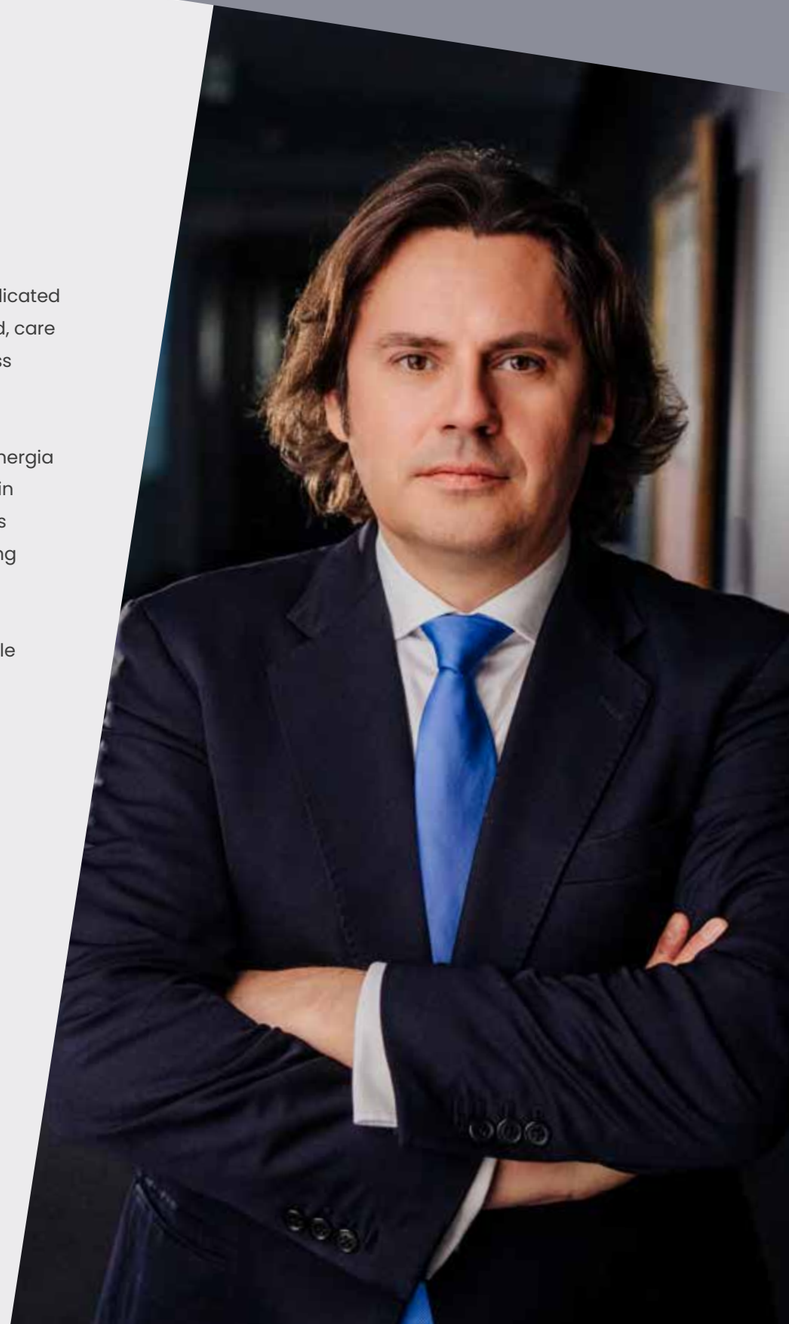
I would like to express my gratitude to the entire Polenergia Group community for their contribution and passion in carrying out the numerous initiatives described in this report, as well as for their meticulous work in compiling this document. I also extend my thanks to our clients and partners for the trust you place in us as we navigate the path of energy transition and sustainable development together. Together, we are responsibly building a zero-emission economy for the future and a better life for generations to come.

I invite you to read the report and encourage you to follow our future actions and the implementation of further ambitious projects of our Group.

Yours sincerely

Adam Purwin

President of the Management Board Polenergia S.A.



Polenergia

01

GENERAL INFORMATION

ESRS 2

General Disclosures

BP-1

General Basis for Preparation of Sustainability Statements

This sustainability report for the year ended 31 December 2024 has been prepared in a consolidated form.

The scope of consolidation of the sustainability statement is the same as for the Financial Statements. In this report, "Polenergia" and "Polenergia Group" mean the parent company Polenergia S.A. together with its consolidated subsidiaries.

This document includes data of subsidiaries which are not required to publish their individual sustainability reports. All the subsidiaries of Polenergia S.A. covered under this consolidated report belong to this category.

This report contains disclosures for both upstream (e.g. suppliers) and downstream (e.g. customers) activities, i.e., data on entities and individuals working in the value chain of the Polenergia Group. The value chain comprises activities, resources, and relationships that an entity uses and relies upon to create its products or provide services, starting from conception through implementation, consumption to end-of-life phase.

Polenergia Group's upstream activities are related to the sourcing of components and services for the preparation of the infrastructure required to generate green energy. The implementation of Polenergia Group's projects (plant construction) is carried out in cooperation with companies that supply components for the construction of wind and photovoltaic farms, construction and assembly contractors and service technicians. The materials and components selected are sourced from trusted suppliers.

Polenergia Group's downstream activities are related to the sale of energy to customers, the provision of installation services for photovoltaic systems, heat pumps, energy storage facilities and day-to-day customer service. The characteristics of customer service are determined by the type of service provided. The end-of-life stage of the plant is also located in this part of the value chain.

Disclosures in this report include information on relationships with stakeholder groups, both upstream (value chain practitioners) and downstream (consumers), as well as quantitative indicators covering Scope 3 emissions.

In this report, Polenergia Group does not omit any specific information regarding the disclosure of intellectual property, know-how or innovation results.

The Polenergia Group has not taken the opportunity in this report to omit information about the expected developments and events resulting from ongoing negotiations.

Polenergia Group's Consolidated Sustainability Report has been prepared in accordance with the provisions implemented by the CSRD Directive, transposed into the provisions of the Accounting Act and the EU Taxonomy Guidelines. The Polish translation of the Commission Delegated Regulation (EU) 2023/2772 for European Sustainability Reporting Standards (ESRS) has been used for the preparation of the report. The terms used in this statement are derived from Table 2 in Annex 2 of the said Regulation (EUR-Lex-02023R2772-20231222 - EN - EUR-Lex).

BP-2

Disclosures in Relation to Specific Circumstances

TIME HORIZONS - DEFINITIONS

The short-term horizon was set at 1 year, which corresponds to the financial reporting period of the Polenergia Group. The medium-term horizon was set at 5 years, which is the term of the Group's business strategy. The lower limit of the long-term horizon was set at 5 years, while the upper limit was set by the Polenergia Group at the 30 years.

TIME HORIZONS - ANALYSIS OF CLIMATE RISKS

For the purposes of the climate risk analysis presented in this report, the defined standard time horizons have not been applied. The horizons for the climate risk analysis (performed at the turn of 2023 and 2024) were defined as follows:

- Short-term horizon - 2 years (in the year of the analysis, this horizon was set at the year 2025, i.e., the horizon for the first phase of climate finance under the Paris Agreement),
- Medium-term horizon - 12 years (in the year of the analysis, this meant a horizon up to 2035, i.e., an important EU milestone for energy transition activities),
- Long-term horizon - 27 years (in the year of the analysis, this meant a horizon up to 2050, i.e., the horizon for climate neutrality set by the Paris Agreement).

The short-term horizon was set until the year in which the Polenergia Group falls under the obligation to report in accordance with the CSRD Directive. For the remaining areas, the report adopts deadlines in line with ESRS 1 6.4, that is:

- Short-term horizon - 1 year,
- Medium-term horizon - 5 years,
- Long-term horizon - 30 years.

CALCULATION UNCERTAINTY AND ESTIMATES

In 2024, the Polenergia Group completed the process of mapping, verifying, and calculating it carbon footprint in scope 3. The period for which the company's greenhouse gas emissions were calculated is the year 2023. Emissions from the beginning of January to the end of December 2023 were taken into account.

Considering availability of data, the categories indicated have been estimated:

- **Category 2: Capital goods**

Emissions from the construction of wind and photovoltaic farms that were under construction during the reporting year have been estimated. Based on the estimated production of electricity over the planned 30-year lifetime and an appropriately selected emissions factor for the photovoltaic and wind farms, the total construction-related emissions were estimated

- **Category 6: Business trips**

Emissions were estimated on the basis of operational expenditure (OPEX) for accommodation, train fares, and air travel.

- **Category 11: Use of products sold**

The electricity mix used to operate the heat pumps sold was estimated. Based on data on the Polish energy mix, emission factors for electricity over the life cycle of the heat pump were determined. The projected electricity emission factors were estimated based on publications: CAKE, "Polska net-zero 2050" (Poland net-zero 2050); MKiŚ, „Polityka energetyczna Polski do 2040 r." (Poland's Energy Policy until 2040), 2021; McKinsey&Company, „Neutralna emisyjnie Polska 2050" (Emission-Neutral Poland, 2050); INSTRAT scenrios, March 2023; KOBiZE, „Wskaźniki emisyjności CO2, SO2, NOx, CO i pyłu całkowitego dla energii elektrycznej" (Emission factors of CO2, SO2, NOx, CO, and total dust for electricity).

- **Category 15: Investments**

Emissions associated with the construction of Offshore Wind Farm Baltic 2 and Offshore Wind Farm Baltic 3 have been estimated. Based on information on the estimated life-cycle electricity production, total construction-related emissions have been estimated using an appropriate indicator.

Furthermore, estimates and indirect data have been applied to the following disclosures in this report:

- **E5-5** With regard to non-hazardous waste collected from offices of entities in the Polenergia Group, it is not possible to obtain base information in tonnes or kilograms as indicated in the disclosure requirement. The information that companies of the Polenergia Group can obtain from the waste collector is the estimated volume of waste collected. In order to present it in accordance with the disclosure requirement, the weight of waste has been estimated using the information published on the Waste Database website: https://ibdo.pl/wagi-odpadow-i-surowcow-wtornych/.

CHANGES TO THE SUSTAINABILITY REPORTS FORMULA

This document is Polenergia Group's second report prepared based on EU ESRS standards. Compared to the previous reporting cycle, there have been no adjustments regarding the presented sustainability information. This report does not adjust items disclosed in reports for previous years.

Considering the additions included in the Implementation Guidance 3: List of ESRS Datapoints published by EFRAG (European Financial Reporting Advisory Group), and the positive opinion on the review of last year's report, no material errors were identified in the disclosures in the 2023 report prepared according to up-to-date information available at the time.

In the report, the Polenergia Group does not disclose information based on other regulations or generally accepted interpretations or standards on sustainability reporting.

No reference is made in this report to the 2024 financial report or the directors' report.

This report is published voluntarily, as the Polenergia Group is not subject to the reporting obligation for 2024, having not exceeded the thresholds specified in the definition of a large group in Article 3(1e)(1) to (6) of the Accounting Act. In view of the above, in the 2024 report the Polenergia Group does not benefit from the exemptions specified in Appendix C to ESRS 1.

Information on the applied exclusions will be published in the first report submitted under the new reporting obligation implemented by the CSRD Directive and the Accounting Act for 2025.

GOV-1

The Role of the Administrative, Management and Supervisory Bodies

In the structure of the Polenergia Group's governing bodies, executive functions are performed by the Management Board, while non-executive functions are performed by the Supervisory Board.

THE SUPERVISORY BOARD

As at 31 December 2024, the Supervisory Board of the Polenergia Group's controlling company, Polenergia S.A., comprised 8 members. Persons with non-executive functions are members of the Supervisory Board of the Polenergia Group.

As at 31 December 2024, the Supervisory Board of Polenergia S.A. comprised the following members:

- **Dominika Kulczyk** – Chair of the Supervisory Board,
- **Thomas Joseph O'Brien** – Deputy Chair of the Supervisory Board,
- **Szymon Adamczyk** – Member of the Supervisory Board,
- **Orest Nazaruk** – Member of the Supervisory Board,
- **Ignacio Paz-Ares Aldanondo** – Member of the Supervisory Board,
- **Emmanuelle Rouchel** – Member of the Supervisory Board,
- **prof. Piotr Ciżkowicz** – Member of the Supervisory Board,
- **Orest Nazaruk** – Member of the Supervisory Board,
- **Mikołaj Franzkowiak** – Member of the Supervisory Board,

Number of women: 2 (which makes up 25%)
Number of men: 6 (which makes up 75%)

The composition of the Supervisory Board of Polenergia S.A. as at the date of publication of the sustainability report was as follows:

- **Dominika Kulczyk** – Chair of the Supervisory Board,
- **Szymon Adamczyk** – Member of the Supervisory Board,
- **Orest Nazaruk** – Member of the Supervisory Board,
- **Ignacio Paz-Ares Aldanondo** – Member of the Supervisory Board,
- **Emmanuelle Rouchel** – Member of the Supervisory Board,
- **prof. Piotr Ciżkowicz** – Member of the Supervisory Board,
- **Mikołaj Franzkowiak** – Member of the Supervisory Board,
- **Inés Bargueño** – Member of the Supervisory Board,

On 29 February 2024, the Company was informed of the resignation of Mr. Andrzej Filip Wojciechowski

from his position of a Member of the Supervisory Board of the Company. The resignation was submitted effective from 29 February 2024.

On 29 February 2024, the Company received a statement of a shareholder, Mansa Investments Sp. z o.o., of an appointment of Mr. Jacek Głowacki as a Member of the Company's Supervisory Board, pursuant to the shareholder's personal power provided for in Article 5.4.2.(a)(i) of the Company's Articles of Association, effective as of 29 February 2024.

On 21 May 2024, the Company was informed of the resignation of Mr. Jacek Głowacki from his position as a member of the Company's Supervisory Board.

On 22 May 2024, the Company received a statement of Mansa Investments Sp. z o.o. on the appointment of Mr. Adam Purwin to the Company's Supervisory Board.

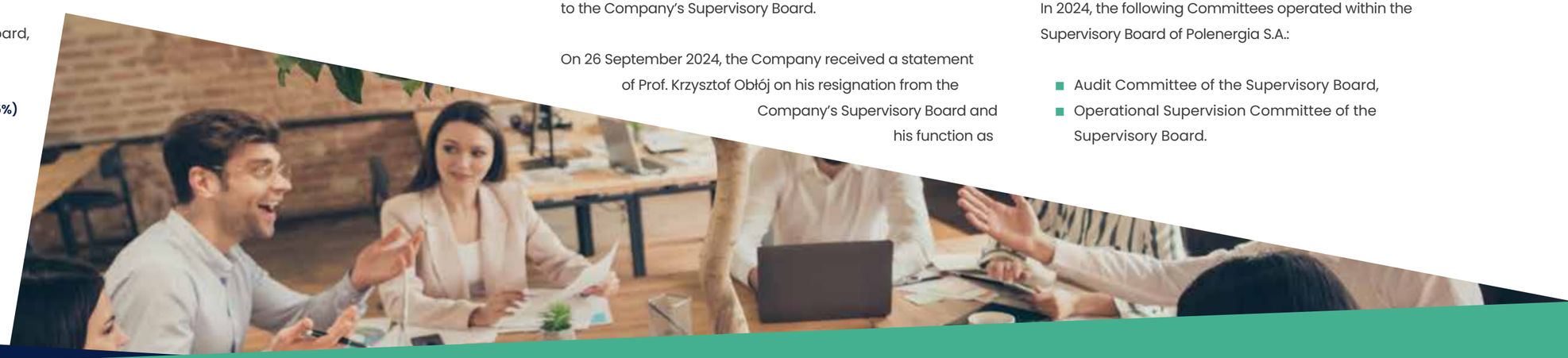
On 26 September 2024, the Company received a statement of Prof. Krzysztof Obłój on his resignation from the Company's Supervisory Board and his function as a member of the Supervisory Board of the Company effective as of 15 October 2024. On the same day, i.e., on 26 September 2024, the Company received a statement of Mansa Investments Sp. z o.o. with its registered office in Warsaw on the appointment of Mr. Piotr Bartosz Ciżkowicz, Ph.D., Professor of the Warsaw School of Economics, as a member of the Company's Supervisory Board, effective as of 16 October 2024.

On 18 and 19 October, the Company was informed of the resignation of Mr. Adam Purwin from the position of Member of the Supervisory Board effective as of 18 October 2024 and the appointment of Mr. Mikołaj Franzkowiak as Member of the Supervisory Board of the Company effective as of 19 October 2024.

On 15 March 2025, Mr. Thomas Joseph O'Brien was dismissed from his position as a Member of the Supervisory Board, and on the same day, Ms. Inés Bargueño was appointed as a Member of the Supervisory Board.

In 2024, the following Committees operated within the Supervisory Board of Polenergia S.A.:

- Audit Committee of the Supervisory Board,
- Operational Supervision Committee of the Supervisory Board.



THE AUDIT COMMITTEE OF THE SUPERVISORY BOARD

The Audit Committee consists of three to five members. It serves as an advisory body to the Supervisory Board, offering guidance on the proper application of the Company's financial reporting principles, the integrity of its internal controls, both within the Company and across its Group, and its collaboration with external auditors.

THE AUDIT COMMITTEE OF THE SUPERVISORY BOARD IN 2024 COMPRISED THE FOLLOWING MEMBERS:

- **Orest Nazaruk** – Chair of the Audit Committee of the Supervisory Board,
- **Szymon Adamczyk** – Member of the Audit Committee of the Supervisory Board,
- **Andrzej Filip Wojciechowski** – Member of the Audit Committee of the Supervisory Board during the period from 8 January 2024 to 29 February 2024,
- **Jacek Głowacki** – Member of the Audit Committee of the Supervisory Board during the period from 13 March 2024 to 21 May 2024,
- **Adam Purwin** – Member of the Audit Committee of the Supervisory Board during the period from 7 June 2024 to 18 October 2024,
- **Mikołaj Franzkowiak** – Member of the Audit Committee of the Supervisory Board from 19 October 2024.

The Audit Committee of the Supervisory Board held 6 meetings in 2024.

OPERATIONAL SUPERVISION COMMITTEE OF THE SUPERVISORY BOARD

The primary function of the Committee is to provide operational oversight of the development, financial operations and investment opportunities of the Polenergia Group based on the monthly, quarterly, and annual financial and directors' reports provided to the Committee.

THE 2024 SUPERVISORY BOARD'S OPERATIONAL SUPERVISION COMMITTEE COMPRISED:

- **Ignacio Paz-Ares Aldanondo** – Member of the Supervisory Board's Operational Supervision Committee,
- **Thomas O'Brien** – Member of the Supervisory Board's Operational Supervision Committee,
- **Andrzej Filip Wojciechowski** – hair of the Supervisory Board's Operational Supervision Committee during the period from 8 January 2024 to 29 February 2024,
- **prof. Krzysztof Obłój** – Member of the Supervisory Board's Operational Supervision Committee during the period from 8 January 2024 to 15 October 2024,
- **Jacek Głowacki** – Chair of the Supervisory Board's Operational Supervision Committee during the period from 13 March 2024 to 21 May 2024,
- **Adam Purwin** – Chair of the Supervisory Board's Operational Supervision Committee during the period from 7 June 2024 to 18 October 2024,
- **Mikołaj Ciżkowicz** – Chair of the Supervisory Board's Operational Supervision Committee from 19 October 2024 to date,
- **Prof. Piotr Ciżkowicz** – Member of the Supervisory Board's Operational Supervision Committee from 7 November 2024 to date.

In 2024, the Supervisory Board's Operational Supervision Committee held 10 meetings.

In 2024, the Supervisory Board of Polenergia S.A., the controlling company of the Polenergia Group, included 2 members who meet the criteria of independent members: **Orest Nazaruk** and **Szymon Adamczyk.**

THE MANAGEMENT BOARD

THE COMPOSITION OF THE COMPANY'S MANAGEMENT BOARD AS AT 31 DECEMBER 2024 WAS AS FOLLOWS:

- **Jerzy Wacław Zań** – President of the Management Board,
- **Adam Purwin** – Vice-President of the Management Board,
- **Andrzej Filip Wojciechowski** – Vice-President of the Management Board,
- **Iwona Maria Sierżęga** - Member of the Management Board,
- **Piotr Łukasz Maciołek** - Member of the Management Board.

Number of women: 1 (which makes up 20%).
Number of men: 4 (which makes up 80%).

The composition of the Company's Management Board at the date of publication of Sustainability Report was as follows:

Adam Purwin
President of the Management Board

Andrzej Filip Wojciechowski
First Vice-President of the Management Board

Piotr Tomasz Sujecki
Second Vice-President of the Management Board

Łukasz Buczyński
Member of the Management Board

On 27 February 2024, the Company was informed of:

- Resignation of the President of the Management Board, Dr. Michał Michalski, from the Management Board and his position of the President of the Management Board, effective from 6 p.m. on 27 February 2024;
- Resignation of the Vice-President of the Management Board, Tomasz Kietliński, from the Management Board and his position of the Vice-President of the Management Board, effective from 7 p.m. on 27 February 2024.

On 1 March 2024, the Company's Supervisory Board appointed the following members to the Company's Management Board:

- Mr. Jerzy Wacław Zań, who was entrusted with the position of President of the Company's Management Board (CEO) and the Chief Financial Officer (CFO); and
- Mr. Andrzej Filip Wojciechowski, who was entrusted with the position of the Vice-President of the Company's Management Board.

The President and the Vice-President of the Company's Management Board have been appointed for the tenure until the end of the current joint three-year term of office of the Management Board, i.e., until 31 December 2024 (inclusive).

On 18 July 2024, the Supervisory Board of the Company adopted a resolution pursuant to which it decided to delegate Mr. Adam Purwin, Member of the Supervisory Board of the Company, to temporarily perform the function of a Member of the Management Board of the Company for the duration of 3 months from the date of the resolution.

On 24 September 2024, the Supervisory Board of the Company adopted a resolution on appointment of the following persons to the Management Board for a new term of office, i.e., from 1 January 2025:

- **Mr. Adam Purwin,** who was entrusted with the position of the President of the Company's Management Board (CEO),
- **Mr. Andrzej Filip Wojciechowski,** who was entrusted with the position of the First Vice-President of the Company's Management Board's for Development (CDO),
- **Mr. Piotr Tomasz Sujecki,** who was entrusted with the position of the Chief Operating Officer (COO).

In connection with the appointment of the new composition of the Company's Management Board, the mandates of all the other members of the Company's Management Board expired at the end of the current three-year term of office, i.e., on 31 December 2024.

On 19 October 2024, Mr. Adam Purwin was appointed Vice-President of the Management Board for the current term of office by a resolution of the Company's Supervisory Board adopted on 18 October 2024. The appointment expired on 31 December 2024.

In 2024, there was no member of the Management Board of Polenergia S.A., the controlling company of the Polenergia Group, who represented the employees.

SUSTAINABILITY MANAGEMENT

Members of the ESG Committee and the Management Board act in the company's best interests and are accountable for its operations, including ESG implementation. In particular, Specifically, it is the responsibility of the Management Board to provide strategic leadership in the company, actively engage in and achieve the company's objectives, especially in the realm of ESG, ensuring operational efficiency and security to the company, and overseeing the implementation of appropriate measures to meet established targets.

Polenergia Group's materiality assessment conducted in 2022 disclosed material impacts, risks or opportunities relating to the topics listed in the table below. These topics have been were mapped to match the thematic scope of Polenergia Group's ESG Strategy, and the individuals in charge of monitoring have been identified within the Board structures. Management Board members monitored individual ESG thematic areas; the person who coordinated the said work behalf of the Board was **Iwona Sierżęga**, Member of the Management Board.

ESG material topic	ESG Strategy targets	Responsibility for ESG target and area management from 1 Jan 2024 to 27 Feb 2024:	Responsibility for ESG target and area management from 28 Feb 2024 to 9 Dec 2024:
Climate change	Target E.1. Decarbonisation of Polenergia Group's operations	Michał Michalski Iwona Sierżęga Piotr Maciołek	Jerzy Wacław Zań Piotr Maciołek
	Target E.2. Supporting green transformation of clients	Michał Michalski Piotr Maciołek	Piotr Maciołek
	Target E.3. Polenergia Group - the leader of innovation	Michał Michalski Iwona Sierżęga	Piotr Maciołek
Resource use and circular economy	Target E.4. Implementing the principles of circular economy into the Group's operations	Iwona Sierżęga	Iwona Sierżęga
Biodiversity and ecosystems	Target E.5. Developing biodiversity due diligence	Iwona Sierżęga	Iwona Sierżęga
	Target E.6. Investigating the impact of Polenergia Group on the environment	Iwona Sierżęga	Iwona Sierżęga

Due to structural changes which took place in December 2024, the 2024 figures have been presented as they were until 9 December. New sustainability responsibilities have been assigned starting with the new year.

Each Member of the Management Board has been assigned responsibility for specific areas of sustainability, details of which are set out below. In addition, the Management Board of Polenergia declared individual ESG targets, which were adopted by a resolution of the Supervisory Board in June 2024.

The Finance and Investor Relations Division, the Legal and Administrative Division and the Strategy and Business Development Department reported to Jerzy Wacław Zań, who directly supervised the launch of new RES projects. He also supervised the Compliance Department.

Filip Wojciechowski supervised the Human Resources Department, the IT Department and the implementation and compliance with Polenergia Group's Diversity Policy.

Iwona Sierżęga was responsible for supervising the Generation and Clean Fuels Division and the Business Support and ESG Division. Ms. Sierżęga conducted comprehensive business sustainability activities and was directly responsible for the implementation of Polenergia Group's Social Engagement Policy and Polenergia Group's Biodiversity Strategy.

Piotr Maciołek supervised the Energy Infrastructure Division and the Trading and Sales Division, influencing the decarbonisation of Polenergia Group clients.

ESG material topic	ESG Strategy targets	Responsibility for ESG target and area management from 1 Jan 2024 to 27 Feb 2024:	Responsibility for ESG target and area management from 28 Feb 2024 to 9 Dec 2024:
Own workforce	Target S.1. Creating a sustainable culture of the organisation	Michał Michalski	Andrzej Filip Wojciechowski
Workers in the value chain Affected communitiesConsumers and end-users	Target S.2. Well-being and cooperation with relevant stakeholders	Michał Michalski Iwona Sierżęga	Iwona Sierżęga
	Target S.3. Responsible chain management	Michał Michalski Iwona Sierżęga	Iwona Sierżęga
Business Conduct	Target G.1. Corporate governance supporting sustainable development	Michał Michalski Tomasz Kietliński Iwona Sierżęga Piotr Macioł	Jerzy Wacław Zań
	Target G.2. Responsible business conduct	Michał Michalski Tomasz Kietliński	Iwona Sierżęga
	Target G.3. Effective risk management and high standards of control	Tomasz Kietliński	Jerzy Wacław Zań

Members of Polenergia Group's Management Board have many years of experience in managing finance, in particular with regard to RES investments, as well as expertise related to the development and supervision of projects that support clients' energy transformation.

The President of the Management Board, Mr. Jerzy Zań, has nearly 25 years of experience in finance and banking, where he held key positions related to business development and management, as well as financial operations management. From 2019 to 2023, he held the position of Vice-President of the Management Board of Bank Ochrony Środowiska, which specialises in financing green investments, with a particular focus on renewable energy sources.

The Vice-President of the Management Board, Mr. Andrzej Filip Wojciechowski, specialises in business transformation as well as team building and development. Mr. Wojciechowski gained his experience in European companies operating in various industries.

The Vice-President of the Management Board, Mr. Adam Purwin, is an experienced project finance expert. Mr. Purwin supervised the implementation of corporate governance and modern managerial methods in subsidiaries, setting action strategies and objectives for management boards. Corporate governance aspects for which Adam Purwin has been responsible, in particular rules and actions facilitating the issuance of green bonds, have been an integral part of Polenergia Group's business strategy. Mr. Purwin played a major role in the creation of the Green Bond Framework, which aims to set out the principles and actions that facilitate the issuance of the Company's green bonds.

Board Member Iwona Sierżęga completed her ESG course at the University of Cambridge, on 'Circular Economy and Sustainability Strategies'. Iwona Sierżęga has been responsible for sustainability issues at the Polenergia Group since she has become a Member of the Management Board in 2019. In particular, Iwona Sierżęga was in charge of community and environmental issues. Ms. Sierżęga was also responsible for the development of new hydrogen technologies.

The Board member regularly participated in meetings on sustainability reporting organised by Materiality, Polenergia Group's advisor in this field. Ms. Sierżęga has also actively participated in meetings and trainings organised by the co-shareholder, Brookfield, and its consultants such as, among others, the Pricewaterhouse Coopers consulting firm. Iwona Sierżęga who managed the Nowa Sarzyna Heat and Power Plant prior to her appointment to the Company's Management Board, has developed relations with the local community by monitoring environmental issues for many years.

Board member Piotr Maciołek has an extensive experience in finance and customer relations. Mr. Maciołek was responsible for the industrial energy segment first at Polish Energy Partners and then in the Polenergia Group. During the period from 2016 to 2023, as Chief Operating Officer (COO), Mr. Maciołek was responsible for leading, maintaining and operating all energy projects in the Group. In 2020, Mr. Maciołek was appointed to the Management Board of Polenergia S.A. Since 2023 he has been serving as the Chief Commercial Officer (CCO) and was responsible for the commercialisation of electricity and other elements of Polenergia Group's market offer. Mr. Maciołek was also responsible for the Group's activities aimed at client decarbonisation.

Polenergia's Management Board is aware that it is of paramount importance for the success of the business to integrate environmental and community impact issues with governance. Therefore, Polenergia conducts business with due regard for ESG issues at every stage of its operations.

The management of ESG has been delegated to the Environment and Sustainability Department led by Director **Marta Porzuczek**, who is also the ESG Coordinator at the Polenergia Group.

Marta Porzuczek
Sustainability Coordinator

Polenergia consults sustainability issues with Materiality, an external advisor. Materiality supports the Polenergia Group in developing internal procedures and compliance with European reporting standards (ESRS). Internal ESG training courses are also organised for Group employees with the support of the advisor. Two such meetings took place in 2024, the first on the European Union Taxonomy and the second on Minimum Safeguards.

Polenergia Group's Management Board is aware of the need for communicating sustainability issues internally to all employees of the Group. Since December 2023, under the supervision of the Environmental Protection and Sustainability Director, the ESG Team has been organising internal educational webinars titled "Zoom on ESG". Key issues related to responsible business conduct, such as environmental protection, social responsibility and corporate governance, which relate to the Group's ongoing activities in these areas, are discussed during online meetings.

Activities in the areas of E - carbon footprint methodology in scope 3; S - activities for the benefit of local communities and female and male employees; G - the process involving examination of compliance with minimum safeguards have been presented during the webinars. The meetings are recorded and made available to female and male employees along with training materials. Seven meetings were held in 2024, with over 90 participants each time.

In view of developing the decarbonisation plan, the Polenergia Group signed the SBTi Letter of Intent in the first quarter of 2024. In order to prepare for this task, the Group measures its carbon footprint not only in Scope 1 and 2, but also in Scope 3. In 2024, the Group embarked on collaboration with the Climate&Strategy Foundation to develop a tool to measure Polenergia Group's Scope 3 emissions on the basis of data covering 2023. These objectives have been achieved.

ESG COMMITTEE

To strengthen the Board's support in advancing sustainability initiatives, an ESG Committee was established in March 2024. The Committee is responsible for defining key tasks, overseeing their execution, and ensuring that sustainability objectives are achieved. Additionally, it provides the Board with insights into challenges, risks, and opportunities within the ESG domain.

In 2024, the ESG Committee was composed of the following members:

- **Jerzy Wacław Zań** - President of the Management Board of Polenergia S.A.,
- **Andrzej Filip Wojciechowski** – Vice-President of the Management Board of Polenergia S.A.,
- **Adam Purwin** – Vice-President of the Management Board of Polenergia S.A.,
- **Piotr Maciołek** - Member of the Management Board of Polenergia S.A.,
- **Iwona Sierżęga** - Member of the Management Board of Polenergia S.A.,
- **Marta Porzuczek** - Director of the Environment and Sustainability Department and ESG Coordinator,
- **Małgorzata Awdziejczyk** - Board Advisor for Business Process Optimisation,
- **Michał Nowacki** - Director of the Strategy and Business Development Department,
- **Izabela Kozłowska** - Head of the Compliance Department,
- **Aleksander Bik** - Director of the Human Resources Department,
- **Łukasz Gołaszewski** - Director of the Controlling Department,
- **Marta Bieńczyk** - Director of the Management and Administration Office.

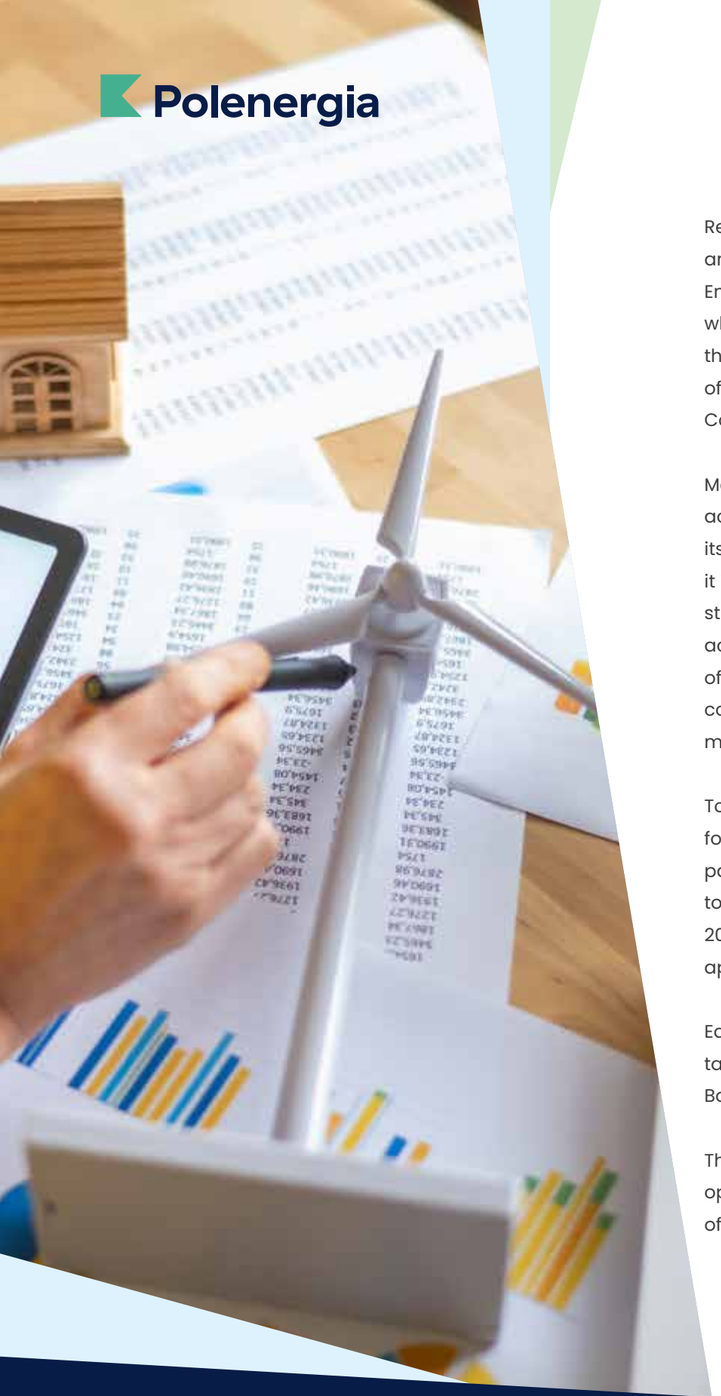
The Chair of the ESG Committee 2024 was Iwona Sierżęga, Member of the Management Board of Polenergia S.A., who was responsible for ESG in the Polenergia Group on behalf of the Management Board.

Two ESG Committee meetings were held in 2024 (in July and October).

In 2025, the ESG Committee is composed of the following members:

- **Filip Adam Wojciechowski** - First Vice-President of the Management Board of Polenergia S.A.,
- **Marta Porzuczek** - Director of the Environment and Sustainability Department and ESG Coordinator,
- **Izabela Kozłowska** - Head of the Compliance Department,
- **Marta Bieńczyk** - Director of the Management and Administration Office,
- **Aleksander Bik** - Director of the Human Resources Department,
- **Monika Piaścik** - Strategic Projects Director,
- **Łukasz Gołaszewski** - Director of the Controlling Department,
- **Katarzyna Szwed-Lipińska** – Director of Legal and Transactions Department,
- **Mirosław Kuk** – Director of Communications Department.

The Chair of the ESG Committee 2025 is Andrzej Filip Wojciechowski, the First Vice-President of the Management Board of Polenergia S.A., who is responsible for ESG in the Polenergia Group on behalf of the Management Board.



Responsibility for managing sustainability impacts, risks, and opportunities has been entrusted to the Director of Environmental Protection and Sustainability, Marta Porzuczek, who also performs the function of the ESG Coordinator. In this capacity, Ms. Porzuczek oversees the implementation of ESG initiatives and report on their progress during ESG Committee meetings.

Members of the ESG Committee and the Management Board act in the company's best interests and are accountable for its operations, including ESG implementation. Specifically, it is the responsibility of the Management Board to provide strategic leadership in the company, actively engage in and achieve the company's objectives, especially in the realm of ESG, ensuring operational efficiency and security to the company, and overseeing the implementation of appropriate measures to meet the established targets.

To define these objectives, a dedicated working group is formed, comprising directors from various departments of the parent company and its subsidiaries. This group collaborates to establish strategic ESG goals for the entire Group. In 2023, the Management Board of Polenergia developed and approved its ESG Strategy extending to 2030.

Each Board Member has been assigned individual ESG targets, which are adopted by a resolution of the Supervisory Board.

The Supervisory Board is particularly concerned with giving its opinion on the company's strategy and overseeing the work of the Management Board in achieving their objectives.

The implementation of the ESG objectives is presented to the Management Board during the ESG Committee meetings. The ESG Coordinator is responsible for gathering data in this field and presenting the results of the work to the Board.

The implementation of the sustainability objectives is reported to the Supervisory Board during quarterly performance discussions. The ESG Coordinator presents the data to the Management Board, which then incorporates ESG information into its quarterly reports to the Supervisory Board.

As a rule, Management Board meetings are held once a week, and not less frequently than once a month. ESG issues are raised during meetings and the Board takes decisions related to them.

ESG issues are reported to the Management Board by the ESG Coordinator during ESG Committee meetings.

The implementation of the sustainability objectives is reported to the Supervisory Board during quarterly performance discussions. The material for the Supervisory Board is prepared by the ESG Coordinator together with the ESG Team.

In today's corporate landscape, companies encounter significant challenges pertaining to environmental, social, and governance (ESG) responsibilities. Within this framework, internal audit has emerged as a key instrument, bolstering organizations in the proficient management of sustainability concerns. ESG factors have become integral to achieving sustained financial success, necessitating enhanced transparency across all organizational tiers. Polenergia recognizes this imperative; consequently, it prioritizes internal auditing and consultancy focused on ESG reporting and sustainability matters.

The Internal Control and Risk Management Department provides the methodology for the identification and evaluation of risks and opportunities applicable in the Polenergia Group, and thus supports the ESG Team in effectively monitoring and managing risks related to ESG issues.

Under the supervision of Marta Porzuczek, the Director of the Environment and Sustainability Department and ESG Coordinator, the ESG Team oversees the implementation of ESG initiatives and the monitoring of activities to ensure their alignment with the Group's ESG Strategy.

GOV-2

Information Provided to and Sustainability Matters Addressed by the Undertaking's Administrative, Management, and Supervisory Bodies

The Management Board is informed about pertinent influences, risks and opportunities, and ongoing sustainability processes during the ESG Committee meetings, which are held at least quarterly. At each meeting, Marta Porzuczek, the Director of the Environment and Sustainability Department and ESG Coordinator, provides detailed reports on the progress of specific ESG activities, policy implementations or revisions, and the attainment of ESG objectives.

The full Management Board or designated members thereof actively engage in the validation process of the dual materiality assessment, which identifies the Group's material impacts concerning ESG matters.

The Polenergia Group diligently ensures that its operations do not exert adverse effects. The Group maintains vigilant oversight of its activities and collaborates closely with business partners to promptly address any negative impacts related to employees, human rights, environmental concerns, anti-corruption measures, consumer protection, and corporate governance throughout its value chain and at every stage of business relationships.

In her capacity as the Compliance Officer at the Polenergia Group, Izabela Kozłowska supported by the ESG Team oversees the implementation of compliance policies and procedures within Polenergia Group. The results of the due diligence process are regularly discussed and presented to the Management Board during ESG Committee meetings.

The implementation of the sustainability objectives is reported to the Supervisory Board during quarterly performance discussions. The material for the Supervisory Board is prepared by the ESG Coordinator together with the ESG Team.

Matters relating to material sustainability impacts, risks and opportunities are analysed by the Management Board and taken into account when making business decisions. The Supervisory Board receives quarterly progress updates on ESG processes. The implementation of tasks in this area is overseen by Marta Porzuczek, the Director of Environment and Sustainability and ESG Coordinator.

During the period from January to December 2024, the Management Board of Polenergia addressed the following ESG impacts, risks and opportunities:

- Issues related to the development of the Group's strategic projects: Bałtyk 2 and Bałtyk 3 offshore wind farms, as well as new hydrogen technology projects (testing of hydrogen co-combustion at the Polenergia Nowa Sarzyna CHP Plant);
- Discussion of the results of the 2023 Scope 3 emissions tests of the Polenergia Group. The tests ran from January to September 2024. The Climate&Strategy Foundation has developed a Scope 3 carbon footprint measurement tool which the Group will use in future years taking into account this data to develop a decarbonisation plan;
- Biodiversity and ecosystems;
  - In March 2024, the Polenergia Group adopted a Biodiversity Strategy to identify and minimise the Group's impact on biodiversity;
- Equal treatment and equal opportunities;
  - In October 2024, the Polenergia Group adopted a Diversity, Equality and Inclusion Policy with a view to set goals and implement actions in response to diverse needs, making Polenergia a company that fosters equal opportunity and values diverse experiences and perspectives;
- Economic, social and cultural rights of the community;
  - In March 2024, the Polenergia Group adopted a Social Communication Plan with the updated Social Engagement Policy and the Complaints and Requests Procedure as its annexes;
  - In December 2024, the Management Board of Polenergia S.A. approved the Quality Book of the Polenergia Group's Environmental and Social Management System.

GOV-3

Integration of Sustainability-Related Performance in Incentive Schemes

THE SUPERVISORY BOARD – KEY FEATURES OF THE REMUNERATION POLICY

The Supervisory Board carries out its tasks on a continuous basis and therefore the remuneration of the Members of the Board is not dependent on the number of meetings held. The remuneration of the Members of the Committees, in particular the Audit Committee, takes into account the additional workload related to the work of these Committees.

The remuneration of Supervisory Board members should not be dependent on the short-term performance of the company.

The remuneration of the members of the Company's Supervisory Board comprises a fixed remuneration component only, i.e., a monthly lump-sum remuneration for serving as a member of the Supervisory Board of the Company, as determined by resolution of the General Meeting of Shareholders of the Company.

THE MANAGEMENT BOARD – KEY FEATURES OF THE REMUNERATION POLICY

In accordance with the Remuneration Policy for Members of the Management Board and Supervisory Board at Polenergia S.A., Members of the Company's Management Board are entitled to:

1. The monthly basic remuneration is determined by the Supervisory Board, with due regard for:
   - The functions held on the Company's Management Board,
   - Scope of duties and responsibilities,
   - Professional experience,
   - Past achievements and qualifications.

The employment or performance of functions by a Member of the company's Management Board based on more than one legal ground in the Polenergia Group does not affect the total fixed remuneration payable to the Member of the Management Board by virtue of their employment in the Company. Any remuneration paid for employment or function performed by the Member of the Company's Management Board in another company belonging to the Polenergia Group reduces the monthly basic remuneration in the Company (by the applicable amount).

2. Flexible remuneration in the form of a bonus that may consist of two or more components, each of which is dependent on at least one financial criterion (including the Profit or EBITDA) and a non-financial criterion (achievement of a set ESG Target), as approved by a Resolution of the Supervisory Board in June 2024. The achievement of the ESG Objectives represents a 10% weighting. In addition to the above-mentioned remuneration components, Members of the Management Board of the Company may be granted additional monetary or non-monetary benefits by the Supervisory Board, in particular:
   - A private medical care package for the Management Board Member and their family members (such as spouse, partner and children under 18) in Poland;
   - Reimbursement of the cost of the Management Board Member's motor accident insurance policy;
   - A company car on terms and conditions laid down in the Company's up-to-date policy;
   - Third-party liability insurance coverage for Management Board Members (D&O);
   - An individual cash award in justified cases, in an amount as determined by a resolution of the Supervisory Board;
   - Compensation for compliance with the post-employment non-competition clause.

The remuneration policy is approved by the Management Board. With regard to the Management Board, the remuneration policy is determined by the Supervisory Board in contracts and by-laws.

GOV-4

Statement on Due Diligence

Core elements of due diligence	Paragraphs in the sustainability statement
Embedding due diligence in governance, strategy and business model	E4-2, S1-1, S2-1, S3-1, S4-1, G1-1, G1-3, GOV-2, GOV-3
Engaging with affected stakeholders in all key steps of the due diligence	S1-2, S2-2, S3-2, S4-2
Identifying and assessing adverse impacts	GOV-5, IRO-1, SBM-3
Taking actions to address those adverse impacts	E4-3, S1-3, S2-3, S3-3, S4-3, G1-3
Tracking the effectiveness of these efforts and communicating	E4-4, E4-5, S1-17, S2-5, S3-5, S4-5, G1-5

GOV-5

Risk Management and Internal Controls Over Sustainability Reporting

Risk management and internal control issues are described in detail in the Polenergia Group's internal regulations, adopted by Resolution of the Management Board on 9 January 2024:

- Polenergia Group's risk management policy,
- Polenergia Group's risk management procedure.

A Risk Register template which illustrates the methodology for identifying and evaluating risks is annexed to the Procedure.

According to Polenergia Group's Risk Management Policy and the Polenergia Group Risk Management Procedure, the risk management process is conducted in the following organisationally distinct stages:

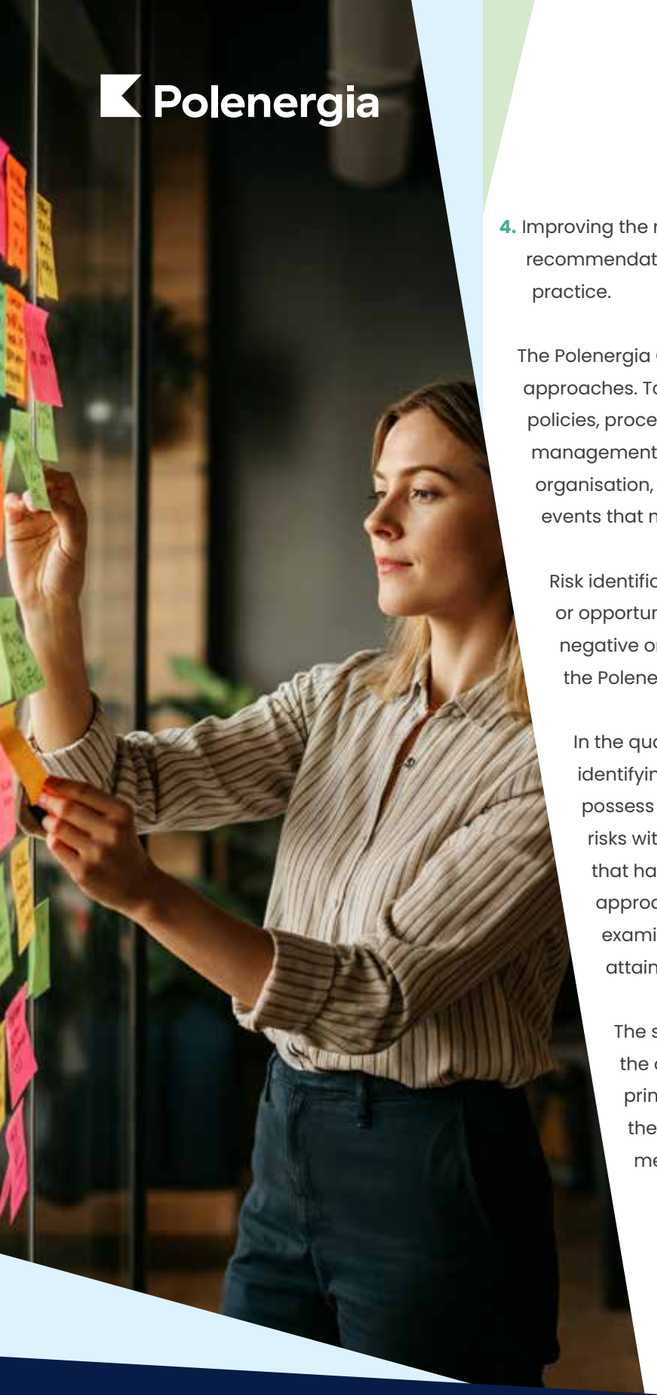
1. Risk reviews repeated periodically on a semi-annual basis, including:

   a. Analysis of the risk context (risk environment) in the defined segments, with a focus on target analysis,
   b. Risk identification,
   c. Risk assessment,
   d. The decision to deal with risks,
   e. Planning the implementation of risk control measures,
   f. Establishing responsibility for risk management,
   g. Documenting the results of the activities described in letters a-f above,
   h. Reporting the results of the activities described in points a-h in a manner agreed with Polenergia Group Management.

2. Risk control consisting of the implementation, supervision and continuous evaluation of the effectiveness of the risk control measures provided for in the approved Risk Register.

3. Risk monitoring with reporting of results, performed on a continuous basis, resulting in:

   a. Ad hoc risk identification and assessment,
   b. Ad hoc updates to the latest risk review documents where warranted,
   c. Ad hoc reporting of monitoring results when warranted.



4. Improving the risk management process, which involves implementing recommendations arising from the ongoing assessment of risk management practice.

The Polenergia Group manages risk using both a top-down and bottom-up approaches. Top management is responsible for developing risk managing policies, procedures and methodologies and establishing internal controls. Top management is also responsible for risk assessment processes across the organisation, development of the risk register and its structure, and focusing on events that may affect the achievement of the Group's strategic objectives.

Risk identification involves recognising reasonably foreseeable events (threats or opportunities) which, should they occur, would have an impact (whether negative or positive) on the attainment of goals and objectives pursued at the Polenergia Group.

In the qualitative approach to risk management, the primary tools for identifying risks are the intuition and imagination of employees who possess expertise in achieving objectives and tasks. The most apparent risks within the business are identified first. These are typically events that have occurred most frequently in the past. To ensure a systematic approach, the structure and processes within the risk domain are examined for potential significant events that could disrupt the attainment of the desired end-result.

The sources of risk are then considered sequentially in human actions, the operation of technical infrastructure, organizational governance principles, legal frameworks, and socio-political conditions. In the subsequent stages, information and data on past events are meticulously analysed.

RISK ASSESSMENT

Polenergia Group's risk assessment entails assigning ratings to identified risks based on established criteria to establish a hierarchy of risk materiality and determine the appropriate course of action for each of the risks. The ratings assigned to risks reflect their level of materiality, indicating the extent to which their occurrence may impact the achievement of Polenergia Group's objectives.

The assessment of risk materiality is derived from two key components: the effect assessment and the probability assessment. The effect assessment evaluates the potential consequences of a risk materializing in Polenergia Group's operations, categorized as catastrophic, very high, high, moderate, or irrelevant. The probability assessment determines the likelihood of an event occurring that could adversely impact the achievement of Polenergia Group's objectives, classified as almost certain, probable, possible, unlikely, or incidental.

Findings of risk assessments and internal audits related to sustainability reporting are integrated into internal functions and processes by enabling updates to policies, procedures, or systems for managing sustainability. They also inform the planning of damage prevention or remediation measures concerning the environment and local communities.

The Management Board of the company is responsible for risk acceptance, risk response, and the overall risk management process. It is tasked with reviewing strategic risks and approving actions and controls for the most significant risks from the company's perspective.

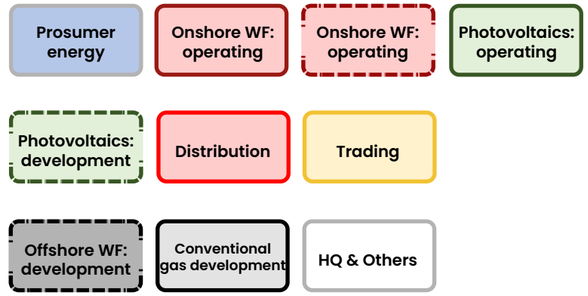
To ensure that the level of risk remains within the company's accepted risk appetite, both the Management Board and the Supervisory Board receive a consolidated risks' register. This register contains information on risks which, if occurred, could have a material impact on the company's operations.

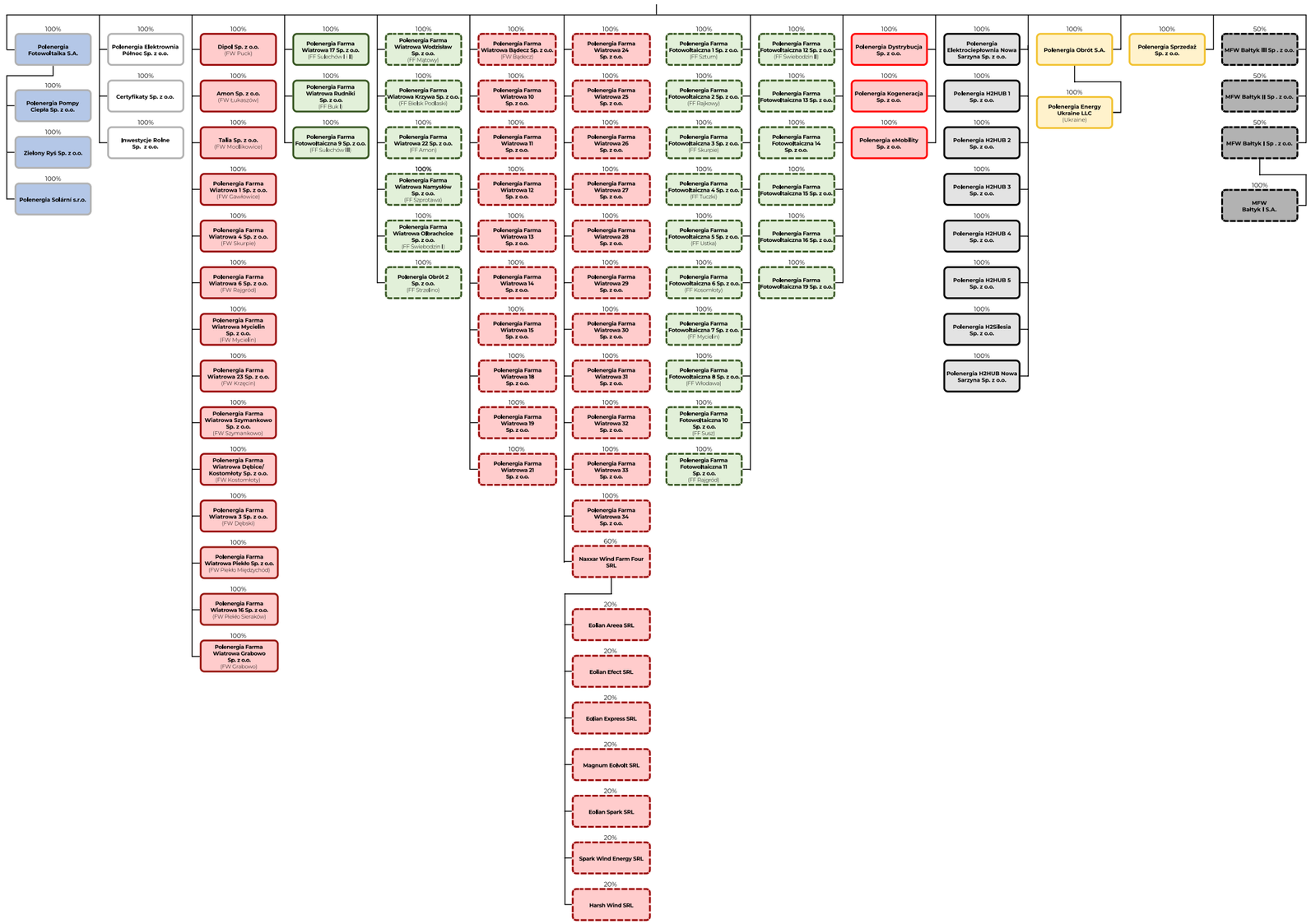
The main ESG risks identified and strategies to mitigate them are described in ESRS Disclosure 2 SBM-3.

SBM-1

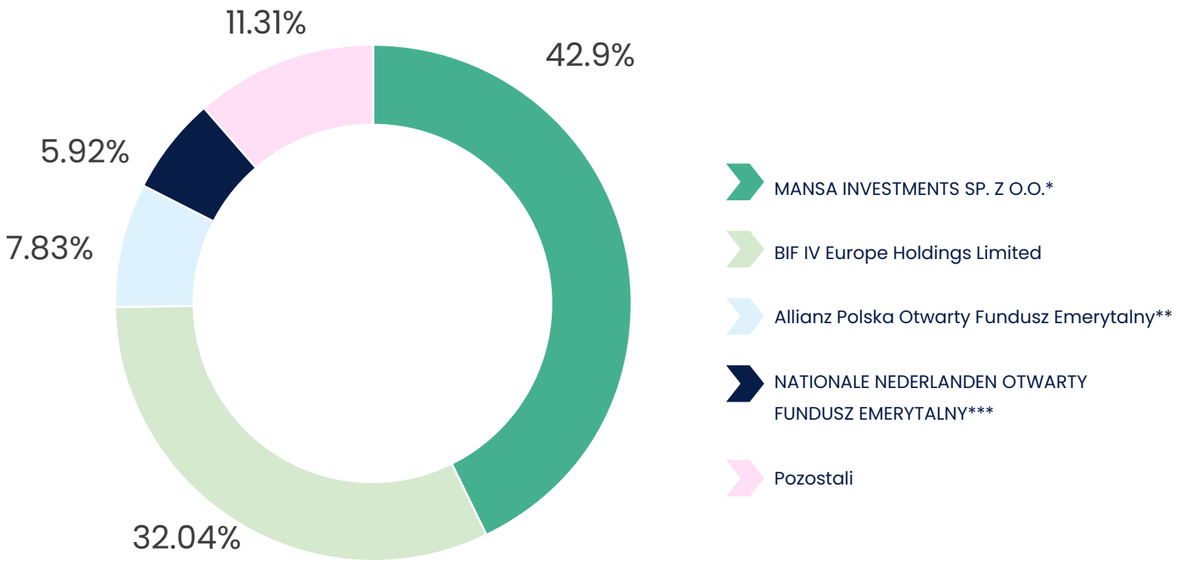
Strategy, Business Model and Value Chain

As at 31 December 2024, the structure of the Polenergia Group was as follows:





SHAREHOLDING STRUCTURE OF THE GROUP



* See current report no. 16/2022 dated 13 April 2022. According to the notifications dated 13 April 2022, Mansa Investments sp. z o.o. and BIF IV Europe Holdings Limited are acting in concert, on the basis of an investment agreement entered into on 3 November 2020 (as amended), meeting the criteria referred to in Article 87(1)(5) of the Act on Public Offerings and Conditions for the Introduction of Financial Instruments to Organised Trading and on Public Companies. The information takes into account the information received from KDPW S.A. regarding the list of purchasers of shares under the Public Offering of series AB ordinary bearer shares. The information also takes into account the notification dated 3 April 2024 provided in current report No. 20/2024 dated 3 April 2024.

**See current report no. 19/2023 of 16 May 2023, including information received from KDPW S.A. regarding the list of purchasers of shares under the Public Offering of series AB ordinary bearer shares.

***See current report no. 18/2024 of 19 March 2024.

WYKAZ PRZYCHODÓW WEDŁUG SEGMENTÓW OPERACYJNYCH GRUPY KAPITAŁOWEJ

Operating segment	NACE classification codes	ESRS segment	Revenue (in PLN 000s)
Onshore wind farms	D.35.12 Production of electricity from renewable resources	UPE	768 812
Photovoltaics	D.35.12 Production of electricity from renewable resources	UPE	26 471
Offshore wind farms	D.35.12 Production of electricity from renewable resources	UPE	-
Gas and clean fuels	D.35.11 Production of electricity from non-renewable resources D.35.13 Transmission of electricity	UPE	147 650
Turnover and sales	D.35.15 Trade of electricity D.35.23 Trade of gas through mains	UPE	3 143 855
Distribution and eMobility	D.35.14 Distribution of electricity D.35.13 Transmission of electricity	UPE	207 885

here are no other significant sectors within the Polenergia Group that are reported under the ESRS, either due to significant intra-group revenues or the development of substantial activities by the entity.

The Polenergia Group does not engage in chemical production, controversial weapons manufacturing, or the cultivation and production of tobacco.

Polenergia Elektrociepłownia Nowa Sarzyna, a heat and power plant which is a subsidiary of the parent company Polenergia S.A., operates within the fossil fuel sector, generating energy primarily from natural gas, with fuel oil serving as a substitute fuel.

POLENERGIA GROUP'S BUSINESS MODEL

The Polenergia Group is Poland's largest privately-owned energy group comprising vertically integrated companies engaged in energy generation from renewable and low-carbon sources, as well as electricity distribution and trading. As the first Polish company to align its development vision with the creation of a zero-carbon economy, Polenergia is pioneering the transition toward sustainable energy.

The Group's strategic direction is encapsulated in the concept of New Energy (Nowa Energia) which is a system of cutting-edge solutions built on technologically advanced renewable energy sources and innovative products. These are developed in accordance with the Energia 2051 standard, a certification established by the Group to verify the renewable origin of energy. Holding this certification sends a clear message to customers, investors, and business partners, reaffirming the company's commitment to climate protection and sustainable development. (Energy 2051 certificate and its importance for business).

Polenergia is dedicated to advancing offshore and onshore wind farms, photovoltaic farms, electromobility, and hydrogen transition. A cornerstone of its strategy is the construction of three offshore wind farms in the Baltic Sea (Baltic 1, Baltic 2, and Baltic 3) with a combined capacity of 3000 MW. This ambitious project is being implemented in partnership with the Norwegian company Equinor. For more information visit: Wind farms in the Baltic Sea.

This unique green business model is a conscious choice in line with Polenergia's mission. Polenergia Group is distinguished by thinking about its development, which goes far beyond the economic dimension and is in line with European sustainability reporting standards. Polenergia's results and growth in the company's value are proof that focusing on environmental and social issues as well as effective, ethical management is the future of the energy sector and a development direction which is appreciated by the market. Polenergia is aware that by caring for the future of the planet, it expresses concern related to building shareholder value as well as contributing to building a greener tomorrow.

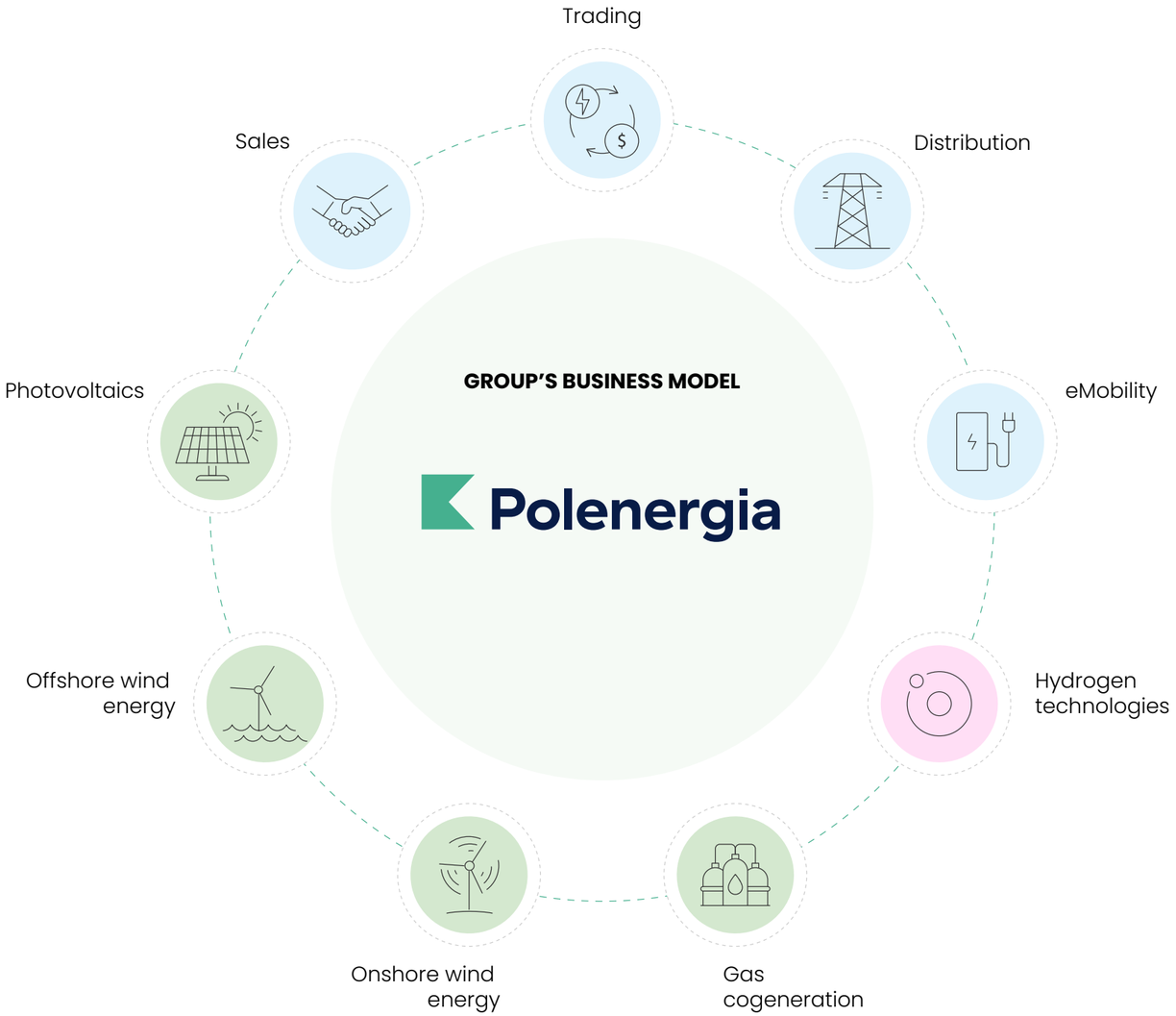
Given the importance of ESG issues, in 2023 the Group adopted the Polenergia Group's Sustainable Development Strategy with a time horizon extending to 2030. The adopted strategy is a after-effect of enactment of the United Nations Agenda 2030 and an element of implementing the European Green Deal, which aims for climate neutrality for European Union Member States by 2050.

Polenergia develops its business in line with ESG best practices, building added value for the environment, local communities, and Group employees. Offshore wind farm projects as well as innovative hydrogen projects are part of Poland's green transformation process.

Green energy generated by the Polenergia Group reaches end customers in the form of products and services, which are developed in accordance with the Energy 2051 standard mentioned above. The Polenergia Group's business line, which provides market access to generators by integrating sources of green energy with business customers, is being strengthened. Distribution services are also being developed by combining them with innovative products. Furthermore, the Polenergia Group invests in digital customer contact channels.

In 2023, the Polenergia Group launched operations in the Czech and Romanian markets. Polenergia Fotowoltaika S.A., which sells photovoltaic micro-installations, energy storage and heat pumps in Poland, expanded its sales market to the Czech Republic in September 2023, where it operates as Polenergia Solární. Furthermore, in October 2023, Polenergia Group finalised the purchase of a 60% stake in Naxxar Wind Farm Four, which develops a wind farm project in Romania with a total capacity of up to 685.6 MW.

At the balance sheet closing date, i.e., 31 December 2024, the Polenergia Group had 490 employees in Poland (employed on the basis of an employment contract). Furthermore, 3 persons were employed on the basis of an employment contract in the Polenergia Fotowoltaika subsidiary in the Czech Republic and 3 persons were employed on the basis of an employment contract in Romania.


Trading
Sales
Distribution
GROUP'S BUSINESS MODEL
Polenergia
Photovoltaics
eMobility
Offshore wind energy
Hydrogen technologies
Onshore wind energy
Gas cogeneration

WIND AND PHOTOVOLTAIC FARMS

Polenergia is a nationally significant producer of energy from onshore wind farms. Until the launch of the first turbines in the Baltic Sea, this segment of the Group's business remains the main source of clean, green energy, which is supplied to customers in accordance with the Energy 2051 standard.

The first onshore wind farm consisting of eleven turbines, located in the Puck municipality, was commissioned in 2007. Since then, the Polenergia Group has completed a total of 13 investment projects in this category, with a total capacity of 493 MW. The largest onshore RES investment in Polenergia's history and at the same time one of the largest wind farms in Poland is the Dębsk Wind Farm. Located in the municipalities of Żuromin (40 turbines) and Kuczbork-Osada (15 turbines) in the Żuromin Poviat, Mazowieckie Voivodeship, it boosts a capacity of 121 MW. In 2024, the onshore wind farms owned by Polenergia generated a net of 1362 GWh of green energy.

In partnership with Norwegian company Equinor, Polenergia develops three projects in the Polish Exclusive Economic Zone of the Baltic Sea (OWF Bałtyk 1, OWF Bałtyk 2, and OWF Bałtyk 3). The launch of the first two of these wind farms, OWF Bałtyk 2 and OWF Bałtyk 3, is planned for 2027. The total capacity of the projects to be developed will be up to 3 000 MW.

The Polenergia Group also invests in large-scale photovoltaic farms which provide customers with access to clean solar energy. Solar energy naturally complements wind power, particularly due to their complementary production profiles. The capacity of Polenergia Group's photovoltaic farms is 82 MWp, with projects in this category covering an area of 127 ha.

Polenergia's largest photovoltaic farm with a capacity of 45.2 MWp (the Strzelino Photovoltaic Farm) was commissioned in 2024. It features more than 73 000 modern photovoltaic modules, seven medium-voltage transformer stations and one high-voltage transformer station.

POLENERGIA ELEKTROCIEPŁOWNIA NOWA SARZYNA

One of the companies belonging to the Polenergia Group processes fossil fuels, specifically natural gas and light fuel oil, as a backup energy source.

Polenergia Elektrociepłownia Nowa Sarzyna sp. z o.o. (ENS) is the country's first private gas-fired combined heat and power plant. It was built during the period from 1998 to 2000 from scratch as a so-called green field project. The CHP plant has been in continuous operation since June 2000.

Since 2011, ENS has been part of the Polenergia Group. Polenergia Elektrociepłownia Nowa Sarzyna is an environmentally friendly CHP plant equipped with a 116 MWe gas-steam unit and a 70 MWt unit and generates electricity and heat through a combined heat and power (CHP) process. Electricity is sold to Polenergia Obrót, while heat is sold for technological and heating purposes to the nearby chemical plants and for heating purposes to the local municipal utility.

Gas fuel is supplied by Polenergia Obrót or by independent gas suppliers. Since 2021, ENS buildings have been equipped with a 0.889 MW photovoltaic installation to cover their electricity needs. ENS is the first gas-fired CHP plant in Poland with generating units that have the ability to self-start and can be used in the process of restoring the National Power System in the event of a so-called blackout. Until now, only hydroelectric power plants have had this technical capability. In July 2024, the Nowa Sarzyna CHP Plant was the first in Poland to successfully test the co-combustion of hydrogen in one of its gas turbines, which was not originally designed as "Hydrogen Ready". The one-off tests confirmed the possibility of co- combustion of up to 15% hydrogen mixed with natural gas.

The production process at the plant is fully automated. The entire technology has gained BAT (Best Available Techniques) qualification. The installation falls under the greenhouse gas emissions trading scheme.

The Company's management places great emphasis on conducting business in compliance with the law, while prioritizing environmental stewardship and the health and safety of its employees. In 2014, an ISO 14001 certified environmental management system was implemented at ENS.

POLENERGIA OBRÓT

Collaboration with Polenergia Obrót enables customers to reduce carbon dioxide emissions in Scopes 1 and 2. This is achieved primarily through the company's expertise, particularly in market analysis and trading in electricity, along with related products. These capabilities allow for tailored solutions that align with a company's specific operations while incorporating innovative approaches and instruments available in other European markets, all in compliance with the latest market regulations and macroeconomic developments. Thanks to these attributes, Polenergia Obrót actively supports the development of renewable energy sources (RES), optimizes the operation of energy generators and consumers, and facilitates the decarbonization of Polish enterprises, including the largest energy consumers.

Companies that partner with Polenergia Obrót can meet regulatory requirements and align with the sustainability expectations of their business partners. Polenergia Obrót specializes in wholesale electricity and natural gas trading and offers services based on PPA and PPA+ agreements, Guarantees of Origin for RES (GEO), as well as trading in Certificates of Origin and CO2 emission allowances. This collaboration with Polenergia Obrót enables clients to choose the most effective market solutions to reduce carbon dioxide emissions, all while supporting the growth of renewable energy sources.

The key competences of Polenergia Obrót include:

- Portfolio management and trading, i.e., support for portfolio management of European energy market players;
- Processing cPPAs, i.e., support for companies that aim to reduce their carbon footprint and plan to become independent from energy price fluctuations in the long term;
- Offering structured products, i.e., working with producers in the RES segment to buy back energy and sell green energy to businesses;
- Cooperation with end-users who, through flexibility of take-up, are able to support the development of RES technologies;
- Sale of Guarantees of Origin and Certificates of Origin as well as their redemption for the final customer;
- Proprietary trading activities.

Through the implementation of the aforementioned tasks, Polenergia Obrót truly supports the development of RES, optimises the work of generators and consumers and enables the decarbonisation of Polish enterprises.

POLENERGIA SPRZEDAŻ

Polenergia Sprzedaż offers energy supply through modern products designed to meet the evolving needs of the market. These products include both fixed-price energy products and those indexed to prices on the Polish Power Exchange (Towarowa Giełda Energii). At the same time, the company provides the cPPA model and physical balancing supply services (PPA+). For consumers and prosumers with their own PV installations and storage facilities, Polenergia Sprzedaż guarantees the repurchase of generated energy and the settlement of producer deposits.

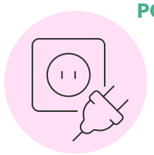
One of the key products is the Energy 2051 Standard that certifies that the energy supplied comes from 100% renewable sources, specifically wind and photovoltaic farms owned by the Polenergia Group. Holding this certificate sends a clear message to customers, investors, and business partners that the company is committed to climate protection and sustainable development. (Energy 2051 Certificate and its importance for business).

Polenergia Sprzedaż's services under the Energy 2051 standard are zero-emission at every production phase. Polenergia Sprzedaż was the first company in Poland to launch a standard through which the Group's customers can already purchase clean, renewable, green and zero-emission energy in Scopes 1 and 2, in line with the European Green Deal guidelines, which will not be in force until 2050.

Clients of Polenergia Sprzedaż include both individuals and businesses.

Polenergia Sales' sustainability efforts have been awarded with a TÜV SÜD certificate that confirms:

- Quality of service and the 'greenness' of Polenergia Sprzedaż's energy under the Energy 2051 Standard,
- Compliance with Polish and international standards,
- Energy products based on 100% renewable energy sources..



POLENERGIA DYSTRYBUCJA

Polenergia Dystrybucja handles distribution and sale of electricity, which it supplies to 35 000 end-users in Poland's largest cities. It boasts a modern and reliable power infrastructure that supplies residential estates, industrial parks, shopping malls and office buildings. For nearly 20 years, the company has been steadily advancing a distributed energy model that aligns perfectly with the challenges of the energy transition..

Polenergia Dystrybucja's customers receive:

- Expert guidance in constructing new energy infrastructure and establishing new connections;
- Access to electricity distribution services;
- Energy supply for households and businesses;
- Expert management and operation of the electricity infrastructure.

POLENERGIA EMOBILITY

Polenergia eMobility builds a network of publicly accessible charging stations for electric vehicles. Its investments in Poland focus on constructing ultra-fast and fast charging stations along the Trans-European Transport Network (TEN-T), motorways, and in city centres, ensuring free and universal access to charging facilities. As a result, by 2024 the network has expanded to 76 stations, with a total capacity of 8.8 MW, which represents a year-on-year increase of 526%.

Polenergia eMobility offers e-mobility solutions for private users, companies, and institutions, thereby contributing to the decarbonisation of the transport sector.

POLENERGIA FOTOWOLTAIKA

Polenergia Fotowoltaika is a company belonging to the Polenergia Group, which specialises in providing innovative solutions in photovoltaics, energy storage, heat pumps and energy optimisation services. It offers comprehensive products and services for both individuals and companies who wish to reduce energy costs and actively contribute to environmental protection.

Polenergia Fotowoltaika's products and services include:

- Photovoltaic installations which the Company designs and installs on single-family homes and businesses, providing significant savings on electricity bills,
- Energy storage: the company offers solutions to store surplus energy produced by photovoltaic panels, which increases energy efficiency and ensures power continuity during periods of lower energy production,
- Heat pumps: the company supplies state-of-the-art heat pumps that efficiently warm buildings and provide domestic hot water using renewable energy sources,
- Optimising energy consumption: the company provides consultancy and technology services designed to help clients manage their energy use more efficiently, resulting in further savings and reduced CO_2 emissions.

HYDROGEN PROJECTS

In line with its existing 2020-2024 Business Strategy, the Polenergia Group focused on projects that extended the value chain by using green energy to produce, store and distribute green hydrogen.

Hydrogen projects developed by the Polenergia Group include:

- **The 5 MW H2Hub Nowa Sarzyna project** which is at an advanced stage of development and includes a green hydrogen generation unit based on the electrolysis process, hydrogen storage together with a filling station for batteries and buses and a public hydrogen refuelling station. In mid-2024, the Polenergia Group conducted the first tests of co-combustion of hydrogen with natural gas in Poland. The one-off tests were carried out at Polenergia's Nowa Sarzyna CHP Plant (ENS). They were performed in one of the gas turbines with a capacity of approximately 40 MW.
- **The large-scale H2Silesia project** in the early stages of development with a capacity of approximately 105 MW and an estimated annual production of renewable hydrogen of approximately 13 000 tonnes. The main objective of the H2Silesia project is to decarbonise hard-to-decarbonise industries and the mobility sector. In February 2024, the project received notification from the European Commission under the IPCEI programme.
- **The e-Fuels project** – which is a research and development project conducted to date to investigate the use of green hydrogen to produce green aviation fuel.

VALUE CHAIN CHARACTERISTICS:

UPSTREAM

Significant direct suppliers and subcontractors in the Polenergia Group:

1. For wind and photovoltaic farms:
   - Providers of planning, surveying, geology, architectural design, site protection services, environmental impact studies,
   - Maintenance of the installation during the operational phase,
   - General contractors for construction work in the implementation phase - further upstream value chain includes:
     a. Suppliers of wind and photovoltaic farm components,
     b. Suppliers of building materials,
   - Financial institutions involved at all stages of the investment,
   - Suppliers of energy raw materials (both in the investment and operational phases), representing both Tier 1 entities, i.e., entities that are direct suppliers of the Polenergia Group, and as Tier 2+ suppliers, i.e., suppliers of downstream entities.
2. In the case of the value chain of Elektrociepłownia Nowa Sarzyna:
   - Suppliers of energy raw materials: natural gas and fuel oil,
   - Water suppliers,
   - Service providers.
3. In the case of the value chain of distributed energy service providers, the following are the key players positioned upstream in the value chain:
   - Manufacturers and suppliers of heat pumps, photovoltaic modules, energy storage and other plant components, subcontractors and service providers.
4. In the case of the Polenergia Dystrybucja's value chain:
   - Suppliers of energy connection components and subcontractors of the works.
5. In the case of the Polenergia Obrót's value chain:
   - Green energy producers,
   - Energy exchanges of the Polish and foreign markets:
     - TGE,
     - EEX,
     - HUPX,
     - OTE,
     - OKTE,
     - TTF,
     - ICE Endex,
   - Other companies trading on the OTC market.
6. In the case of the electromobility value chain:
   - Charging station providers,
   - Suppliers of transformer substations and wiring accessories,
   - Suppliers of components for charging stations,
   - Construction contractors,
   - Electricity suppliers and retailers,
   - Lessors of locations for the construction of charging stations.
7. In the case of Polenergia Sales, these are:
   - Electricity suppliers: generation assets owned by the Polenergia Group,
   - IT system: CRM I Billing from EBICOM,
   - Providers of electronic signature services: Autenti.

DOWNSTREAM

Significant customer and consumer groups of companies belonging to the Polenergia Group:

1. Clients of Wind Farms and Photovoltaic Farms:
   - Polenergia Sprzedaż,
   - Polenergia Obrót.

2. Customers of Polenergia Elektrociepłownia Nowa Sarzyna:
   - Recipients of steam,
   - Consumers of heat,
   - Clients for services to the National Electricity System.

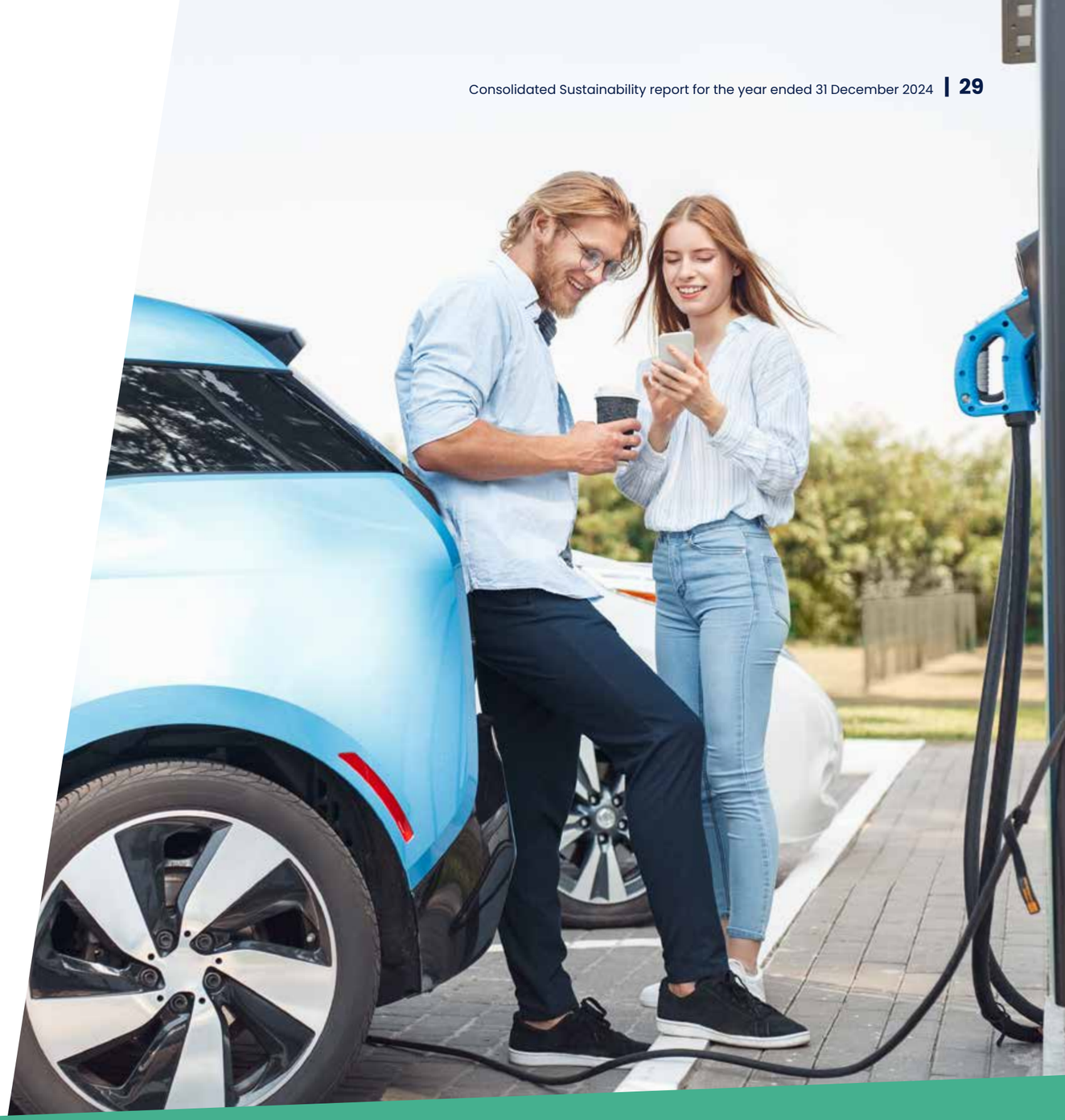
3. Distributed energy customers who use installations in the form of heat pumps or small photovoltaic installations; additionally, in the case of Polenergia Photovoltaics:
   - Prosumers, i.e.
     c. individual customers (B2C) with photovoltaic installations,
     d. SME business customers with photovoltaic installations,
     e. sole traders (JDG) with photovoltaic installations,
     f. business customers (B2B) with photovoltaic installations,
   - Large business customers (B2B) without prosumer without prosumer status, secured through 10-year contracts that integrate both generation and consumption roles.
   - Services for heat pumps, photovoltaics and energy storage.

4. Polenergia Dystrybucja customers:
   - Housing estates (cooperatives and housing communities),
   - SMEs and large business customers,
   - Individual customers,
   - Developers.

5. Polenergia Obrót customers:
   - Business customers,
   - RES producers,
   - Energy and gas exchanges (Polish and foreign),
   - Other companies trading on the OTC market.

6. Polenergia's eMobility customer groups:
   - B2C and B2B customers who use charging services (including companies and fleets),
   - Business customers using the station sales offer with installation and station management services.

7. Polenergia Sales' customer groups:
   - individual customers and prosumers,
   - business clients.



OUTLINE OF PRODUCT AND SERVICE GROUPS

Operating segment	Description of significant product groups	Description of significant groups of services
Onshore wind farms	Generation of electricity from onshore wind energy.	Not applicable
Photovoltaic farms	Generation of electricity through solar radiation.	Not applicable
Offshore wind farms	Generation of electricity from offshore wind energy.	Not applicable
Gas and clean fuels	Thermal energy and electricity.	Provision of system services for the National Electricity System and participation in the power market.
Turnover and sales	**Polenergia Obrót:** Sales of electricity, gas and Guarantees of Origin, Certificates of Origin and CO allowances to and from industrial customers. **Polenergia Sprzedaż:** PPA+ services, balancing energy model designed to meet the needs of a customer who has purchased a cPPA product.	**Polenergia Obrót:** provision of market access services to renewable energy generators. **Polenergia Sprzedaż:** for prosumers - prosumer deposit clearing services. Generator collection services. **Polenergia Fotowoltaika:** Provision of services for the installation of heat pumps, photovoltaic panels, and energy storage systems.
Distribution and eMobility	Not applicable	**Polenergia Dystrybucja:** provision of electricity distribution and sales services to commercial, industrial and individual customers. **eMobility:** provision of charging services for residential and business customers. Provision of RFID card sales services to B2C and B2B customers as a tool for user authentication at charging stations. Provision of charging stations installation and management services. Selling charging stations for electric cars.

Sustainable Development and Strategic Objectives

BUSINESS STRATEGY

Polenergia Group's Business Strategy significantly influences sustainability issues. Polenergia is committed to supporting the European Union's climate objectives, positioning the EU at the forefront of energy market transformation. The Polenergia Group strives to lead Poland toward a more efficient use of renewable energy sources (RES). To achieve this end, the company employs cutting-edge technologies, expert knowledge, and draws on extensive experience of experts. Polenergia's development is not only driven by economic growth but also by a deep sense of social responsibility for both present and future generations.

During the development of the Polenergia Group's Business Strategy, the following leading trends have been taken into account:

- fight against climate change,
- increase in demand for electricity, especially that from renewable energy sources,
- increase of RES competitiveness.

Polenergia Group aims to expand its base of environmentally conscious corporate and individual customers by promoting sustainable products. Its ambition is to guide Poland toward an energy mix rooted in clean and renewable sources, ultimately contributing to the achievement of climate neutrality by 2050.

The Business Strategy, spanning the period from 2020 to 2024, is based on the following assumptions:

- growth of the offshore and onshore wind farms and photovoltaics segments;
- construction of new offshore and onshore wind farms and photovoltaic farms;
- seeking investment opportunities for RES projects abroad;
- maintaining a profitable position in the gas-fired cogeneration (ENS) segment;
- investment in dedicated CHP sources for industrial process steam customers with the possibility of switching from gaseous fuel to hydrogen in the future;
- securing a position in hydrogen production and hydrogen power generation;
- integrating renewable energy sources with business customers;
- maintaining its position as an expert on the wholesale market in Poland and abroad;
- offering market access and position management services for the Group's generation assets; developing distribution activities, energy sales and value-added services for end customers, based on the strong trend of multifamily housing development in Poland;
- building the competence and resources needed to become a leader in the commercial application of new key technologies in the energy sector, (e.g. energy storage, hydrogen power generation, e-mobility);
- creating value for all stakeholders: shareholders, employees, customers, suppliers, local communities, which can be measured not only by financial indicators.

POLENERGIA GROUP ESG STRATEGY

Polenergia's mission is to actively support the transformation of the Polish energy market through the development of a low-carbon economy, clean and renewable energy sources, and to achieve climate neutrality in the European Union by 2050.

To meet the expectations of its stakeholders and in alignment with its values and business model, the Polenergia Group has developed the Polenergia Group Sustainable Development Strategy. The overarching target is to grow Polenergia Group's business while generating a positive impact and mitigating or preventing any negative effects. Polenergia is committed to developing green projects, driven by a deep concern for the environment and the safety of both present and future generations.

Polenergia Group's Sustainability Strategy addresses three areas:

- natural environment and climate,
- social responsibility,
- corporate and management governance.

The foundation of Polenergia Group's Sustainable Development Strategy objectives is a commitment to operate with due diligence. Members of Polenergia Group's governing bodies are fully aware of the multidimensional impact of the business. Therefore, new initiatives are always preceded by thorough studies assessing their potential effects on both the environment and society.

The table below presents a mapping of the areas of influence identified as significant in the materiality studies to the objectives of the Business Strategy.

ALIGNMENT OF BUSINESS STRATEGY GOALS WITH SUSTAINABILITY TOPICS

ESG matter in the ESRS	Business strategy targets
CLIMATE CHANGE	
Climate change adaptation Climate change mitigation Energy	In the field of photovoltaics, the Polenergia Group intends to advance the projects currently under development with auction support, while also expanding its efforts to develop new generation capacity. Polenergia assumes: +27 MW capacity in operation for the construction of RTB projects, +54 MW capacity in operation for the construction of projects in the early development phase, + 190 MW in further development phases of new projects.
	Offshore wind energy represents the future of the Polish energy system as it will enable decarbonizing the economy and the shift from conventional sources to RES. The Polenergia Group plans to further develop offshore wind power projects, maintaining its position as the leader of the Polish offshore wind energy market.
BIODIVERSITY AND ECOSYSTEMS	
Direct impact drivers of biodiversity loss	Social responsibility: creating value for all stakeholders, e.g. shareholders, employees, customers, suppliers, local communities, which can be measured not only by financial indicators.
Impacts on the state of species	
Impacts on the extent and condition of ecosystems	
Impacts and dependencies on ecosystem services	
RESOURCE USE AND CIRCULAR ECONOMY	
Resources inflows, including resource use	Onshore wind is the most competitive RES technology, with the lowest LCOE. Polenergia assumes: + 186 MW of capacity in operation at the construction of auction projects, +48 MW capacity in operation at the construction of projects at an advanced stage of development, + 300 MW of capacity in development at the start of development of new projects.
Resource outflows related to products and services	
Waste	

ESG matter in the ESRS	Business strategy targets
OWN WORKFORCE	
Working conditions	Promoting equality and diversity.
Equal treatment and opportunities for all	
Other work-related rights	
WORKERS IN THE VALUE CHAIN	
Working conditions of employees in the value chain	Social responsibility: creating value for all stakeholders, e.g. shareholders, employees, customers, suppliers, local communities, which can be measured not only by financial indicators.
Equal treatment and opportunities for all in the value chain	
Other work-related rights in the value chain	
AFFECTED COMMUNITIES	
Communities' economic, social and cultural rights	Social responsibility: creating value for all stakeholders, e.g. shareholders, employees, customers, suppliers, local communities, which can be measured not only by financial indicators.
Communities' civil and political rights	
Rights of indigenous peoples	
CONSUMERS AND END-USERS	
Information-related impacts for consumers and/or end-users	Social responsibility: creating value for all stakeholders, e.g. shareholders, employees, customers, suppliers, local communities, which can be measured not only by financial indicators.
Personal safety of consumers and/or end-users	
Włączenie społeczne konsumentów i/lub użytkowników końcowych	

ESG matter in the ESRS	Business strategy targets
BUSINESS CONDUCT	
Corporate culture	Social responsibility: creating value for all stakeholders, e.g. shareholders, employees, customers, suppliers, local communities, which can be measured not only by financial indicators.
Protection of whistleblowers	
Political engagement and lobbying activities	
Management of relationships with suppliers including payment practices	
Corruption and bribery	

It is important to highlight that the achievement of the objectives outlined in the Polenergia Group Business Strategy is closely intertwined with and reinforces the pursuit of Polenergia's sustainability targets:

- Development of RES installations, such as the construction of onshore and offshore wind farms as well as photovoltaic farms contributes to the decarbonisation of Polenergia Group's business and supports the green transformation of customers.
- Development of electromobility projects as well as the increase in prosumer solar PV installations contributes to the effort to support the energy transition of customers.
- Hydrogen co-combustion trials conducted at Polenergia Elektrociepłownia Nowa Sarzyna (Nowa Sarzyna heat and power plant) bring the Group closer to solidifying its position as a market leader in the development of innovative hydrogen technologies.
- Development of the company integrating renewable energy sources with business customers, thus contributing to the development of the companies: Polenergia Obrót and Polenergia Sprzedaż, has a positive impact on the decarbonisation of customers in Scopes 1 and 2.

The Polenergia Group's Sustainable Development Strategy outlines 12 key objectives supported by 29 operational goals. The full document is available at the following link: Polenergia Group's Sustainable Development Strategy.

Objectives in the environmental area:

- **OBJECTIVE E.1:** Decarbonisation of Polenergia Group's operations
- **OBJECTIVE E.2:** Supporting the green transformation of customers
- **OBJECTIVE E.3:** The Polenergia Group as a leader in innovation - green hydrogen and energy storage
- **OBJECTIVE E.4:** Implementation of the principles of circular economy in the activities of the Polenergia Group
- **OBJECTIVE E.5:** Development of biodiversity due diligence system
- **OBJECTIVE E.6:** Study on Polenergia Group's spatial impacts

Objectives in the social area:

- **OBJECTIVE S.1:** Creating a sustainable and inclusive organisational culture
- **OBJECTIVE S.2:** Welfare and cooperation with relevant stakeholders
- **OBJECTIVE S.3:** Responsible value chain management

Cele w obszarze ładu zarządczego:

- **OBJECTIVE G.1:** Corporate governance supporting sustainable development
- **OBJECTIVE G.2:** Responsible business conduct
- **OBJECTIVE G.3:** Effective risk management and high standards of internal audit

SBM-2

Interests and Views of Stakeholders

Polenergia Group conducted a comprehensive materiality study in 2022. The methodology by which the study was performed was aligned with the requirements of the CSRD and the new European Sustainability Reporting Standards (ESRS). The 2024 materiality study was not updated to include stakeholder feedback.

The analysis included surveys and structured interviews with 10 external stakeholder representatives.

As a result of the materiality study, the following groups of relevant stakeholders have been identified, as shown in the table below.

OUTLINE OF METHODS OF COMMUNICATING WITH STAKEHOLDERS

Stakeholders	Methods of communicating with stakeholders
Shareholder	Contact with shareholders is maintained through face-to-face meetings, performance conferences and Annual General Meetings.
Female and male employees	Contact with employees is maintained through an internal communication system. Furthermore, a whistleblowing system has been established within the Polenergia Group.
Universities and students	Polenergia actively cooperates with universities offering internships and development of students' competences through substantive engagement in the delivery of lectures, as well as by subsidising degree courses in the field of sustainable development and energy transition.
Social environment and local communities	Polenergia fosters an ongoing dialogue and supports a variety of projects that benefit communities located the vicinity of the Group's operations. For further details on stakeholder engagement, please refer to the ESRS S3 disclosures.
Business partners	Communication with business partners takes place depending on individual needs.
Suppliers and subcontractors	Contact is made through established commercial channels.
Corporate clients	
Commercial partners	
Capital market, including credit rating agencies	The capital market and rating agencies are informed about Polenergia Group's performance and activities through current and interim reports and performance presentations.
Auditors	The Polenergia Group actively cooperates with published information verifiers to ensure high-quality communication, while fulfilling reporting obligations and meeting stakeholder expectations.

Requests made by stakeholders during engagement processes are designed to support the various activities undertaken by the Polenergia Group. Specifically, these requests pertain to aspects of the due diligence processes aimed at local communities and the materiality screening process. The outcomes of stakeholder engagement are communicated through the channels outlined in the ESRS 2 GOV-2 disclosure.

SBM-3

Material Impacts, Risks and Opportunities and their Interaction with Strategy and Business Model

The table below presents the identified material impacts, in particular those resulting from Polenergia Group's business model.

MATERIAL IMPACTS

ESRS topic	Matter identified in the materiality study (sub-sub-topic) / Interactions	Name of the impact	Is the impact positive or negative?	Is it potential or actual, and why?	In what time frame does/can it occur?	What part of the value chain is affected?	Is it driven by the business model and/or by business strategy?	Impact description:
E1 (Climate change)	**Climate change adaptation**	Impact on the delivery of climate change adaptation measures	Positive	Actual	Short-term to long-term perspective	Own operations, Downstream	The impact results from the business model	Polenergia group entities, as part of their respective business lines, provide customers and consumers with solutions that support adaptation to climate change. These include distributed energy installations, heat pumps, as well as a network of eclectic vehicle charging stations developed by Polenergia eMobility.
	Climate change adaptation mitigation	Impact on emission reductions by providing solutions for energy transition	Positive	Actual	Short-term to long-term perspective	Downstream	The impact results from the business model	Polenergia Group markets renewable energy from its own wind and photovoltaic farms. Furthermore, Polenergia Group's subsidiaries, Polenergia Fotowoltaika and eMobility, provide customers with technologies supporting zero-emission transport and distributed energy. Thus, the activities embedded in the business model support the energy transformation of the individual customer and the decarbonisation of the economy and business (from SMEs to energy-intensive business, construction companies purchasing green energy from Polenergia Group).
	Energy	Impact on greenhouse gas emissions	Negative	Actual	Average time horizon	Own operations	The impact results from the business model	The Polenergia Group includes Elektrociepłownia Nowa Sarzyna (Nowa Sarzyna heat and power plant), whose operations are related to greenhouse gas emissions. It is responsible for the vast majority of Scope 1.
	Energy	Impact on the reduction of grid emissions	Positive	Actual, Potential	Short-term to long-term perspective	Own operations, Downstream	The impact results from the business model and business strategy	By consistently meeting the targets for increasing renewable capacity in the Polenergia Group's portfolio, the Group is contributing to improving the national energy mix.

ESRS topic	Matter identified in the materiality study (sub-sub-topic) / Interactions	Name of the impact	Is the impact positive or negative?	Is it potential or actual, and why?	In what time frame does/can it occur?	What part of the value chain is affected?	Is it driven by the business model and/or by business strategy?	Impact description:
E2 (Pollution)	**Pollution of air, water and soil**	Impact on the generation of pollution	Negative	Potential	Short-term to medium-term perspective	Own operations	The impact results from the business model	The operation of some of the Polenergia Group's installations may involve emissions of pollutants other than greenhouse gases. The Polenergia Group operates within the framework set by environmental decisions. Installations causing emissions are covered by sectoral or integrated permits. Emissions do not exceed the values specified in the permits and are monitored in accordance with legal requirements and the permits obtained.
E4 (Biodiversity and ecosystems	**State of species: population size**	Impact on increasing insect populations	Positive	Actual	Short-term to long-term perspective	Own operations, Upstream	The impact results from the business model	The development of renewable energy, especially photovoltaic technology, creates an opportunity to restore biodiversity. Together with scientists from the University of Zielona Góra, the Polenergia Group conducted a year-long research which resulted in a scientific publication confirming the occurrence of many protected animal and plant species at the Sulechów farms, as well as the correlations developed between them in a short period of time. Poland's first comprehensive scientific publication on grassland ecosystem restoration at Sulechów Photovoltaic Farms: good practice for the RES industry - ESG
E5 (Resource use and circular economy)	**Sourcing and using raw materials and consumables**	Impact on the acquisition of raw materials and other materials	Negative	Actual, Potential	Short-term to long-term perspective	Own operations, Upstream	The impact results from the business model	Access to raw materials and materials that meet the applicable requirements can impact business operations. Factors may include depletion of raw materials and lack of access to raw materials/recycled or recyclable materials, or disruption of supply chains due to geopolitical or climatic factors, coupled with a global rejection of circular economy principles.

ESRS topic	Matter identified in the materiality study (sub-sub-topic) / Interactions	Name of the impact	Is the impact positive or negative?	Is it potential or actual, and why?	In what time frame does/can it occur?	What part of the value chain is affected?	Is it driven by the business model and/or by business strategy?	Impact description:
E5 (Resource use and circular economy)	**Waste generation and management**	Impact on waste management including used photovoltaic panels and wind farm products	Negative	Actual, Potential	Long-term perspective	Own operations, Upstream	The impact results from the business model	The Polenergia Group builds wind and photovoltaic farms that, at the end of their life cycle, will require specialised dismantling and management of the resulting waste.
	Waste generation and management	Impact on waste management including used photovoltaic panels and wind farm products	Positive	Actual, Potential	Long-term perspective	Own operations, Upstream	The impact results from the business model	The Polenergia Group builds photovoltaic and wind farms with a very long lifespan; currently their life cycle is estimated at min. 30 years. During this time, these installations will be operated, generating minimal waste while producing RES energy. The positive impact is influenced by the production technology and the lifetime of the turbines as well as photovoltaic installations.
S1 (Own workforce)	**Working conditions: Occupational health and safety**	Impact on the safety of own employees	Positive	Actual	Short-term to long-term perspective	Own operations	The impact results from the business model	Due to the nature of Polenergia's business operations, employee safety is a priority for the Polenergia Group. Specialised training is provided and policies are implemented at sites.
	Working conditions: Adequate remuneration	Impact on fair employment and remuneration	Positive	Potential	Short-term to long-term perspective	Own operations	The impact results from the business model	The Polenergia Group operates in accordance with the applicable Labour Code and internal regulations, which clearly define remuneration conditions depending on the work performed. Remuneration regulations have also been implemented and define the targets to be met and the adequate remuneration.
	Working conditions: Work-life balance	Impact on the wellbeing of the workforce	Positive	Actual, Potential	Short-term to long-term perspective	Own operations	The impact results from the business model	The Polenergia Group does not have a dedicated policy on work-life balance management, however, efforts are undertaken to tackle this aspect.

ESRS topic	Matter identified in the materiality study (sub-sub-topic) / Interactions	Name of the impact	Is the impact positive or negative?	Is it potential or actual, and why?	In what time frame does/can it occur?	What part of the value chain is affected?	Is it driven by the business model and/or by business strategy?	Impact description:
S1 (Own workforce)	**Measures to prevent violence and harassment at the workplace**	Impact on the wellbeing of own employees	Positive	Actual, Potential	Short-term to long-term perspective	Own operations	The impact results from the business model	The Polenergia Group operates in accordance with the applicable Labour Code and internal regulations, e.g. Code of Ethics and Labour Regulations which clearly define undesirable and unacceptable conduct. A system for reporting potential wrongdoings has also been implemented. As part of this system, each person employed at the Polenergia Group may file an anonymous report under the Whistleblowing Procedure. The whistleblower protection system named POLSA Procedure and POL PV Procedure have also been implemented. Employees undergo mandatory training on applicable laws and internal regulations and are informed of the conduct which is unacceptable in the Group.
	Equal opportunities	Impact on a diverse workforce	Positive	Potential	Short-term to long-term perspective	Own operations	The impact results from the business model	The Polenergia Group has laid down a consistent approach to protecting diversity and building an inclusive culture in a separate Diversity, Equality and Inclusion Policy. The Polenergia Group is in the process of examining the level of indicators on topics such as the glass ceiling, Gender Pay Gap, and gender representation at different levels of the organisation. Examining the level of indicators will enable the Company to effectively manage these areas.

ESRS topic	Matter identified in the materiality study (sub-sub-topic) / Interactions	Name of the impact	Is the impact positive or negative?	Is it potential or actual, and why?	In what time frame does/can it occur?	What part of the value chain is affected?	Is it driven by the business model and/or by business strategy?	Impact description:
S2 (Workers in the value chain)	**Working conditions, equal treatment, other work-related rights**	Impact in the form of negative impacts on those working in the supply chain due to mismatched risk controls	Negative	Potential	Average time horizon	Upstream	The impact does not result from the business model	The Polenergia Group has a due diligence process in place for suppliers. As part of the due diligence processes, it gathers information to identify risks associated with suppliers. The survey is conducted on the basis of the principles set out in the Polenergia Group's Business Partners' Code. The Polenergia Group develops a comprehensive supplier assessment process based on ESG criteria. Under the regulatory framework currently in place, it is possible not to obtain complete information to create a risk profile. This could contribute to indirect negative impacts on the working conditions of those involved in the value chain.
	Working conditions, equal treatment and other work-related rights	Impact on working conditions of people employed in companies cooperating with Polenergia Group	Positive	Actual, Potential	Short-term to long-term perspective	Upstream	The impact results from pressure on cooperating companies to comply with certain employment conditions in line with Polenergia Group internal regulations	The Polenergia Group carefully selects its suppliers. When signing contracts, it requires companies to adhere to the Polenergia Group's Code of Ethics and strictly prohibits any improper treatment of the workforce.

ESRS topic	Matter identified in the materiality study (sub-sub-topic) / Interactions	Name of the impact	Is the impact positive or negative?	Is it potential or actual, and why?	In what time frame does/can it occur?	What part of the value chain is affected?	Is it driven by the business model and/or by business strategy?	Impact description:
S3 (Affected communities)	**Communities' economic, social and cultural rights**	Impact on local community education and self-organisation	Positive	Actual, Potential	Short-term to long-term perspective	Own operations	The impact results from the business model and business and ESG strategy	The Polenergia Group carefully fosters its relations with local communities, starting with the selection of the investment site, through the operational period, and ending with completion of the investment project. At all stages, the well-being of local communities is a top priority and members can raise requests and complaints anonymously. The Polenergia Group's Social Communication Plan outlines clear principles for dialogue with communities. The Polenergia Group's Social Engagement Policy defines areas of support for local organisations and educational units by providing targeted financing for, among other things, projects that strengthen cooperation between local organisations.
	Impacts related to land	Impact on change of land use at different stages of Polenergia Group projects	Negative	Potential	Long-term perspective	Own operations, Upstream	The impact results from the business model	Implementing its projects, the Polenergia Group changes the land use in a way that, despite public consultation processes, may be negatively perceived by local communities. The Polenergia Group has an extensive stakeholder communication mechanism and a Grievance Form procedure dedicated to managing impacts in this regard. These issues are governed by the Complaints and Requests Procedure.

ESRS topic	Matter identified in the materiality study (sub-sub-topic) / Interactions	Name of the impact	Is the impact positive or negative?	Is it potential or actual, and why?	In what time frame does/can it occur?	What part of the value chain is affected?	Is it driven by the business model and/or by business strategy?	Impact description:
S4 (Consumers and end-users)	**Information-related impacts for consumers and/or end-users**	Impact of products on consumers	Positive	Actual	Short-term to long-term perspective	Own operations, downstream	The impact results from the business model and strategy.	The Polenergia Group makes every effort to ensure that the products offered meet the highest quality and safety standards (heat pumps, photovoltaic panels, electric car charging stations). The Group uses and develops RES energy generation by building wind and photovoltaic farms, providing green energy and increasing energy security. The rules for offering products are described in internal regulations, and each customer can report a complaint anonymously through the available channels. Protection of customer data is a top priority in the activities of the Polenergia Group, which applies legal regulations and implements internal processes aimed at minimising potential risks associated with them.
	Social inclusion of consumers and/or end-users	Impact of products, services on customers	Positive	Actual	Short-term to long-term perspective	Own operations, downstream	The impact results from the business model and strategy.	The Polenergia Group has a direct information policy on its products and services based on reliable information. For greater details, refer to the green electricity offered under the Energy Standard 2051 at: Energia 2051.

ESRS topic	Matter identified in the materiality study (sub-sub-topic) / Interactions	Name of the impact	Is the impact positive or negative?	Is it potential or actual, and why?	In what time frame does/can it occur?	What part of the value chain is affected?	Is it driven by the business model and/or by business strategy?	Impact description:
G1 (Business conduct)	**Business conduct**	Impact on those around the Polenergia Group: people working in the Polenergia Group, customers, nature, complainants and suppliers.	Positive	Actual	Short-term to long-term perspective	Own operations, downstream	The impact results from the business model and strategy.	The Polenergia Group shapes its impact in terms of business conduct and corporate governance through the adopted model of organisational management. This impact is reflected in the structure of adopted policies that set the framework of conduct and define the responsibility structure for sustainability management. Setting the highest management priority in this area, the Polenergia Group has adopted and implemented the Complaints and Requests Procedure, Environmental and Social Policy, Social Engagement Policy and has developed provisions on requirements towards suppliers and updated the Quality Book of the Polenergia Group's Environmental and Social Management System.
	Corruption and bribery	Impact of business activity on the prevention of poor business conduct	Positive	Actual	Short-term to long-term perspective	Own operations	The impact results from the business model	The Polenergia Group shapes its impact in terms of business conduct and corporate governance by adhering to the rules of a listed company. The Group implements internal documents and policies that clearly describe the values the company follows and how it operates. The Polenergia Group has implemented measures to prevent corruption incidents, provide for periodic risk assessment and training and ensure the existence of reporting channels.

The table below presents the risks and opportunities considered to be material. These are the sustainability risks and opportunities in terms of the Top 5. The risks deemed significant are presented in the thematic chapters.

ESRS TOP 5 RISKS

ESRS topic	Material ESG topic(sub-sub-topic)	Name of the risk	Description of risks
E1 Climate change **E3 Water and marine resources**	Climate change adaptation, climate change mitigation, marine resources	**Delays and increased costs in the preparation of offshore wind farm investments**	Risks related to constraints in the preparation phase of investments in offshore wind farms in the Baltic Sea, which are characterised by high complexity and cost intensity. The investment work is financed through a joint venture with a partner, Equinor. Investments in offshore wind farms are an important part of Polenergia Group's development strategy and the implementation of its decarbonisation goals. Risks may result in a significant increase in investment preparation costs, delays in the implementation of investment works at various stages versus the planned schedule or, in extreme cases, their suspension. The responsibility for incurring costs, including unexpected costs, is shared with the investment partner, therefore the financial impact of the inherent risk is assessed in relation to the share appropriate for the Polenergia Group. Nevertheless, due to the specifics and costs of carrying out work in offshore areas, the financial impact related to the occurrence of risk factors may affect the ultimate profitability of the investment. At the same time, if the investment cannot be continued, which is currently unlikely, the amount of potential losses could negatively affect financial stability. In accordance with the Polenergia Group's strategy, large-scale investments are carried out while actively managing risks through, among others, meticulous planning of investments, conducting detailed research and analyses, taking applied mitigating measures without undue delay, and using diversified sources of investment financing.
S1 Own workforce **G1 Business conduct**	Working conditions, corporate culture	**Inconsistency of operational practice with ESG strategy and objectives**	Risks related to possible inconsistencies between the strategic and sustainability objectives and the operational practice of Polenergia Group's operations, especially in the case of its dynamic growth. The risk may result in prolonged or incomplete implementation of sustainability objectives by the company, as well as reduced operational efficiency in the area of ESG management affecting the increased effort and cost of preparing sustainable reporting or other documentation, e.g. in connection with obtaining financing. In the long term, such incomplete implementation may negatively affect the development and competitiveness of the Polenergia Group. To mitigate the risk, Polenergia Group has established an ESG Committee to support sustainability priorities at strategic and management level. Furthermore, an ESG Team has been established within the company to coordinate activities relevant from a sustainability perspective and to develop and integrate the ESG management process at the operational level.

ESRS topic	Material ESG topic(sub-sub-topic)	Name of the risk	Description of risks
S2 Workers in the value chain	Working conditions, equal treatment and equal opportunities for all, other work-associated rights	**Lack of respect for human rights in the supply chain**	Risk of insufficient respect for human rights in the Polenergia Group's supply chain. The risk may result in non-compliance with minimum safeguards or other due diligence requirements under ESG regulations, litigation, as well as a negative impact on Polenergia Group's image as an investor. Furthermore, possible human rights abusive practices by subcontractors may negatively affect the health and lives of the people employed and negatively impact the quality and timing of investments. The Polenergia Group mitigates the risk by applying appropriate contractual terms and conditions counteracting inappropriate practices towards persons employed to carry out construction work and by exercising strict supervision in this area.
S3 Affected communities	Economic, social and cultural rights of the community	**Low understanding of the impact of Polenergia Group installations on spatial landscape**	Risks associated with the impact of Polenergia Group installations on spatial landscape, including culturally material impact. The location of installations may be important for local communities in terms of neighbourhood, access to important natural resources or, in a broader context, the preservation of natural or cultural heritage. At present, the risks are primarily related to onshore wind and solar PV farms, but in the future the range of possible impacts may increase to include other types of installations, e.g. energy storage. Historically, local communities caused the introduction of the 10H rule [1] in 2016, which has significantly restricted the locations of new wind installations and have in practice led to freezing planned investments and destabilisation of the wind energy industry. Failure to adequately consider spatial factors in the site selection process for new investments may lead to decision-making errors, resulting in public opposition, delays in obtaining necessary permits, and, in extreme cases, the discontinuation of the investment. At the same time, the absence of appropriate regulations ensuring responsible spatial management by all RES market participants may lead to widespread opposition to new installations, significantly impacting the company's future growth opportunities and strategic direction. The long-term risk to the company's operations has been assessed as increasing. Currently, the company mitigates this risk by carefully selecting locations outside protected areas and sites of natural or cultural significance. Furthermore, it engages in early-stage dialogue and initiatives with local communities. The Polenergia Group also plans to develop its own standards for systematically analysing and assessing spatial impact.
G1 Business conduct	Corporate culture, management of relationships with suppliers, including payment practices	**Ineffective data and information management in the ESG process**	Transition risk associated with the emergence of a new area of governance related to meeting sustainability objectives and ensuring compliance with ESG regulations, including new types of data and information in the business cycle. This risk may lead to the refusal of attestation for the sustainability report or the rejection of funding applications, including those assessed for compliance with the EU Taxonomy. From an operational perspective, challenges such as limited access to ESG data and information, as well as insufficient tool support, significantly impact the time and cost of managing ESG processes, as well as the availability and quality of information critical to decision-making. These risks also affect the achievement of Polenergia Group's ESG and business strategic objectives. To mitigate this risk, the Polenergia Group has established an ESG Team responsible for analysing and coordinating the non-financial data collection process while ensuring seamless integration with other business functions. Additionally, the ESG Team conducts educational initiatives to foster a comprehensive understanding of ESG issues at the operational level. To further support sustainability priorities at both the strategic and management levels, the company has also established an ESG Committee.

[1] The Distance Law (ustawa odległościowa), also referred to as the 10H Law or the Anti-Windmill Law(ustawa antywiatrakowa), is a 2016 government bill that contains regulations governing the construction of onshore wind farms in Poland. Under the 10H rule, wind turbines can only be built at a distance of ten times their total height. Work is currently underway on an amendment to the law, which sets the distance of wind turbines from buildings at 500m.

ESRS TOP 5 OPPORTUNITIES

ESRS topic	Material ESG topic (sub-sub-topic)	Name of the opportunity	Description of the opportunity
E1 Climate change	Climate change adaptation, climate change mitigation, energy	**Intensive development of knowledge and demand for education in sustainable development**	The opportunity is related to the dynamic growth of the renewable energy market at both individual and industrial levels, as well as the still limited availability of tailored information on opportunities and solutions for different audiences. Polenergia Group's existing educational and communication initiatives, commitment to ESG and RES education, and participation in professional conferences and panels are key factors enhancing this opportunity. It has been assessed that appropriate leverage of these advantages could strengthen Polenergia Group's image as a transformational leader and, in the long term, improve its ability to attract new customers and target groups, supporting sales development.
	Climate change adaptation, climate change mitigation, energy	**Development of large-scale RES projects**	The opportunity is related to the expansion of the RES market towards large-scale projects, characterized by increasing scope, complexity, and investment budgets. A significant factor enhancing this potential is Polenergia Group's involvement in offshore wind farm projects in the Baltic Sea and the development of hybrid projects combining various renewable energy technologies. It has been assessed that by integrating these experiences with a continuous improvement approach in the preparation and execution of investment projects, Polenergia Group can enhance risk management effectiveness and achieve strategic objectives, including decarbonization and securing green energy availability for customers.
	Climate change adaptation, climate change mitigation, energy	**Development of electromobility, hydrogen transport and the energy storage market**	The opportunity is related to the rapid advancement of the economy and technology in the area of alternative propulsion technologies in individual and organized transport, including supply chain operations. This growth is driven by both market and regulatory pressures, as well as advancements in energy storage solutions. Important factors increasing the potential for opportunity are the electromobility projects already underway, including the provision of fast chargers, as well as the involvement in research and development in the area of hydrogen fuels. Furthermore, a significant increase in support from the European Union and state institutions is expected in the coming years, both in regulatory and financial terms. Continued work in this area will allow Polenergia to strengthen its position as an innovation leader, as well as to achieve the Polenergia Group's strategic objectives, including by extending the value chain by offering new products or services to customers.

ESRS topic	Material ESG topic (sub-sub-topic)	Name of the opportunity	Description of the opportunity
S1 Own workforce **G1 Business conduct**	Working conditions Equal treatment and equal opportunities for all Other work-associated rights Corporate culture	**Caring for the organisational culture and working conditions**	The opportunity is related to increasing social expectations regarding working conditions, as well as the changing profile of employees' needs and preferences. At the same time, an inclusive and transparent value-based organisational culture and the provision of appropriate working conditions increase the likelihood of employing people with the expected competence profile, regardless of their gender, age, health predisposition or life situation. Significant factors that increase the potential for opportunity are the emphasis placed on achieving sustainability goals in the social area, including ensuring diversity and equal pay. Systematic improvement in the area of organisational culture and the creation of a friendly working environment will strengthen operational efficiency and the effectiveness of achieving strategic objectives.
G1 Business conduct	Corporate culture	**The growing importance of data in sustainability management**	The opportunity is related to the strong combination of the continuous growth of digital technologies, including artificial intelligence, cloud technologies and data, with the intensive development of the area of sustainability and ESG management. Factors that increase the opportunity potential for the Polenergia Group include cyber security awareness and care, as well as the practice of collecting and using quantitative data in the management of individual processes. Process and digital integration with a focus on the quality and availability of data and information can contribute to fundamentally strengthening efficiency in processes and in the achievement of objectives, and in the long term contribute to strengthening Polenergia Group's competitive position.

IRO-1

Description of Processes to Identify and Assess Material Impacts, Risks and Opportunities

MATERIALITY ASSESSMENT

In 2022, the Polenergia Group conducted a comprehensive materiality assessment. The methodology by which the assessment was performed aligns with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). The methodology took into account the double materiality principle, which means that the materiality of issues was addressed during the study both from the perspective of the materiality of Polenergia Group's impact on sustainability matters and from the perspective of financial materiality, i.e. the impact of a sustainability matter on Polenergia Group's financial performance in the future. The study was carried out in collaboration with the external consulting firm MATERIALITY, in line with the MAX 3 – MATERIALITY ASSESSMENT MATRIX version three methodology.

THE ASSESSMENT INCLUDED INTER ALIA THE FOLLOWING SOURCES OF INFORMATION:

- Analysis of the consolidation of source data from the various stages of the study.
- A benchmarking analysis of 20 energy sector entities from Poland and abroad.
- Comprehensive questionnaire survey conducted on a group of 39 people. The group included representatives of the Management Board, senior executives of the company and 5 experts from MATERIALITY.
- Surveys and structured interviews with 10 external stakeholder representatives.

The peer group study took into account business models related to those applicable within the Polenergia Group. In the case of business relationships for which the potential for significant risks or impacts was identified, the materiality study took into account the personal involvement of the person representing such party.

The supporting material for the study was the value chain model, developed taking into account the geographical profiles of Polenergia Group's activities and those of its subsidiaries. Further investigation of impacts in the geographical structure may be the subject of an in-depth study of ESG impacts.

As part of the study, components of the analysis of area-specific risks as well as multidimensional impacts within the areas listed were carried out. The materiality study was accompanied by the process of drawing up the organisation's value chain, and the analysed impacts and risks were subsequently referenced to the processes carried out in the value chain. The value chain model served as supporting material for the internal experts involved in the study. Impact materiality parameters were investigated for the five stages of the value chain (1) Earlier upstream stages, from sourcing of primary raw materials through their processing, (2), Direct suppliers, subcontractors and service providers (Tier 1 of the supply chain), (3) Operational activities of the company/group, (4) Customers, consumers, end-users, (5) Further downstream stages, up to the end of the product/service life cycle and waste generated.

Impact parameters were assessed across four key levels:

- severity of impact,
- extent of impact,
- likelihood of impact,
- repairability.

The input data analysed in the peer group stage of the materiality study provided diverse information on the ESG practices of entities representing different branches of the energy industry.

The peer group study reviewed 20 companies from the energy sector. The group included 16 nonfinancial reporting entities (as at 2022). The peer group included 8 organisations operating mainly in Poland and 12 with an international profile.

The geographical profile and business model of the entities included in the study, as well as the opinions expressed by internal and external stakeholders, enabled the material impacts and risks of the Polenergia Group to be superimposed on its value chain.

The opinions of stakeholders affected by the company were taken into account at the stage of the survey, extended by interviews.

The results of the different stages of the study were consolidated. The study followed the principle of double materiality.

The significance of impact was assessed based on four key parameters:

- severity of impact,
- extent of impact,
- likelihood of impact,
- repairability.

Impact materiality parameters were investigated for the five stages of the value chain (1) Earlier upstream stages, from sourcing of primary raw materials through their processing, (2), Direct suppliers, subcontractors and service providers (Tier 1 of the supply chain), (3) Operational activities of the company/group, (4) Customers, consumers, end-users, (5) Further downstream stages, up to the end of the product/service life cycle and waste generated. In accordance with the double materiality principle, an issue was deemed material and subject to reporting if it met the criteria for impact materiality, financial materiality, or both.

The materiality study process examined the level of risk in relation to material matters. The risk examination was part of the financial materiality parameter study. The matters investigated were analysed using two dimensions: the risk level and the opportunity level.

According to the principle of double materiality, an issue was considered material and reported if it was considered material from the perspective of impact materiality, financial materiality or from the perspective of both parameters.

Both risks and opportunities are identified by individual Risk Owners in relation to the areas, processes or projects they manage. Opportunities, as well as risks, are analysed jointly by the Internal Control and Risk Management Department at Polenergia S.A. (DKWiZR) and the supervising President of the Management Board and other members of the Management Board, in particular with a view to identifying possible synergies and interactions between organisational functions and units. The results of the analyses, agreed with the Management Board and the Audit Committee of the Supervisory Board, are communicated to the Owners of the respective risks and opportunities for implementation. Financial materiality in relation to the matters under study was assessed using the following scales:

Financial materiality in relation to the issues under study was assessed on the following scales:

Risks

- Critical or very significant risk,
- Significant risk,
- Risk greater than medium,
- Risk less than medium,
- Minimal or minor risk.

Sustainability risks are treated on a par with other risks identified in the risk management identification processes.

Opportunities

- Very significant opportunities,
- Significant opportunities,
- Opportunities greater than medium,
- Opportunities less than medium,
- Minimal or minor opportunities,
- No opportunities.

After correlating risk and opportunity levels, each issue was given a consolidated materiality rating on the following scale:

- Critical,
- Significant;
- Important;
- Informative,
- Minimal.

Risks that received a materiality rating of „Important" were considered important from a financial perspective.

Risks and opportunities were examined in relation to six types of capital: (1) Financial capital, (2) Generation capital, (3) Natural capital, (4) Intellectual capital, (5) Human capital, (6) Social and relational capital.

Sustainability risks are one of the groups of risks monitored in the Polenergia Group.

In January 2024, an ESG Risk Coordinator was appointed to ensure the proper identification, assessment, monitoring and handling of risks (and opportunities) in this area.

An internal audit function has been implemented at the Polenergia Group, with the principles of operation described in the Polenergia Group Internal Audit Procedure, adopted for use by a Resolution of the Management Board of the Polenergia Group of 9 January 2024. Each internal audit exercise is based on an analysis of the risks relevant to the audit task being performed. The findings and conclusions are reviewed for possible changes or additions to the existing Consolidated Risk Register of the Polenergia Group.

The detailed rules for risk management in the Polenergia Group are described in internal regulations – the Risk Management Policy and the Risk Management Procedure. The findings of the materiality study are relevant for other processes related to ESG management in the Polenergia Group. The topics identified as material in the materiality study served as the basis for workshop discussions during the development of Polenergia Group's ESG Strategy to 2030.

In 2024, internal efforts were undertaken to refine the impacts identified in the 2022 materiality study. A description of the Polenergia Group's impacts resulting from this work is presented in ESRS 2 disclosure SBM-3.

INTERNAL RISK CONTROL

The risk handling strategy is described in internal regulations. Four possible risk handling strategies have been adopted, as described in the Polenergia Group Risk Management Procedure:

Strategy with respect to risk involves "determining the manner in which an assessed risk is to be handled, after taking into account the assessment of the risk, opportunities and costs of controlling the risk and the expected benefits:

- risk avoidance – the discontinuation (withdrawal) from an objective involving the risk,
- risk acceptance – refraining from taking measures in relation to the assessed risk in achieving the objective,
- transfer of risk – limitation or exclusion of liability for the consequences of risk that has materialised,
- risk modification – changing the magnitude, likelihood or effect of a risk."

A model of the Polenergia Group's value chain was developed at an early stage of work on the materiality study. The value chain model informed the subsequent stages of the study, serving as a model to locate relevant risks and impacts.

IDENTIFICATION OF SUSTAINABILITY RISKS

A mapping analysis and assessment of ESG risks and opportunities was conducted in 2024 with the involvement of an external consultant specialising in comprehensive business risk management, including sustainability, and internal subject matter experts.

To ensure the thoroughness of the analysis, in addition to the Polenergia Group's ESG strategy and objectives, the ESG themes outlined in Table AR16 of the European Sustainable Reporting Standards (ESRS) were also incorporated. The analysis followed the COSO (Committee of Sponsoring Organizations) top-down model, starting from a strategic and company-wide perspective. As part of the analysis, risk factors (sources) and possible risk effects were identified based on the assumption that they should as fully as possible reflect the respective risks. Considering that some of the identified risks have a significant business dimension and the ESG risk management process itself is at an early stage of development, the analysis was focused specifically on ESG factors to ensure they were properly addressed.
The risk impacts considered included any effects on the organization's operations, financial performance, compliance, or achievement of sustainability goals.

The ESG mapping and risk assessment analysis was divided into two stages:

- Preliminary analysis by an external expert based on the available documentation,
- Agreement with Polenergia Group internal experts on completeness, factors, impacts and risk assessment

The impact assessment criteria used primarily focused on the following aspects:

- Environmental aspects in terms of their impact or dependencies relevant to the Company's operations.
- Social aspects in terms of their impact or dependence, including those arising from the Company's operations.
- Corporate governance and management aspects, particularly with regard to the risk of errors in decision-making processes and the risk of improper practices, as well as their potential consequences for the Company.
- Compliance aspects, addressing the risk of non-compliance with regulations or errors in documentation.
- Financial aspect in relation to the thresholds set out in the Polenergia Group Risk Management Procedure,
- Reputational aspects of the impact of media events against the backdrop of sustainability issues.

Descriptive impact assessment thresholds applied have been presented in Table 12 below.

RISK IMPACT ASSESSMENT THRESHOLDS

5	**Catastrophic**	**Critical** - to the viability of the business and resulting in loss of viability.
4	**Very high**	**Major** - having a significant impact on the amount of revenue generated or the achievement of strategic objectives, or causing financial instability in the medium-term perspective.
3	**High**	**Significant** – resulting in a reduction of profits from the business or the achievement of strategic objectives as intended, but not causing instability.
2	**Moderate**	**Moderate** – contributing to an increase in the cost of doing business and meeting operational targets, which may translate into a short-term reduction in profits.
1	**Irrelevant**	**None or negligible** - do not occur or do not adversely affect the ability to achieve objectives

Probability assessment thresholds have been presented in Table 13 below.

PROBABILITY ASSESSMENT THRESHOLDS

		Frequency	Time horizon
5	**Almost certain**	Several times a month, more than 13 times a year	Very short, month, quarter
4	**Likely**	Once a month, up to 12 times a year	A few months, less than a year
3	**Possible**	Once a year	In a year or a little over a year
2	**Unlikely**	Once every 5 years	Within 5 years
1	**Rare**	Once every 10 years	In 10 years

The 5 most significant risks identified in the assessment have been described in this report.

IRO-2

Disclosure Requirements in ESRS Covered by the Undertaking's Sustainability Statement

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E3-1	Policies related to water and marine resources	Not applicable
E3-2	Actions and resources related to water and marine resources	Not applicable
E3-3	Targets related to water and marine resources	Not applicable
E3-4	Water consumption	Not applicable
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E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	81
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Disclosure identifier	Title	Page in the report
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ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		11
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		Not applicable
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				20
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		23
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		23
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 , Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		23
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		23
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	64
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		Not applicable

Disclosure requirement and the respective data point	Reference to the regulation on disclosure of information relating to sustainable development in the financial services sector	Reference to the third pillar	Reference to the metrics regulation	Reference to European climate law	Page in the report
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		71
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ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		75
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		77
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	78
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		78
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).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Not applicable

Disclosure requirement and the respective data point	Reference to the regulation on disclosure of information relating to sustainable development in the financial services sector	Reference to the third pillar	Reference to the metrics regulation	Reference to European climate law	Page in the report
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Not applicable
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities		Art. 449a rozporządzenia (UE) nr 575/2013; pkt 34 rozporządzenia wykonawczego Komisji (UE) 2022/2453; wzór 2: Portfel bankowy – Ryzyko przejścia związane ze zmianami klimatu: kredyty zabezpieczone nieruchomościami – efektywność energetyczna zabezpieczeń			Not applicable
paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		78
ESRS E2-4 Amount of each pollutant listed in Annex II of the EPRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				80
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Not applicable
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Not applicable
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not applicable
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Not applicable
ESRS E3-4 Total water consumption in m 3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Not applicable
ESRS 2- SBM 3 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				37
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ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				86
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				97
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				98
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				135
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				135
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				135
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		135
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				135
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				137
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				141
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		153
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ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				155
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				155
ESRS S1-17 Nonrespect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		155
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				156
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				158
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				157
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ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		157
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ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				176
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		176
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ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				183
ESRS G1-1 Protection of whistle- blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				184
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		187
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Polenergia

02

ENVIRONMENTAL INFORMATION

E1

Climate Change

GOV-3

Integration of Sustainability-Related Performance in Incentive Schemes

Climate change issues have not so far been included in incentive schemes for the members of governing bodies, the supervisory board or the management team. As of 2024, Members of the Management Board have been assigned sustainability targets.

Members of the Management Board act in the interests of the company and are responsible for its operations, including the implementation of ESG issues. In particular, it is the responsibility of the Management Board to provide leadership for the company, participate in setting and achieving the company's strategic objectives, including sustainability goals, and to ensure efficiency and safety, as well as to oversee the implementation of appropriate solutions and the achievement of the set goals.

Each Member of the Management Board has been assigned individual ESG targets, which are adopted by a resolution of the Supervisory Board. On 26 June 2024, ESG targets were set for the Management Board of Polenergia in accordance with the provisions of § 6(3) of the Regulations of the Bonus Scheme for the Management Board of Polenergia S.A.

Specifically, the task of the Supervisory Board is to give its opinion on the Company's strategy and to verify the work of the Management Board in achieving the set objectives. The achievement of ESG goals by the Management Board of Polenergia S.A. carries a 10% weighting in the calculation of variable remuneration, awarded in the form of a bonus.

The incentive scheme is described in a greater detail within the ESRS 2 GOV-3 disclosure.

E1-1

Transition Plan for Climate Change Mitigation

In 2024, the Polenergia Group did not have a formalised transformation plan. Polenergia S.A. has committed to achieve net zero carbon objective and join the Race to Zero campaign, and targets have been reported to SBTi at sciencebasedtargets.org. The Polenergia Group has set reduction targets within its Business Strategy to advance toward an energy mix founded on clean and renewable energy sources. At the heart of the Polenergia Group's Business Strategy with a 2030 time horizon is the commitment to expanding the average annual power-generating capacity through the development of renewable energy (RES) projects.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

SBM-3

Material Impacts, Risks and Opportunities and their Interaction with Strategy and Business Model

An analysis of climate change risks was conducted at the Polenergia Group in 2023. The analysis was carried out in accordance with the AXIS© methodology by an external consultancy.

The outcome of the analysis was the identification of short, medium and long-term, physical and transformational risks associated with climate change and sustainability issues. The risks have been categorized according to the TCFD (Task Force on Climate-Related Disclosure) guidelines. Physical risks related to climate have been identified as including:

- the risk of pollution, obstruction of construction and maintenance of installations,
- threats related to the impact of changing rainfall patterns on the availability of water resources.

Transition risks have been identified as including:

- the threat of regulation raising water prices,
- the threat of increased costs for raw materials, materials and services caused by other climate risks.

The analysis of climate risks was not supported by an analysis of the resilience of the business model to climate change under various climate change scenarios.

IRO-1

Description of the Processes to Identify and Assess Material Climate-Related Impacts, Risks and Opportunities

Climate risks have been identified during a study conducted in accordance with the AXIS© methodology by an external consultancy. The risks have been categorised in accordance with the TCFD (Task Force on Climate-Related Disclosure) guidelines

The study was conducted in three stages:

- analysis of material climate risks in the peer group,
- questionnaire survey of a group of experts selected within the company,
- measurement of results and categorisation of identified risks, threats and opportunities.

The study covered 54 risks and opportunities, broken down into 8 risk categories (physical and transformational). According to the AXIS© methodology, risks are assessed on the basis of three dimensions: probability of occurrence, magnitude of impact and time horizon. Probability refers to the likelihood of a specific risk or opportunity materializing with a given impact. Impact represents the significance of the consequences should the risk or opportunity occur.

The analysis identified the following significant physical risks:

- Risk of damage, obstruction of construction and maintenance of installations
  - Time horizon: Medium to long.
- Threats related to the impact of changing rainfall patterns on the availability of water resources:
  - Time horizon: Medium to long.

The operations of the Polenergia Group focus on electricity generation from renewable energy sources. Its assets include onshore wind farms, photovoltaic farms, and photovoltaic installations for individual customers. Additionally, Polenergia is developing offshore wind farm projects. These assets are exposed to climate change-related risks, such as extreme weather events (heatwaves, droughts, hurricanes, orcas, and floods), which may lead to increased energy price volatility or potential disruptions in energy supply.

The time horizon is predetermined by the validity date of the materiality assessment. The horizon was assessed on a point scale containing three time intervals:

- Short: 2023-2025;
- Medium: 2026-2035;
- Long: 2036-2050.

Given its business profile, which encompasses onshore and offshore wind farms as well as photovoltaic farms, all reliant on weather-dependent energy production, the Polenergia Group closely observes and monitors the increasing frequency and intensity of extreme weather events (heatwaves, droughts, hurricanes, storms, and floods). These phenomena may contribute to greater energy price volatility and potential disruptions in energy supply.

The process of identifying transformational risks was analogous to the process described above in the context of physical risks.

As part of its materiality study more broadly described in ESRS 2 SBM-3, the Polenergia Group has identified the following transformational risks :

- Threat of regulation raising water prices:
  - Time horizon: Medium.
- Threat of increased costs of raw materials, other materials and services caused by other climate risks:
  - Time horizon: Medium.
- Opportunity arising from increases in the price of energy from non-renewable sources:
  - Time horizon: Medium.
- Opportunity to capitalise on demand for products with a reduced carbon footprint:
  - Time horizon: Medium.
- Opportunity to prepare for carbon footprint reporting obligations more efficiently than competitors:
  - Time horizon: Medium.
- Opportunity to specialise in distributed energy:
  - Time horizon: Medium.
- An opportunity to strengthen the company's reputation for tackling the climate crisis:
  - Time horizon: Short to medium.

Probability is assessed on the following scale:

- Almost certain,
- Very likely,
- Plausible,
- Quite likely,
- Rather unlikely,
- Unlikely,
- Very unlikely,
- Almost impossible,
- Unknown.

Weight is assessed on a scale:

- Very high,
- High,
- Medium-high,
- Medium low,
- Low,
- Very low,
- Unknown.

A very high weighting indicates a break in operational continuity.

In the study described above, the groups were classified as follows:

Group A (Amplification) – high probability and low weight:
- 3 opportunities,
- 3 threats.

Group X (Exclusion) – low probability and low weight:
- 55 opportunities,
- 23 threats.

Group I (Intensification) – wysoka waga i niskie prawdopodobieństwo:
- 5 opportunities,
- 6 threats.

Group S (Seizure) – high probability and high weight:
- 5 opportunities,
- 4 threats.

The climate risk analysis assumed an equal assessment process for all climate risks. Further targeted and in-depth analyses provide research material for the next steps in the ESG Strategy.

Risks and opportunities are material when their probability exceeds the probable level and their weight is equal to or above the medium-high level.

All facilities in operation, under construction or under development that the Polenergia Group owns can be divided into onshore and offshore wind farms, photovoltaic farms and a combined heat and power plant. Technical Qualification Criteria have been formulated for all the indicated facilities. For more information, please refer to the disclosure on compliance with the EU Taxonomy.

E1-2

Policies Related to Climate Change Mitigation and Adaptation

its carbon footprint by optimising its fuel mix, taking into account the volume of emissions and societal needs and expectations.

The Polenergia Group's business model and Business Strategy implies conducting activities aimed at supporting and actively participating in building a zero-carbon economy. Furthermore, the Group's Sustainable Development Strategy adopted with a 2023-2030 time horizon includes measurable and ambitious targets that recognise this task as a top priority.

ENVIRONMENTAL AND SOCIAL POLICY

Polenergia Group has put in place an Environmental and Social Policy which outlines the main priorities of the Group's operations, i.e., maintaining the natural and socio-economic balance.

In this Policy, the Polenergia Group sets out the tasks and actions to which it is committed in order to protect and restore the health of the environment, including:

- Minimising the environmental impact and mitigating environmental risks associated with the given activity,
- Implementation of the proprietary Energy 2051 Standard, which guarantees customers the purchase of green energy produced from sources built and managed by the Group companies with due regard for sustainability,
- Efficient, sustainable and appropriate use of the natural resources while at the same time improving the efficiency of the use of these resources, integrating the principles of circular economy into the investment planning stage,
- Supporting net zero greenhouse gas (GHG) emissions in operations to 2050 or earlier,
- Achieving the net zero impact target - net zero impact on biodiversity by 2040.

The Polenergia Group declares its cooperation with international entities, institutions and organisations in the field of environmental protection, including through membership or involvement in initiatives of international organisations such as UNEP GRID Warsaw and UN Global Compact. The Group is also a member of the Responsible Business Forum (Forum Odpowiedzialnego Biznesu) and other industry organisations involved in activities aimed at increasing ESG awareness in private and public markets. The Polenergia Group also pledges to improve its reporting and protocols in line with evolving best practices.

Policy management is monitored by the Management Board of Polenergia S.A., and each and every employee is required to participate in the environmental impact management process in line with the according to the responsibilities described in detailed internal regulations.

Activities related to the implementation of the Environmental and Social Policy are the responsibility of the Member or Board Member in charge of the ESG area. Operational issues are the responsibility of the Environment and Sustainability Department. The Director of the Environment and Sustainability Department has direct oversight of implementation of these tasks.

The Environmental and Social Policy is the leading document in the Polenergia Group in the process of managing environmental and community impacts. The policy is reviewed periodically and updated at least once a year.

In developing the Environmental and Social Policy, consideration was given to standards, norms and third-party initiatives such as the EU Taxonomy, the CSRD Directive, the Science-based Targets Initiative, IPCC reports, COP15, OECD Due Diligence Guidelines for Responsible Business Conduct.

The policy is available to all stakeholders at the Polenergia Group website under Policies and Procedures. In addition, the Policy constitutes an integral part of contracts entered into with counterparties.

The Environmental and Social Policy and all other environmental policies have been described under disclosure E4.

E1-3

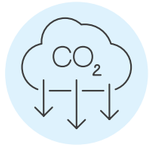
Actions and Resources in Relation to Climate Change Policies

The Polenergia Group is the first Polish company to subordinate its development vision to building a zero-carbon economy. It covers every area of its business and social operations and activities. It covers protection of the environment and developing a sustainable society that would ensure the well-being of present and future generations. All Group activities are subject to environmental monitoring. Within the Group, the key policies in the environmental area are:

- Polenergia Group's Environmental and Social Policy,
- Polenergia Group's Biodiversity Strategy,
- Procedure on Environmental Standards of Subcontractors,
- Complaints and Requests Procedure,
- The comprehensive Environmental and Social Management System approved in 2024, described in ESRS disclosure E4.

The Polenergia Group complies with the environmental requirements for financial institutions (Equator Principles, EBRD requirements, IFC standards). In addition, the Group adapts its operations to the recommendations developed in international agreements (the Paris Agreement), according to which 2050 has been regarded to be the target year for the ambition to achieve zero-carbon. This is the net-zero emission (NZE) 2050 scenario of the IEA (International Energy Agency).

The Polenergia Group's business model is based on generating energy from renewable energy sources and providing low-carbon solutions such as prosumer installations, heat pumps, energy storage, development of a network of electric car chargers and the advancement of hydrogen technology. This positions Polenergia as a key player in the energy transition chain.



ACTIVITIES RELATED TO THE DECARBONISATION OF POLENERGIA GROUP'S OPERATIONS

Polenergia set highly ambitious goals in its Sustainable Development Strategy adopted at the beginning of 2023. One of its key objectives is to decarbonize the Group's operations by reducing the carbon intensity of its energy generation and increasing installed RES capacity. The details of this objective are outlined in ESRS E1-4, while the Group's energy generation and consumption indicators are published in disclosure E1-5.

The Polenergia Group continues to expand its renewable energy capacity. In 2024, it launched the largest photovoltaic farm in the Group's history, i.e., the Strzelino Photovoltaic Farm with a capacity of 45 MWp, capable of supplying green energy to 24 000 households. Located in Pomerania, it is the Group's fifth solar power plant. With the launch of the Strzelino Photovoltaic Farm, Polenergia's total renewable generation capacity has reached 574 MW. Additionally, the construction of Szprotawa I and Szprotawa II is set for completion in 2025. These solar power plants with their combined capacity of 67 MWp will be located in the Lubuskie region.

Polenergia's onshore projects under development and in the pipeline generate approximately 1 300 MW from wind energy and nearly 700 MW from photovoltaic panels. The Group is also collaborating with Norway's Equinor to develop three offshore wind farms in the Baltic Sea, with a total capacity of up to 3 000 MW.

The implementation of these projects will reduce the carbon intensity of energy in accordance with the adopted ESG strategy. This aligns with the E1 target to decrease the Group's energy generation carbon intensity from 150 g CO2e/kWh (average for 2020–2022) to 50 g by 2025. Polenergia actively pursues decarbonization initiatives and monitors their effectiveness. The results of the energy emission intensity indicator are presented in the disclosure E1-4.

In 2024, the Group measured its Scope 3 carbon footprint for 2023, while mapping its own carbon footprint activities. The study was conducted in collaboration with the Climate & Strategy Foundation. The Group has been building renewable energy projects and implementing solutions to generate and deliver green energy to end customers for years. Every hour of energy sourced in this way contributes to reduced greenhouse gas emissions and benefits the climate. A comprehensive assessment of emissions across the entire Polenergia Group revealed that in 2023 alone, the Group's operations prevented 1 031 065 t CO2e. The total volume of avoided emissions is thus 2.5 times greater than the emissions generated by the Group's operations.

In the context of offshore wind farm development, the value of avoided emissions is expected to increase significantly. According to calculations, the farms' operations will avoid emissions on an annual basis, as follows:

- **Baltic I offshore wind farm - 1 870 800 t CO2,**
- **Baltic II offshore wind farm - 918 400 t CO2,**
- **Baltic III offshore wind farm - 935 400 t CO2.**

Over their entire life cycle estimated at 30 years, Polenergia's offshore wind farms will contribute hugely to avoiding emissions, i.e., by nearly 30 million tonnes of CO2 in aggregate.

CLIMATE ACTIONS

The Group not only offers a comprehensive ecosystem of green energy products but also educates stakeholders and supports customers on their path to decarbonization, helping them reduce their carbon footprint and facilitating the reporting of environmental indicators.

Polenergia is expanding rapidly. As the Group grows, it prioritizes environmentally friendly office spaces. Polenergia Fotowoltaika, Polenergia Dystrybucja, Polenergia Sprzedaż, and Polenergia eMobility have joined the tenants of the Lakeside office building, a BREEAM-certified, friendly workspace. Additionally, Polenergia eMobility is developing a project to install car chargers at Lakeside and at Polenergia's eMobility office in Katowice.

The Group implements comprehensive due diligence processes to assess the impact of investment projects on biodiversity, aiming to minimize environmental footprint. Each investment project begins with a thorough natural inventory of the prospective site.

Ornithological and chiropterological monitoring is conducted during pre-investment research for onshore wind farms. Protected areas in the vicinity are analysed, and spatial zooning documents, such as the local spatial development plan and its environmental provisions, are reviewed in terms of the environmental impact and construction opportunities. Before launching an investment project, the Group engages in public consultations and agreements with the local community and local government representatives. The investment process includes the full procedure of obtaining an environmental decision, which involves preparing an environmental impact report and conducting public consultations. During implementation, constant environmental supervision ensures that efforts are made to minimize the construction's impact on the environment.

Environmental monitoring research continue even after the investment is commissioned. The Group maintains an open dialogue with nature conservationists, carefully analysing their insights and concerns. It also collaborates with independent scientific institutions to promote biodiversity at project sites. A notable example is the over one-year monitoring of the Sulechów Photovoltaic Farm Complex (Zespół Farm Fotowoltaicznych Sulechów) in partnership with the University of Zielona Góra, which resulted in Poland's first publicly available, comprehensive scientific publication on meadow ecosystem restoration: The first comprehensive scientific publication in Poland on the reconstruction of meadow ecosystems at the Sulechów Photovoltaic Farms: best practices for the renewable energy industry.

The actions undertaken to contribute to climate change mitigation include both business and educational activities. Polenergia promotes environmental attitudes among employees, subcontractors and other stakeholders. It has also been involved in raising environmental awareness among children and young people for many years.

Since 2022, Polenergia Group has been implementing its own educational programme with partners such as the Kulczyk Foundation, UNEP/GRID-Warszawa, and the Academic Circle of the Nature Protection League operating at the University of Zielona Góra named **Play Green with Us!® (Graj z nami w zielone!®).**

Play Green with Us!® is a comprehensive environmental education program addressed at children and young people in primary and nursery schools. The project includes lesson plans that educate younger generations on key topics such as environmental protection and ecology. The Eco Notebooks distributed to schools cover four thematic blocks. The first, "Clever Tips for Waste", focuses on waste segregation. The second, titled "Acting with Energy", explores the causes of climate change and highlights the role of Renewable Energy Sources in protecting our environment. The third, „Water Benefits Health", addresses the importance of water. The fourth, introduced in 2024, encourages students to engage with biodiversity through "Nature Challenges! Biodiversity – Know it to Conserve it!".

In 2024, a record-high number of 270 teachers participated in the program, actively implementing lesson plans in more than 80 educational institutions. More details about the project is available at The Progress of the Play Green with Us!® Project in 2024.

The Group continually strives to work with school communities to spread climate education, which includes both a theoretical part and a broad practical component. As part of these activities, Polenergia also supports secondary schools by subsidising the purchase of classroom materials and specialised equipment, but above all Polenergia is committed to imparting practical knowledge about renewable energy sources.

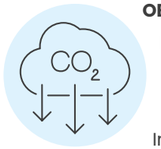
In 2024, Polenergia offered its support to:

- First General Secondary School in Nowa Sarzyna (I Liceum Ogólnokształcące w Nowej Sarzynie), where Polenergia sponsors the Hydrogen Technology Class (the Nowa Sarzyna municipality, the site of the Nowa Sarzyna Heat and Power Plant and the H2Hub Nowa Sarzyna hydrogen project);
- Jan Paweł II Technical and Vocational School Complex in Żuromin (Zespół Szkół Techniczno-Zawodowych im. Jana Pawła II w Żurominie), where Polenergia sponsors a class preparing students for careers as technicians in renewable energy systems and devices (the Żuromin municipality, the site of the Dębsk Wind Farm).

E1-4

Targets Related to Climate Change Mitigation and Adaptation

Polenergia Group's Sustainable Development Strategy includes 5 main objectives that are related to climate change mitigation. In connection with its sustainability goals, the Polenergia Group has implemented a number of actions in 2024 as described in ESRS Disclosure E1. Below is a brief summary of these actions.



OBJECTIVE E.1: DECARBONISATION OF POLENERGIA GROUP'S OPERATIONS

In line with the ESG Strategy, Polenergia Group is increasing its renewable energy capacity. In 2024, it launched the largest photovoltaic farm in the Group's history, i.e., the Strzelino Photovoltaic Farm (FF Strzelino), which has a capacity of 45 MWp. With the commissioning of FF Strzelino, Polenergia's renewable generation capacity has reached 575 MW. Details of projects in development and under construction are presented in ESRS disclosure E1-3.

With an aim to decarbonise the Group's operations in 2024, the carbon intensity factor of the Group's power generation was 44.14 gCO2/KWh, a decrease by 24% compared to 2023. Details of the carbon intensity are shown in Table 21 in ESRS disclosure E1-6.

OBJECTIVE E.2: PROMOTING THE GREEN TRANSFORMATION OF CUSTOMERS

Polenergia also supports the green transformation of its clients, as demonstrated in the ESRS S4-5 disclosure. In 2024, Polenergia eMobility increased the number of charging stations to 76, and expanded the share of charging station capacity to 8.8 MW, an increase of 526% year-on-year.

Polenergia Dystrybucja serves individual customers who generate energy from renewable sources to serve their own needs through installations connected to its network. In 2024, the company added 12 new installations, representing a 30% year-on-year increase. At the end of 2024, the total number of electricity supply points totalled 51. Polenergia Dystrybucja's customers also connect electric car chargers to the grid, thereby contributing to the development of electromobility infrastructure and supporting energy transition. At the end of 2024, the company operated 68 such devices, of which 35 new chargers were connected in 2024 alone. This represents a growth of more than 100% year-on-year.

OBJECTIVE E3: POLENERGIA GROUP INNOVATION LEADER – DEVELOPMENT OF PROJECTS WITH GREEN HYDROGEN

As part of its efforts to develop innovative hydrogen projects, the Polenergia Group conducted Poland's first tests of co-combustion of hydrogen with natural gas in mid-2024. The tests took place at Polenergia's Nowa Sarzyna CHP Plant (ENS) and were carried out on one of the gas turbines with a capacity of approximately 40 MW. Details on the development of the hydrogen project are outlined in the ESRS2 SBM-1 disclosure.

OBJECTIVE E4: IMPLEMENTING PRINCIPLES OF CIRCULAR ECONOMY INTO THE OPERATIONS OF THE POLENERGIA GROUP

In 2024, the Group has taken steps to create a comprehensive procedure covering the circular economy.

OBJECTIVE E5: DEVELOPING A BIODIVERSITY DUE DILIGENCE SYSTEM

The biodiversity-related target applies to all the Polenergia Group's operating segments that utilize these resources. The actions are limited to Poland, where the Group's operational activities were concentrated in 2024. Intermediate targets were set as phases in the application of the LEAP methodology. The implementation process is currently focused on precise determining impacts and dependencies, which will later serve as the basis for decision-making, implementation of specific actions and strategies, and the mitigation hierarchy.

In 2024, in line with the Biodiversity Strategy schedule, the Polenergia Group completed the first phase known as LOCATE. A study was conducted to assess the impact on biodiversity resources, considering both the Group's own operations (Photovoltaic Farms, Wind Farms, and the Nowa Sarzyna CHP Plant) and the value chain, including TIER 1 entities. The assessment of the Group's operations was carried out based on Environmental Decision guidelines and natural monitoring results.

E1-5

Energy Consumption and Mix

The table below depicts the energy consumption of the Polenergia Group in 2024:

ENERGY CONSUMPTION AND MIX

Energy consumption and mix [E1-5]	Unit	2023	2024	Y/y change
Fuel consumption from coal and coal products	MWh	0.00	0.00	-
Fuel consumption from crude oil and petroleum products	MWh	7 648.32	7 447.14	-2.63%
Fuel consumption from natural gas	MWh	446 402.33	327893.29	-26.55%
Fuel consumption from other fossil sources	MWh	0.00	0.00	-
Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources	MWh	8 614.34	11 923.97	+38.42%
Total fossil energy consumption	**MWh**	**462 664.99**	**347 264.40**	**-24.94%**
Share of fossil sources in total energy consumption	**%**	**89.05%**	**89.87%**	**+0.82**
Consumption from nuclear sources	**MWh**	**0.00**	**0.00**	**-**
Share of consumption from nuclear sources in total energy consumption	**%**	**0.00%**	**0.00%**	**-**
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	MWh	0.00	0.00	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	27.52	3.12	-88.67%
The consumption of self-generated non-fuel renewable energy	MWh	56 888.66	39 157.88	-31.17%
Total renewable energy consumption	**MWh**	**56 916.19**	**39 161.0**	**-31.20%**
Share of renewable sources in total energy consumption	**%**	**10.95%**	**10.13%**	**-0.82**
Total energy consumption	**MWh**	**519 581.17**	**386 425.40**	**-25.63%**

The 2024 figures showed a decrease in total fossil energy consumption, which was mostly influenced by a decrease in natural gas consumption as compared to the previous year at the CHP Nowa Sarzyna (mirrored in the Fuel consumption from natural gas item).

The Nowa Sarzyna Combined Heat and Power Plant generates electricity and heat in a gas-steam unit (BGP) or only heat in an auxiliary boiler house. Changes in the gas consumption patterns have been influenced by the share of BGP operations in a given period. The change in the amount of natural gas consumption depicted above also had a decisive impact on the decrease reported in the Total energy consumption item.

In terms of total energy consumed, there was a 3.25% decrease in the energy intensity index.

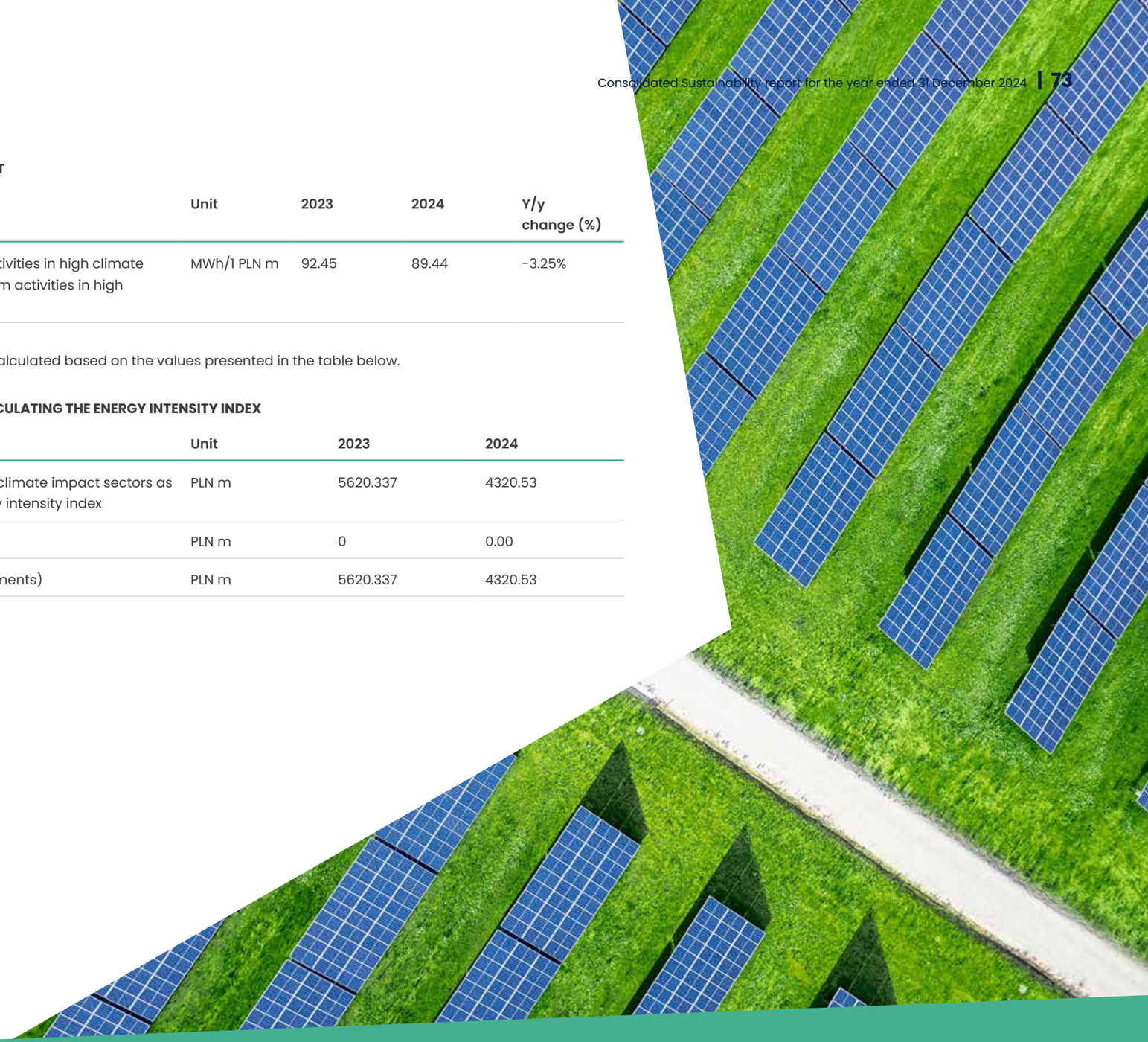
ENERGY INTENSITY PER REVENUE UNIT

Energy intensity per net revenue	Unit	2023	2024	Y/y change (%)
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors	MWh/1 PLN m	92.45	89.44	-3.25%

The above-mentioned indicator is calculated based on the values presented in the table below.

NET REVENUE AS THE BASIS FOR CALCULATING THE ENERGY INTENSITY INDEX

Net revenues	Unit	2023	2024
Net revenue from activities in high climate impact sectors as the basis for calculating the energy intensity index	PLN m	5620.337	4320.53
Net revenue (other)	PLN m	0	0.00
Total net revenues (financial statements)	PLN m	5620.337	4320.53



The table below presents data on thermal energy and electricity generated, purchased and sold by the Polenergia Group in 2024:

ENERGY GENERATED AND SOLD

Energy generated and sold [E1-5]	Unit	2024
Thermal energy generated	**MWh**	**84278.23**
Renewable thermal energy generated	MWh	0.00
Non-renewable thermal energy	MWh	84278.23
Gross electricity generated	**MWh**	**1644629.79**
Photovoltaics	MWh	82887.56
Wind turbines	MWh	1441437.58
Hydroelectric power plants	MWh	0.00
Non-renewable electricity generated	MWh	120304.65
Electricity supplied to the grid - net	**MWh**	**1560218.47**
Photovoltaics	MWh	79315.95
Wind turbines	MWh	1362627.56
Hydroelectric power plants	MWh	0.00
Non-renewable electricity sold	MWh	118274.96
Electricity purchased for resale to clients and consumers	**MWh**	**5105125.21**
Photovoltaics	MWh	315765.57
Wind turbines	MWh	1354395.61
Hydroelectric power plants	MWh	0.00
Non-renewable electricity generated and sold	MWh	3434964.03
Thermal energy purchased for resale to clients and consumers	**MWh**	**0.00**
Thermal energy purchased and resold - renewable sources	MWh	0.00
Thermal energy purchased and resold - non-renewable sources	MWh	0.00

ENERGY PRODUCED AND CONSUMED FOR OWN OPERATIONAL NEEDS AND ENERGY LOSSES ON TRANSMISSION

Energy produced and consumed for own operational needs and energy losses [E1-5]	Unit	2024
Energy consumption from own production and losses	**MWh**	**84529.23**
Total losses of energy generated within the organization	**MWh**	**45371.35**
Energy taken from own production for own operational needs	**MWh**	**62208.11**
Photovoltaics	MWh	3352.53
Wind turbines	MWh	56120.99
Hydroelectric power plants	MWh	0.00
Electricity taken from own production - originating from non-renewable sources	MWh	2734.59

E1-6

Gross Scopes 1, 2, 3 and Total GHG Emissions

LIMITS OF REPORTED EMISSIONS

The calculations for the controlling company, Polenergia S.A., include fuel and energy consumption without exclusions.

The calculations for the Polenergia Group of companies encompass all subsidiaries and the controlling company, based on operational and financial control.

The calculation excludes companies with no significant operational activities in 2024 that would materially impact fuel and energy consumption.

SCOPE OF REPORTED EMISSIONS

The Polenergia Group reports Scope 1 and Scope 3 emissions according to the GHG Protocol methodology.

Direct emissions (Scope 1) arise from the combustion of fuels at site or mobile sources owned or supervised by the company. These emissions also include emissions resulting from technological processes or escaping refrigerants.

Indirect emissions (Scope 2) arise from the consumption of imported electricity, heat, process steam and cooling. Polenergia calculates Scope-2 emissions using two methods. The location-based calculation method considers the average energy intensity of the grid to which the energy consumer is connected. The market-based calculation method, on the other hand, highlights the informed choice of energy supplier by presenting emissions calculated according to the supplier-specific intensity.

CALCULATION METHODOLOGY AND ASSUMPTIONS

The emission calculations in Scope 1 (Scope 3) used the factors published in Greenhouse gas reporting, i.e., 2024 conversion factors, Department for Energy Security and Net Zero (Greenhouse gas reporting conversion factors 2024). The calculations covered six greenhouse gases (CO2, CH4, N2O, HFCs, PFCs, SF6) included in the GHG Protocol. Emission values are given in tonnes (Mg) of the standard carbon dioxide equivalent unit (CO2e).

For the calculation of Scope 2 location-based emissions, the average emission intensity factors for electricity and heat generation made available by the National Balancing and Emissions Management Centre (Krajowy Ośrodek Bilansowania i Zarządzania Emisjami) were used. Emissions from the generation of consumed electricity were calculated according to the market-based method, where the emission factors provided by the seller were used for electricity for which the seller was known, and a factor of 0 kg CO2e/kWh was adopted for energy from RES confirmed by Guarantees of Origin.

For thermal energy, generation intensity indicators were adopted in accordance with data reported for Poland by the Energy Regulatory Office (Urząd Regulacji Energetyki).

The greenhouse effect coefficients (GWP, Global Warming Potential) used in the calculations are in accordance with the Fifth Assessment Report of the IPCC (AR5, The Fifth Assessment Report of the IPCC).

METHODOLOGY FOR MEASURING THE CARBON FOOTPRINT IN SCOPE 3

In 2024, the Polenergia Group embarked on a cooperation with Climate&Stategy Foundation to measure Scope 3 emissions. The process of analysing and studying the data covering 2023 was completed in October 2024.

The following standards have been used to calculate the carbon footprint in Scope 3:

- GHG Protocol. A Corporate and Reporting Standard, revised edition, March 2004. World Resources Institute and World Business Council for Sustainable Development.
- GHG Protocol. Corporate Value Chain (Scope 3) Accounting and Reporting Standard. Supplement to the GHG Protocol Corporate Accounting and Reporting Standard, 2011. World Resources Institute and World Business Council for Sustainable Development.
- GHG Protocol. Technical Guidance for Calculating Scope 3 Emissions (version 1.0). Supplement to the Corporate Value Chain (Scope 3) Accounting & Reporting Standard, 2013. World Resources Institute and World Business Council for Sustainable Development.

The organizational boundaries for the GHG emission calculations have been established based on operational control. The period for which the company's GHG emissions were calculated corresponded to the 2023 financial year, from 1 January to 31 December 2023.

Data on electricity consumption, solid fuels, purchased goods and services, transport, waste, and other factors used in the calculations primarily came from the company's internal records.

The calculated categories included: Category 1: Purchased goods and services; Category 2: Capital goods; Category 3: Energy and fuel-related emissions not included in Scope 1 and 2; Category 4: Upstream transport and distribution; Category 5: Waste generated from operations; Category 6: Business travel; Category 7: Employee commuting; Category 11: Use of products sold; Category 12: End-of-life treatment of products sold; and Category 15: Investments.

The calculations have been developed using internationally recognized standards and best practices for determining a company's carbon footprint, based on operational data provided by Polenergia. Responsibility for the completeness and accuracy of the data lies with the Polenergia Group. The calculation model underwent additional checks in accordance with the internal quality control procedures of the Climate&Strategy Foundation, with which the Group collaborated. The model included an analysis of the carbon footprint in Scope 3 and the development of a calculator to measure the carbon footprint in future years.

GHG EMISSIONS

		Retrospective				Milestones and target years			
	Unit	Base year	2023	2024	Y/y change (%)	2025	2030	2050	Y/y change (%)
Scope 1 GHG emissions									
Gross Scope 1 GHG emissions	MgCO2e	109 960.66	93 163.46	68 100.08	-26.90%	The target was set in relation to the intensity of energy produced			-
Percentage of Scope 1 GHG emissions from regulated emissions trading schemes	%	-	98.14%	99.30%	1.16%				-
Scope 2 GHG emissions									
Gross location-based Scope 2 GHG emissions	MgCO2e	4 328.90	5 730.98	5 339.15	-6.84%	The target was set in relation to the intensity of energy produced			-
Gross market-based Scope 2 GHG emissions	MgCO2e	3 779.54	4 661.33	4 493.70	-3.60%				-
Significant scope 3 GHG emissions									
1 Purchased goods and services	MgCO2e	326 100.00	326 100.00	As of the date of publication of the report, the process of collecting Scope 3 data was ongoing. Upon its completion, the results will be published on the website.	-	-	-	-	-
2 Capital goods	MgCO2e	68 934	68 934.00		-	-	-	-	-
3 Fuel and energy-related activities (not included in Scope 1 or Scope 2)	MgCO2e	93 609	93 609.00		-	-	-	-	-
4 Upstream transportation and distribution	MgCO2e	129 320	129 320.00		-	-	-	-	-
5 Waste generated in operations	MgCO2e	506	506.00		-	-	-	-	-
6 Business travel	MgCO2e	56	56.00		-	-	-	-	-
7 Employee commuting	MgCO2e	81	81.00		-	-	-	-	-
8 Upstream leased assets	MgCO2e	371	371.00		-	-	-	-	-
9 Downstream transportation & distribution	MgCO2e	not significant	not significant		-	-	-	-	-
10 Processing of sold products	MgCO2e	not significant	not significant		-	-	-	-	-
11 Use of sold products	MgCO2e	not significant	not significant		-	-	-	-	-

12 End-of-life treatment of sold products	MgCO2e	20205	20 205.00	As of the date of publication of the report, the process of collecting Scope 3 data was ongoing. Upon its completion, the results will be published on the website.	–	–	–	–	–	
13 Downstream leased assets	MgCO2e	754	754.00		–	–	–	–	–	
14 Franchises	MgCO2e	not significant	not significant		–	–	–	–	–	
15 Investments	MgCO2e	not significant	not significant		–	–	–	–	–	
1 Purchased goods and services	MgCO2e	12264	12264.00		–	–	–	–	–	
Total GHG emissions										
Total GHG emissions scope 1+2 (location-based)	MgCO2e	4 328.90	98 894.45	73 439.22	-25.74%				–	
Total GHG emissions scope 1+2 (market-based)	MgCO2e	3 779.54	97 824.80	72 593.78	-25.79%					-
Total GHG emissions scope 1+2 (location-based) +3	MgCO2e	330 428.90	424 994.45	73 439.22	-82.72%					-
Total GHG emissions scope 1+2 (market-based) +3	MgCO2e	329 879.54	423 924.80	72 593.78	-82.88%					-

OTHER GHG EMISSION INDICATORS

Other energy-related indicators [E1-7]	2024
GHG emissions under the emissions trading scheme in Mg/CO2e	67625.00

GHG EMISSION INTENSITY INDICATORS

Intensity of GHG emissions per net revenue	Unit	2023	2024	Y/y change (%)
Total GHG emissions scope 1+2 (location-based) per revenue	MgCO2e/1 PLN m	17.60	17.00	-3.40%
Total GHG emissions scope 1+2 (market-based) per revenue	MgCO2e/1 PLN m	17.41	16.80	-3.47%
Total GHG emissions scope 1+2 (location-based) +3 per revenue	MgCO2e/1 PLN m	75.62	n/a	-
Total GHG emissions scope 1+2 (market-based) +3 per revenue	MgCO2e/1 PLN m	75.43	n/a	-

E1-7

GHG Removals and GHG Mitigation Projects Financed Through Carbon Credits

In 2024, the Polenergia Group has not purchased offset units or Carbon Credits.

E1-8

Internal Carbon Pricing

In 2024, the Polenergia Group has not set an internal price for a unit of greenhouse gas emissions to be used in processes related to the management of climate change impacts.

E1-9

Anticipated Financial Effects From Material Physical and Transition Risks and Potential Climate-Related Opportunities

The Polenergia Group does not anticipate financial impacts related to material physical risks, material transitional risks and the potential to benefit from material climate-related opportunities.

E2

Pollution

E2-1

Policies Related to Pollution

The Polenergia Group conducted a review of its company locations and identified Polenergia Elektrociepłownia Nowa Sarzyna sp. z o.o. (ENS) as an organizational unit with a potential material environmental impact. This impact is managed on an ongoing basis. In Poland, pollution emissions are regulated by a range of laws, and ENS ensures compliance with these regulations. At this stage, no material impacts related to pollution have been identified in other operational segments.

Information on pollution management at Polenergia Elektrociepłownia Nowa Sarzyna sp. z o.o. heat and power plant is provided in the "Environmental Management Policy at Polenergia Elektrociepłownia Nowa Sarzyna sp. z o.o." adopted by the Director General in December 2023. This policy has been communicated to all employees and contractors working on behalf of the company, including those working on the company's premises. It is compliant with EN ISO 14001:2015. Further information is available at: The Environmental Management System ISO 14001.

ENVIRONMENTAL MANAGEMENT AT POLENERGIA ELEKTROCIEPŁOWNIA NOWA SARZYNA SP Z O.O.

The Environmental Management Policy at Polenergia Elektrociepłownia Nowa Sarzyna sp. z o.o. includes:

- Management of environmental aspects;
- An environmental assessment manual;
- Risks and opportunities;
- Legal and other requirements in environmental protection;
- Operational control and monitoring;
- Internal audit;
- Corrective actions and continuous improvement;
- Management review;
- Documented information;
- Communication.

Pollution is discussed in Chapter V of the Policy, which regulates:

- Air emissions;
- Water and wastewater management;
- Environmental noise;
- Groundwater and land protection;
- Waste management;
- Emissions of electromagnetic fields;
- Reporting on packaging placed on the domestic market and reporting to the National Pollutant Release and Transfer Register (Krajowy Rejestr Uwalniania i Transferu Zanieczyszczeń);
- Supervision of technological processes in the area of environmental protection;
- Procedures for handling potential emergency incidents and failures.

The policy assigns responsibility for specific pollution management issues to designated roles.

The Environmental Management System (EMS) Officer is responsible for implementing and overseeing the identification of the organization's environmental aspects, as outlined in the policy. The Director General is responsible for approving the specified course of action and for eliminating or, where possible, minimizing the organization's negative environmental impact.

The policy is an integral part of the environmental management system, which undergoes periodic review and updates at least once a year during a dedicated team meeting. The review date, scope, and team composition are determined jointly by the EMS Officer and the Technical Director.

The policy incorporates measures to prevent negative impacts on water and soil pollution by outlining legal requirements for air pollutant emissions, emission standards, and supervision of emission-generating processes. The policy also establishes guidelines for continuous and periodic measurements, defines permissible levels of industrial wastewater containing substances particularly harmful to the aquatic environment, and specifies pollutant concentrations allowed for discharge. Additionally, it details the types of measurements and monitoring required for water and wastewater management, as well as groundwater and soil protection, and regulates the supervision of wastewater and rainwater treatment facilities.

The established monitoring rules aim to prevent incidents and emergencies

In the event of uncontrolled air emissions, a preventive policy is in place. If emissions occur due to a potential failure of the low-emission gas turbine system, the Duty Traffic Engineer, in accordance with the policy, notifies the supervisor and takes corrective action to restore regular turbine operation.

E2-2

Actions and Resources Related to Pollution

Polenergia Elektrociepłownia Nowa Sarzyna heat and power plant manages pollution by measuring air emissions at the main generation equipment, i.e., gas turbines (on-line measurements), auxiliary boilers (periodic measurements). The Nowa Sarzyna heat and power plant has been registered with the National Balancing and Emissions Management Centre (Krajowy Ośrodek Bilansowania i Zarządzania Emisjami (KOBiZE)). The report for 2024 will be submitted by the end of February 2025, in accordance with the requirements. In addition, ENS produces an annual CO2 emissions report, as required. The report for 2024 will be submitted by the end of March 2025.

E2-3

Targets Related to Pollution

No pollution targets have been set as at the date of publication of this report.

Polenergia Elektrociepłownia Nowa Sarzyna continuously monitors all material aspects identified in the Environmental Aspects Register (Rejestr aspektów środowiskowych) on an ongoing basis. The monitoring takes place in accordance with operating procedures and other internal documents and is supervised by the Plenipotentiary for the Environmental Management System. The Plenipotentiary collects all the results of environmental measurements, which are analysed on an ongoing basis and presented to the Management Board once a year during the management review.

E2-4

Pollution of Air, Water and Soil

Within the frame of emissions monitoring conducted in 2024, a single case of emissions exceeding the threshold value specified in Annex II to Regulation (EC) No. 166/2006 has been identified.

Pollution of air, water and soil [E2-4]

Period			2024
Polycyclic aromatic hydrocarbons (PAHs)	kg	Air	66.8
		Water	0
		Soil	0

E2-5

Substances of Concern and Substances of Very High Concern

In 2024, the Polenergia Group recorded no instances of contact with potentially hazardous substances or substances of particularly high concern.

E2-6

Anticipated Financial Effects from Material Pollution-Related Risks and Opportunities

The Polenergia Group does not anticipate any financial impacts related to significant risks and significant opportunities arising from pollution-related impacts.

E4

Biodiversity and Ecosystems

E4-1

Transition Plan and Consideration of Biodiversity and Ecosystems in Strategy and Business Model

The Polenergia Group did not finalize its resilience analysis during the reporting period; however, its operations are conducted with due care, both in those areas where projects are being implemented and where new investments are planned. In 2024, the Group also mapped its key suppliers and initiated the process of vetting and assessing them for ESG compliance, including their impact on biodiversity. This work will further continue in 2025.

The principal document for environmental impact management is the Polenergia Group's Environmental and Social Policy. Additionally, in 2024, the Group approved the Environmental and Social Management System aligned with the requirements of the ISO 14001:2015 international standard. The implementation of the Biodiversity Strategy, described in this chapter, reflects the Group's commitment to robust due diligence processes.

The Polenergia Group's Biodiversity Strategy outlines the Group's dedication to biodiversity conservation. The challenges it addresses and the commitments made as part of the Strategy are aligned with the EU Biodiversity Strategy 2030, which serves as the foundation for nature conservation within the EU and is a key component of the **European Green Deal.** This document builds upon and remains consistent with the provisions of the Polenergia Group's Sustainable Development Strategy.

The actions planned as part of the Strategy follow the guidelines of the Taskforce for Nature-related Financial Disclosures (TNFD). Step by step, in accordance with the LEAP framework (Locate, Evaluate, Assess, Prepare), risks and opportunities will be analysed to establish the link between the Group's operations and nature. The first stage of this process was completed in 2024.

LOCATE

The aim of the first phase of the Polenergia Group's Biodiversity Strategy is to identify the impacts on the biodiversity resources in its own operations and in the value chain, among entities collaborating directly with Polenergia Group companies.

As part of the implementation of this phase of work:

- The impacts of the Group's own operations and Tier 1 of the value chain were mapped,
- A process has been prepared for the further extension of the study to incorporate further stages of the value chain.

EVALUATE

The second stage of the Polenergia Group's Biodiversity Strategy is to assess the Polenergia Group's dependency and impact on nature. Impact on nature is defined as a change in the state of nature that may affect the Group's ability to deliver value to both business and society. This impact can be either negative or positive. This phase is currently in progress and is scheduled for completion in the first half of 2025.

As part of the implementation of this phase of work:

- An inventory of relevant environmental resources and ecosystem services at each location listed in the Locate stage is underway.

ASSESS

The third step of the Polenergia Group's Biodiversity Strategy is to identify and prioritize nature-related risks and opportunities arising from the Group's dependencies and impacts on nature. Risks for which a prioritization and materiality assessment system is established will be incorporated into these processes. Additionally, the risk assessment system should be capable of estimating the financial impact on the organization. This phase is scheduled for implementation in the second half of 2025.

The planned outcomes of this work include:

- A comprehensive list of material nature-related risks that can be incorporated into the organization's risk matrix,
- A shortlist of key nature-related risks and opportunities, along with a list of priority locations,
- The development of a process to adapt the existing risk management frameworks and related elements to integrate nature-related risks and opportunities.

PREPARE

The fourth step of the Polenergia Group's Biodiversity Strategy involves discussions with internal stakeholders to determine how to respond to the identified issues (such as implications for strategy, resource allocation, and capital allocation). Response decisions should be integrated into existing corporate communication processes and take into account the short-term, medium-term, and long-term perspectives. Additionally, the study should establish a process for long-term stakeholder feedback on the due diligence process. By the end of 2025, activities related to the Prepare stage are planned for implementation, with the scope of actions depending on the outcomes of the preceding steps.

The planned outcomes of this phase include:

- Identification of nature-related objectives and indicators based on the completed nature-related assessment,
- Internal discussions within the organisation on risk management and control processes in the context of nature-related assessments,
- Development and publication of TNFD-compliant disclosures.

The implementation of the Biodiversity Strategy and the oversight of its provisions fall within the scope of responsibility of the Director of the Environment and Sustainability Department and ESG Coordinator.

The Polenergia Group's Biodiversity Strategy serves as a roadmap for biodiversity conservation and outlines the methodology for defining key criteria, including those related to land use, which will be integrated into thebusiness model by the end of 2025.

SBM-3

Material Impacts, Risks and Opportunities and their Interaction with Strategy and Business Model

The impact on biodiversity resources is described in the ESRS2 SBM-3 disclosure.

The projects undertaken by the Polenergia Group are classified as likely to affect or potentially affect the environment. Their implementation is subject to obtaining an environmental decision. As part of the administrative procedure, the relevant authority assesses the project's impact on all biotic (living) and abiotic (non-living) elements of the environment, including all forms of nature protection. In cases where impacts are identified, the authority imposes mitigation measures on the investor, in accordance with the precautionary principle. Irrespective of the conditions imposed in the environmental decision, as part of good practices, the Polenergia Group conducts independent environmental supervision during the construction process.

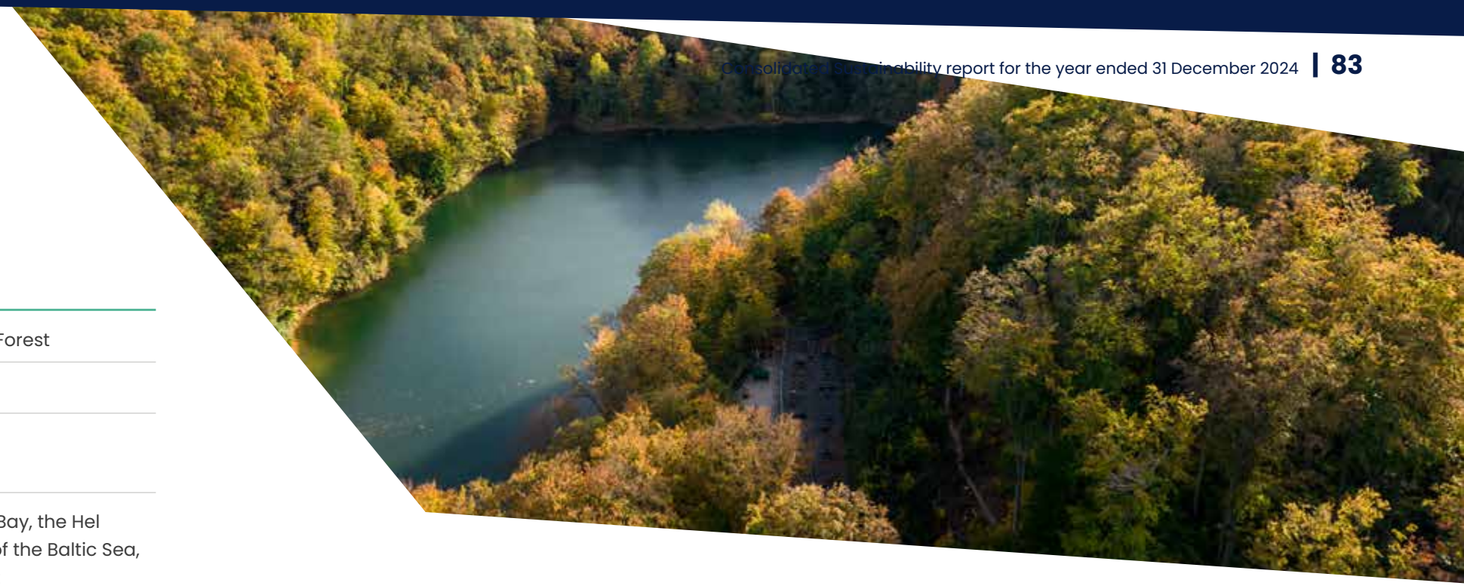
The table below presents the projects implemented by the Polenergia Group, identified through analysis conducted with the use of the IBAT (Integrated Biodiversity Assessment Tool). IBAT is a web-based mapping and reporting tool that provides quick, easy, and comprehensive access to three of the most reliable global biodiversity datasets: the IUCN Red List of Threatened Species, the World Database on Protected Areas, and the World Database on Key Biodiversity Areas.

The analysis covered the coordinates of wind turbines (including extreme locations in all directions: north/south, east/west), photovoltaic farms (taking into account extreme coordinates), and offices. The results have shown that three sites (two wind farms and one office in Gdańsk) are located within 1 km of biodiversity-sensitive areas. Furthermore, 17 sites (including three offices) were identified to be located within 10 km of such areas.

Notably, all the sites are situated in unprotected areas, hold the legally required environmental decisions and permits, and are regularly monitored for environmental compliance. Furthermore, no cases of significant negative impacts have been detected during the reporting period that would indicate harm to biodiversity.

Wind and photovoltaic farms are located on agricultural land, while offices are situated in city centres.

Details of the locations and their distances are provided in the table below.



DISTANCE OF POLENERGIA GROUP INSTALLATIONS FROM PROTECTED AREAS

Radius of the distance of the project from the protected area	The project	The protected area
1 km	Krzęcin Wind Farm	Forests of the Drawa Primeval Forest
	Szymankowo Wind Farm	The Lower Vistula Valley
	Polenergia office at: ul. Świętojańska 754, Gdańsk	The Puck Bay
	Dipol	Bielawskie Wetlands, the Puck Bay, the Hel Peninsula, the coastal waters of the Baltic Sea, the Darżlubska Primeval Forest
10 km	Nowa Sarzyna Combined Heat and Power Plant	The Lower San River Valley
	Buk Photovoltaic Farm	The Rogalińska refuge
	Sulechów Photovoltaic Farm	Middle Oder River Valley
	Szprotawa Photovoltaic Farm	Middle Oder River Valley, Przemkowskie Ponds
	Dębsk Wind Farm	Wkra and Mławka Valleys
	Kostomłoty Wind Farm	The Mietkowski Lake
	Krzęcin Wind Farm	Forests of the Drawa Primeval Forest
	Mycielin Wind Farm	Middle Oder River Valley, Przemkowskie Ponds
	Piekło Wind Farm	The Notecka Primeval Forest
	Puck Wind Farm	Bielawskie Wetlands, the Puck Bay, the Hel Peninsula, the coastal waters of the Baltic Sea, the Darżlubska Primeval Forest
	Rajgród Wind Farm	The Biebrza River Valley
10 km	Skurpie Wind Farm	The Wkra and Mławka River Valleys
	Szymankowo Wind Farm	The Lower Vistula Valley
	Polenergia office at: ul. Świętojańska 754, Gdańsk	The Puck Bay
	Polenergia office at: ul Szturmowa 2, Warsaw	The Middle Vistula Valley
	Polenergia office at: ul. Krucza 24/26, Warsaw	The Middle Vistula Valley

In accordance with the study completed in accordance with the LEAP Methodology (further described in E4-1), the Group investigates and identifies impacts in relation to land sealing impervious surfaces and species at risk.

IRO-1

Description of the Processes to Identify and Assess Material Biodiversity and Ecosystem-Related Impacts, Risks and Opportunities

The Polenergia Group conducts the materiality determination process in accordance with the methodology outlined in ESRS2 IRO-1. Completing all steps of the process based on the LEAP methodology, as set out in the Biodiversity Strategy, will enhance the Group's ability to identify biodiversity impacts, risks, dependencies, and opportunities. A detailed description is provided in section E4-1.

It is worth noting that internal processes and high-priority actions aimed at reducing the impact on biodiversity also yield tangible benefits during development of new investment projects. Site managers place particular importance on minimizing negative impacts. When potential risks are identified, site managers consult with environmental experts to mitigate these risks. These measures have been implemented at construction sites. In the reporting year, such measures were applied at the Szprotawa 1 and Szprotawa 2 Photovoltaic Farms where, in addition to regular environmental monitoring, the general contractor kept Polenergia informed about the potential environmental hazards and risks.

A well-established practice of the Environment and Sustainability Department is to convene a coordination meeting with the general contractor and the contract engineer before construction begins. During this meeting, Polenergia Group's principles, requirements, and approach to environmental protection, including biodiversity conservation, are presented. These meetings also include training sessions for construction personnel, conducted by Group staff and environmental supervisors. The progress of these activities is monitored and discussed in weekly construction meetings.

Each new investment undertaken by the Polenergia Group is preceded by a comprehensive due diligence processes focused on environmental impacts, including effects on biodiversity and local communities. The process is detailed in the Polenergia Group's Social Communication Plan and Environmental and Social Policy and the procedures outlined in the Quality Book of the Polenergia Group's Environmental and Social Management System (the document was approved on 19 December 2024), which includes, among others, the Minimum Environmental and Social Standards for Contractors' Works.

In line with these established good practices and adopted policies and procedures, the first step in the pre-investment phase for any potential onshore project location is a preliminary environmental analysis. For wind farms, this is followed by field reconnaissance of the planned site (screening) and the initiation of a year-long pre-execution ornithological and chiropterological monitoring program, which focuses on bird and bat activity. At the same time, a nature inventory is conducted for both wind and photovoltaic farms. The results of these studies are used to prepare the environmental impact assessment required to obtain an environmental decision for the proposed project.

During the construction phase of each investment project, ecological supervision is conducted to ensure the protection of organisms present in the area, and to minimise the impact of construction activities. This supervision covers transport routes for construction materials, the designated construction site and its associated infrastructure, as well as adjacent areas. Additionally, construction oversight serves as the foundation for developing localized projects aimed at supporting and restoring local ecosystems after their construction is completed. This approach ensures that projects are adapted to the specific environmental conditions and needs identified by naturalists in the area. Notably, an Environmental and Social Action Plan (ESAP) is developed for each new project and annexed to the contract with the general contractor.

Throughout the construction process, local communities can submit complaints or requests to the Construction Manager, deposit them in a designated box at the local Municipal Office, or report them directly via an online form:

- For Onshore wind farms, by clicking "Read more".
- For Photovoltaic farms, by clicking "Read more".

Once a wind farm becomes operational (post-construction phase), a three-year ornithological and chiropterological monitoring is conducted within the first five years to compare findings with pre-construction data. This monitoring assesses the impact of the wind turbines on bird and bat behaviour and mortality, and, if necessary, leads to the implementation of mitigation measures. Moreover, an acoustic analysis is performed to examine sound dispersion and verify compliance with noise regulations. For photovoltaic farms, a renewed nature inventory is conducted to assess the project's impact on biodiversity.

The table below depicts all the environmental action steps described above.

ENVIRONMENTAL MEASURES DURING POLENERGIA GROUP PROJECTS

I etap: Przedrealizacyjny	
Wind farms	**Photovoltaic farms**
Preliminary analysis of the environmental conditions of the planned location	
Screening - environmental field reconnaissance of the planned location	not applicable
Ornithological and chiropterological monitoring - annual surveys focusing on bird and bat activity at the planned site	not applicable
Nature inventory - inventory of plant habitats (including protected and invasive species), fungi, lichens, amphibians, reptiles and mammals	
Environmental impact analysis of the project at the phase of the environmental decision procedure	
Stage II: CONSTRUCTION PHASE	
Nature surveillance during the construction - protection of organisms present at the investment project site, minimisation of impacts caused by construction works, proposals for post-construction biodiversity measures	
Stage III: POST-CONSTRUCTION PHASE	
Ornithological and chiropterological monitoring - three-year monitoring of birds and bats, comparison of research results with pre-construction monitoring, implementation of mitigation measures *Requirement for an Environmental Decision	**Nature inventory** - comparison and assessment of the impact of biodiversity measures on the site and in the vicinity of the project *Voluntary measure
Acoustic analysis - sound propagation study Measurement of electromagnetic fields (GPO) *Requirement for an Environmental Decision and a mandatory measure under the Environmental Law	**Electromagnetic field analysis** (in case of construction of a GPO for an installation) *Mandatory measure under the Environmental Law

The minimisation measures described above, implemented at the earliest planning stages, ensure that the companies of the Polenergia Group do not operate in or undertake projects within biodiversity-sensitive areas. The activities of the SPVs neither harms such areas, or contributes to the degradation of natural habitats or species habitats, nor do they disturb species for which protected areas have been established. Additional initiatives (such as the planting of flower meadows in the vicinity of photovoltaic farms) support the restoration of local ecosystems. The sowing of appropriate seed mixtures helps safeguard ecosystems from invasive species (such as Canadian goldenrod), enhances biodiversity, and increases the population of insect species that pollinate the area and the surrounding monocultures. These actions also positively impact rainwater retention. The planted flower meadows are subject to nature monitoring, representing an example of voluntary best practice among Group companies which are photovoltaic farms' operators. Annual surveys enable the assessment of how the meadow ecosystem functions, and the findings are made available on the Group's ESG Website.

Polenergia Group's approach to planning, construction, and operating its projects not only prevents negative environmental impacts, as evidenced by post-construction studies of ongoing projects, but also adds value through proper land management (including the creation and maintenance of ecosystems) and collaboration with local communities. This approach contributes to ecosystem restoration and the enhancement of local biodiversity.

As of the 2024 analyses of impacts and risks, scenario analyses for changes in biodiversity resources and the availability of ecosystem services have not been used.

While planning the locations for its investment projects, the Group adheres to legal requirements and local development plans, with particular attention to protected areas. No activities are conducted in biodiversity-sensitive or protected areas. Every investment project is preceded by an environmental decision.

E4-2

Policies Related to Biodiversity and Ecosystems

Within the Polenergia Group, the principal document for environmental impact management is the Polenergia Group's Environmental and Social Policy which outlines the priorities for action, i.e., maintaining the environmental and socio-economic balance. According to the Policy, all Group activities are subject to environmental and social monitoring and assessment. The Policy provides for monitoring of the impact of the planned and existing facilities on the biosphere. In accordance with the provisions of the Policy and the ethical standards for partners, respect for principles aimed at the wellbeing of the natural environment is also required of Polenergia's business partners. Being a Group that operates in the energy sector, Polenergia places particular emphasis on minimising its carbon footprint, all while maintaining efficiency. It optimises its fuel mix in terms of emissions while taking into account societal needs and expectations.

The objectives of the Policy include, among others:

- Implementing and ensuring an effective functioning of processes and organisational structures to identify, evaluate, manage and report, and to establish, improve and monitor the effectiveness of environmental and social impact management,
- Ensuring a sustainable supply chain, where the selection of partners and subcontractors is conditional upon a guarantee that their work will be conducted in accordance with the applicable national and EU laws and standards of the financing institutions.

Actions related to the implementation of the Environmental and Social Policy are within the remit of a Member of the Management Board in charge of the ESG area. Operational issues are the responsibility of the Environment and Sustainability Department. The Director of the Environment and Sustainability Department has direct oversight of the implementation of these tasks. Within the Environment and Sustainability Department, there are teams which are in charge of specific areas (including the team responsible for environmental protection and biodiversity and the team responsible for social engagement and ESG reporting), which report directly to the Director of the Department.

Environmental risks have been included in Polenergia Group's overall risk universe in three areas: managerial, operational and exogenous. The Group conducted a detailed climate risk analysis to identify short-term, medium-term and long-term physical and transformational risks related to climate change and sustainability issues. A description of the study of climate change risks, threats and opportunities was provided under E1.

The following excerpt from the Environmental and Social Policy is worth highlighting: "Each Employee of Polenergia Group is obliged to participate in the environmental impact management process in accordance with the scope of responsibilities described in internal an regulations. Basic obligation of the Employee in this regard is to keep the superiors informed of any new, relevant circumstances which may have impact on the environment, in particular on nature, ecosystem and society through Polenergia Group operations".

Documents that have been taken into account in the development of the Policy include the EU Taxonomy, the CSRD Directive, the Science-based Targets Initiative, the IPCC reports, COP15, the OECD Due Diligence Guidelines for Responsible Business Conduct.

The Policy has been consulted internally with those in charge of the key areas within the Group. The policy is available to the general public at: Polenergia Group's Environmental and Social Policy. It is also appended to contracts entered into by the Group.

The policy prioritised "biodiversity conservation at all levels and in all the investment projects conducted by Polenergia Group", as described in the Polenergia Group Biodiversity Strategy. The Group identified the coming years as the key years for reducing biodiversity degradation.

The Polenergia Group is aware of the impact it can have on the environment through its actions. They include climate change, land use transformation, freshwater and marine water exploitation, as well as direct interference with ecosystems and pollution. All of these factors can be related to the implementation of investments in renewable energy sources, such as onshore and offshore wind farms or photovoltaic farms, as well as the operation of a gas-fired combined heat and power plant, the development of electromobility infrastructure, prosumer installations, and the construction of distribution networks.

The implementation of the Strategy will be a continuation of the comprehensive environmental protection actions implemented by the Polenergia Group for many years. Active measures will continue to be taken to minimise impacts at an early stage of project development, to protect species and habitats, and to carry out nature monitoring during the construction process and during operation. The Group cooperates with both external partners within the framework of the Sustainable Development Goals and with local communities in the creation of joint initiatives for the protection and enhancement of ecosystems as part of Polenergia Group's social engagement. The Group also conducts climate educational campaigns. The description of the undertaken activities has been provided in 2024 Social Engagement and Biodiversity Actions Report of the Polenergia Group and Disclosure E4-3. The activities planned in the Strategy are based on the Taskforce for Nature-related Financial Disclosures (TNFD) guidelines. Risks and opportunities will be analysed following the steps carried out sequentially according to the LEAP framework (i.e., Locate, Evaluate, Assess, and Prepare) to disclose the relationship between the Group's operations and nature. Polenergia Group's Biodiversity Strategy is a public document. Actions taken for the environment, including in the area of biodiversity conservation, are published on an ongoing basis at Polenergia's ESG website: Environmental actions taken in 2024.

The phases of implementation of the Strategy are described in disclosures E4-1 and E4-4, where the results of work under the first two stages of the LOCATE phase have been provided. Further phases of the study (EVALUATE, ASSESS, and PREPARE) have been planned for 2025. The outcome of the work is anticipated to:

- Identify the nature-related objectives and indicators in the light of the completed nature-related assessment,
- Include a discussion within the organisation about its risk management and control processes in the context of a nature-related assessment,
- Develop and publish a set of TNFD-compliant disclosures,
- Implement a procedure that would assign responsibility for the supervision and implementation of the conclusions of the LEAP study.

A detailed description is provided in the Polenergia Group's Biodiversity Strategy.

The Polenergia Group applies the utmost diligence and continuously improves its management systems to minimize its impact on the environment and biodiversity. This has been reflected in the Quality Book - Polenergia Group's Environmental and Social Management System adopted in 2024. The documents incorporated in the Quality Book include: Polenergia Group's Environmental and Social Policy; Polenergia Group's Sustainable Development Strategy; Polenergia Group's Social Communication Plan with annexes, namely: Polenergia Group's Social Engagement Policy and Complaints and Requests Procedure; Polenergia Group's Biodiversity Strategy; Procedure for Environmental and Social Legal and Other Requirements and Compliance Assessment; Procedure for Identifying, Assessing, and Monitoring Environmental Aspects; Procedure for Setting Objectives and Operating the Environmental and Social Management System; Procedure for Minimum Environmental and Social Standards for Contractors' Works; Waste Management Procedure; Emergency Preparedness and Response Procedure; Procedure for Managing Fluorinated Greenhouse Gases and Ozone-Depleting Substances; Internal Audits of Environmental and Social Activities and Supervision of Non-Conformities, Corrective, Remedial, and Preventive Actions; and the Review Procedure for the Environmental and Social Management System.

E4-3

Actions and Resources Related to Biodiversity and Ecosystems

The Polenergia Group is engaged in biodiversity conservation activities at wind and photovoltaic farms. This engagement is directly related to the implementation of the Sustainable Development Goals and the EU Biodiversity Strategy, which is part of the European Green Deal. The Polenergia Group implements solutions to support local biodiversity at every stage of its projects. These measures are implemented based on best practices, as well as assessments and measures to mitigate the impacts. The Polenergia Group implements educational projects and projects to support local biodiversity activities. A broader description of the activities is provided in 2024 Social Engagement and Biodiversity Actions Report of the Polenergia Group.

Together with scientists from the University of Zielona Góra, the Polenergia Group carried out research at the site of the Sulechów Photovoltaic Farm complex, which resulted in the scientific publication: Green Potential. Photovoltaics as an Example of Renewable Energy in Support of Biodiversity.

The publication discusses the results a two-year study on the impact of the Sulechów Photovoltaic Farm Complex on the biodiversity of local ecosystems. Researchers from the University of Zielona Góra in collaboration with naturalists have analysed how the management photovoltaic farm lands, particularly through the sowing of nectar-bearing plants, contributes to the restoration of ecosystems and the support of plant and animal diversity. The research encompasses various groups of organisms, including plants, insects, amphibians, reptiles, birds, and mammals (including bats). The findings suggest that photovoltaic farms can play a significant role in the restoration of local ecosystems, especially in agricultural areas. Research on photovoltaic farm sites will continue.

In 2024, Polenergia continued the Active Montagu's Harrier Conservation Programme described in greater detail at the website: Montagu's Harrier Conservation. Summary of the 2024 Season

SUMMARY OF THE PROGRAMME ACTIVE PROTECTION OF THE MONTAGU'S HARRIER IN 2024

	Nests found	Nests secured with a mesh net	Ringed chicks
The area of FW Modlikowice and Łukaszów	6	4	13
Montagu's Harriers, the area of the FW Kostomłoty	8	3	17
Short-eared Owls, the area of FW Kostomłoty	2	1	8
Total:	**16**	**8**	**38**

In 2024, the Polenergia Group spent a total of PLN 3 189 350.89 on biodiversity support activities, biodiversity education and social engagement activities. Details of the projects and amounts spent are described in the 2024 Social Engagement and Biodiversity Actions Report of the Polenergia Group. Expenditures on activities in the field of biodiversity align with the taxonomy eligible activities and consist of: net investment expenditures amounting to 38,500 PLN and technical operating expenditures amounting to 157,279.72 PLN.

E4-4

Targets Related to Biodiversity and Ecosystems

The Polenergia Group has been developing various types of renewable energy sources, including onshore and offshore wind farms and photovoltaic farms, the impact of which can differ depending on their scale, technology and location.

The Group has set biodiversity conservation goals that are closely linked to identified impacts. These goals are intended to mitigate all reducible negative effects and ensure only a positive influence on the environment. The primary objective in this regard is the **OBJECTIVE E.5 "Development of a Biodiversity Due Diligence System"** included in the Polenergia Group's Sustainability Strategy adopted with a 2023-2030 time horizon.

In pursuit of this objective, the Group has declared:

- Introducing a priority for biodiversity conservation at all levels and investments of the Polenergia Group;
- Commitment to the Sustainable Development Goals and the Convention on Biological Diversity;
- Achieving the net zero impact on biodiversity goal by 2040 by the Polenergia Group.

The biodiversity-related goal encompasses all operational segments of the Polenergia Group that rely on biodiversity resources. The activities are focused on Poland, where the Group's operations were concentrated in 2024. The intermediate objectives align with the successive phases of the LEAP methodology. The goal implementation is currently at the stage of precisely outlining impacts and dependencies, which will later serve as a foundation for decision-making, the application of specific actions and strategies, and the mitigation hierarchy.

In 2024, in accordance with the Biodiversity Strategy timeline, the Polenergia Group completed the first phase, i.e., LOCATE. A study was conducted to define biodiversity impacts, taking into account the Group's own operations (Photovoltaic Farms, Wind Farms, and the Nowa Sarzyna CHP Plant) as well as the value chain, including TIER 1 entities. The Group's own operations were assessed based on environmental decision guidelines and findings from conducted environmental monitoring.

To minimise the potential negative impact of its operations on biodiversity, Polenergia Group integrates biodiversity impact management procedures at every stage of planning, construction, and operation by:

- Mapping and reporting potential and direct impacts on biodiversity across all Group projects;
- Conducting comprehensive environmental monitoring prior to construction, during project implementation phase, and throughout the operational phase to minimise impact while actively identifying opportunities to enhance local ecosystems and biodiversity;
- Implementing a mitigation hierarchy, reducing direct negative effects and introducing remedial actions within project sites;
- Developing and implementing a package of measures to support the positive impact of photovoltaic farms on biodiversity.

All Polenergia Group projects located in areas subject to environmental protection or of high natural value will require the development of an additional action plan demonstrating a net positive impact.

The procedures forming part of the Environmental and Social Management System were updated in 2024. These procedures will be implemented in 2025 alongside a training program for the Group's employees.

Building on its best practices, Polenergia Group continuously assesses and minimises the environmental impact of its projects while implementing solutions that support local biodiversity at every stage of project execution. To safeguard biodiversity, the Group conducts environmental impact assessments of its activities and implements compensation measures in collaboration with specialists, ornithologists, and chiropterologists who monitor species which are under strict protection in Poland. The Group also engages in educational initiatives to raise environmental awareness and encourage active participation in local conservation efforts. More details are provided here: Environment - ESG Service.

E4-5

Impact Metrics Related to Biodiversity and Ecosystem Change

The impact metrics have been presented for two projects: Krzęcin Wind Farm and Szymankowo Wind Farm, both of which, as indicated by the analysis described in SBM-3, are located within a 1 km radius of biodiversity-sensitive areas. Both locations have been subject to ornithological and chiropterological monitoring, as well as nature inventories and environmental impact assessments. No negative impact has been identified at any of the stages of the environmental assessment. A description of the environmental assessments conducted at these locations is provided in ESRS 2 IRO-1.

Detailed description of the assessment and analyses carried out on the above mentioned projects:

- **The Szymankowo Wind Farm** underwent an Environmental Impact Assessment (EIA) procedure in 2015. The procedure was conducted by the competent authority, namely the Mayor of Miłoradz Municipality. During the EIA procedure, the State Sanitary Inspector and the Regional Directorate for Environmental Protection (RDOŚ) participated as advisory and approval bodies. Project stakeholders were also involved in the consultation process. The procedure was finalised with the issuance of an environmental decision permitting the construction of up to twenty wind turbines along with the necessary infrastructure. Ultimately, FW Szymankowo comprises eleven turbines. Prior to the start of the construction work, in January 2020, a training session was held for all subcontractors involved in the construction process. The training covered occupational health and safety (OHS) and environmental protection issues. It was also aimed at familiarizing the subcontractors with the requirements of financial institutions funding the project, as well as the Polenergia Group's Environmental and Social Policy and standards of conduct for partners (suppliers and subcontractors). The construction process was regularly monitored by BIO-EKSPERT specialists who were responsible for environmental supervision. Moreover, a three-year post-construction ornithological and chiropterological monitoring program was carried out during the period from 2021 to 2024. The program indicated a significantly lower-than-expected mortality rate among birds and bats compared to pre-construction monitoring forecasts. No negative impact of the Farm on local bird and bat populations has been identified, and it was determined that there was no need for mitigation measures regarding the wind farm's operations.
- **The Krzęcin Wind Farm** was built in 2009 and has been owned by Polenergia since 2018. The wind farm consists of four turbines. A one-year post-investment monitoring program and a noise measurement and analysis were conducted on-site. The post-investment monitoring disclosed no negative impact of the wind farm on bird populations. Additionally, the noise assessment confirmed that noise levels remained within permissible limits.

IMPACT INDICATORS RELATED TO BIODIVERSITY AND ECOSYSTEMS

Impact Indicators Related to Biodiversity and Ecosystem Transition

Impact indicators Related to Biodiversity and Ecosystem Transition	Scope of Reporting			
		Survey starting year	Milestones and targets	Changes, modifications
Number of sites owned, leased or managed in or near biodiversity sensitive areas which are potentially adversely affected	2	2024	Milestones and targets will be set after the completion of the LEAP study.	Changes or modifications will be made after the completion of the LEAP study.
The area of sites owned, leased or managed in or near biodiversity sensitive areas which are potentially adversely affected	2.87 sq.km (287 ha)	2024	■ 2040 for Krzęcin Wind Farm due to the construction year of the Farm (2010) and the addition of a 30-year "life span". ■ 2051 for the Szymankowo Wind Farm due to the construction year of the Farm (2021) and the addition of a 30-year "life span".	Changes or modifications will be made after the completion of the LEAP study.

The analysis of own operations revealed significant indicators of potential impacts related to changes in biodiversity. The study included an analysis of the data contained in environmental decisions and available reports from environmental monitoring. Below is a table of relevant metrics, including wind farms where potential negative impacts were identified. Such impacts were identified neither on the photovoltaic farms nor at the Nowa Sarzyna Combined Heat and Power Plant.

The table below presents the metrics study card based on the Szymankowo Wind Farm as an example. The analyses, as outlined in the table, were conducted for all own operations. At subsequent stages of the LEAP study, metrics for all the locations will be included.

SELECTED RELEVANT IMPACT INDICATORS RELATED TO BIODIVERSITY AND ECOSYSTEM CHANGE

Impact Indicators Related to Biodiversity and Ecosystem Change	Scope of reporting			
	Survey starting year	**Milestones and targets**	**Changes, modifications**	**Zmiany, poprawki**
Land use based on life cycle assessment, land use change [NUMBER OF YEARS OF LAND USE].	The study began in 2024	2024	Milestones and targets will be set after the completion of the LEAP study.	Changes or modifications will be made after the completion of the LEAP study.
Indicators related to land use change				
Indicators of land cover change expressed in square kilometres of occupied land area, impervious surface area	0.003938 sq. km (0,3938 ha) (product of number of turbines and area of their installation)	2024	Change in sq.km of impervious area occupied.	Changes or modifications will be made after the completion of the LEAP study.
Indicators of changes over time in ecosystem management, expressed by the lifecycle of a wind farm, photovoltaic farm, or another investment	The study started in 2024	2024	2051 due to the construction year of the Farm (2021) and the addition of a 30-year “life span”.	
Total nature-oriented area within the given facility (EMAS) [square meters](1)	2.65 sq.km (265 ha)	2024	Change in sq.km of impervious area occupied.	
Total nature-oriented area beyond the given facility (EMAS) [square meters].	None	2024	Milestones and targets will be set after the completion of the LEAP study.	

*The site of the wind farms is delineated by the wind turbines, in accordance with the pre-application study and the permits issued. They are located on agricultural land where the operations are conducted without disturbance. For the purposes of the study and the calculation of the metrics, the land area was measured as follows: first, the sweep radius of the turbines was determined, next the area that includes the sweep area and the space between the turbines was measured, forming a closed boundary of the farm. Thus, the full area of the wind farm was calculated taking into account the space between the turbines.

INDICATORS RELATED TO THE STATE OF SPECIES

Indicators Related to the State of Species	
Indicator description	**Value**
Indicators of population size, range in specific ecosystems, and extinction risk	0
Indicatorsof change in the number of individuals of a species in a defined area - change in the number of protected individuals	The lack of exceedances of the estimated mortality of the EIA (environmental impact assessment) phase was confirmed by the post-construction studies.

The table below describes the indicators considered material for the next stage of the study.

INDICATORS POTENTIALLY RELEVANT FOR FURTHER STAGES OF LEAP ANALYSIS

Contextual Information for biodiversity and impact measures			
Contextual information for biodiversity and ecosystem impact indicators:	**Selected indicators**		
Name of the indicator:	**Surveys confirming the results of three-year post-construction monitoring - no impact on birds**	**Land cover transition - impervious surface area**	**Change in Ecosystem Management Expressed in Years – Farm Lifespan**
Description of the methodology and key assumptions	Surveys carried out in accordance with the methodology adopted for the environmental impact assessment and for the three-year post-construction monitoring.	Anticipated time and amount of surface occupation, making it impervious.	Projected lifespan of wind farms use.
Description of the indicator scope	Nature surveys covering the impact area of the project, the same as the three-year post-construction monitoring. Their purpose is to demonstrate changes in land use in the long term.	Number of wind farms and turbines installed.	Number of wind farms and installed turbines in their life cycle.
The sustainability issue represented by the indicator	Confirmation of no impact of the installation on ornithofauna or observation of changes in land use.	Exclusion of part of the surface and its natural features.	Extending biodiversity conservation measures throughout the life cycle of wind farms.
The biodiversity issue represented by the indicator	Confirmation of no negative impact.	Exclusion of part of the surface and its natural features.	Monitoring of occupied land for the impact of its use on biodiversity.

Contextual Information for biodiversity and impact measures

Contextual information for biodiversity and ecosystem impact indicators:	**Selected indicators**		
Name of the indicator:	**Surveys confirming the results of three-year post-construction monitoring - no impact on birds**	**Land cover transition - impervious surface area**	**Change in Ecosystem Management Expressed in Years – Farm Lifespan**
Description of how the indicator takes into account ecological thresholds	Bird population survey - decrease or increase compared to post-construction monitoring.	Size of land used.	Long-term study of the impact of the installation.
Description of indicator monitoring frequency	After completion of the three-year post-construction monitoring, at least once every 10 years.	Duration of land use.	Duration of land use.
Base year from which progress is measured	2024	2024	2024
Source(s) of biodiversity and ecosystem change data	Environmental Decision with pre- and post-construction studies and EIA report.	Environmental decision with EIA Report.	Environmental decision with EIA Report.
Name(s) of the associated action (plan)	Monitoring plan.	Monitoring plan.	Monitoring plan.
Indicators required by law	NO	NO	NO
Non-mandatory indicators	YES	YES	YES
Indicator corresponds to or is based on the expectations or recommendations of the relevant national, EU or international indications, policies, regulations, agreements, contracts	YES	YES	YES

E5

Resource Use and Circular Economy

IRO-1

Description of the Processes to Identify and Assess Material Resource Use and Circular Economy-Related Impacts, Risks and Opportunities

A review of resources and operations was conducted to identify the actual and potential impacts, risks, and opportunities related to pollution within both the Group's own operations and its value chain, in accordance with the processes outlined in ESRS Disclosure 2 IRO-1.

As part of the 2022 materiality study, surveys and structured interviews were carried out with 10 external stakeholder representatives. The Polenergia Group engages in consultations with affected communities both before and after each project. Additionally, public consultations are conducted by the issuing authority as part of the proceedings undertaken on behalf of the Group Companies for the issuance of an environmental decision for an investment project.

E5-1

Policies Related to Resource Use and Circular Economy

The Polenergia Group does not have a uniform circularity policy, which is currently being developed. Circular economy issues are addressed in the following policies and procedures:

- Polenergia Group's Environmental and Social Policy,
- Environment-Social Management System, with one of its procedures being the Waste Procedure,
- Environmental management at Polenergia Elektrociepłownia Nowa Sarzyna sp z o.o.

ENVIRONMENTAL AND SOCIAL POLICY

The Polenergia Group updated its Environmental and Social Policy on 12 March 2024. The aim of the Policy is to manage environmental and social impacts by implementing consistent principles and best practices, including ISO standards, the Paris Agreement and the UN Global Compact agenda. The policy addresses the issue of optimising the consumption of basic raw materials at the operational level, including activities that support core business processes.

This policy sets out the tasks and activities to which the Polenergia Group is committed, including:

- Environmental protection, including efficient, sustainable and responsible use of its natural resources, all while improving the efficiency of the use of these resources and incorporating the principles of circular economy at the investment planning phase;
- Supporting community engagement and volunteering projects for Group employees;
- Working with local communities, including respecting and taking into account the safety, welfare and environmental interests of the communities in the area where the Group operates;
- Conducting educational campaigns to promote environmental and social awareness, on ecology and sustainable lifestyles, and collaborating with independent scientific centres to identify reductions in environmental impacts and communities;
- Cooperation and partnerships for the Sustainable Development Goals.

Policy management is supervised by the Management Board of Polenergia S.A., while activities related to its implementation are within the remit of the Management Board Member in charge of ESG. The Policy is reviewed and updated periodically, at least once a year.

WASTE TREATMENT PROCEDURE

The Polenergia Group implemented a new Waste Management Procedure on 10 December 2024. Its aim is to ensure lawful, efficient and sustainable waste management. The procedure takes into account the requirements of the Waste Act of 14 December 2012, aiming to minimise waste, maximise the use of secondary materials and handle waste safely at each stage of operations. The procedure takes into account the assumptions adopted within the framework of the Corporate Sustainability Reporting Directive (CSRD) and its delegated act, the European Sustainability Reporting Standard (ESRS) E5 - Resource use and circular economy.

The procedure applies to all Polenergia Group companies in Poland with the exclusion of: Polenergia Elektrociepłownia Nowa Sarzyna sp. z o.o., Polenergia Fotowoltaika S.A. and MFW Bałtyk I S.A., MFW Bałtyk I sp. z o.o., MFW Bałtyk II sp. z o.o., and MFW Bałtyk III sp. z o.o.

The procedure regulates the areas of generation, procedure and responsibilities in waste management. Waste generated at the Polenergia Group's areas of operation, such as offices, wind farms, and photovoltaic farms, is collected selectively. If necessary, waste is initially stored and then transferred to authorised entities for further treatment.

The Polenergia Group pursues the objectives laid down in the Procedure through:

- Ensuring compliance with current legislation and standards on waste management, including segregation, transport, storage and disposal of waste;
- Reducing the negative impact of Polenergia Group's activities on the environment by minimising the amount of waste generated and promoting recycling and reuse of materials;
- Improving environmental awareness and involvement of employees in the closed-loop waste management process through education and training on the principles of waste separation and handling;
- Involvement of employees in the collection of electro-waste. This activity, conducted continuously since 2023, is carried out in cooperation with electrical and electronic equipment recovery and packaging recovery organisation, "Asekol PL Organizacja Odzysku Sprzętu Elektrycznego I Elektronicznego i Organizacja Odzysku Opakowań S.A.";
- Continuously improving Polenergia Group's waste management practices by monitoring and evaluating its practices and introducing the required improvements and implementing waste management in line with the 9Rs principle including:
  1. **Refuse** – odmawiaj generowania odpadów, jeśli nie jest to konieczne.
  2. **Refuse** - Avoid actions that generate waste if they are not necessary.
  3. **Rethink** - Consider alternative ways to meet your needs with less waste.
  4. **Reduce** – Reduce waste.
  5. **Reuse** – Reuse products multiple times instead of disposing of them after a single use.
  6. **Repair** - Fix broken items.
  7. **Refurbish** - Restore products to good working condition for continued use whenever possible.
  8. **Remanufacture** - Rebuild products or donate the waste manufactured.
  9. **Repurpose** - Find new uses for items instead of throwing them away.
  10. **Recycle** - Process waste materials to make new products.

The procedure is subject to a review once a year. The review is conducted by the Director of the Environment and Sustainability Department.

ENVIRONMENTAL MANAGEMENT AT POLENERGIA ELEKTROCIEPŁOWNIA NOWA SARZYNA SP. Z O.O.

The Environmental Management Policy at Polenergia Elektrociepłownia Nowa Sarzyna sp. z o.o. covers the following topics:

- Management of environmental aspects;
- Environmental aspects assessment manual;
- Risks and opportunities;
- Legal and other requirements in environmental protection;
- Operational control and monitoring;
- Internal audit;
- Corrective action and continuous improvement;
- Management overview;
- Documented information;
- Communication.

Issues relating to the Closed Circuit Economy are regulated primarily in Chapter V of the Policy.

The Policy establishes the responsibility for appropriate industrial waste management, which is assigned to the Environmental and Health and Safety Coordinator of the Nowa Sarzyna CHP Plant. The Policy defines the general principles of handling the generated waste. According to these principles, all operations causing or likely to cause waste should be planned and conducted in a manner that:

- prevents generating of waste or reducing the amount of waste and its negative environmental impact during operations,
- ensures environmentally sound recovery of waste, if waste generation could not have been prevented,
- ensures the environmentally sound disposal of waste that could not have been prevented or recovered.

The Policy further defines the types and quantities of waste permitted for generation, including hazardous waste, as well as the management, storage, and handling of industrial waste during investments, modernisations, and renovations. Additionally, it sets out rules for waste transport, which at Elektrociepłownia Nowa Sarzyna is carried out by authorised companies holding the necessary permits issued by the relevant environmental authorities.

The Environmental Management System (EMS) Plenipotentiary is responsible for implementing and overseeing the identification of the organisation's environmental aspects outlined in the Policy. The General Manager approves the specified course of action and ensures the elimination or, where possible, minimisation of the organisation's environmental impact.

The Policy is an integral part of the environmental management system, which undergoes periodic reviews and updates at least once a year during a dedicated team meeting. The date, scope, and the team in charge of the review are determined by agreement between the EMS Plenipotentiary and the Technical Director.

In the 2024 reporting year, the Polenergia Group did not have policies in place addressing eco-design, waste as a resource, or pro-consumer waste management at the end of a product's life cycle.

E5-2

Actions and Resources Related to Resource Use and Circular Economy

Actions related to resource use and circular economy are implemented in accordance with the Polenergia Group's Sustainable Development Strategy. Efforts on implementing detailed principles of circular economy are scheduled for 2025.

It is worthy of note that the Polenergia Group exercises the utmost care and takes constant measures to improve its management systems in order to minimise its environmental impact. These measures have been laid down in the 2024 Quality Book of the Polenergia Group's Environmental and Social Management System. The documents incorporated in the Quality Book include the Waste Management Procedure and Non-Conformity Surveillance, Corrective& Preventive Actions, as described in detail in E5-1.

E5-3

Targets Related to Resource Use and Circular Economy

The Polenergia Group's Sustainable Development Strategy adopted for the period 2023-2030 establishes OBJECTIVE E.4: "Implementing the principles of circular economy into the Group's operations". The Group has declared the implementation of turn-key recycling and repowering solutions for its own dismantled wind and photovoltaic installations by 2030.

By pursuing the indicated objective, the Polenergia Group will be implementing the task of an efficient, sustainable and responsible use of its natural resources, all while improving the efficiency of using these resources, as set out in the Environmental and Social Policy.

The target was set based on the conclusions of the 2022 materiality study. The methodology of the study has been described in the ESRS 2 IRO-1 disclosure.

The group has taken steps to create a comprehensive procedure for the circular economy.

During the 2024 reporting year, the ongoing targets remained unchanged and were not validated by stakeholders.

E5-4

Resource Inflows

The Polenergia Group operates across diverse sectors. The data hereinbelow pertains to the Polenergia Fotowoltaika SPV. During the reporting period, the company's primary products included heat pumps, mounting structures, CO buffers, photovoltaic modules, string and hybrid inverters, optimizers, and AC/DC voltage boxes.

The Group did not identify any double-counting risks in the 2024 financial year. In 2024, Polenergia Fotowoltaika introduced products with a total weight of 3510.08 Mg into the organization; of which 82.60% were products (2899.23 Mg) and 17.40% were technical materials (610.85 Mg). Polenergia did not introduce or use biological materials in 2024.

RESOURCE INFLOWS

Resource inflows to the Polenergia Group [E5-4]

Resource inflows [E5-5]	Unit	2023	2024
Total weight of inflow products	**Mg**	**3 998.51**	**2 899.23**
Total weight of inflow of technical materials	Mg	889.32	610.85
including total weight of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture the undertaking's products and services (including packages)	Mg	0.00	0.00
Total weight of inflow of biological materials	Mg	0.00	0.00
including total weight of sustainably sourced	Mg	0.00	0.00
Total weight of inflow of technical and biological materials	**Mg**	**889.32**	**610.85**
Total weight of products, technical materials and biological materials	**Mg**	**4 887.83**	**3 510.08**
Percentage of biological materials that are sustainable sourced	**%**	**0.00%**	**0.00%**
Percentage of reused materials	**%**	**0.00%**	**0.00%**

E5-5

Resource Outflows

The Waste Management Procedure described in Disclosure E5-1 fulfils the role of a waste management strategy. Furthermore, the Polenergia Group has established due diligence processes in the area of waste management and has conducted audits at its locations in this regard.

In 2024, a designated team operating within the Environmental and Sustainability Department audited the implementation of the environmental and social performance of the Polenergia Group's facilities in operation and under construction. These facilities are covered by the Environmental and Social Management System.

The audit assessed, among other aspects, the correctness and compliance of waste management practices at the facilities and the possession of the required permits in this respect.

DESCRIPTION OF KEY WASTE TYPES

The generated waste is an important aspect of Polenergia Group's environmental impact.

Generating of substantial amounts of waste is associated with the investment process conducted by subcontractors and construction partners of wind and photovoltaic farms. Subcontractors are contractually bound to comply with regulations and exercise the utmost care in waste management, and to minimize waste generation. They are also required to maintain detailed records of waste generated and report this data to Polenergia.

Three Group companies are classified as waste generators under the Waste Act: the Wind Farm 6, where waste collection has been managed by an external service provider since 1 January 2025; Dipol; and the CHP plant, Polenergia Elektrociepłownia Nowa Sarzyna. These companies are responsible for the proper management of waste, including hazardous waste, and its initial storage. Waste generation at these facilities is regulated by an integrated or sectoral permit (Waste Generation Permit).

Polenergia Elektrociepłownia Nowa Sarzyna generates waste from the operation of its fuel combustion plant. The following waste is generated in connection with the operation of the plant:

- production waste generated in connection with the operation of the installation,
- waste generated in connection with ancillary activities including repair and workshop activities.

As in the case of the CHP Plant, hazardous and non-hazardous waste is generated and pre-stored during the operation of wind farms, namely:

- mineral oils and liquids,
- hydraulic oils,
- packaging waste,
- sorbents and filters,
- sediments from water clarification,
- resins and activated carbon,
- batteries and car batteries,
- waste electrical and electronic equipment,
- insulation materials.

The companies prioritize timely maintenance reviews to ensure waste generation is kept to a minimum. Scheduled maintenance reduces the risk of potential emergencies that could lead to increased waste production.

Municipal waste in Group companies primarily consists of office waste and is handed over to authorized municipal utilities or companies responsible for collection under the Act on Maintaining Cleanliness and Order in municipalities.

RESOURCE OUTFLOWS FROM THE POLENERGIA GROUP'S OPERATIONS

Hazardous and non-hazardous waste in the Polenergia Group per disposal method [E5-5]

	Unit	2023	2024	Y/y change
Total waste diverted from disposal	**Mg**	**8,19**	**6,84**	**-16,46%**
Hazardous wastes	**Mg**	**0.09**	**0.02**	**-77.78%**
Preparation for reuse	Mg	0.00	0.00	-
Recycling	Mg	0.09	0.02	-77.78%
Other recovery operations	Mg	0.00	0.00	-
Non-hazardous wastes	**Mg**	**8.10**	**6.82**	**-15.78%**
Preparation for reuse	Mg	0.00	0.00	-
Recycling	Mg	0.71	6.81	+859.61%
Other recovery operations	Mg	7.39	0.01	-99.86%
Total waste directed to disposal	**Mg**	**259.28**	**324.47**	**+25.14%**
Hazardous wastes	Mg	3.20	3.11	-2.60%
Incineration	Mg	0.56	0.26	-53.57%
Landfill	Mg	0.00	0.00	-
Other disposal operations	Mg	2.64	2.85	+8.24%
Non-hazardous wastes	Mg	256.09	321.36	+25.49%
Incineration	Mg	0.02	0.04	+100.00%
Landfill	Mg	0.00	0.00	-
Other disposal operations	Mg	256.07	321.32	+25.48%

Hazardous and non-hazardous waste in the Polenergia Group per disposal method [E5-5]

	Unit	2023	2024	Y/y change
Total amount of hazardous waste	**Mg**	**3.29**	**3.13**	**-4.66%**
Total amount of non-hazardous waste	**Mg**	**264.19**	**328.18**	**+24.22%**
Total radioactive waste	**Mg**	**0.00**	**0.00**	**-**
Total amount of waste generated	**Mg**	**267.47**	**331.31**	**+23.87%**
Total amount of non-recycled waste	**Mg**	**266.67**	**324.48**	**+21.68%**
Percentage of non-recycled waste	%	99.70%	97.94%	-1.77%

WEIGHT OF PRODUCTS AND PACKAGING OUTFLOWS FROM THE POLENERGIA GROUP

Resource outflows from the Polenergia Group [E5-5]

Resource outflows [E5-4]	Unit	2023	2024
Total weight of products	Mg	4 910.74	1 917.02
Total weight of recyclable content in products	Mg	47.76	0.00
Total weight of packaging	Mg	-	83.25
Total weight of recyclable content in packaging	Mg	-	0.00
Index of recyclable content in products	%	0.97%	0.00%
Index of recyclable content in packaging	%	-	0.00%

AVERAGE PRODUCT LIFE IN SIGNIFICANT PRODUCT GROUPS OF THE POLENERGIA GROUP

Expected product life of products marketed by the Polenergia Group [E5-5]

Product group	Unit	Expected product life	Average product life in the sector
Installations: heat pumps	year	12	12
Installations: photovoltaics	year	10	12
Energy storage facilities	year	10	10
Boilers	year	25	20
Air conditioners	year	15	12

03

COMPATIBILITY WITH THE EU TAXONOMY

Introduction

This is the third time that the Polenergia Group discloses information on compliance with the so-called EU Taxonomy of Environmentally Sustainable Activities in this report. The reporting framework has been introduced by the Regulation (EU) 2020/852 of the Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment.[2]

The disclosure made by the Polenergia Group is voluntary, and is made in advance of the period in which the aforementioned obligations will begin to apply to Polenergia S.A. and the Polenergia Group in the future. The above-mentioned Regulation, referred to as the EU Taxonomy (systematics), transposes the European Union's climate and environmental objectives into technical screening criteria for assessing whether an activity can be considered sustainable in relation to the following 6 environmental objectives:

1. Climate change mitigation;
2. Climate change adaptation;
3. Sustainable use and protection of water and marine resources;
4. Transition to a circular economy;
5. Pollution prevention and control;
6. Protection and restoration of biodiversity and ecosystems.

The Taxonomy is therefore a classification system to examine and disclose the extent to which the Group's activities are environmentally sustainable.

All activities carried out by the Polenergia Group can be assigned to one of the following three categories:

- Taxonomy-eligible activities for which it has been determined that the Technical screening criteria and the Minimum safeguards have been met – these are environmentally sustainable activities;
- Taxonomy-eligible activities which have not been examined for compliance with the Technical screening criteria, or it has been determined that at least one of the criteria has not been met, or the Minimum safeguards have not been met – they are Taxonomy-eligible, but environmentally unsustainable activities;
- Taxonomy non-eligible activities for which no Technical screening criteria have been defined (this category includes e.g. activities for which the criteria will be defined in the future and the activities will then become Taxonomy-eligible).

The Technical Screening Criteria (TSCs) represent detailed criteria for determining unequivocally whether an economic activity qualifies as contributing substantially to one of the environmental objectives and for determining whether that economic activity causes no significant harm to any of the other environmental objectives. The TSCs are laid down in two legal acts:

1. Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 (the so-called "Climate Delegated Act"), which, since its issue, has been amended twice by the following legal acts:
   - Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022, which introduced requirements for energy generation activities using gaseous fuels and nuclear energy,
   - Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023, which introduced new activities and amendments to certain technical screening criteria.
   - Regulation 2021/2139 includes criteria for a significant contribution to two environmental objectives: climate change mitigation (CCM) and climate change adaptation (CCA), and criteria for doing no significant harm (DNSH) to other environmental objectives).
2. Commission Delegated Regulation (EU) 2023/2486 of 27 June 20232 (the so-called "Environmental Delegated Act").[3]

This regulation sets out the TSCs for significant contribution and not doing significant harm to the other four environmental objectives: water conservation (WTR), circular economy (CE), pollution control (PPC) and biodiversity conservation (BIO).

The Minimum Safeguards (MS), set out in Article 18 of Regulation 2020/852, are the procedures implemented to ensure compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

[2] Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on establishing a framework to facilitate sustainable investment, amending Regulation (EU) 2019/2088.

[3] Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by 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 and amending Commission Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities.

Any company subject to the obligations resulting from Regulation 2020/852 is required under Article 8 of the Regulation to disclose the following three indicators:

- The proportion of their turnover derived from products or services associated with environmentally sustainable economic activities;
- The proportion of their capital expenditure (CapEx) related to assets or processes associated with environmentally sustainable economic activities;
- The proportion of their operating expenditure (OpEx) related to assets or processes associated with environmentally sustainable economic activities.

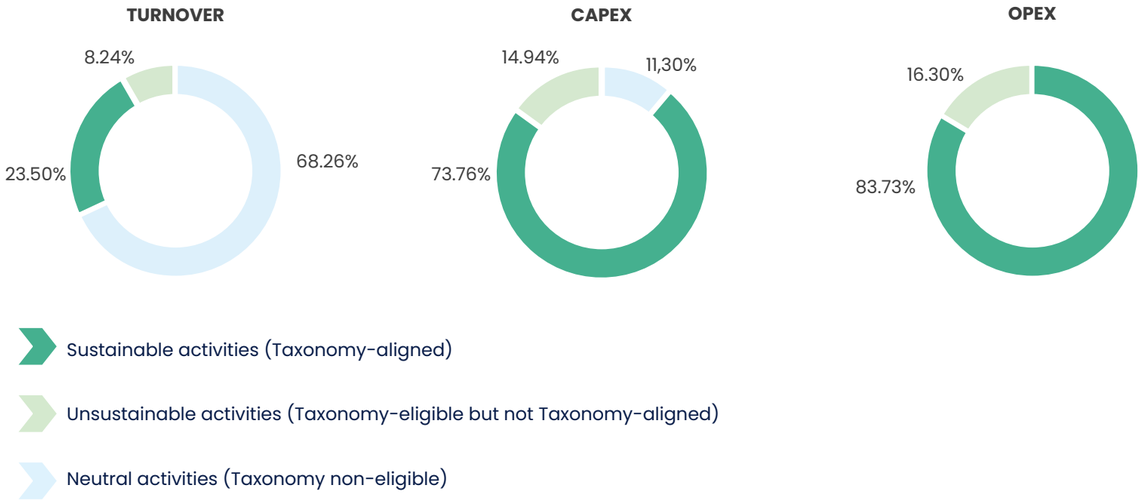
Detailed requirements for the calculation and disclosure of the above-mentioned indicators have been set out in Commission Delegated Regulation (EU) 2021/21783, the so-called "Article 8 Delegated Act".[4]

TAXONOMY ALIGNMENT OF POLENERGIA GROUP'S ACTIVITIES

Following analyses, the following proportions of Taxonomy-aligned turnover, capital expenditure (CapEx) and operating expenditure (OpEx) have been determined:

An analysis of alignment of the Group's activities with the Taxonomy demonstrated that:

- Polenergia Group's sustainable activities in 2024 accounted for 23.50% of turnover, 73.76% of capital expenditure and 83.70% of operating expenditure,
- Taxonomy-eligible, but not Taxonomy-aligned (environmentally unsustainable) activities in 2024 accounted for 8.24% of turnover, 14.94% of capital expenditure and 16.30% of Group operating expenditure,
- Taxonomy-non-eligible activities in 2024 accounted for 68.26% of turnover, 11.30% of capital expenditure and 0% of Group operating expenditure.



HIGHLIGHTS OF THE SUSTAINABLE OPERATIONS TAXONOMY KPIS FOR THE POLENERGIA GROUP

	Turnover	CapEx	OpEx
Value in 2024 [PLN m]	4 320.5	272.6	99.8
Sustainable activities (Taxonomy-aligned)	1 015.5	201.1	83.6
Unsustainable activities (Taxonomy-eligible but not Taxonomy-aligned)	355.9	40.7	16.3
Neutral activities (Taxonomy non-eligible)	2 949.1	30.8	0.0

[4] Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by 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.

JOINT VENTURES

Polenergia and Equinor are jointly developing three offshore wind farm projects named Bałtyk 1, Bałtyk 2, and Bałtyk 3, with a total capacity of up to 3 GW, capable of supplying renewable energy to more than 4 million households. The farms will be situated in the Polish Exclusive Economic Zone of the Baltic Sea, off the coast of Łeba, at distances ranging from 22 to over 80 km from the shoreline.

In 2024, the Bałtyk 2 and 3 projects secured a full set of permits, enabling the commencement of preparatory work for the construction of connection infrastructure. This work is already underway in and around the land parcels designated for the onshore substations in the municipality of Ustka, as well as along the route of the cable corridor. Meanwhile, in the offshore segment of the project, the companies launched further advanced geophysical seabed surveys in 2024 to assess the geological conditions at the sites where the wind turbine foundations will be installed.

In the same year, Equinor and Polenergia signed strategic agreements for the supply of key components and services for the Bałtyk 2 and 3 projects.

A final investment decision for these projects is planned for the first quarter of 2025, with construction work set to begin shortly thereafter.

In 2024 the Bałtyk 1 project obtained an environmental permit for the offshore wind farm, as well as approval for a geological works project aimed at further detailing ground conditions for the future foundations of wind turbines, substations, and internal cables.

A key milestone for Bałtyk 1 will be its participation in the upcoming auction, which – if successful – will determine the continuation of this project.

The result of verification of alignment offshore wind farm investments with the Technical Screening Criteria for Activity 4.3 are presented below. Offshore wind farms are recognized as making a substantial contribution to climate change mitigation.

DESCRIPTION OF THE VERIFICATION OF THE TECHNICAL SCREENING CRITERIA FOR OFFSHORE WIND FARM PROJECTS

Substantial Contribution Criterion	
Climate change mitigation	The activity generates electricity from wind power.
Do no significant harm criteria	
Climate change adaptation	Issues of climate change adaptation of the project have been analysed in the Environmental Impact Assessment Reports for offshore wind farms and connecting infrastructure. These reports assessed the projected climate change scenarios and their potential impact on the project, including variations in wind patterns, such as an increase in wind days and wind speeds, as well as the growing frequency and intensity of extreme weather events. Other factors considered include a decrease in the number of frost days, an increase in wave and current speeds, and other climate-related changes. The EIA Report for the connection infrastructure specifically analysed climatic factors associated with extreme weather conditions, particularly those that could influence coastal marine erosion processes. This assessment accounted for potential consequences such as an increase in storm days, rising sea levels, and a reduction in the number of ice days, ensuring a comprehensive evaluation of climate resilience measures for the project. In the onshore part, the planned project will be primarily an underground cable line. According to Climate - adapt, the undergrounding of the energy infrastructure enables the energy transmission and distribution systems to adapt to climate change, as it protects a key elements of the infrastructure from the effects of climate change.
Sustainable use and protection of water and marine resources	The Environmental Impact Assessment (EIA) Reports included a comprehensive analysis of the projects' impact on the ability to achieve environmental objectives for marine waters, particularly concerning energy input and underwater noise. For each project, permissible noise levels at the boundaries of Natura 2000 areas designated for the protection of marine mammals were established. To mitigate noise emissions during construction, preventive and corrective measures were implemented, including the use of the soft-start method and technical solutions such as an air curtain or alternative technologies designed to minimize the impact of underwater noise on fish and marine mammals. Furthermore, organizational mitigation measures were introduced, specifying periods during which piling activities could take place (other than during the bird wintering period for OWF BII and OWF BIII).
Transition to a circular economy	The technology used for offshore wind turbine power generation does not produce process waste. Only small amounts of waste will be generated during periodic maintenance and repair activities. Throughout the investment and construction phases, technologies with a minimum lifespan of 25 to 30 years are selected. The turbine masts will be made of steel, which is 100% recyclable, while turbine blades can either be remanufactured or recycled. Continuous maintenance and servicing will be carried out to prevent failures or the need for major component replacements.
Pollution prevention and control	Not applicable
Protection and restoration of biodiversity and ecosystems	For offshore wind farm projects, an environmental impact assessment (EIA) was conducted, and decisions on environmental conditions were issued, specifying the necessary conditions for project implementation and operation, including required mitigation measures. Before the EIA process, the designated investment basins were subject to a Programme of Pre-Investment Marine Environmental Surveys. An environmental monitoring programme will be conducted at various project stages — before construction, during construction, and throughout operation. The impact of these projects on biodiversity and ecosystems was extensively analysed in the Environmental Impact Reports for each development. Additionally, assessments were conducted to evaluate the effects of the planned wind farms on the structure and function of Natura 2000 areas, ensuring the long-term sustainability of protected species populations. Based on the findings of these assessments, necessary mitigation measures were introduced. The results confirm that the implementation of the offshore wind farms will not alter the surrounding environmental conditions in a way that would disrupt the functioning of the marine ecosystem in their location. The EIA Reports provide a thorough assessment of how the projects affect the achievement of environmental objectives for marine waters.

Assessment of Taxonomy Alignment

A four-stage process was carried out in order to assess Taxonomy alignment:

1. Identification

This stage consisted in reviewing all the activities carried out by Polenergia S.A. and the Group's subsidiaries and determining whether their economic activities, and if so, which activities, are Taxonomy-eligible. The companies' revenue, capital expenditure and operating expenditure were reviewed. In order to identify the respective activities, their descriptions contained in the annexes to Commission Delegated Regulation (EU) 2021/2139 were used and compared to the activities actually carried out. Where the description of the activities was not sufficiently clear, the statistical classification of economic activities (NACE)[5] was used as a supportive information.

2. Allocation

This stage consisted in allocating turnover, capital expenditure and operating expenditure to the respective activities identified in the first stage. The applied allocation methods have been described in detail in the Accounting principles chapter.

3. Verification

This stage consisted in two types of assessment:

- For all identified economic activities, assessment of the substantial contribution and „do no significant harm" criteria was carried out using the TSCs as set out in the Annexes to Commission Delegated Regulation (EU) 2021/2139 and 2023/2486. Details of the assessment have been presented in the section on the Verification of compliance with the technical screening criteria.
- Assessment of compliance with the Minimum safeguards has been carried out. Details of the assessment have been presented in the section on the Minimum safeguards.

4. Calculation

This stage consisted in using the resulting information from stages two and three to draw up tables containing the required information and preparing this supplementary information, as required by Annexes I and II of Commission Delegated Regulation (EU) 2021/2178. The process was carried out by a team comprising representatives of Polenergia S.A. Group companies with the support of a third-party consulting firm and it was supervised by the Director of Environment and Sustainability Department and by the Director of Accounting at Polenergia S.A.

The verification process concerned data covering the Technical Eligibility Criteria and was carried out by a team comprising representatives of Polenergia Group companies with the support of an external consultancy and was supervised by the Director of the and the Director of the Accounting Department.

[5] Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains.

Minimum Safeguards

In accordance with Article 18 of Regulation 2020/852: "The minimum safeguards referred to in point (c) of Article 3 shall be procedures implemented by an undertaking that is carrying out an economic activity to ensure the alignment with the **OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights**, including the principles and rights set out in the **eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights."**

Compliance with the Minimum safeguards was assessed in accordance with the recommendations provided for in the Final Report on Minimum Safeguards prepared by Platform on Sustainable Finance. According to the recommendations, any of the following four criteria is a sign of non-compliance with the minimum safeguards:

1. Inadequate or non-existent corporate due diligence processes on human rights, including labour rights, bribery, taxation, and fair competition.
2. A company has ultimately been held liable or found to be in breach of labour or human rights in certain types of labour or human rights court cases.
3. The lack of collaboration with an OECD National Contact Point (OECD NCP) with regard to a report received by the OECD NCP.
4. The Business and Human Rights Resource Centre (BHRRC) has taken up an allegation against the company, and the company has not answered it within 3 months.

During the verification process at Polenergia Group, non-compliance based on the above-mentioned criteria was assessed as follows:

Criterion 1: Verification of the completeness of the due diligence processes was based on internal verification of the existence and operation of the components of the due diligence process resulting from the framework of those processes provided for in the documents listed in the definition of the Minimum Safeguards. The design of the due diligence processes in terms of the definition proposed in Article 3(c) of Regulation (EU) 2020/852 of the European Parliament and of the Council is mainly influenced by the provisions of the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Compliance was verified with the use of a compliance assessment tool applying the assessment methodology proposed by the Platform on Sustainable Finance: World Benchmark Alliance Core UNGP indicators. As a result of the analysis, it was determined that a complete due diligence process is in place and functions within the organisation in accordance with the guidelines.

Criterion 2: Criterion 2 was verified in the process of completing the answer regarding Criterion 1 by checking that there were no final convictions against the persons listed in the Consideration during the period under review. As a result of the verification, it was determined that there was no information which would make the Group non-compliant under Criterion 2.

Criterion 3: A verification of the OECD NCP notification database was carried out, which showed that there were no existing notifications in relation to the Group during the period under review. [http://mneguidelines.oecd.org/database/].

Criterion 4: A verification of the Business and Human Rights Resource Centre (BHRRC) notification database was carried out which showed that there were no notifications in relation to the Company/Group during the period under review. [https://www.business-humanrights.org/en/companies].

As a result of the verification process, it has been established that Polenergia Group's operations are carried out in accordance with the Minimum Safeguards.

KEY ELEMENTS OF POLENERGIA GROUP'S DUE DILIGENCE PROCESS

Phase of the due diligence process	Description of the approach
Integrating due diligence into the company's policies and management systems	The Polenergia Group establishes the basic principles of the due diligence process through the Polenergia Group Code of Ethics. The Code contains basic obligations and rules of conduct. The Code addresses topics included in the OCED Guidelines for Multinational Enterprises. For more information on the Code, see disclosures S1-1 and G1-1. Polenergia Group Code of Ethics Key areas of the due diligence process are managed in practice based on dedicated policies, in particular: ■ Polenergia Group Business Partner Code (described in disclosure S2-1) ■ Anti-corruption policy (described in G1-1 disclosure)
Identification and assessment of negative impacts and risks associated with the activity and across the value chain Eliminating, preventing or mitigating adverse impacts and risks management	At Polenergia Group, the assessment and management of risks is carried out in accordance with the internal documents: ■ Polenergia Group's risk management policies ■ Polenergia Group's risk management procedures The process includes sustainability risks. For more information on risk identification and management processes, the identification of impacts and the list of risks and impacts see disclosures GOV-5, IRO-1, and SBM-3. Polenergia Group has established extensive mechanisms for reporting violations or concerns, accessible to a wide range of stakeholders. These mechanisms are detailed in various disclosures, in particular: G1-1, S1-3, S2-3, S3-3, S4-3.
Monitoring effectiveness	The Polenergia Group has established a structured framework for sustainability oversight, assigning responsibility for managing the due diligence area to the Compliance Department. Due diligence activities are carried out by various units within the Group, depending on the nature of the tasks. Details on monitoring the effectiveness of sustainability initiatives are outlined in the GOV-2 disclosure.
Communication	The information on actions taken, as well as implemented policies and procedures with corresponding links, is available in both the Consolidated Sustainability Report and Polenergia Group's Social Engagement and Biodiversity Report.
Remediation	The Polenergia Group integrates remediation commitments into its policies. During the reporting period, no actual negative impacts were identified that would have resulted in adverse consequences for the Group's stakeholders.

Verification of Compliance with the Technical Screening Criteria

Verification of compliance with the Technical Screening Criteria was carried out for all Taxonomy-eligible economic activities and consisted in an assessment of respective criteria of substantial contribution and no significant harm and a check of the extent to which a given activity complies with the TSCs as set out in the provisions of Commission Delegated Regulations (EU) 2021/2139 and 2023/2486.

The following table presents the activities carried out under the TSC compliance assessment for activity 4.3. Electricity generation from wind power. This activity accounts for 17.79% of Polenergia Group's Taxonomy-eligible turnover and for almost 15.81% of total capital expenditure of the Polenergia Group CapEx covered under the Delegated Regulation 2021/2178.

Due to the volume of the report, detailed descriptions of the TSC assessment for each activity have been omitted, and the table below is intended to present the approach and granularity of the assessment; it was carried out in a similar manner for each of the Taxonomy-eligible economic activities.

EXAMPLE OF VERIFICATION OF TECHNICAL SCREENING CRITERIA

Substantial Contribution Criterion	
Climate change mitigation	The activity generates electricity from wind power.
Do no significant harm criteria	
Climate change adaptation	Climate risk assessment was carried out for each wind farm under EIA (Environmental Impact Assessment) procedure.
Sustainable use and protection of water and marine resources	This criterion only applies to Offshore Wind Farms: in accordance with Annex 1 of Directive 2008/56/EC – at the stage of environmental impact assessment of the project (offshore wind farms – Group I likely to have significant adverse environmental impact according to EIA classification and Regulation) – data is collected (monitoring of the biotic and abiotic environment, modelling, including acoustic, impact on ecosystems and biodiversity), and mitigating measures and monitoring of the construction and operation phase of the projects are proposed.
Transition to a circular economy	During the investment process and during the construction of wind farms, technologies with a life cycle of at least 30 years are selected. Turbine met masts are made of steel (100% recyclable), turbine blades are remanufactured (this is the case for the oldest wind farms, e.g. Puck WF), O&M supervision is carried out, maintenance works are planned and carried out on an ongoing basis, preventing major failures or replacement of large components.
Pollution prevention and control	Not applicable.
Protection and restoration of biodiversity and ecosystems	For wind farm project purposes, wildlife surveys are carried out (e.g. year-round bird and bat surveys according to the adopted methodologies), which are attached to the application for the decision on environmental conditions, and the impact on migration corridors, protected areas and Natura 2000 is assessed. Ex-post (three-year) monitoring is proposed and imposed in the content of the decision on environmental conditions. For each wind farm project, Group companies conduct environmental monitoring for the construction phase (monthly reports are available). Expost reports (three-year evaluations of the impact of the constructed wind farm are submitted to the authority issuing the decision on environmental conditions and to the Regional Directorate for Environmental Protection (RDOŚ) for approval of the methodology and partial results of the annual monitoring, as well as the overall impact assessment after 3 full years of studies). Documents confirming the Project Information Sheets, EIA Reports, environmental inventories, as-built reports are publicly available information (environmental information).

Accounting Principles

The following principles were applied to calculate the proportion of Taxonomy-eligible and Taxonomy-aligned turnover, capital expenditure (CapEx) and operating expenditure (OpEx):

TURNOVER

With regard to turnover, the denominator was the consolidated sales revenue of Polenergia Group in 2024, excluding revenues related to the incidental sale of fixed assets, as disclosed in the consolidated financial statements in note 35: "Sales revenue". Revenue from Taxonomy-eligible and at the same time Taxonomy-aligned activities was assigned to the numerator.

CAPITAL EXPENDITURE (CAPEX)

With regard to capital expenditure (CapEx), the denominator was capital expenditure primarily: expenditures on wind and photovoltaic farms as well as the valuation of leasing and development of the distribution network. CapEx is included in the consolidated financial statements in note 12: "Property, plant and equipment". The part of CapEx relating to Taxonomy-eligible and at the same time Taxonomy-aligned activities was assigned to the numerator. The increase in property, plant and equipment resulting from the transfer following the transition of the installation from the development phase to the operations phase has been included in the CapEx KPI.

OPERATING EXPENDITURE (OPEX)

With regard to operating expenditure (OpEx), the denominator covered all costs used for the ongoing management of the company's assets and for keeping them in good working order. They included such costs as: costs of technical maintenance, installation, repair, security, rental and lease and other costs related to maintaining the proper operation of buildings, equipment and vehicles used by the Group. The part of OpEx relating to Taxonomy-eligible and at the same time Taxonomy-aligned activities was assigned to the numerator.

The data used for calculations were obtained from the financial and accounting system of Polenergia S.A. and from the financial and accounting systems of respective subsidiaries of Polenergia Group.

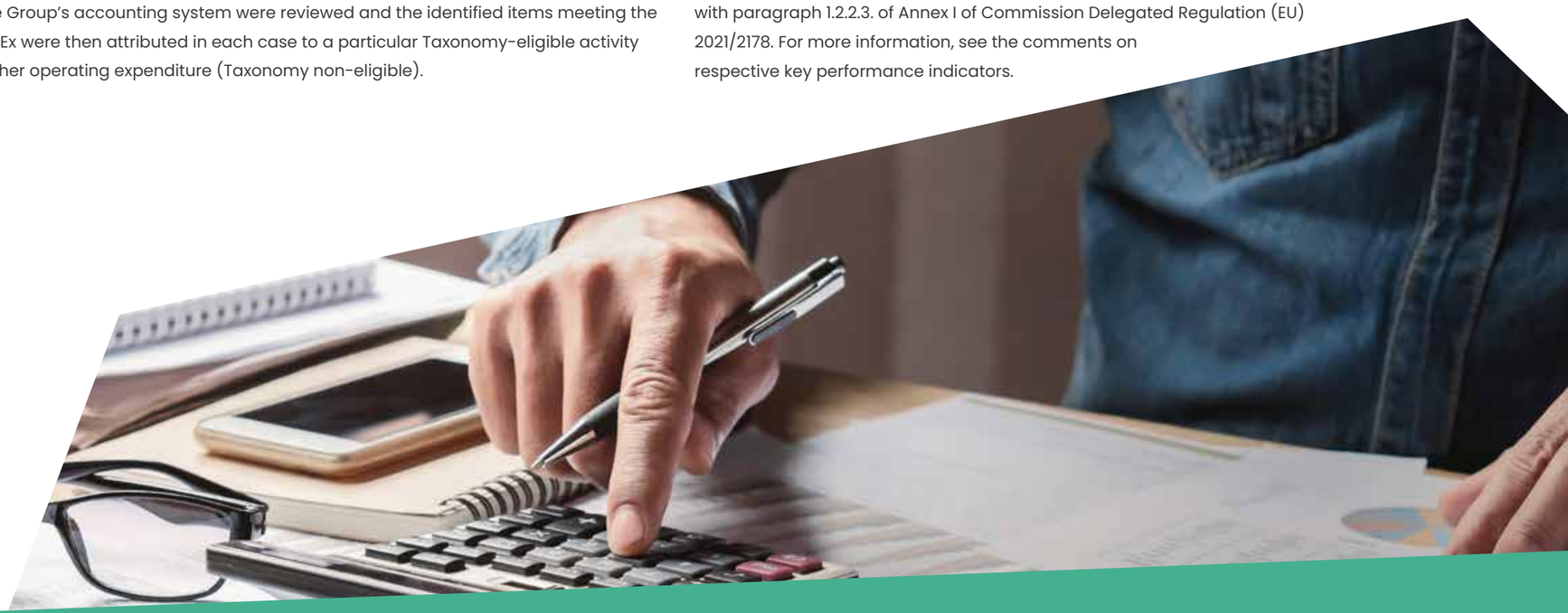
The Group avoided double counting when allocating turnover and capital expenditure by making appropriate consolidation exclusions in accordance with the applicable accounting regulations. In the case of operating expenditure, which is defined in the Commission Delegated Regulation (EU) 2021/2178 without reference to international financial reporting standards, all accounts in the Group's accounting system were reviewed and the identified items meeting the definition of OpEx were then attributed in each case to a particular Taxonomy-eligible activity or to a set of other operating expenditure (Taxonomy non-eligible).

In this report, the Group discloses for the third time the proportion of Taxonomy-aligned activities and, for the third time, the proportion of Taxonomy-eligible activities. The disclosure in this report relates to the most recent financial year, i.e. the period from 1 January 2024 to 31 December 2024.

No activities contributing to more than one environmental objective were identified during the assessment. Therefore, there was no need for special procedures to avoid double counting.

Verification of compliance with the technical screening criteria was conducted for all Taxonomy-eligible activities and consisted in an analysis of respective substantial contribution and "do no significant harm" criteria. For other activities not exceeding the materiality threshold, the assessment was not conducted, and this type of activity was recognised as Taxonomy-eligible but not Taxonomy-aligned.

The analysis showed that there was no need for a detailed disaggregation of the key performance indicators between the Group's respective operating units in accordance with paragraph 1.2.2.3. of Annex I of Commission Delegated Regulation (EU) 2021/2178. For more information, see the comments on respective key performance indicators.



Nuclear and Fossil Gas Related Activities

NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES

Działalność związana z energią jądrową	
The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities	
The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

Turnover

TAXONOMY-ALIGNED TURNOVER PROPORTION

Financial year 2024	Year			Substantial contribution criteria						DNSH criteria ("Do Not Significant Harm")									
Economic activities	Code(s)	Absolute turnover	Proportion of turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of turnover, year 2023	Category (enabling activity)	Category (transitional activity)
		PLN million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	Y
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity generation using solar photovoltaic technology	CCM4.1_CCA4.1	26.471	0.613%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.30%		
Electricity generation from wind power	CCM4.3_CCA4.3	768.812	17.794%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	6.62%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM7.4_CCA7.4	1.777	0.041%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.03%	E	
Installation, maintenance and repair of renewable energy technologies	CCM7.6	218.424	5.055%	100.00%	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	4.77%	E	
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**1 015.484**	**23.504%**	**23.504%**	**0.000%**	**0.000%**	**0.000%**	**0.000%**	**0.000%**								**15.48%**		
Of which enabling				5.097%	0.000%	0.000%	0.000%	0.000%	0.000%								**7.99%**	E	
Of which transitional				0.000%													**0.00%**		Y

A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)												
		PLN million	%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL			
Transmission and distribution of electricity	CCM4.9_CCA4.9	199.981	4.629%	EL	EL	N/EL	N/EL	N/EL	N/EL		3.19%	
Installation and operation of electric heat pumps	CCM4.16_ CCA4.16	8.553	0.198%	EL	EL	N/EL	N/EL	N/EL	N/EL		0.57%	
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM4.30_ CCA4.30	111.919	2.590%	EL	EL	N/EL	N/EL	N/EL	N/EL		2.69%	
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	CCM4.31_ CCA4.31	34.582	0.800%	EL	EL	N/EL	N/EL	N/EL	N/EL		0.62%	
Infrastructure enabling road transport and public transport	CCM6.15	0.888	0.021%	EL	N/EL	N/EL	N/EL	N/EL	N/EL		0.00%	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**355.923**	**8.238%**	**8.238%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**		**3.31%**	
Total (A.1.+A.2.)		**1 371.407**	**31.742%**	**31.742%**	**0.000%**	**0.000%**	**0.000%**	**0.000%**	**0.000%**		**18.79%**	

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES		
Turnover of Taxonomy-non-eligible activities (B)	**2 949.123**	**68.258%**
Total (A+B)	**4 320.530**	**100%**

In 2024, Polenergia Group earned revenue of PLN 4,320.53 million. Most of it (PLN 2,949.123 million) related to Taxonomy non-eligible activities. The remaining part of the revenue represented Taxonomy-eligible turnover, including (activities are listed in order from those with the largest proportion of the company's turnover):

- Turnover related to economic activity CCM4.3 / CCA 4.3 Electricity generation from wind power amounted to PLN 768.81 million (17.79% of total turnover)
- Turnover related to economic activity CCM7.6 Installation, maintenance and repair of renewable energy technologies amounted to PLN 218.42 million (5.05% million)
- Turnover related to economic activity CCM4.9_CCA4.9 Transmission and distribution of electricity amounted to PLN 199.98 million (4.63% of total turnover)
- Turnover related to economic activity CCM4.30_CCA4.30 High-efficiency co-generation of heat/cool and power from fossil gaseous fuels amounted to PLN 111.92 million (2.59% of total turnover)
- Turnover related to economic activity CCM4.31_CCA4.31 Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system amounted to PLN 34.58 million (0.80% of total turnover)
- Turnover related to economic activity CCM4.1_CCA4.1 Electricity generation using solar photovoltaic technology amounted to PLN 26.47 million (0.61% of total turnover)
- Turnover related to economic activity CCM4.16_CCA4.16 Installation and operation of electric heat pumps amounted to PLN 8.553 million (0.198% of total turnover)
- Turnover related to economic activity CCM7.4_CCA7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) amounted to PLN 1.78 million (0.04% of total turnover)
- Turnover related to economic activity CCM6.15 Infrastructure enabling low-carbon road transport and public transport amounted to PLN 0.89 million (0.02% of total turnover)

In the case of economic activity 4.30. High-efficiency co-generation of heat/cool and power from fossil gaseous fuels, it was determined that the criteria for a substantial contribution to climate change mitigation were not met, so despite meeting all the „do no significant harm" criteria the related turnover was considered Taxonomy-eligible but not Taxonomy-aligned.

In the case of all other activities, it was confirmed that the relevant criteria of substantial contribution to climate change mitigation and the „do no significant harm" criteria were met, and therefore the related turnover was considered to be Taxonomy-aligned.

In 2024, the share of turnover from Taxonomy-aligned activities in total turnover was 23.5%, and the share of turnover from Taxonomy-eligible but not Taxonomy-aligned activities was 8.24%. and the share of turnover from Taxonomy-eligible but not Taxonomy-aligned activities was 31.74%. The remaining 68.26% of turnover represented revenue from Taxonomy non-eligible activities, i.e. those for which the regulator did not determine Technical Screening Criteria in the annexes to the delegated acts.

COMPLIANCE AND ELIGIBILITY OF TURNOVER FOR SUSTAINABLE DEVELOPMENT OBJECTIVES IN THE EU TAXONOMY

Proportion of turnover/Total turnover

	Taxonomy aligned per objective	Taxonomy-eligible by objective
CCM	100%	31.74%
CCA	0%	26.67%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Tables presenting turnover related to the economic activities defined in sections 4.26. to 4.31. of Annexes I and II of Commission Delegated Regulation (EU) 2021/2139

TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR)

		Amount and proportion (information should be presented in monetary amounts and percentage values)					
	Rodzaje działalności gospodarczej	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation(CCA)	
		Amount [PLN million]	%	Amount [PLN million]	%	Amount [PLN million]	%
1	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the turnover	0.0	0.0%	0.0	0.0%	0.0	0.0%
2	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the turnover	0.0	0.0%	0.0	0.0%	0.0	0.0%
3	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the turnover	0.0	0.0%	0.0	0.0%	0.0	0.0%
4	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the turnover	0.0	0.0%	0.0	0.0%	0.0	0.0%
5	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the turnover	0.0	0.0%	0.0	0.0%	0.0	0.0%
6	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the turnover	0.0	0.0%	0.0	0.0%	0.0	0.0%
7	**Amount and proportion of other Taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the turnover**	**1015.484**	**23.504%**	**1015.484**	**23.504%**	**0.0**	**0.0%**
8	**Total turnover**	**1371.409**	**31.742%**	**1371.409**	**31.742%**	**0.0**	**0.0%**

TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR)

		Amount and proportion (information should be presented in monetary amounts and percentage values)					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation(CCA)	
		Amount [PLN million]	%	Amount [PLN million]	%	Amount [PLN million]	%
1	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the numerator of the turnover	0.0	0.0%	0.0	0.0%	0.0	0.0%
2	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the numerator of the turnover	0.0	0.0%	0.0	0.0%	0.0	0.0%
3	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the numerator of the turnover	0.0	0.0%	0.0	0.0%	0.0	0.0%
4	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the numerator of the turnover	0.0	0.0%	0.0	0.0%	0.0	0.0%
5	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the numerator of the turnover	0.0	0.0%	0.0	0.0%	0.0	0.0%
6	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the numerator of the turnover	0.0	0.0%	0.0	0.0%	0.0	0.0%
7	**Amount and proportion of other Taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the turnover**	**1015.484**	**23.504%**	**1015.484**	**23.504%**	**0.0**	**0.0%**
8	**Total amount and proportion of Taxonomy-aligned economic activities in the numerator of the turnover**	**1015.484**	**23.504%**	**1015.484**	**23.504%**	**0.0**	**0.0%**

TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES

		Amount and proportion (information should be presented in monetary amounts and percentage values)					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation(CCA)	
		Amount [PLN million]	%	Amount [PLN million]	%	Amount [PLN million]	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the turnover	0.0	0.0%	0.0	0.0%	0.0	0.0%
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the turnover	0.0	0.0%	0.0	0.0%	0.0	0.0%
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the turnover	0.0	0.0%	0.0	0.0%	0.0	0.0%
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the turnover	0.0	0.0%	0.0	0.0%	0.0	0.0%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the turnover	111.919	2.590%	111.902	2.590%	0.0	0.0%
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the turnover	34.582	0.800%	34.564	0.800%	0.0	0.0%
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the turnover**	**209.459**	**4.848%**	**209.459**	**4.848%**	**0.0**	**0.0%**
8	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the turnover**	**355.925**	**8.238%**	**355.925**	**8.238%**	**0.0**	**0.0%**

TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES

	Economic activities	Amount [PLN million]	%
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the turnover	0.0	0.0%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the turnover	0.0	0.0%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the turnover	0.0	0.0%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the turnover	0.0	0.0%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the turnover	0.0	0.0%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the turnover	0.0	0.0%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the turnover**	**2949.123**	**68.258%**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the turnover**	**2949.123**	**68.258%**

Capital expenditure (CapEx)

PROPORTION OF TAXONOMY-ALIGNED CAPITAL EXPENDITURE (CAPEX)

Financial year 2024	Year			Substantial contribution criteria						DNSH criteria									
Economic activities	Code(s)	Absolute Capex	Proportion of CapEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of CapEx, 2023	Category (enabling activity)	Category (transitional activity)
		PLN mln	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	Y
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)																			
Electricity generation using solar photovoltaic technology	CCM4.1_CCA4.1	155.352	56.979%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	41.61%		
Electricity generation from wind power	CCM4.3_CCA4.3	45.706	16.764%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	39.88%		
Protection, including restoration, habitats, ecosystems and species	BIO1.1	0.039	0.014%	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	Y	0%		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**201.096**	**73.756%**	**73.742%**	**0.000%**	**0.000%**	**0.000%**	**0.000%**	**0.014%**								**93.60%**		
A.2. TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED ACTIVITIES)																			

Transmission and distribution of electricity	CCM4.9_CCA4.9	21.655	7.943%	EL	EL	N/EL	N/EL	N/EL	N/EL		9.14%
Cogeneration of heat/cooling and electricity from renewable non-fossil gas and liquid fuels	CCM4.19_ CCA4.19	1.837	0.674%	EL	EL	N/EL	N/EL	N/EL	N/EL		0%
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM4.30_ CCA4.30	2.372	0.870%	EL	EL	N/EL	N/EL	N/EL	N/EL		0.44%
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	CCM4.31_ CCA4.31	2.058	0.755%	EL	EL	N/EL	N/EL	N/EL	N/EL		0.34%
Infrastructure supporting low-emission road and public transport	CCM6.15	12.815	4.700%	EL	N/EL	N/EL	N/EL	N/EL	N/EL		2.96%
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**40.737**	**14.941%**	**14.941%**	**0.000%**	**0.000%**	**0.000%**	**0.000%**	**0.000%**		**0.78%**
Total (A.1.+A.2.)		**241.833**	**88.698%**	**88.683%**	**0.000%**	**0.000%**	**0.000%**	**0.000%**	**0.014%**		**91.42%**
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES											
CapEx of Taxonomy-non-eligible activities (B)		30.816	11.302%								
Total (A+B)		272.649	100.0%								

In 2024. Polenergia Group incurred capital expenditure of PLN 272.649 million. Most of it related to Taxonomy-eligible economic activities. including (activities are listed in order from those with the largest proportion of the company's capital expenditure):

- CapEx related to economic activity CCM4.1_CCA4.1 Electricity generation using solar photovoltaic technology amounted to PLN 155.35 million (56.98% of total CapEx)
- CapEx related to economic activity CCM4.3_CCA4.3 Electricity generation from wind power amounted to PLN 45.71 million (16.76% of total CapEx)
- CapEx related to economic activity CCM4.9_CCA4.9 The transmission and distribution of electricity amounted to PLN 21.66 million (7.94% of total CapEx)
- CapEx related to economic activity CCM6.15 Infrastructure supporting low-emission road transport and public transport amounted to PLN 12.81 million (4.70% of total CapEx)
- CapEx related to economic activity CCM4.30_CCA4.30 Highly efficient cogeneration of heating/cooling energy and electricity from gaseous fossil fuels amounted to PLN 2.372 million (0.87% of total CapEx)
- CapEx related to economic activity CCM4.31_CCA4.31 The production of heat/cooling energy from gaseous fossil fuels in an efficient heating and cooling system amounted to PLN 2.06 million (0.75% of total CapEx)
- CapEx related to economic activity CCM4.19_CCA4.19 Cogeneration of heating/cooling and electricity from renewable non-fossil gaseous and liquid fuels amounted to PLN 1.84 million (0.67% of total CapEx)
- CapEx related to economic activity BIO1.1 Protection. including restoration. of habitats. ecosystems and species amounted to PLN 0.04 million (0.01% of total CapEx)

In the case of economic activity 4.30. 0 High-efficiency co-generation of heat/cool and power from fossil gaseous fuels it was determined that the criteria for a substantial contribution to climate change mitigation were not met. So despite meeting all the "do no significant harm" criteria the related CapEx was considered Taxonomy-eligible but not Taxonomy-aligned.

For the elements of Taxonomy-eligible activities for BIO1.1 Protection. including restoration. of habitats. ecosystems. the confirmation of the Technical Qualification Criteria section was not obtained. This element is reported in Section A.2.

In the case of all other activities, it was confirmed that the relevant criteria of substantial contribution to climate change mitigation and the "do no significant harm" criteria were met, and therefore the related CapEx was considered to be Taxonomy-aligned.

In addition. Polenergia Group incurred capital expenditure amounting to PLN 30.82 million (11.30% of total CapEx) related to Taxonomy non-eligible activities.

In 2024, the share of CapEx related to Taxonomy-aligned activities in total CapEx was 73.76%, and the share of CapEx related to Taxonomy-eligible but not Taxonomy-aligned activities was 14.94%. In total, the proportion of capital expenditure related to Taxonomy-eligible activities was 88.70%. The remaining 11.30% of CapEx represented Taxonomy non-eligible activities. i.e. those for which the regulator did not determine the Technical Qualification Criteria in the annexes to the delegated act.

COMPLIANCE AND ELIGIBILITY OF TURNOVER FOR SUSTAINABLE DEVELOPMENT OBJECTIVES IN THE EU TAXONOMY

Proportion of the CapEx /Total CapEx

	Taxonomy aligned per objective	Taxonomy-eligible by objective
CCM	99.99%	88.68%
CCA	0%	83.98%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0.01%	0.01%

Tables presenting CapEx related to the economic activities defined in sections 4.26. to 4.31. of annexes I and II of commission delegated regulation (UE) 2021/2139

TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR)

		Amount and proportion (information should be presented in monetary amounts and percentages)					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount [PLN mln]	%	Amount [PLN mln]	%	Amount [PLN mln]	%
1	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation (UE) 2021/2139 in the denominator of the CapEx	0.0	0.0%	0.0	0.0%	0.0	0.0%
2	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation (UE) 2021/2139 in the denominator of the CapEx	0.0	0.0%	0.0	0.0%	0.0	0.0%
3	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation (UE) 2021/2139 in the denominator of the CapEx	0.0	0.0%	0.0	0.0%	0.0	0.0%
4	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Commission Delegated Regulation (UE) 2021/2139 in the denominator of the CapEx	0.0	0.0%	0.0	0.0%	0.0	0.0%
5	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation (UE) 2021/2139 in the denominator of the CapEx	0.0	0.0%	0.0	0.0%	0.0	0.0%
6	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation (UE) 2021/2139 in the denominator of the CapEx	0.0	0.0%	0.0	0.0%	0.0	0.0%
7	**Amount and proportion of other Taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the CapEx**	**201.058**	**73.742%**	**201.058**	**73.742%**	**0.0**	**0.0%**
8	**Total CapEx**	**241.794**	**88.683%**	**241.794**	**88.683%**	**0.0**	**0.0%**

TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR)

		Amount and proportion (information should be presented in monetary amounts and percentages)					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount [PLN mln]	%	Amount [PLN mln]	%	Amount [PLN mln]	%
1	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation (UE) 2021/2139 in the numerator of the CapEx	0.0	0.0%	0.0	0.0%	0.0	0.0%
2	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation (UE) 2021/2139 in the numerator of the CapEx	0.0	0.0%	0.0	0.0%	0.0	0.0%
3	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation (UE) 2021/2139 in the numerator of the CapEx	0.0	0.0%	0.0	0.0%	0.0	0.0%
4	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I i II of Annexes I and II to Commission Delegated Regulation (UE) 2021/2139 in the numerator of the CapEx	0.0	0.0%	0.0	0.0%	0.0	0.0%
5	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I i II of Annexes I and II to Commission Delegated Regulation (UE) 2021/2139 in the numerator of the CapEx	0.0	0.0%	0.0	0.0%	0.0	0.0%
6	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I i II of Annexes I and II to Commission Delegated Regulation (UE) 2021/2139 in the numerator of the CapEx	0.0	0.0%	0.0	0.0%	0.0	0.0%
7	**Amount and proportion of other Taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the CapEx**	**201.058**	**73.742%**	**201.058**	**73.742%**	**0.0**	**0.0%**
8	**Total amount and proportion of Taxonom-aligned economic activities in the numerator of the CapEx**	**201.058**	**73.742%**	**201.058**	**73.742%**	**0.0**	**0.0%**

TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES

		Amount and proportion (information should be presented in monetary amounts and percentages)					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount [PLN mln]	%	Amount [PLN mln]	%	Amount [PLN mln]	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation (UE) 2021/2139 in the denominator of the CapEx	0.0	0.0%	0.0	0.0%	0.0	0.0%
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation (UE) 2021/2139 in the denominator of the CapEx	0.0	0.0%	0.0	0.0%	0.0	0.0%
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation (UE) 2021/2139 in the denominator of the CapEx	0.0	0.0%	0.0	0.0%	0.0	0.0%
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Commission Delegated Regulation (UE) 2021/2139 in the denominator of the CapEx	0.0	0.0%	0.0	0.0%	0.0	0.0%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation (UE) 2021/2139 in the denominator of the CapEx	2.372	0.870%	2.372	0.870%	00	0.0%
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation (UE) 2021/2139 in the denominator of the CapEx	2.058	0.755%	2.058	0.755%	00	0.0%
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the CapEx**	**36.306**	**13.316%**	**36.306**	**13.316%**	**0.0**	**0.0%**
8	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the CapEx**	**40.737**	**14.941%**	**40.737**	**14.941%**	**0.0**	**0.0%**

TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES

	Economic activities	Amount [PLN mln]	Proportion
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the CapEx	0.0	0.0%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the CapEx	0.0	0.0%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the CapEx	0.0	0.0%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the CapEx	0.0	0.0%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the CapEx	0.0	0.0%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the CapEx	0.0	0.0%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the CapEx**	**30.816**	**11.302%**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the CapEx**	**30.816**	**11.302%**

Operating expenditure (OpEx)

PROPORTION OF TAXONOMY-ALIGNED OPERATING EXPENDITURE (OPEX)

Financial year 2024	Year			Substantial contribution criteria						DNSH criteria ("Do Not Significant Harm")									
Economic activities	Code(s)	Absolute OpEx	Proportion of OpEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of OpEx 2023	Category (enabling activity)	Category (transitional activity)
		PLN mln	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	Y
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (TAXONOMY-ALIGNED)																			
Electricity generation using solar photovoltaic technology	CCM4.1_CCA4.1	4.424	4.432%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	3.63%		
Electricity generation from wind power	CCM4.3_CCA4.3	79.029	79.169%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	74.66%		
Protection. including restoration. of habitats. ecosystems and species	BIO1.1	0.099	0.099%	N/EL	N/EL	N/EL	N/EL	N/EL	100.00%	Y	Y	Y	Y	Y	Y	Y	0%		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**83.552**	**83.700%**	**83.601%**	**0.000%**	**0.000%**	**0.000%**	**0.000%**	**0.099%**								**83.91%**		

A.2. TAXONOMY-ELIGIBLE BUT NOT ENVIRONMENTALLY SUSTAINABLE ACTIVITIES (NOT TAXONOMY-ALIGNED ACTIVITIES)											
Transmission and distribution of electricity	CCM4.9_CCA4.9	6.545	6.557%	EL	EL	N/EL	N/EL	N/EL	N/EL		0%
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	CCM4.30_ CCA4.30	8.762	8.778%	EL	EL	N/EL	N/EL	N/EL	N/EL		14.91%
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	CCM4.31_CCA4.31	0.539	0.540%	EL	EL	N/EL	N/EL	N/EL	N/EL		1.19%
Infrastructure enabling road transport and public transport	CCM6.15	0.367	0.367%	EL	N/EL	N/EL	N/EL	N/EL	N/EL		0%
Protection. including restoration. of habitats. ecosystems and species	BIO1.1	0.058	0.058%	N/EL	N/EL	N/EL	N/EL	N/EL	EL		0.04%
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**16.271**	**16.300%**	**16.241%**	**0.000%**	**0.000%**	**0.000%**	**0.000%**	**0.058%**		**9.62%**
TOTAL (A.1.+A.2.)		**99.823**	**100.00%**	**99.842%**	**0.000%**	**0.000%**	**0.000%**	**0.000%**	**0.158%**		**100%**
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES											
OpEx of Taxonomy-non-eligible activities (B)		**0.000**	**0.000%**								
Total (A+B)		**99.823**	**100.0%**								

In 2024, Polenergia Group incurred operating expenditure amounting to PLN 99.823 million which was exclusively related to Taxonomy-eligible economic activities, including (activities are listed in order from those with the largest proportion of the company's operating expenditure):

- OpEx related to economic activity CCM4.3_CCA 4.3 Electricity generation from wind power amounted to PLN 79.03 million (79.17% of total OpEx)
- OpEx related to economic activity CCM4.30_CCA 4.30 High-efficiency co-generation of heat/cool and power from fossil gaseous fuel to PLN 8.76 million (8.78% of total OpEx)
- OpEx related to economic activity CCM4.9_CCA4.9 Transmission and distribution of electricity to PLN 6.54 million (6.56% of total OpEx)
- OpEx related to economic activity CCM4.1_CCA4.1 Electricity generation using solar photovoltaic technology to PLN 4.42 million (4.43% of total OpEx)
- OpEx related to economic activity CCM4.31_CCA4.31 Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system to PLN 0.54 million (0.54% of total OpEx)
- OpEx related to economic activity CCM6.15 Infrastructure enabling low-emission road transport and public transport to PLN 0.37 million (0.37% of total OpEx)
- OpEx related to economic activity BIO1.1 Protection. including restoration. of habitats. ecosystems and species to PLN 0.16 million (0.16% of total OpEx)

In the case of all other activities in section A.1. it was confirmed that the relevant criteria of substantial contribution to climate change mitigation and the "do no significant harm" criteria were met. and therefore, the related OpEx was considered to be Taxonomy-aligned.

For the elements of Taxonomy-eligible activities for BIO1.1 Protection. including restoration. of habitats. ecosystems. the confirmation of the Technical Qualification Criteria section was not obtained. This element is reported in Section A.2.

In 2024. the share of OpEx related to Taxonomy-aligned activities in total OpEx was 83.70% and the share of OpEx related to Taxonomy-eligible but not Taxonomy-aligned activities was 16.30%. In total the proportion of operating expenditure related to Taxonomy-eligible activities was 0.00%.

COMPLIANCE AND ELIGIBILITY OF TURNOVER FOR SUSTAINABLE DEVELOPMENT OBJECTIVES IN THE EU TAXONOMY

Part of the CapEx /Total CapEx

	Taxonomy aligned per objective	Taxonomy-eligible by objective
CCM	99.88%	99.84%
CCA	0%	99.48%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0.12%	0.16%

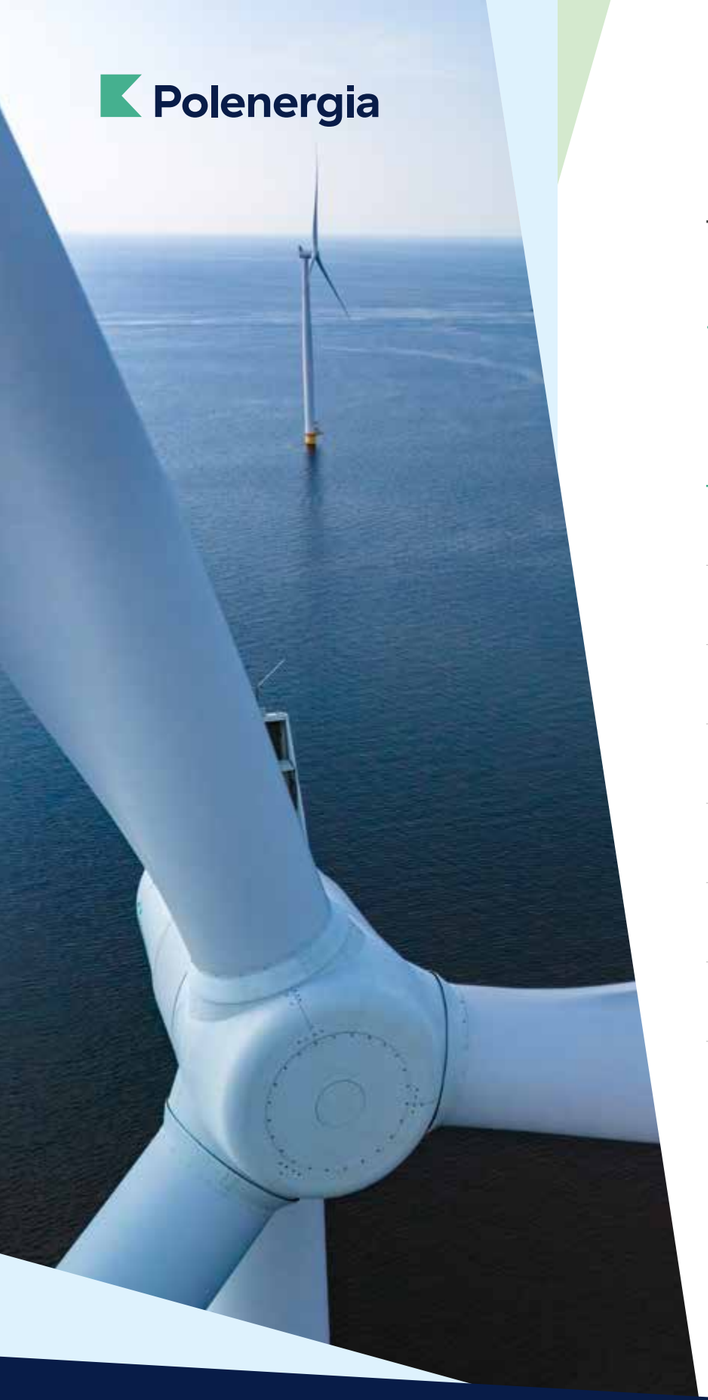
Tables presenting OpEx related to the economic activities defined in sections 4.26. to 4.31. of annexes I and II of commission delegated regulation (EU) 2021/2139.

TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (DENOMINATOR)

		Amount and proportion (information should be presented in monetary amounts and percentages)					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount [PLN mln]	%	Amount [PLN mln]	%	Amount [PLN mln]	%
1	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the OpEx	0.0	0.0%	0.0	0.0%	0.0	0.0%
2	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the OpEx	0.0	0.0%	0.0	0.0%	0.0	0.0%
3	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the OpEx	0.0	0.0%	0.0	0.0%	0.0	0.0%
4	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the OpEx	0.0	0.0%	0.0	0.0%	0.0	0.0%
5	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the OpEx	0.0	0.0%	0.0	0.0%	0.0	0.0%
6	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the OpEx	0.0	0.0%	0.0	0.0%	0.0	0.0%
7	**Amount and proportion of other Taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the OpEx**	**83.453**	**83.601%**	**83.453**	**83.601%**	**0.0**	**0.0%**
8	**Total OpEx**	**99.666**	**99.842%**	**99.666**	**99.842%**	**0.0**	**0.0%**

TAXONOMY-ALIGNED ECONOMIC ACTIVITIES (NUMERATOR)

		Amount and proportion (information should be presented in monetary amounts and percentages					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount [PLN mln]	%	Amount [PLN mln]	%	Amount [PLN mln]	%
1	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the numerator of the OpEx	0.0	0.0%	0.0	0.0%	0.0	0.0%
2	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the numerator of the OpEx	0.0	0.0%	0.0	0.0%	0.0	0.0%
3	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the numerator of the OpEx	0.0	0.0%	0.0	0.0%	0.0	0.0%
4	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the numerator of the OpEx	0.0	0.0%	0.0	0.0%	0.0	0.0%
5	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the numerator of the OpEx	0.0	0.0%	0.0	0.0%	0.0	0.0%
6	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the numerator of the OpEx	0.0	0.0%	0.0	0.0%	0.0	0.0%
7	**Amount and proportion of other Taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the OpEx**	**83.453**	**83.601%**	**83.453**	**83.601%**	**0.0**	**0.0%**
8	**Total amount and proportion of Taxonomy-aligned economic activities in the numerator of the OpEx**	**83.453**	**83.601%**	**83.453**	**83.601%**	**0.0**	**0.0%**



TAXONOMY-ELIGIBLE BUT NOT TAXONOMY-ALIGNED ECONOMIC ACTIVITIES

		Amount and proportion (information should be presented in monetary amounts and percentages)					
	Economic activities	CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount [PLN mln]	%	Amount [PLN mln]	%	Amount [PLN mln]	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Commission Delegated Regulation (UE) 2021/2139 in the denominator of the OpEx	0.0	0.0%	0.0	0.0%	0.0	0.0%
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Commission Delegated Regulation (UE) 2021/2139 in the denominator of the OpEx	0.0	0.0%	0.0	0.0%	0.0	0.0%
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Commission Delegated Regulation (UE) 2021/2139 in the denominator of the OpEx	0.0	0.0%	0.0	0.0%	0.0	0.0%
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Commission Delegated Regulation (UE) 2021/2139 in the denominator of the OpEx	0.0	0.0%	0.0	0.0%	0.0	0.0%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation (UE) 2021/2139 in the denominator of the OpEx	8.762	8.778%	8.762	8.778%	0.0	0.0%
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation (UE) 2021/2139 in the denominator of the OpEx	0.539	0.540%	0.539	0.540%	0.0	0.0%
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the OpEx**	**6.912**	**6.924%**	**6.912**	**6.924%**	**0.0**	**0.0%**
8	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the denominator of the OpEx**	**16.213**	**16.241%**	**16.213**	**16.241%**	**0.0**	**0.0%**

TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES

	Economic activities	Amount [PLN mln]	%
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the OpEx	0.0	0.0%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the OpEx	0.0	0.0%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the OpEx	0.0	0.0%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the OpEx	0.0	0.0%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the OpEx	0.0	0.0%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the OpEx	0.0	0.0%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the OpEx**	**0.0**	**0.0%**
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the OpEx**	**0.0**	**0.0%**

04

SOCIAL INFORMATION

S1

Own Workforce

SBM-2

Interests and Views of Stakeholders

The Polenergia Group has established processes to gather and consider feedback from all employees. When introducing new regulations, including employee policies, the Group prioritizes openness and dialogue.

This approach was exemplified during the implementation of the Diversity, Equality and Inclusion Policy of the Polenergia Group. Conducted in collaboration with an external expert, the process included several key stages: an initial organizational analysis, consultations with a Management Board representative and directors of key departments (such as the HR, Compliance, Internal Control and Risk Management). This stage was followed by drafting the policy along with a timeline for its implementation.

The timeline included a second round of draft policy consultations with selected department directors to incorporate their feedback before making the document available to all employees of the Group. The process was supported by an information campaign encouraging employees to review the draft and share their opinions.

Moreover, specially marked boxes were placed in all locations, allowing employees to submit anonymous feedback. Throughout the consultation period, regular announcements reminded the workforce to participate and voice their perspectives.

Following this comprehensive consultation process, the Diversity, Equality and Inclusion Policy has been approved and endorsed by the ESG Committee before being formally adopted by the Management Board, which played an active role in its communication and implementation.

Furthermore, after the policy's adoption, a grassroots initiative emerged among female employees to establish a support network for women at Polenergia Group. As part of this initiative, a meeting was held at the end of 2024 to discuss key challenges faced by women in the workplace.

Meeting participants also attended a workshop to develop recommendations and identify focus areas for collective action within the Group. A Management Board member participated in the event, emphasizing the initiative's significance for the organization.

A similar approach—incorporating employee consultations—was adopted during the 2022 materiality study, where employees actively contributed to identifying key priorities for the Group. The details of this process have been outlined in ESRS Disclosure 2.

In 2025, the Polenergia Group plans to introduce a system to enhance communication with employees further. Efforts are currently underway to develop an Intranet to facilitate a more effective two-way exchange of information.

SBM-3

Material Impacts, Risks and Opportunities and their Interaction with Strategy and Business Model

Section S1 discloses a range of information covering all the own workforce.

WORKFORCE CHARACTERISTICS IN THE GROUP

In the Polenergia Group, there are three occupational groups that perform jobs of different nature. The first, being the largest group, is composed of office employees; the second group is comprised of operators, mechanics and electricians, while the third group is made up of tradesmen.

IDENTIFIED IMPACTS AND RISKS

The Polenergia Group is committed to developing in line with the highest social, environmental, and ethical standards. Ensuring safe working conditions, fair remuneration, and a healthy work-life balance is a top priority for Polenergia. These factors have a positive impact on employees' well-being, health, and overall work environment.

Through its HR policy framework, Polenergia Group plays a role in shaping both opportunities and risks. Some of these impacts classified as material may stem from the specific nature of the business. Among the material impacts identified, no negative impacts have been found to be widespread, systemic, or linked to isolated incidents.

The Polenergia Group has identified the following impacts on the workforce:

- Positive impact on the safety of its own workforce;
- Positive impact on fair employment and remuneration;
- Positive impact on the well-being of employees in connection with the work-life balance;
- Positive impact on the well-being of own workforce in connection with the prevention of violence and harassment in the workplace;
- Positive impact on the diversity of teams, the workforce group.

The above impacts have been detailed in the ESRS 2 SBM 3 disclosure.

S1-1

Policies Related to Own Workforce

Among the documents that set out the rules for both the organisation's own workforce and workers engaged by the organisation on the basis of contracts other than employment contracts, the following can be distinguished in the Polenergia Group:

1. Code of Ethics,
2. **Health and safety policy,**
3. Diversity, equality and inclusion policy,
4. Anti-corruption policy **(further outlined in ESRS section G1-1).**

THE CODE OF ETHICS

The Polenergia Group's Code of Ethics is the primary document setting out the principles of conduct applicable to all employees and workers of the Group.

The Polenergia Group operates in an ethical and legal manner, and the implementation of corporate social responsibility and sustainable development is a priority for the Group. The Group ensures that values always follow business development and this process is supported by internal regulations. The most important of these regulations is the Code of Ethics, which is a practical guide for complying with the law, good customs, standards of conduct derived from the Group's organisational culture and generally accepted good practices.

The Code of Ethics has been adopted at Group level. It is not intended to be a detailed instruction on how to act in every situation. Detailed rules of conduct are set out in internal policies, regulations and procedures, as well as executed contracts, or derive directly from the applicable law.

In 2015, an Ethics Committee was set up to respond to and eliminate irregularities occurring within the Group's structures and, above all, to create and promote the principles and ethical values from the implemented Code of Ethics among employees as well as the Group's partners. Prior to the final approval of the Code, it had been consulted with employees. In 2020, in connection with the implementation of the CSR Strategy in the area of "Ethical business conduct", an update of the Regulations of the Ethics Committee was developed.

The Compliance Officer (Director of the Compliance Department) is responsible for implementing and operationalising the Code of Ethics.

The Ethics Committee and the Compliance Officer monitor the validity of the provisions of the Code of Ethics on an ongoing basis and are also involved in providing training in this area.

The Code of Ethics is periodically reviewed and updated at least once every two years. The last update of the Code of Ethics took place at the turn of 2022 and 2023. The updated Code was adopted on 17 January 2023. Th next update of the Code of Ethics is planned for 2025.

Polenergia Group implements universally recognised human rights, in particular those contained in:

- Universal Declaration of Human Rights;
- UN Guiding Principles on Business and Human Rights;
- UN Sustainable Development Goals;
- European Commission recommendations;
- 10 principles of the United Nations Global Compact;
- International Labour Organisation Conventions.

The Code of Ethics applies to all employees (irrespective of the legal grounds for their employment) and all co-workers (irrespective of the form or scope of their engagement) of Polenergia S.A. and subsidiaries of the Polenergia Group. It defines the ethical values of the Polenergia Group, which in turn give rise to specific obligations. Every individual acting on behalf of the Group, regardless of their role or the nature of their cooperation, is expected to uphold these obligations.

Polenergia Group's Ethical Values Contained in the Code of Ethics

1. Respecting and Promoting Human Rights and Standards

The organization upholds and adheres to international and local standards prohibiting all forms of discrimination, as well as labour law regulations, with particular emphasis on the standards set by International Labour Organization conventions.

The Polenergia Group categorically condemns and does not engage in the use of forced or child labour. In the event of any irregularities, the Group is committed to taking corrective actions, which fall under the responsibility of the Ethics Committee and the Compliance Officer.

2. Respect and Openness

At Polenergia, respect and cooperation are built on principles of mutual understanding, support, dialogue, partnership, and the inclusion of diverse perspectives, particularly through knowledge sharing, exchange of experiences, and fostering a positive workplace atmosphere. The Group is guided by openness and integrity, promoting transparent and direct communication regarding events that may impact its business. Teamwork and collaboration in task execution are actively encouraged.

3. Environmental Protection as well as Dialogue and Cooperation with Local Communities

The Polenergia Group prioritizes environmental sustainability by developing renewable, eco-friendly energy solutions. The Group is committed to sustainable development, recognizing it as a core pillar of corporate social responsibility. It strives to uphold the highest environmental protection standards, ensuring the preservation and restoration of biodiversity. Furthermore, the Group maintains regular dialogue with communities in the vicinity of its current and planned investments, aligning its approach with the UN Sustainable Development Goals (SDGs), the Paris Agreement, and the principles of the European Union Taxonomy.

4. Integrity

The Polenergia Group operates with unwavering integrity, strictly opposing all forms of corruption and actively working to prevent it. The Group adheres to fair competition principles and strictly prohibits the acceptance or offering of material (e.g., bribes) or personal benefits (e.g., promises of employment) or any other illegal advantages, particularly to government officials, political party representatives, contractors, business partners, or clients, as laid down in the Polenergia Group's Anti-Corruption Policy.

5. Responsibility and Engagement

Polenergia approaches its tasks with responsibility, commitment, and creativity, ensuring their proper execution.

The Group is dedicated to compliance with laws, policies, procedures, internal guidelines, principles of social coexistence, and ethical business conduct.

In cases of uncertainty or difficulty in interpretation, employees are expected to consult their supervisor or the Compliance Officer. The Group is also committed to safeguarding confidential information, protecting personal data, and preventing money laundering and the financing of terrorism.

Polenergia's mission is to strengthen its position as a leader in the transformation of the Polish energy market. In pursuit of this goal, the Group is committed to development not only in economic terms, but is guided by social responsibility for present and future generations.

OCCUPATIONAL HEALTH AND SAFETY POLICY

At Polenergia Group, the safety of employees and all those involved in the Group's projects is prioritised.

Continuous efforts are made to achieve excellence in health and safety and to be an industry leader in risk management and incident prevention.

The Polenergia Group is committed to ensuring the safety of employees, contractors and the communities in the areas where the Group develops its projects. By acting in accordance with best health and safety practices, Polenergia supports the goal of zero high-risk incidents.

The Group complies with legal and regulatory requirements as standards of the industry in which it operates. Polenergia is committed to ensuring and applying the principles outlined below in the day-to-day management of all its assets and operations.

Group employees and contractors are required to actively participate in applying occupational health and safety principles by implementing comprehensive health and safety management systems at all stages of business operations.

The Group recognises and is committed to the following health and safety principles:

- The risk management approach that focuses on eliminating and controlling high-risk hazards and events.
- Managers are fully responsible for safety issues in their areas and have a duty to take an active part in occupational health and safety management.
- All employees as well as contractors have the right and duty to contribute to the safe performance of their work, and have the right and authority to stop work if conditions or behaviour are deemed unsafe.
- Extended planning and emergency preparedness is being introduced.

Safety issues are communicated to employees directly, both through training and internal communication channels.

The effectiveness of the corporate health and safety management process is ensured through an established methodology of conduct and a structure of roles and responsibilities for health and safety management. The health and safety management process is described in internal regulations, which indicate how duties are performed and accounted for.

The Polenergia Group has in place the provisions of the Health and Safety Policy, which aims, among other things, to formulate, implement and communicate a consistent approach to health and safety management across the Group. The Policy has been presented to male and female employees via email and is also available on an internal server that can be accessed by all company employees.

The Management Board of Polenergia S.A. supervises the management of the Health and Safety Policy by:

- Active leadership and commitment to health and safety matters;
- Meeting legal and other health and safety requirements;
- Laying down rules, powers and responsibilities relating to health and safety;
- Ensuring the implementation of orders, communications, decisions and decrees issued by the state supervisory authorities for working conditions in accordance with the applicable legislation;
- Providing resources for the implementation of activities developing the culture and management of health and safety in the Polenergia Group;
- Providing a safety system that identifies processes and activities that are of key importance for health and safety;
- Organising work in such a way as to ensure safe and hygienic working conditions.

Every employee of the Polenergia Group is required to:

- Actively support the health and safety management process in accordance with the responsibilities described in the detailed internal regulations;
- Directly apply health and safety regulations and rules;
- Report any situations that may affect safety at the Polenergia Group;
- Cooperate in the implementation of the Health and Safety Policy.

The Polenergia Group is in the process of developing an accident prevention procedure and developing a health and safety management system to support the implementation of the Policy described above.

DIVERSITY, EQUALITY AND INCLUSION POLICY

On 30 October 2024, the Polenergia Group adopted its Diversity, Equality and Inclusion Policy which is addressed to all the workforce at the Polenergia Group, regardless of seniority, position held or legal basis of employment. The Policy places a special emphasis on the role of managerial staff and members of management and supervisory bodies in fostering an inclusive culture grounded in empathy and respect.

At Polenergia Group, there is a place for all employees, regardless of their sex, age, education, origin, race, sexual orientation, gender, degree of disability, religion or belief, or other characteristics.

This policy also applies to external stakeholders including, but not limited to business and social partners, subcontractors, customers, suppliers, and beneficiaries, at every stage of the Group's activities.

In its Diversity, Equality and Inclusion Policy, the Polenergia Group commits to, among others:

- Promoting cooperation and mutual respect;
- Complying with the applicable legislation on diversity, equality and inclusion, and following market recommendations;
- Fostering commitment and awareness by enhancing employees' know-how and competencies following the principle of equality, with a particular focus on those in leadership roles;
- Engaging in dialogue with employees while adhering to the principle of "nothing about us without us";
- Regular examination and monitoring of diversity-related data;
- Nurturing equal opportunities at a systemic level;
- Implementing initiatives aimed at various employee groups, particularly those who may face inequality or are underrepresented within the Polenergia Group. These efforts include promoting gender equality, increasing employment opportunities for minority groups, adapting the workplace to diverse needs, and ensuring accessibility;
- Supporting the well-being of all employees by promoting work-life balance, ensuring good working conditions, and providing psychological support;
- Establishing partnerships with NGOs and diversity experts;
- Systematically monitoring and addressing any violations or negative behaviours related to discrimination, exclusion, micro-inequalities, and mobbing.

In developing the Policy, the Polenergia Group has relied on international legal instruments, standards and good practices such as:

- The Universal Declaration of Human Rights,
- UN Sustainable Development Goals,
- 10 principles of the United Nations Global Compact,
- International Labour Organisation Conventions,
- The Diversity Charter, to which the Polenergia Group is a signatory.

The Diversity, Equality and Inclusion Policy is part of the due diligence process, considering human rights as defined in the UN Guiding Principles on Business and Human Rights. The Management Board of Polenergia S.A. is responsible for overseeing the implementation of the Policy.

The implementation of the Policy was supported by communication and education initiatives within the Group and among external stakeholders. Before the Policy came into effect, its provisions had been consulted with employees, as outlined in section SBM-2 above. Every employee at Polenergia had the opportunity to express their opinion in their preferred manner, either by submitting comments electronically or anonymously via designated comment boxes.

Employees have been informed of the approval of the Diversity, Equality and Inclusion Policy via email. The First Vice-President of the Management Board, Filip Wojciechowski, played an active role in promoting and implementing the Policy. In a dedicated video, Mr. Wojciechowski encouraged employees to familiarize themselves with the Policy and to adhere to its principles. Additionally, the HR Department produced a film featuring an employee who shared insights on tailoring communication to different audiences.

The Policy is available on the Group's internal web, accessible to all employees, as well as on the Polenergia Group's Policies and Procedures - Corporate Service and Policies and Procedures - ESG Service platforms.

The Health and Safety Policy and the Diversity, Equality and Inclusion Policy were approved in 2024, while the Code of Ethics is scheduled for an update in 2025.

COUNTERACTING FORCED AND CHILD LABOUR

The primary determinant of Polenergia's respect for human rights in the area of forced and child labour is the local Labour Code, which regulates the right to work, remuneration for work, as well as child labour. At Polenergia, compliance with the labour rights laid down in the Labour Code is a priority. Furthermore, issues related to child and forced labour are addressed in the Polenergia Group's Code of Ethics, which sets the framework for and is a practical guide enabling compliance with the law, good conduct and standards. Respecting and promoting human rights and labour standards is one of the ethical values that the Polenergia Group upholds and requires others to follow.

PROTECTION OF DIVERSITY AND PREVENTION OF DISCRIMINATION

In its Code of Ethics, Polenergia Group has described its approach to addressing discrimination, promoting equal opportunities and other ways of enhancing diversity and inclusion. Polenergia is a signatory to the Diversity Charter. On 30 October 2024, Polenergia implemented its Diversity, Equality and Inclusion Policy described above in subsection S1-1. The Policy emphasises that at the Polenergia Group there is room for male and female employees regardless of gender, age, education, background, race, sexual orientation, gender identity, degree of fitness, religion, irreligion or other characteristics.

As part of its Diversity, Equality and Inclusion Policy, the Polenergia Group is committed to, inter alia, conducting activities addressed to various employee groups, in particular those who might experience inequality or are underrepresented at the Polenergia Group. These efforts include, among other things, promoting gender equality, increasing employment opportunities for minority groups, adapting the workplace to diverse needs, and ensuring accessibility

The Polenergia Group solicits and incorporates the opinions expressed by its own workforce in the implementation of policies with the aim of preventing discrimination, enhancing diversity and inclusion. It also took place during the Diversity, Equality and Inclusion Policy consultation process described at the beginning of this chapter (SBM-2). The Group strives to create an organization that fosters open dialogue, where everyone can freely express their opinions. Moreover, Polenergia plans to introduce an information-sharing system in 2025, enabling employees to play a more active role in the Group's processes, including the implementation of policies and procedures.

ACCESS TO POLICIES

Information regarding the implementation or update of policies is communicated to employees via email and an internal newsletter. Policies are published on an internal platform accessible to all employees (SharePoint) and are also available on Polenergia's Policies and Procedures - Corporate Service , Policies and Procedures - ESG Service platforms. Additionally, all policies and procedures are translated into English and made available at the website.

The current employment procedure does not address differences or challenges in obtaining the necessary qualifications. However, work is underway to update the procedure. Recruitment processes are conducted in compliance with applicable laws and best practices. At the outset of each recruitment process, qualifications, skills, and experience are assessed using a tailored questionnaire.

RESPONSIBILITY FOR HUMAN RESOURCES MANAGEMENT AT POLENERGIA

The person responsible for human resources management on behalf of the Management Board at the Polenergia Group is the First Vice-President, Andrzej Filip Wojciechowski, who also oversees the implementation of the Diversity, Equality and Inclusion Policy. Operational oversight of this area is handled by the Director of the HR Department, who is additionally responsible for ensuring equal treatment and opportunities in employment.

RECRUITMENT, TRAINING AND CAREER PATH

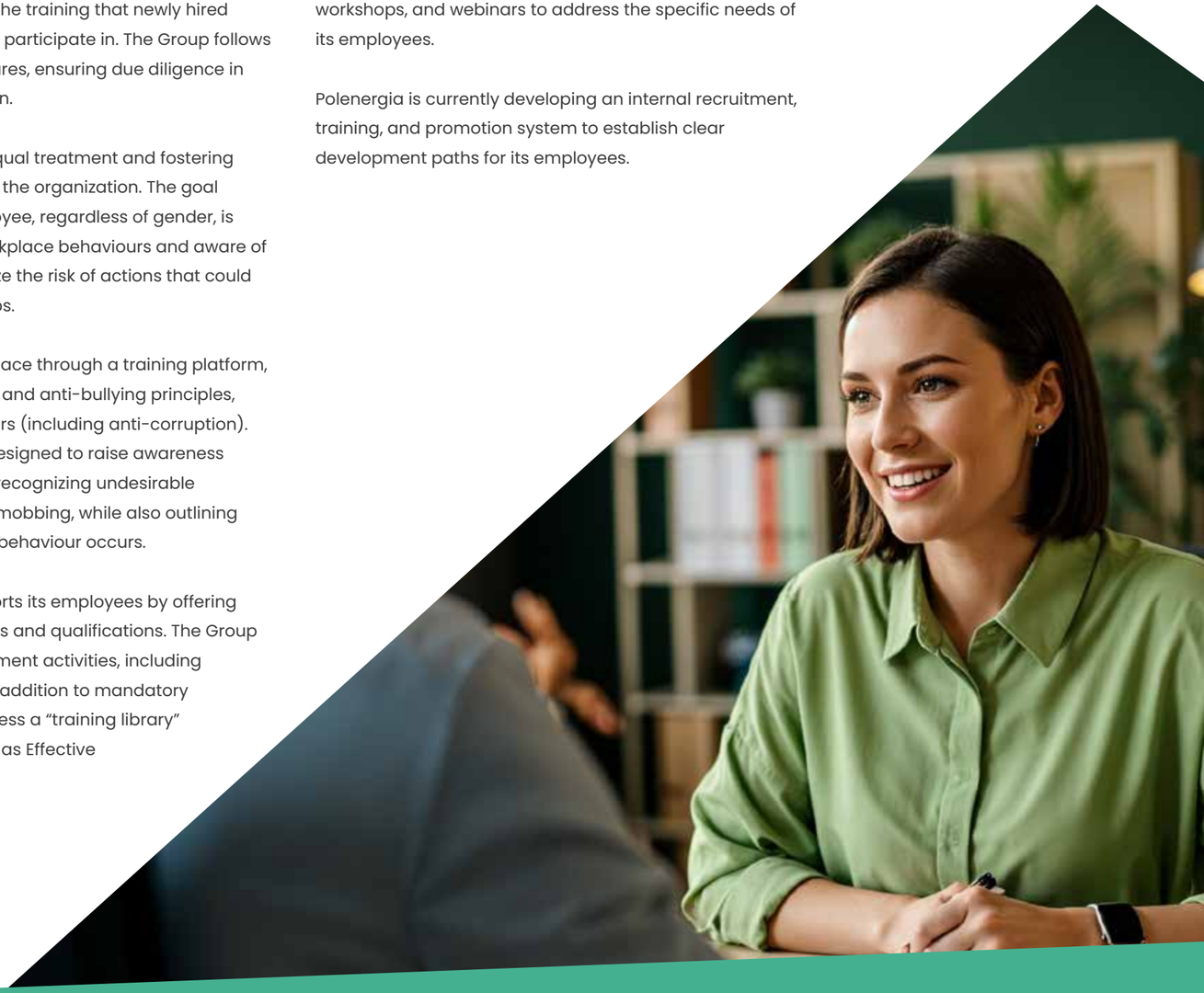
The Polenergia Group is committed to providing employees with appropriate working conditions from their first day at work. One example of this is the training that newly hired employees at Polenergia S.A. participate in. The Group follows specific recruitment procedures, ensuring due diligence in relation to anti-discrimination.

Polenergia is dedicated to equal treatment and fostering a friendly atmosphere within the organization. The goal is to ensure that every employee, regardless of gender, is familiar with acceptable workplace behaviours and aware of effective methods to minimize the risk of actions that could negatively affect relationships.

Employee education takes place through a training platform, covering non-discrimination and anti-bullying principles, as well as compliance matters (including anti-corruption). These training courses are designed to raise awareness and educate employees on recognizing undesirable discriminatory behaviour or mobbing, while also outlining legal remedies in case such behaviour occurs.

In addition, Polenergia supports its employees by offering training to enhance their skills and qualifications. The Group provides a range of development activities, including a training platform where, in addition to mandatory courses, employees can access a "training library" with resources in areas such as Effective Communication, Time Management, Professional Customer Service, Business Negotiations, Team Cooperation, and Public Speaking. Polenergia also organizes training sessions, workshops, and webinars to address the specific needs of its employees.

Polenergia is currently developing an internal recruitment, training, and promotion system to establish clear development paths for its employees.



REPORTING OF IRREGULARITIES

Employees can anonymously report any irregularity relating to material, actual and potential, positive or negative impacts that affect or may affect them. Until 31 December 2024, reporting took place via the platform at: https://polenergia.zglaszam.to/. Starting from 1 January 2025, a new platform has been set up at: https://zglaszam.polenergia.pl. Employees have been informed of this change by email sent by the Compliance Director. Furthermore, posters informing employees of the new platform address have been placed in publicly accessible areas in Polenergia's offices.

Submissions via the platform are confidential. Only selected persons with the appropriate authorisations have full access to these reports.

The Polenergia Group has a Whistleblowing Procedure applicable in all Polenergia Group's companies. Furthermore, the companies covered by the Whistleblower Protection Act of 14 June 2024 have implemented procedures for receiving and handling internal reports in compliance with the Act: Procedure for receiving and handling internal reports referred to in the Whistleblower Protection Act at Polenergia S.A. and Procedure for receiving and handling internal reports referred to in the Whistleblower Protection Act at Polenergia Fotowoltaika S.A.

S1-2

Processes for Engaging with Own Workers and Workers' Representatives About Impacts

Open dialogue supported by tools such as electronic reporting systems designed to maintain transparency is fundamental to the Polenergia Group. Newly hired employees are informed about the opportunity to provide feedback directly to their supervisor or, in case of irregularities, through the platform which will be available until 31 December 2024 at: https://polenergia.zglaszam.to/ and at https://zglaszam.polenergia.pl starting from 1 January 2025.

Submissions via the platform are confidential and can only be accessed by duly authorized individuals, as outlined in the Whistleblowing Procedure. The system ensures security and confidentiality of reports and protects the identity of the whistleblowers. Furthermore, Polenergia Group companies subject to the Whistleblower Protection Act of 14 June 2024 have implemented procedures for receiving and handling internal reports in compliance with the Act. Employees can report any violations under these procedures. Links to the procedures are provided in the section above.

Employees are kept informed about Group- and company-specific issues and important events through a monthly newsletter. Communications with employees are supervised by the Director of the HR Department, whose responsibility also includes monitoring the effectiveness of activities in this area.

The Polenergia Group does not carry out dedicated activities to gather information from groups particularly vulnerable to negative impacts based on certain characteristics, as no such groups have been identified within its workforce.

S1-3

Processes to Remediate Negative Impacts and Channels for Own Workers to Raise Concerns

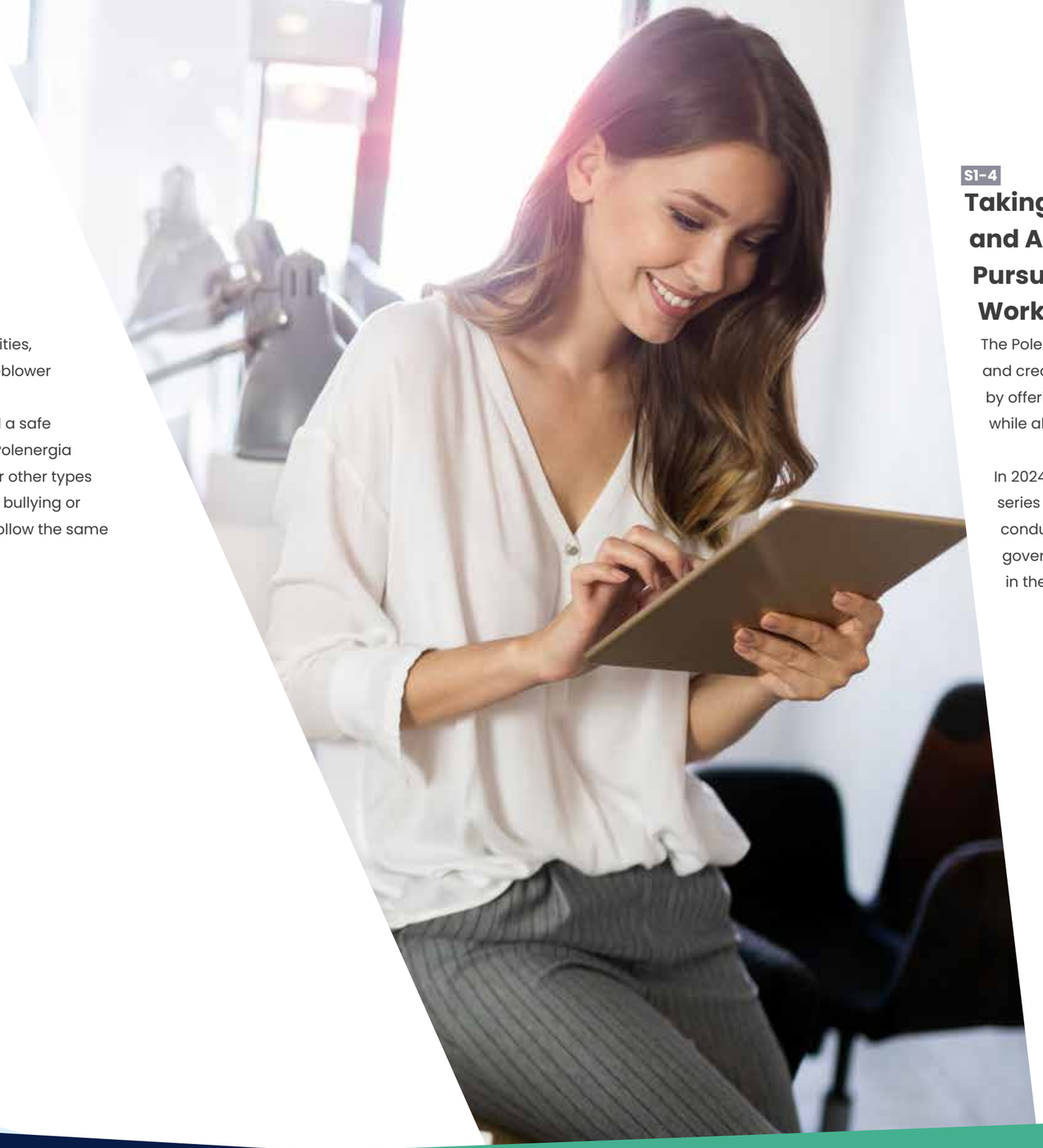
The Polenergia Group has a Whistleblowing Procedure applicable in all the Group's companies. Furthermore, the companies covered by the Whistleblower Protection Act of 14 June 2024 have implemented procedures for receiving and handling internal reports in compliance with the Act: Procedure for receiving and handling internal reports referred to in the Whistleblower Protection Act at Polenergia S.A. and Procedure for receiving and handling internal reports referred to in the Whistleblower Protection Act at Polenergia Fotowoltaika S.A. Submissions may be made:

- via the above-mentioned online platform;
- in writing at the business address of the Compliance Officer or the Director of the Internal Control and Risk Management Department, marked as "CONFIDENTIAL / Attention: Compliance Officer or the Director of the Internal Control and Risk Management Department";
- verbally to the Director of the HR Department or to the Director of the Internal Control and Risk Management Department acting for the Compliance Officer.

Submissions filed under the above-mentioned procedures are initially verified by authorised staff. An acknowledgment of receipt is sent to the whistleblower within seven days of submission. If the report is deemed justified, an investigation is conducted by committees appointed for this purpose, which are authorised to carry out the inquiry. Following the investigation, the committee prepares a report that includes, inter alia, the facts, a description of the actions taken, conclusions drawn, and recommendations for possible follow-up measures. Based on this report, the Management Board or the supervisory body decides on the advisability of further action.

The procedure also includes provisions to protect whistleblowers by prohibiting retaliation. It was developed in consultation with representatives of the workforce.

Gathering information on all irregularities, not only those covered by the Whistleblower Protection Act, is crucial for ensuring transparency, ethical operations, and a safe working environment. Therefore, the Polenergia Group has enabled whistleblowing for other types of reports as well (such as suspected bullying or unethical behaviour). These reports follow the same process as described above.



S1-4

Taking Action on Material Impacts on Own Workforce, and Approaches to Managing Material Risks and Pursuing Material Opportunities Related to Own Workforce, and Effectiveness of Those Actions

The Polenergia Group organises a number of activities for employees to foster integration and create a positive, healthy work environment. The Group actively supports its employees by offering educational opportunities and initiatives related to sustainable development, while also enhancing skills in interpersonal communication, teamwork, and collaboration.

In 2024, the ESG Team organised eight online meetings as part of the internal educational series “A Zoom on ESG”. These sessions introduced key aspects of responsible business conduct, covering environmental protection, social responsibility, and corporate governance, while also referencing Polenergia Group’s ongoing activities and future plans in these areas.

ESG POD LUPĄ

Activities in the following areas have been presented during those webinars:

- **E** - methodology for measuring the carbon footprint in scope 3;
- **S** - activities undertaken by the Polenergia Group for the benefit of local communities and employees;
- **G** - a process involving testing compliance with minimum safeguards.

In 2024, Polenergia employees had the opportunity to participate for the second time in the **POWER UP!** sports challenge. This initiative, supported by a mobile app provided by Activy Ltd., was aimed at motivating employees to engage in physical activity, track their steps, and adopt healthy habits, including commuting to work by bicycle or on foot. Launched in 2023 and continued throughout 2024, the challenge also served a charitable purpose. Participants accumulated points, which Polenergia Group later converted into a donation of PLN 30 000. In 2024, the funds were donated to CukierAsy, an Association of Parents of Children with Diabetes supporting the athletic development of children with type 1 diabetes.

ZWIĘKSZAMY MOC !

Beyond its philanthropic goal, the challenge aimed to boost employee engagement, promote work-life balance, and strengthen teamwork. Running from April to June, the POWER UP! challenge was designed to accommodate various sports activities, ensuring inclusivity. In 2024, nearly 200 employees of Polenergia participated.

The key benefits of this initiative included fostering a habit of regular physical activity, promoting sustainable commuting, integrating employees, and engaging the company's community in charitable efforts. Due to its success, a continuation of the challenge is planned. Further details are available on the Group's ESG website: Finals of the 2nd edition of the sporting POWER UP challenge!

To further support employees in maintaining healthy commuting habits, each spring Polenergia organises an annual Bike Day. In 2024, the event took place on 17 April. On that day, employees who cycled to Polenergia's offices in Warsaw or to the CHP Plant in Nowa Sarzyna had access to a mobile bicycle service provided by the company.

The event encourages employees to choose cycling as a healthy and environmentally friendly mode of commuting to work. During Bike Day, professional bike service staff conducted inspections, including general maintenance, derailleur and brake adjustments, bolt tightening, drive lubrication, and tyre pressure checks.

The initiative was highly popular, with more than 100 bicycles serviced during the 2024 event. A video showcasing the event is available: Bike Day at Polenergia Group | This is how we welcome spring.

To enhance workplace safety and employee well-being, Polenergia regularly organises first aid training and webinars. In addition to mandatory sessions, the company offers additional first aid courses for all interested employees, both office-based and field workers.

Each year, training is conducted both in person and online. In 2024, four online webinars were held:

- February 2024 - Winter First Aid on the Road' webinar provided information on the consequences of road accidents, useful both for driving and winter activities.
- March 2024: During the 'All First Aid Fears' webinar participants discussed which fears are valid and which are exaggerated. The webinar addressed common concerns that often prevent witnesses from effectively saving lives.
- June 2024: 'Summer First Aid' webinar provided information on how to survive a storm in the mountains, drowning, and encounters with bears. The session covered steps to be taken in case of heatstroke, burns from grilling, and rip currents.
- December 2024: 'How to Survive Christmas and New Year' webinar drew attendees attention to the fact that most accidents occur at home. The training was devoted to burns, frostbite, and basic psychological first aid.

In 2024, Polenergia also held 5 in-person first aid courses, including one field-based training. A total of 108 employees participated in these sessions.

To further support employee mental health and well-being, Polenergia also organised a series of stress management webinars in 2024. These sessions provided education on stress responses and practical tools for handling difficult situations. Employees also had the opportunity to schedule individual consultations with a Mental Resilience Coach, allowing for personalised strategies to strengthen mental resilience.

Furthermore, Polenergia organised a series of webinars in collaboration with the Association for Change (Stowarzyszenie Q Zmianom) supporting the development and support for change. The first session delved into the topic of self-regulation in children. The second webinar focused on self-regulation and the development of emotional intelligence in adolescents. The third webinar was cantered on cultivating self-compassion among adults. Self-compassion is a psychologically developed method for enhancing kindness towards oneself, supporting stress management, and creating a better emotional balance. During the sessions, participants learned practical techniques for supporting themselves and their loved ones, which can be applied in both their professional and personal lives.

S1-5

Targets Related to Managing Material Negative Impacts, Advancing Positive Impacts, and Managing Material Risks and Opportunities

The Polenergia Group has set targets for managing material negative impacts, increasing positive impacts and managing significant risks and significant opportunities that relate to their workforce. These objectives have been incorporated into the Polenergia Group's Sustainable Development Strategy adopted for the 2023-2030 time horizon.

The Group's sustainability targets relating to its own workforce are qualitative in nature and apply across the entire Polenergia Group, with varying levels of involvement from individual Group companies. The ESG goals were established through a process that engaged a broad project team representing diverse functions within the Group's structure.

Employees contributed to setting ESG targets by participating in the 2022 materiality survey, which helped to identify key areas for the Group. However, employees were not involved in measuring the effectiveness of the objectives or in identifying and presenting conclusions. While stakeholders' perspectives were considered when drafting the Group's ESG Strategy, the content of the Strategy was not subject to consultation. Notably, the Polenergia Group provides channels for submitting proposals related to the achievement of ESG objectives.

The Group's main ESG target in employee advocacy efforts is the **TARGET S.1: Creating a sustainable and inclusive organisational culture.** Therefore, in 2024 Polenergia implemented various initiatives to support the implementation of this target, as detailed in ESRS Disclosure S.

It is also important to highlight that the operational goal of approving the Diversity, Equality and Inclusion Policy was achieved in 2024 and will be put into practice in 2025.

In addition, online meetings on stress management were conducted, offering tools to help employees cope with challenging situations. Employees also had the opportunity to participate in individual consultations with a Mental Resilience Coach to analyse their specific circumstances and develop techniques for building resilience.

Furthermore, an adjusted pay gap analysis was conducted by independent external consultant WTW Consulting Ltd.

S1-6

Characteristics of the Undertaking's Employees

The tables in the following section present a summary of the basic information on the Polenergia Group workforce employed on the basis of contracts of employment in 2024. All data is presented per head count.

INFORMACJE O OSOBACH ZATRUDNIONYCH NA UMOWACH O PRACĘ W PODZIALE NA PŁEĆ

S1-6 Basic information on employment - breakdown by gender of persons employed based on employment contracts

Gender	Number of persons employed based on employment contracts		
Period	**2023**	**2024**	**Y/y change**
Female	211	216	+2.37%
Male	266	280	5.26%
Other	0	0	-
Not disclosed	0	0	-
Total	**477**	**496**	**+3.98%**

DATA ON EMPLOYMENT PER COUNTRY

S1-6 Basic information on employment - breakdown by country with significant employment levels for persons employed based on employment contracts

Country	Number of persons employed based on employment contracts		
Period	**2023**	**2024**	**Y/y change**
Poland	477	490	2.73%
Czechia	0	3	-
Romania	0	3	-

DATA ON EMPLOYMENT BY TYPE OF EMPLOYMENT CONTRACT IN 2024

S1-6 Basic information on employment - Persons employed on the basis of an employment contract

Period	2024				
Gender	**Female**	**Male**	**Other**	**Not disclosed**	**Total**
Persons employed on the basis of employment contracts	216	280	0	0	**496**
Persons employed on the basis of employment contracts for indefinite term	179	232	0	0	**411**
Persons employed on the basis of employment contracts for fixed term	37	48	0	0	**85**
Persons employed on the basis of employment contracts with an non-guaranteed number of hours	0	0	0	0	**0**
Persons employed on the basis of full -time employment contract	212	274	0	0	**486**
Persons employed on the basis of part -time employment contract	4	6	0	0	**10**

DATA ON EMPLOYMENT BY TYPE OF EMPLOYMENT CONTRACT IN 2023

S1-6 Basic information on employment - Persons employed on the basis of an employment contract

Period	2023				
Gender	**Female**	**Male**	**Other**	**Not disclosed**	**Total**
Persons employed on the basis of employment contracts	211	266	0	0	**477**
Persons employed on the basis of employment contracts for indefinite term	159	198	0	0	**357**
Persons employed on the basis of employment contracts for fixed term	52	68	0	0	**120**
Persons employed on the basis of employment contracts with an non-guaranteed number of hours	0	0	0	0	**0**
Persons employed on the basis of full -time employment contract	208	262	0	0	**470**
Persons employed on the basis of part -time employment contract	3	4	0	0	**7**

DATA ON EMPLOYEE ROTATION

S1-6 Rotation index

Period	2023	2024	Y/y change
Number of people employed based on employment contracts (head count) who left the organization during the reporting period	55	137	+149.09%
Rotation index	11.53%	28.16%	+16.63 p.p.

S1-7

Characteristics of Non-Employees in the Undertaking's Own Workforce

The following table presents information about persons cooperating with entities in the Polenergia Group under contracts other than employment contracts.

DATA ON PERSONS COOPERATING WITH THE ENTITY ON THE BASIS OF CONTRACTS OTHER THAN AN EMPLOYMENT CONTRACT IN 2024

S1-7 Basic information on employment - Persons cooperating with the entity on the basis of contracts other than an employment contract

Period	2024				
Number of persons	**Female**	**Male**	**Other**	**Not disclosed**	**Total**
Number of persons working based on civil-law contracts (contracts of mandate, contracts to perform a specific task and managerial contracts)	30	66	0	0	96
Number of persons working on the basis of a cooperation agreement (B2B)	37	175	0	0	212
Number of persons working on the basis of contracts with temporary employment agencies	0	0	0	0	0
Total number of non-employees (persons cooperating with the entity on the basis of contracts other than an employment contract)	**67**	**241**	**0**	**0**	**308**

DATA ON PERSONS COOPERATING WITH THE ENTITY ON THE BASIS OF CONTRACTS OTHER THAN AN EMPLOYMENT CONTRACT IN 2023

S1-7 Basic information on employment - Persons cooperating with the entity on the basis of contracts other than an employment contract

Period	2023				
Number of persons	**Period**	**Period**	**Period**	**Period**	**Period**
Number of persons working based on civil-law contracts (contracts of mandate, contracts to perform a specific task and managerial contracts)	45	118	0	0	163
Number of persons working on the basis of a cooperation agreement (B2B)	32	179	0	0	211
Number of persons working on the basis of contracts with temporary employment agencies	0	0	0	0	0
Total number of non-employees (persons cooperating with the entity on the basis of contracts other than an employment contract)	**77**	**297**	**0**	**0**	**374**

S1-8

Collective Bargaining Coverage and Social Dialogue

In 2024, there were no collective bargaining agreements in place at the Polenergia Group.

COLLECTIVE BARGAINING AGREEMENTS AND EMPLOYEE REPRESENTATION

S1-8 Collective bargaining agreements and dialogue with the workforce	Collective bargaining coverage and social dialogue		Social dialogue
Coverage rate	Persons with employment contracts - EEA (for countries with >50 empl. representing >10% total empl.)	Persons cooperating with the entity on the basis of contracts other than an employment contract - EEA	Workplace representation (EEA only) (for countries with >50 empl. representing >10% total empl.)
Period	2024		
0-19%	Poland	Poland	
20-39%			
30-59%			
60-79%			
80-100%			Poland

S1-9

Diversity Metrics

The Polenergia Group values and promotes diversity among its employees and creates a discrimination-free working environment. The following tables present detailed employment figures for the Polenergia Group in 2023 and 2024.

BASIC DIVERSITY METRICS

S1-9 Information on diversity amongst persons employed based on employment contracts								
Period	2023				2024			
Persons employed based on employment contracts	Female	Male	Other	Not disclosed	Female	Male	Other	Not disclosed
Total number of employees, of which:	**211**	**266**	**0**	**0**	**216**	**280**	**0**	**0**
Age group: over 50 years old	9	35	0	0	13	40	0	0
Age group: 30-50 years old	135	157	0	0	157	172	0	0
Age group: under 30 years old	67	74	0	0	46	68	0	0
Senior management	11	28	0	0	17	34	0	0
% gender structure at senior management level	28%	72%	0%	0%	33%	67%	0%	0%

S1-10

Adequate Wages

In 2024, remunerations of all the employees of the Polenergia Group were above the established level of adequate remuneration set at the minimum wage. In the case of employment in different countries, the locally adopted minimum wage threshold applies.

S1-11

Social Protection

In 2024, all employees (persons employed based on employment contracts) in the Polenergia Group were covered by social protection under public programs in all the aspects referred to in the disclosure requirement ESRS S1-11.

S1-12

Persons with Disabilities

The table below presents data on the share of people with disabilities in the total headcount of the Polenergia Group in 2024.

S1-12 Persons with disabilities employed based on employment contracts

Period	2023	2024
Percentage of people with disabilities in the total number of people employed based on employment contracts	0.84%	1.01%

S1-13

Training and Skills Development Metrics

The table below presents information on training, education and development for employees of the Polenergia Group in 2024.

TRAINING AND DEVELOPMENT APPRAISAL DATA FOR PERSONS EMPLOYED BASED ON EMPLOYMENT CONTRACTS

S1-13 Training and development appraisal data

Period	2024			
Average number of training hours per employee	**Female**	**Male**	**Other**	**Not disclosed**
Executives and senior management	62.35	46.19	-	-
Persons performing managerial functions	36.08	52.82	-	-
Other persons employed by entity based on employment contracts	38.99	27.69	-	-
Average number of training hours per person	**40.24**	**36.13**	**-**	**-**
Number of development appraisals in proportion to the agreed number of development appraisals for a given period	**Female**	**Male**	**Other**	**Not disclosed**
Executives and senior management	1.00	1.04	-	-
Persons performing managerial functions	0.96	1.00	-	-
Other persons employed by entity based on employment contracts	1.00	0.97	-	-
Number of completed development appraisals in proportion to the planned number of development appraisals	**0.99**	**0.99**	**-**	**-**

DEVELOPMENT APPRAISAL STATISTICS – ADDITIONAL DATA

Number of development appraisals per person employed on the basis of an employment contract	Female	Male	Other	Not disclosed	Total
Number of development appraisals per person employed on the basis of an employment contract	0.59	0.49	-	-	0.53

The indicators presented in the table above regarding the percentage of development appraisals were calculated as follows:

- Regular employee appraisals – percentage of appraisals that have taken place and interviews planned –the number of appraisals and interviews held was divided by the expected number of appraisals and interviews for the period in question;
- Regular employee appraisals – average number of appraisals conducted per employee – the number of appraisals and interviews held was divided by the number of persons employed at that grade at the end of the financial period .

In addition, the table below presents information on the training provided to the Management Board of Polenergia S.A. other than those classified under the Executives and senior management item in the table above.

MANAGEMENT BOARD TRAINING STATISTICS FOR POLENERGIA S.A.

Trainings for members of Polenergia S.A. Management Board - Average number of hours per person

Period:	2024	
	Female	Male
Management Board	2	28

TRAINING AND DEVELOPMENT APPRAISAL STATISTICS FOR PERSONS COOPERATING WITH COMPANIES OF THE POLENERGIA GROUP ON THE BASIS OF CONTRACTS OTHER THAN AN EMPLOYMENT CONTRACT

S1-13 Statistics of trainings and development appraisals

Period	2024			
Average number of training hours per person cooperating with the entity on the basis of contracts other than an employment contract	**Female**	**Male**	**Other**	**Not disclosed**
Persons working based on civil-law contracts (contracts of mandate, contracts to perform a specific task and managerial contracts)	4.25	5.72	-	-
Persons working on the basis of a cooperation agreement (B2B)	5.76	3.77	-	-
Persons working on the basis of contracts with temporary employment agencies	-	-	-	-
Average number of training hours per person	**5.08**	**4.30**	**-**	**-**

S1-14

Health and Safety Metrics

The tables below present information about the accident ratios for the Polenergia Group in 2024.

ACCIDENT STATISTICS

S1-14 Accident statistics		
Accidents of persons employed on the basis of an employment contract		
Period	**2023**	**2024**
Minor accidents	2	4
Serious accidents	0	0
Fatal accidents	0	0
Mass accidents	0	0
Total number of accidents	**2**	**4**
Accidents of persons cooperating with the entity on the basis of contracts other than an employment contract		
Minor accidents	0	0
Serious accidents	0	0
Fatal accidents	0	0
Mass accidents	0	0
Total number of accidents	**0**	**0**
Accidents among employees of subcontractors working at the site		
Minor accidents	0	0
Serious accidents	0	0
Fatal accidents	0	0
Mass accidents	0	0
Total number of accidents	**0**	**0**

SCOPE OF THE OCCUPATIONAL HEALTH AND SAFETY SYSTEM IN THE POLENERGIA GROUP

S1-14 The number of people among the organization's own workers covered by the organization's health and safety system

Period	2024
Number of persons employed on the basis of an employment contract and covered by the health and safety management system	496
Number of persons cooperating with the entity and covered by the health and safety management system	399
Number of persons employed on the basis of an employment contract and persons cooperating with the entity, covered by a certified and audited occupational health and safety system	45

OTHER OCCUPATIONAL HEALTH AND SAFETY DATA

S1-14 Other occupational health and safety data

Persons employed on the basis of an employment contract

Period	2023	2024
Number of cases of registered occupational diseases	0	0
Number of days of incapacity for work due to accidents at work	288	16
Rate of accidents at work	2.45	4.31

SPECIFIC INFORMATION ON OCCUPATIONAL DISEASES

S1-14 Cases of ill health among persons not employed during the reporting period who were employed in previous reporting periods, of whose ill health the entity became aware

2024	2024
0	0

Work accident ratios presented in thee above table have been calculated using the following formula: the respective number of cases was divided by the number of total hours worked by own workforce of the Polenergia Group (persons employed based on employment contracts) and multiplied by 1 000 000.

S1-15

Work-Life Balance Metrics

INFORMATION ON PARENTAL, CAREGIVER AND CHILDCARE LEAVES

S1-15 Basic data on parental, caregiver and childcare leaves

Period	2023				2024			
Gender	Female	Male	Other	Not disclosed	Female	Male	Other	Not disclosed
% persons with employment contracts eligible for parental leave per total number of persons employed based on employment contracts	100.00%	100.00%	-	-	100.00%	100.00%	-	-
% eligible persons with employment contracts who benefitted from parental leave	3.79%	0.38%	-	-	10.65%	4.64%	-	-

The data presented in the table above was compiled based on the assumption that every person employed on the basis of a contract of employment in Poland is eligible for a leave that qualifies as parental, caregiver and childcare leave, as specified in the disclosure S1-15.

S1-16

Remuneration Metrics (Pay Gap and Total Remuneration)

PAY GAP

In 2024, the Polenergia Group with the support of external consultancy WTW Consulting Ltd. conducted the calculations of the adjusted and unadjusted wage gap.

The analysis included 197 women and 245 men employed based on an employment contract within the companies of the Polenergia Group.

The calculation results revealed the following levels of wage gap:

- Unadjusted wage gap for base remunerations: **12%**
- Unadjusted wage gap for total remunerations: **13 %**
- Adjusted wage gap for base remunerations: **5.9%**
- Adjusted wage gap for total remunerations: **6.1%**

The unadjusted wage gap was calculated based on the formula: unadjusted wage gap = average wage: [(male-female) / male]*100%.

The adjusted wage gap was calculated using the proprietary method of the consulting firm WTW Consulting Sp. z o.o.

TOTAL REMUNERATION RATIO

The ratio presented in the table below was developed as follows:

The numerator represents the total remuneration of the top-earning individual in the Group, regardless of the contract type.

The denominator represents the median remuneration within the Polenergia Group.

The remuneration figures used in the calculation include the components listed in S1-16 AR 101.

TOTAL REMUNERATION RATIO

S1-16 Ratio of total annual remuneration of the top-earning individual to median total annual remuneration of all employees

Period	2024
Remuneration ratio	11.14

S1-17

Incidents, Complaints and Severe Human Rights Impacts

During the reporting period, there were no reported cases of discrimination, including harassment or severe incidents concerning respect for human rights.

S2

Workers in the Value Chain

SBM-2

Interests and Views of Stakeholders

As part of the materiality study, interviews and a questionnaire survey were conducted with representatives of individuals in the value chain of the Polenergia Group. The impact on workers within the value chain was one of the potentially relevant topics examined.

The findings of the materiality study reflect the internal risk management processes and support the development of strategic sustainability plans. Gathering views on the Polenergia Group's impact on employees and workers in the value chain has facilitated the initiation of efforts to regulate supplier relations through the implementation of appropriate policies and procedures.

SBM-3

Material Impacts, Risks and Opportunities and their Interaction with Strategy and Business Model

All individuals performing work within the value chain who are materially impacted by the Polenergia Group fall within the scope of this disclosure.

CHARACTERISTICS OF WORKERS IN THE VALUE CHAIN

The Polenergia Group's business model is characterised by a geographically extensive value chain and a diverse range of work carried out at different stages:

UPSTREAM:

- **Tier 1**

In the Polenergia Group's value chain model, Tier 1 comprises direct suppliers and subcontractors of the Polenergia Group.

The workforce at this stage primarily consists of individuals involved in various phases of installations, including construction, servicing, and operational maintenance.

This group also includes employees of service providers, a diverse group encompassing both manual and clerical workers.

The Group's direct suppliers and subcontractors are entities operating predominantly in Poland and the European Economic Area.

- **Tier 2**

In the Polenergia Group's value chain model, Tier 2 is defined as entities that are subcontractors and suppliers to Tier 1 entities of the Polenergia Group.

Those carrying out work at this stage of the value chain are associated with the manufacture and distribution of plant components.

- **Cradle -> tier 3+**

The Cradle -> tier 3+ stage includes all other stages of the value chain. Due to the

characteristics of the industry in which the Polenergia Group conducts its business operations, the further stages of the value chain include processes related to the extraction and processing of energy raw materials and raw materials for the production of plant components.

DOWNSTREAM:

- Employees of entities that consume energy and use Polenergia Group's services and products are classified as consumers and end-users. The relationship with these individuals is detailed in the ESRS S4.

At the Polenergia Group's operational sites, work is performed by entities responsible for servicing installations and ensuring operational continuity.

IDENTIFIED IMPACTS AND RISKS

The Polenergia Group has not identified any significant risk of forced or compulsory labour or child labour within its value chain.

Findings from identified impacts inform the development of strategic sustainability plans. The Group influences both opportunities and risks by shaping its value chain management practices. Some material impacts stem from the inherent characteristics of the industry.

The Polenergia Group has identified the following impacts on workers within the value chain:

- Potential negative impact on working conditions in the supply chain, which may result from non-alignment of internal risk management mechanisms. This means that internal control processes may insufficiently prevent risks connected with inadequate working conditions of suppliers and subcontractors.
- Positive impact on the working conditions of employees in companies cooperating with Polenergia Group.

These impacts are detailed in the ESRS 2 SBM-3 disclosure.

The Polenergia Group actively enhances working conditions within the value chain by requiring its business partners to adhere to the Polenergia Group's Business Partner Code. This Code imposes uniform obligations on all business partners, regardless of their country or region of operation.

No increased risk of harm has been identified for workers with specific characteristics, working in particular contexts, or performing specific tasks.

AREAS AT PARTICULAR RISK OF HUMAN RIGHTS VIOLATIONS

No areas at particular risk of human rights violations have been identified as part of the risk identification processes.

Areas where Polenergia Group identifies a negative or positive impact, or has opportunities or risks, are published as part of the SBM-3 disclosure in this report.

The Group has not identified risks or opportunities that affect only specific groups of workers within the value chain.

S2-1

Policies Related to Value Chain Workers

THE BUSINESS PARTNER CODE

The overarching policy on ethics and due diligence in the value chain is the Polenergia Group Business Partner Code, which was adopted on 22 June 2023 by a written resolution of the Management Board of Polenergia S.A. as part of the comprehensive work on the due diligence process in the Polenergia Group.

The provisions of the Business Partner Code are addressed to suppliers, subcontractors and other business partners of the Polenergia Group.

The purpose of the Code is to provide the Partners with sound legal, social, environmental and ethical standards that Polenergia Group expects to be followed.

The structure of the Business Partner Code has been developed taking into account the OECD Guidelines for Multinational Enterprises. The Code is part of a wider due diligence process developed in the model set out by the UN Guiding Principles on Business and Human Rights.

The Business Partner Code sets expectations for conduct in terms of:

1. Compliance with the law, industry standards and ethical principles;
2. Respect for human rights;
3. Respect for workers' rights;
4. Compliance with health and safety rules;
5. Counteracting corruption and conflict of interest;
6. Concerns for the environment, public health and safety and local communities;
7. Attention to the quality of products and services;
8. Fair competition and reliable cooperation;
9. Protection of confidential information and personal data;
10. 1Compliance with international sanctions;
11. Compliance with taxation rules;
12. Responsibility for supervision over employees and subcontractors.

The structure of the Business Partner Code includes provisions seeking to offset negative impact employees and creating a responsible and ethical value chain.

A provision within the Code explicitly condemns and prohibits all forms of child and forced labor.

The Compliance Officer is in charge of supervising the application, review and updating of the Code.

The Polenergia Group Business Partner Code is available on the Policies and Procedures website and is appended to contracts entered into with contractors.

The Polenergia Group commits its business partners to apply universally recognised human rights, in particular those contained in: The Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the UN Sustainable Development Goals, the European Commission Recommendations and the 10 principles of the United Nations Global Compact.

The Polenergia Group requires its business partners to reject all forms of discrimination, including in hiring, promotion, remuneration, training, termination, and retirement. Polenergia also expects its business partners to prohibit corporal punishment, as well as any form of mental or physical abuse, exploitation, bullying, sexual harassment, or discrimination within their organizations.

FAILURE TO RESPECT HUMAN RIGHTS

In the current reporting year, no instances of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises have been identified.

S2-2

Processes for Engaging with Value Chain Workers About Impacts

In 2024, the Polenergia Group's processes did not establish a systematic approach for engaging with workers in the value chain, including direct, regular engagement to gather feedback. In 2023, the whistleblowing channel described in disclosure S2-3 was established.

The Polenergia Group requires its subcontractors to act as intermediaries between the Group and those performing work within the supply chain. In 2024, Polenergia conducted a Human Rights Impact Assessment to evaluate the level of respect for human rights requirements among employees in the value chain. In 2025, the Group plans to implement a supplier assessment and selection system that will examine, among other factors, compliance with human rights and workers' rights in the value chain.

S2-3

Processes to Remediate Negative Impacts and Channels for Value Chain Workers to Raise Concerns

The Polenergia Group thoroughly reviews all incoming notifications. If a negative impact is identified, the Group promptly takes corrective action to address the issue and prevent its recurrence.

The Polenergia Group Business Partner Code outlines the process for reporting breaches or irregularities. The following communication channels have been established:

- For inquiry or information, contacting the Compliance Officer via e-mail at: compliance@polenergia.pl; or via telephone: +48507550119;
- Submissions can be made via the website: https://zglaszam.polenergia.pl/.

The submission channel is available at the Polenergia Group website; it has been translated into English.

The Compliance Office is in charge of tracking, monitoring and resolving reported issues.

TRACKING, MONITORING AND RESOLVING REPORTED ISSUES AND ENSURING THE EFFECTIVENESS OF CHANNELS

According to Whistleblowing Procedure of Polenergia S.A., to ensure submissions are handled objectively and independently, the Company has established an alternative processing procedure. If the submission concerns any of the individuals involved in the whistleblowing process (such as, for example, the Compliance Officer), it is sent to the Director of Human Resources and examined by objective, independent individuals appointed by the Director. In such cases, the provisions of the Procedure apply accordingly. If the Compliance Officer is unable to process a report due to any objective impediment, the Director of the Legal Department or the Director of the Internal Control and Risk Management Department will substitute them to perform the task.

The reporting channel described above will be evaluated in 2025 in terms of its effectiveness by the Compliance Officer.

The Polenergia Group also requires its subcontractors to serve as intermediaries between the Group and those working in the value chain, including raising awareness of whistleblowing opportunities and reporting methods.

Protection of Whistleblowers

According to the Whistleblowing Procedure in place at Polenergia S.A., the Procedure for receiving and handling internal reports referred to in the Whistleblower Protection Act at Polenergia S.A. and Procedure for receiving and handling internal reports referred to in the Whistleblower Protection Act at Polenergia Fotowoltaika S.A., any retaliatory actions against a whistleblower are strictly prohibited. This protection also extends to:

- **(a)** individuals assisting the whistleblower in submitting a report;
- **(b)** individuals connected to the whistleblower who are employed by the Company or the Group, such as family members, witnesses, or individuals in close relationships with the whistleblower;
- **(c)** legal entities owned by the whistleblower, employing the whistleblower, or otherwise associated with them. Retaliatory actions may include, for example, denial of services, blacklisting, or boycotting activities.

Anyone who has experienced or became aware of retaliation, should report it immediately through the same whistleblowing channels.

In accordance with the established procedures, all individuals responsible for verifying and investigating reports must maintain confidentiality with regard to:

- **(a)** their involvement in the process;
- **(b)** any information obtained in connection with the report, particularly the personal data of the whistleblower and the person concerned;
- **(c)** any measures taken during the investigation of the report.

Any data that could directly or indirectly identify the whistleblower may only be disclosed upon their prior express consent, except in cases where such disclosure is required:

- **(a)** to be made to competent authorities under the applicable law;
- **(b)** for the investigation, in which case it may be shared with individuals involved in examination of the report (such as committee members).

Submissions may be filed either anonymously or with attribution, in line with the applicable procedures.

The Polenergia Group also requires its subcontractors to serve as intermediaries between the Group and those working in the value chain, including raising awareness of whistleblowing opportunities and reporting methods.

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 Actions

In the 2024 reporting year, the Polenergia Group did not identify any confirmed violations resulting in actual negative impacts on individuals performing work in the value chain.

The Polenergia Group ensures the availability, effectiveness, and application of remedies by integrating the criteria outlined in UN Guiding Principle 31 on Business and Human Rights into its grievance mechanisms, as detailed in Disclosure S3-4.

Furthermore, in December 2024, the Management Board of the Polenergia Group adopted the Minimum Standards Procedure for consruction works etc. This procedure is designed to prevent significant negative impacts on individuals performing work in the value chain, such as contractors carrying out construction projects for Polenergia. It also establishes processes for assessing the necessary and appropriate actions in response to any adverse impacts on workers in the value chain.

Polenergia applies the provisions of its the Code of Ethics and obliges its business partners to apply the Polenergia Group Business Partner Code. Furthermore, in 2025, the Group plans to adopt and implement a supplier assessment and selection procedure, which will evaluate the level of respect for human and labour rights across the value chain.

These measures aim to minimize the risk of including entities in the value chain that fail to uphold human and workers' rights. Compliance will be monitored through regular supplier evaluations, ongoing collaboration, and educational initiatives.

The Polenergia Group has not identified any significant opportunities related to individuals performing work in the value chain.

TRACKING AND EVALUATING THE EFFECTIVENESS OF ACTIONS

The ESG Committee, which has been established by virtue of a Management Board Resolution on 1 March 2024, supports the Board in overseeing ESG-related matters, including value chain management, the adoption of recommendations, and corrective actions. According to the preamble of this Resolution, the Committee's scope of responsibility includes human rights, diversity and inclusion, engagement with local communities, and ESG risk management in supply chains. The Committee operates by reviewing ESG practices, violations, and risks based on both internal and external reports. It then submits recommendations for any necessary changes to the Management Board for approval.

HUMAN RIGHTS VIOLATIONS

No human rights issues or incidents related to the value chain were reported in 2024.

S2-5

Targets Related to Managing Material Negative Impacts, Advancing Positive Impacts, and Managing Material Risks and Opportunities

The Polenergia Group has set targets for managing significant negative impacts, increasing positive impacts and managing significant risks and significant opportunities that relate to the value chain. These objectives have been set out in the Polenergia Group' Sustainability Strategy adopted with a 2023-2030 time horizon.

The main ESG objective in this respect is **OBJECTIVE S.3: "Responsible value chain management".**

The Polenergia Group is committed to social responsibility and upholds the highest ethical standards throughout its supply chain. To reinforce this commitment, the Group established the Polenergia Group Business Partner Code, which applies to suppliers, subcontractors, and other business partners. In 2024, the Group conducted its first dedicated study on its impact on stakeholder rights, as outlined in standards S1, S2, S3, and S4. The study focused on selected operating segments, specifically wind farms and photovoltaic farms, and included a phase for gathering information from a group of key suppliers. The findings supplemented the Group's understanding of its impacts, as described in disclosure SBM-3.

Individuals performing work in the value chain were not directly involved in measuring the effectiveness of targets, identifying areas for improvement, or submitting proposals. However, the Polenergia Group provides an opportunity to submit requests related to target performance through the submission channels available on its website.

While stakeholder perspectives were considered in the development of the Group's ESG Strategy, the content of the strategy itself was not subject to consultation.

S3

Affected Communities

SBM-2

Interests and Views of Stakeholders

Both Polenergia Group's Business Strategy for 2020-2024, ESG Strategy for 2023-2030 and the company's business model involve communicating with local communities about their views, interests and rights and supporting their development.

Responsible communication with the environment is a fundamental pillar of sustainable development and an integral part of the Polenergia Group's business model. This model is built on providing green energy and technological solutions that support society's transition to sustainable energy. At the core of Polenergia's operations is a commitment to generating a positive impact on both society and the environment.

Polenergia Group's initiatives for local communities include:

- Conducting impact studies on investments and maintaining ongoing communication with community representatives on relevant issues,;
- Supporting environmental initiatives, with a strong emphasis on biodiversity;
- Implementing educational programs;
- Providing funding for local initiatives, including projects that foster community integration, support cultural activities, reduce inequalities, assist marginalized groups, and promote sports and health.

CONSULTATION AND COMMUNICATION WITH THE LOCAL COMMUNITY

Before implementing any project, the Polenergia Group project managers responsible for the development and construction phases hold meetings with local residents. These meetings are devoted to presenting the project, explaining its scope, and addressing any concerns or questions from community members. Additionally, during meetings with local authorities, Polenergia presents the key principles of its Social Engagement Policy and potential opportunities for cooperation.

A Stakeholder Relationship Management Plan and the Complaints and Requests Procedure – the so-called "grievance mechanism" are implemented from the start of the respective Polenergia projects. Both the facility (during the development and construction phase) and the local municipality (during the development, construction and operation of the project phase) provide access to information on how to lodge a complaint or request, as well as the contact person for lodging a complaint or request. The contact person is the respective site manager in charge of the respective investment project and the Director of the Environment and Sustainability Department, who keeps the register of complaints and is responsible for the handling and resolution of the case.

SBM-3

Material Impacts, Risks and Opportunities and their Interaction with Strategy and Business Model

All affected communities where Polenergia Group's operations may have a material impact are included within the scope of disclosure.

Insights gained from these impacts inform the development of strategic plans for sustainable development.

Through its community relations management practices, Polenergia Group actively shapes both opportunities and risks, ensuring that its operations align with broader sustainability goals. Some identified impacts stem from the inherent nature of the business.

DESCRIPTION OF THE LOCAL COMMUNITIES AFFECTED BY GROUP

The Polenergia Group's impact extends to the local communities living in the areas where the Group conducts or plans to conduct operations.

In the ESG Strategy, the Group has identified a community-related objective, i.e. "Welfare and cooperation with relevant stakeholders", whereby the Group has committed to carry out the identification of social exclusions among local communities and take appropriate actions to address them.

Furthermore, Polenergia has pledged to maintain a level of 1% of the consolidated net profit of the entire Group from the previous year allocated to social engagement activities with a minimum of 60% of funds allocated to activities supporting the implementation of local community projects. This target has been summarised in Polenergia Group's 2024 Social Engagement and Biodiversity Activities Report.

The local communities that the Group has defined as key reside mainly in small rural centres, located directly around the Group's projects. They mainly include: children and young people, people in the 50+ age group, people with disabilities, women from rural backgrounds and neurodiverse people.

The Group's activities are aimed at supporting local communities and protecting biodiversity in the places where the Group's assets are developed. Through Polenergia's activities, local communities are supported in four areas:

- **sport and health,**
- **diversity and equal opportunities,**
- **education and culture,**
- **environmental protection.**

The Polenergia Group undertakes initiatives to support local communities in the areas outlined above, aligning with the principles of its Social Engagement Policy. Cooperation with Polenergia in this area follows a six-step process, designed to assist local communities in integration, development, project implementation, and providing support to those in greatest need.

COOPERATION WITH POLENERGIA GROUP IN SIX STEPS:

1. Meetings with representatives of municipalities - analysis of local community needs
2. Contracting selected organisations
3. Applying for funding trough an electronic system
4. Decision on granting the funding
5. Execution of an agreement - implimentation of the tasks
6. Financial reconciliation of the funding

The support provided by the Polenergia Group is channelled to municipalities, institutions, associations and organisations active in the field of:

- **promoting sports and health** (especially children's and youth sports clubs),
- **integration of women, people with disabilities and the elderly** (housewives' clubs, senior citizens' clubs, associations for people with disabilities, etc.),
- **culture and education** (e.g. such as community cultural centres, libraries, schools and kindergartens, etc.),
- **environment** (including the implementation of Polenergia's Play green with us!® educational programme.

The impact of Polenergia Group's operations on local communities is multifaceted. The Group's installations are physically integrated into the communities' landscape, while their construction and operation also generate economic impacts, positively influencing local budgets. Furthermore, the installations impact the natural environment, a vital resource for local communities. However, regular environmental inspections and monitoring help ensure both community and environmental safety. Local communities also benefit from Polenergia Group's social engagement initiatives, including the educational program Play green with us!® implemented by the Group in alignment with its Social Engagement Policy

MATERIAL IMPACTS

The Polenergia Group has identified the following material impacts related to communities. These impacts are described within the ESRS 2 SBM-3 disclosure:

- actual and potential positive impact on education and self-organisation and on the safety of the local community;
- actual and potential positive impact on the inclusion of community opinion in management in own operations,
- potential negative impact on land use change at various stages of the Polenergia Group's projects.

IMPACTS ON COMMUNITIES WITH SPECIFIC CHARACTERISTICS AND AFFECTED GROUPS

The Polenergia Group has not identified any significant risks or opportunities that apply exclusively to specific groups within affected communities rather than to the community as a whole.

In 2022, Polenergia Group conducted an ESG materiality survey to assess stakeholders, issues, and risks. The results indicated that the social environment and local communities are among the Group's key stakeholder groups. Furthermore, rights of community members were classified as a "medium priority" within the framework of material ESG issues.

S3-1

Policies Related to Affected Communities

SOCIAL ENGAGEMENT POLICY

The Polenergia Group's Social Engagement Policy identifies the main areas of support for community projects, namely:

- **health** (including measures to promote sports activities),
- **diversity and equal opportunities,**
- **education and culture,**
- **environmental protection.**

The aforementioned Policy provides a clear and transparent framework outlining the scope of support available, the application process, and accountability requirements.

Polenergia Group treats social activities as one of the elements that support the implementation of its long-term development strategy and as an important part of its of its ESG Strategy. Polenergia is committed to building its position as a trusted partner at the local level. It aims not only to deliver good financial performance, but also to care for the local community and the environment.

The implementation of the Social Engagement Policy falls under the responsibility of the Board Member overseeing ESG matters, while operational aspects are managed by the Environment and Sustainability Department. The Director of the Environment and Sustainability Department and ESG Coordinator ensures direct supervision of all related activities.

The Polenergia Group's Social Engagement Policy is an integral part of the Polenergia Group's Public Communication Plan with its annex, i.e., the Complaints and Requests Procedure. This framework applies across all Polenergia Group project locations.

The ESG Team, operating within the Environment and Sustainability Department, is responsible for presenting the Social Engagement Policy during meetings in local municipalities, both when establishing new relationships and maintaining existing partnerships with local communities.

POLICY OF DIVERSITY, EQUALITY AND INCLUSION

On 30 October 2024, Polenergia Group implemented the Diversity, Equality and Inclusion Policy, as further described in disclosure S1-1. In the context of local communities, the Policy focuses on the following commitments of the Polenergia Group:

- **Respect and cooperation** - recognizing local, cultural, linguistic, and geographical contexts while understanding and addressing community needs and concerns.
- **Ongoing dialogue** - fostering integrity in relationships through proactive engagement to better understand the impact on local communities and their needs through multiple communication channels.
- **Research** - identifying social exclusion risks and implementing preventive measures.
- **Initiatives** - providing targeted support to local communities in municipalities where projects are developed.
- **Financial support** - addressing social inequalities and improving community well-being, with a focus on rural areas and disadvantaged groups.

Given the geographical scope of its operations, including all project locations, the Polenergia Group has not identified any potential or actual impacts on indigenous peoples. Therefore, its policies do not include specific provisions related to them.

The Polenergia Group is committed to upholding and respecting human rights, particularly those enshrined in the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the UN Sustainable Development Goals, the European Commission Recommendations, and the 10 Principles of the United Nations Global Compact. The Compliance Officer is responsible for overseeing due diligence in this area.

The Polenergia Group's due diligence process encompasses:

- ethics and whistleblowing;
- counteracting negative impacts;
- establishing response mechanisms for infringements.

Key documents governing these areas include:

- Polenergia Group Code of Ethics;
- Polenergia Group's Anti-Corruption Policy;
- Whistleblowing Procedure covering the entire Polenergia Group. Furthermore, Polenergia S.A. and Polenergia Fotowoltaika S.A. have adopted the Procedure for receiving and handling internal reports referred to in the Whistleblower Protection Act at Polenergia S.A. and the Procedure for receiving and handling internal reports referred to in the Whistleblower Protection Act at Polenergia Fotowoltaika S.A.

The above-mentioned documents are described in sections S1 and G1 of this report.

The Code of Ethics underscores dialogue and cooperation with local communities. The Polenergia Group cares about the well-being of local communities, understands their needs and supports their initiatives aligned with the Group's values. The Code of Ethics emphasizes that a key aspect of Polenergia Group's activities is a deep commitment to its surroundings, fostering the development of local communities, promoting social inclusion, building trust, and maintaining ongoing dialogue—not only during the development and construction phases but also throughout the operational life cycle of its facilities.

There have been no changes to the aforementioned policies in 2024

In the current reporting year, there were no instances of non-compliance within Polenergia Group's operations or value chain with respect to 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 Multinational Enterprises.

COMMUNICATION ABOUT POLICIES

The Social Engagement Policy is presented to municipal representatives during meetings with the ESG Team, which is responsible for its implementation. The Policy is executed in municipalities where Polenergia operates or develops projects. The ESG Team takes the lead in implementing the policy and establishes initial contacts with municipal representatives in collaboration with project managers overseeing wind and photovoltaic farms in development or under construction. Once the projects enter the operational phase, the ESG Team directly engages with municipalities, as well as local organizations and associations, to continue fostering cooperation.

The key aspects of the Social Engagement Policy are discussed during these meetings, including the types and areas of support. Following the meetings, a summary is sent via email, including references to relevant documents, which are posted on the Policies and Procedures - ESG Service platform.

A detailed diagram of the cooperation with municipalities is available in section SBM-3 of this disclosure.

S3-2

Influence Collaboration Processes With Affected Communities

On 12 March 2024, the Polenergia Group implemented a Public Communication Plan. Communication with stakeholders takes place in a planned and systematic manner, across all phases of investment projects.

1. **Communication planning and schedule**

Communication with stakeholders begins as early as during the investment planning stage, when a Stakeholder Engagement Plan is created. The plan outlines a communication schedule tailored to stakeholders. The Polenergia Group strives to ensure that its social engagement actions align with the investment's implementation phases, targeting selected groups.

2. **Process of arrangements with public administration and landowners and public consultations carried out under administrative procedure**

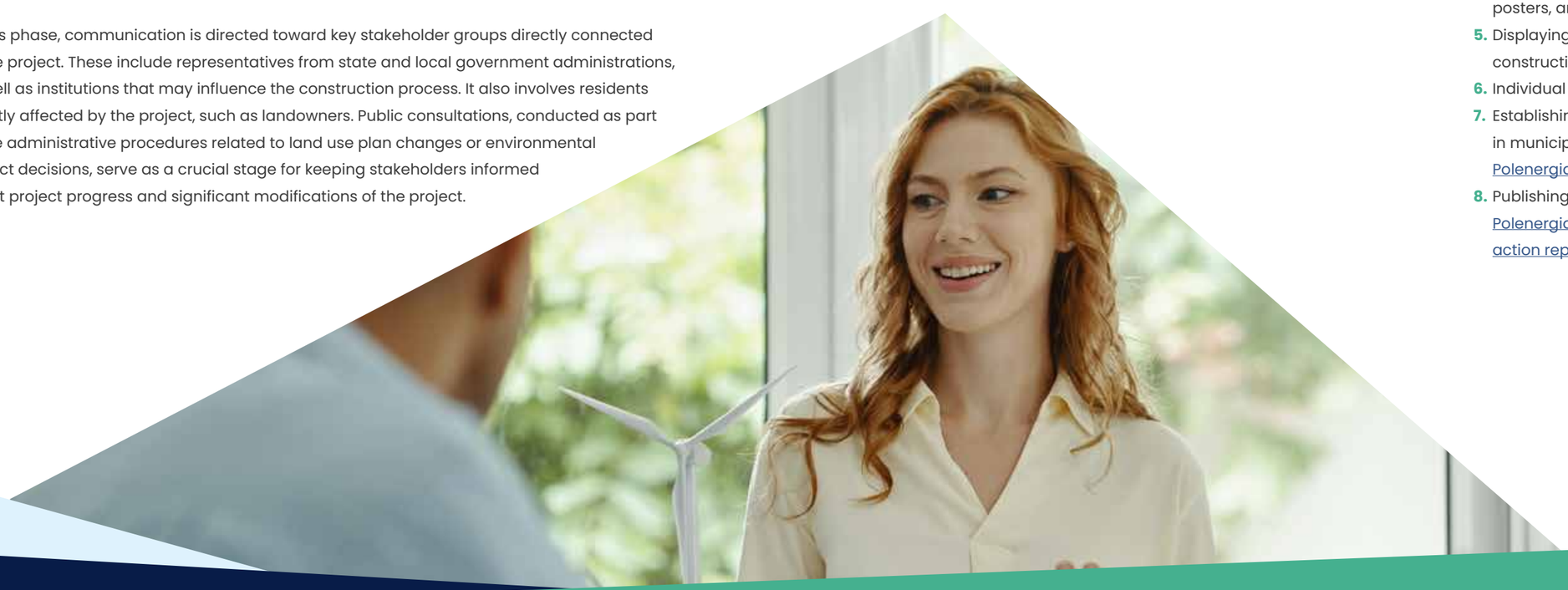
At this phase, communication is directed toward key stakeholder groups directly connected to the project. These include representatives from state and local government administrations, as well as institutions that may influence the construction process. It also involves residents directly affected by the project, such as landowners. Public consultations, conducted as part of the administrative procedures related to land use plan changes or environmental impact decisions, serve as a crucial stage for keeping stakeholders informed about project progress and significant modifications of the project.

3. **Project construction phase**

During the construction phase, extensive communication efforts are made with residents of both the host municipality and the neighbouring municipalities. These efforts involve key stakeholder groups such as state and local government representatives, social and municipal organizations, and directly or indirectly affected residents.

4. **Project operational phase**

Once the project becomes operational, communication extends to a broad range of stakeholders, including residents and public administration, primarily through post-investment reports.



Over time, communications expand to all stakeholders identified in the Stakeholder Engagement Plan, which is updated following the construction phase.

Stakeholder communication is conducted using tools adapted to the stage of investment and the specific needs of the target audience. The main communication methods include:

1. One-on-one meetings with key stakeholders such as landowners and public administration representatives.
2. Consultations and open meetings in the form of conferences, open days, or participation in public events.
3. Publication of press releases announcing the project's commissioning and updates in local and regional media.
4. Distribution of informational materials, including leaflets, posters, and brochures.
5. Displaying information boards at municipal offices, construction sites, and in the project's vicinity.
6. Individual correspondence, both written and electronic.
7. Establishing permanent information points, such as those in municipal offices, and dedicated websites like the Polenergia Group ESG Service.
8. Publishing social engagement reports, including the Polenergia Group's social engagement and biodiversity action reports.

MONITORING AND EVALUATION OF COMMUNICATION

The ESG Team is responsible for monitoring communication activities under the Social Engagement Policy and regularly evaluates the effectiveness of stakeholder communication at each project stage. This ensures clear and effective communication while keeping stakeholders informed about project developments. When communication activities relate specifically to the development or construction of a site, responsibility lies with the managers overseeing those projects.

To gather feedback from local communities, particularly from the vulnerable or marginalized groups (such as farmers' clubs, associations for people with disabilities, and senior citizens' clubs), the ESG Team operating within the Environment and Sustainable Development Department organizes direct meetings within the municipalities. These meetings provide a platform for individuals to express their views and highlight their most pressing needs. Based on these discussions, a tailored support plan is developed for each organization, which the Polenergia Group strives to implement as part of a long-term commitment.

Furthermore, the Group conducts online surveys to assess the needs and challenges faced by local communities through an online survey that is sent directly to the municipality by email. Such a survey was conducted in 2024.

No impact on indigenous peoples has been identified in Polenergia Group's projects; therefore, communication channels specifically designed for indigenous communities have not been developed.

The Polenergia Group provides a channel for communities to submit complaints and requests in accordance with the Complaints and Requests Procedure, known as the grievance forms. This channel is accessible through the ESG and corporate websites under sections dedicated to each project. Further details on this procedure are provided in section S3-3.

S3-3

Processes to Remediate Negative Impacts and Channels for Affected Communities to Raise Concerns

Polenergia Group's process for remediation of adverse impacts is governed by the Complaints and Requests Procedure updated on 12 March 2024.

The purpose of this Procedure is to establish a transparent and formalised process of communicating with Polenergia Group's external stakeholders, in particular local communities. Each of the stakeholders may submit, either verbally or in writing, a complaint or a request that concerns the Group's projects. Each submission is reviewed and handled by designated personnel from the Environment and Sustainability Department, appointed by the department's Director.

A dedicated whistleblowing channel is part of the due diligence process in a model that implements the OECD Guidelines for Multinational Enterprises.

Complaints or requests may be submitted in Polish or English thought he following channels:

- By email - using a form available for download from the websites:
  - Onshore wind farms, by clicking on "Read more",
  - Photovoltaic farms, by clicking on "Read more".
- By post - by downloading the form from the websites listed above and sending it to the following address: ul. Krucza 24/26, 00-526 Warsaw.
- In person – by inserting a completed form into the complaints and requests box available at Polenergia S.A.'s head office or at the office of the relevant project during its construction phase.
- At the Municipal Office – during the development and operation phases of the project.
- By phone – the employee receiving the complaint fills out a complaint and request form and forwards it to the Director of Environment and Sustainability or the Manager responsible for the relevant investment.

Polenergia has implemented a whistleblowing procedure and the respective platform: polenergia.zglaszam.to ("Whistleblowing Platform"), which was active until 31 December 2024. Starting from 1 January 2025, whistleblowing reports can be submitted through the new website: https://zglaszam.polenergia.pl .

Through the aforementioned platform, representatives or other individuals acting on behalf of the party or its subcontractors may report (also anonymously) any identified or suspected irregularities. These may include violations of the law, contractual provisions, or internal regulations applicable to the parties, particularly in relation to anti-corruption measures, conflict of interest prevention, and compliance with the principles and standards outlined in the Polenergia Group Business Partners' Code. All submissions are reviewed with full objectivity and independence by the Compliance Officer.

AVAILABILITY OF SUBMISSION CHANNELS

Each contract entered into by the Polenergia Group contains ESG Regulations (i.e., underlying assumptions of the Polenergia Polenergia Group's Sustainability Strategy, the Polenergia Group's Code of Ethics, the Polenergia Group's Anti-Corruption Policy, and the compliance regulations, i.e. the Polenergia Group Business Partners' Code).

The procedures for reporting complaints and requests are outlined in detail in the Complaints and Requests Procedure. By incorporating these provisions into contracts and publishing the policies on the Polenergia Group website, reporting channels remain easily accessible, ensuring that interested parties are well-informed of them. Additionally, the reporting tools, including the whistleblowing platform, contact forms, and the website, are available in both Polish and English.

TRACKING, MONITORING AND RESOLVING REPORTED ISSUES AND ENSURING THE EFFECTIVENESS OF CHANNELS

The Director of the Environment and Sustainability Department keeps the Register of Complaints and Requests and is responsible for monitoring actions untaken once the method of handling a specific case has been agreed. The Director of the Environment and Sustainability Department presents the Register of Complaints and Requests on a daily basis to a designated Board Member and, once a year, to the Management Board of the Polenergia Group.

During regular meetings in municipalities with the ESG Team, discussions are held to assess the awareness of stakeholders regarding the procedures for submitting concerns, complaints, or requests. The Polenergia Group actively monitors activities related to the grievance submission mechanism. In 2024, eight community meetings were held at municipal offices to present available communication channels for contacting the Group.

Below is an image of a Polenergia stand at a municipal office, featuring contact forms and a submission box where completed forms can be inserted.

PROTECTION OF WHISTLEBLOWERS

The Polenergia Group has put in place its Whistleblowing Procedure that applies to all submissions and all Group companies, as well as dedicated procedures for receiving and handling internal submissions to Polenergia S.A. and Polenergia Fotowoltaika S.A., as referred to in the Whistleblower Protection Act:

- Procedure for receiving and handling internal reports referred to in the Whistleblower Protection Act at Polenergia S.A.;
- Procedure for receiving and handling internal reports referred to in the Whistleblower Protection Act at Polenergia Fotowoltaika S.A.

The aforementioned procedures protect whistleblowers against retaliation.

The aforementioned documents can be accessed in Polish and English at the following Polenergia's websites: Policies and Procedures - ESG Service and Policies and Procedures - Corporate Service.

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

In 2024, the Polenergia Group conducted 443 social engagement projects in the areas in the vicinity of its operations where it develops its investments. A summary of the completed activities has been provided in the Polenergia Group's 2024 Social Engagement and Biodiversity Actions Report. The report presents activities which are the reflection of the Polenergia Group's ESG Strategy, according to which 1% of the Group's consolidated net profit is allocated to social engagement activities. The Group has allocated **PLN 3 189 350.89** for corporate social responsibility activities in 2024.

This report presents Polenergia Group's activities implemented from January to December 2024 in four areas: sport and health, diversity and equal opportunities, education and culture, and environment. It is worth noting that Polenergia implements its activities selected Sustainable Development Goals established in the United Nations Agenda 2030 (Goals 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 13, 14, 15, 17).

Life and health are the core values that the Polenergia Group considers its priority. As an active community partner, Polenergia assesses local needs in these areas and provides funding for their implementation. In 2024, the company supported 140 projects related to sports and health, benefiting::

- Volunteer Fire Brigades and National Fire Service,
- Children and youth's sports clubs and primary schools,
- Municipalities and organisations promoting sports activities,
- Associations and foundations promoting healthy lifestyles and campaigning for health-related issues.

Notably, in 2024 Polenergia provided support to nine units of the National Fire Service and 34 units of the Volunteer Fire Brigades, and provided funding to 32 sports clubs.

Polenergia embarks on cooperation with individuals and organisations that offer activities for people with disabilities and elderly members of the society. Detailed information on organisations active in this area are discussed during first meetings with municipal authorities. In 2024, a total of 85 projects were implemented in the area of diversity and equal opportunities for:

- Rural Women's Clubs (Koła Gospodyń Wiejskich - KGW) and associations that activate women,
- Senior Citizens' Clubs (Klub Seniora) and organisations that support the elderly,
- Associations that support people with disabilities and people in difficult life situations,
- Residential Care Homes (DPS).

In 2024, the Polenergia Group carried out 144 projects in the area of education and culture:

- Climate education through implementation of the environmental and educational project named 'Play Green with Us!'®,
- Patronage of specialised classes in secondary schools,
- Cooperation with cultural centres to organise workshops and other activities for children, youth and elderly persons,
- Supporting the organisation of major cultural events in municipalities,
- Cooperation with educational centres and support for training of future staff.

Polenergia actively supports municipalities and schools in implementing environmental initiatives, primarily, through revitalization of green areas and creation of new green spaces. In 2024, funding was provided for **74 local ecological projects**, such as the purchase of trees, shrubs, ornamental plants, and elements of small architecture such as insect condominiums and birdhouses.

The Polenergia Group will persist in these endeavours within the framework of its Social Engagement Policy, bearing in mind that caring for both people and the environment is not just a responsibility, but an investment in the future. Together, we can achieve more for our planet and for generations to come.

In its Code of Ethics, the Polenergia Group commits to taking remedial measures in response to material negative impacts. In 2024, no actual material negative impacts on local communities were identified, and therefore, no remedial measures were necessary.

The Polenergia Group ensures that remedies are in place, as well as the effectiveness and availability of processes to provide them, or that the following criteria based on UN Guideline 31 on Business and Human Rights are implemented in its complaint mechanisms. According to these criteria, effective grievance mechanisms should be:

1. **Legitimate and based on engagement and dialogue:** All policies and procedures, including grievance submission procedures, are approved at the Management Board level. Furthermore, these policies are consulted with stakeholders, their representatives, or external experts before implementation;

2. **Accessible and Predictable:** The Polenergia Group makes every effort to ensure that human rights policies and procedures - especially those designed to enable remedial measures, including its reporting channels, are known, understood and predictable to all stakeholder groups for whom they are intended; to this end, appropriate language versions or training on the policies and procedures are provided; clear communications on the processing duration of submissions are also available to filing individuals; and once processed, the submissions handling deadlines are reviewed to ensure that they are met by the Group;

3. **Equitable:** the Polenergia Group shall make every effort to ensure that aggrieved parties have adequate access to sources of information, consultation and professional know-how resources necessary to participate in the complaints process, all under equitable, informative and respectful conditions;

4. **Transparent:** each filing individual is kept informed of the status of their submission, from acceptance of the submission to its processing and the appropriate steps to remedy the grievance;

5. **Human rights compatible** in its policies, the Polenergia Group has incorporated the commitment to respect internationally recognised human rights, which translates into all its activities.

Community outreach and biodiversity protection initiatives are not only an expression of Polenergia's values but also a key element of sustainable development. By supporting people and caring for the environment, Polenergia contributes to building a better future for all.

Polenergia strives to build partnerships and be seen as a good neighbour, as cooperation is mutually beneficial. Thanks to this approach, the Group not only develops renewable energy projects but also supports the development of local communities through key initiatives.

This approach benefits both communities and business organizations. Social and environmental commitment strengthens a company's reputation as a responsible partner, stimulates innovation, increases employee and customer loyalty, and enhances long-term business sustainability.

In 2025, the ESG team will continue implementing the Polenergia Group's Social Engagement Policy in areas located in the vicinity of where the Group develops and operates its projects. Meetings are planned with municipal authorities and representatives of active local organizations. Group representatives also plan to participate in important municipal events and support educational tasks at **Play Green with Us!®** eco-stands.

In 2025, Polenergia will continue implementing the **Play Green with Us!®** programme in primary schools and kindergartens that have declared their commitment to climate education. Lessons will also be organized in cooperation with secondary schools that are under Polenergia's patronage.

In 2025, Polenergia will continue to implement the programme **Play Green with Us!®** in primary schools and kindergartens that have declared the implementation of climate education. Lessons will also be organised in cooperation with secondary schools that have been covered by Polenergia's patronage.

POSITIVE IMPACT ON LOCAL COMMUNITIES

Corporate social responsibility and its impact on local communities play a vital role in the development of the Polenergia Group. Through active engagement and initiatives in this area, Polenergia not only strengthens the positive reputation of the Group, but also enhances the perception of the renewable energy sector as a whole. Building long-term relationships by addressing local issues and identifying community needs fosters cooperation and mutual trust.

POSITIVE IMPACT ON THE ENVIRONMENT

The Polenergia Group places a strong emphasis on environmental protection during the planning and implementation of its projects. The selection of project locations is preceded by environmental analyses and pre-construction monitoring of birds and bats for wind farms, as well as comprehensive biodiversity inventories for all projects under development.

Environmental supervision is conducted during construction phase by experienced biologists with many years of expertise. Environmental supervision is the basis for projects tailored to the local conditions, projects aimed at supporting and restoring local biodiversity, including meadow ecosystems. By integrating these measures, Polenergia's projects align with local environmental and ecological conditions, fostering the development of native plant and animal species identified by naturalists. During the operational phase, wind farms are subject to multi-year monitoring of birds and bats, and post-construction biodiversity inventories are conducted for photovoltaic farms. A more extensive description is provided in disclosure E-4.

The implementation of environmental projects within the framework of Polenergia Group's Social Engagement Policy, as well as environmental analysis, nature monitoring (before and after project implementation) are aimed not only at improving the local state of nature, but also at promoting biodiversity and encouraging communities to act to protect our planet.

One example of our commitment to biodiversity was the study conducted in cooperation with scientists and academics from the University of Zielona Góra followed by a scientific publication. The primary goal was to investigate the living organisms' habitation within the area of one of Polenergia's facilities, the Sulechów Photovoltaic Farm Complex, and to compare it with adjacent areas in terms of biodiversity development. The results of this field research have been presented in a scientific publication on promoting biodiversity in large-scale photovoltaic farms, accompanied by a best practices guide, using the Sulechów Photovoltaic Farm as a case study: The first comprehensive scientific publication in Poland on the reconstruction of meadow ecosystems at the Sulechów Photovoltaic Farms: best practices for the renewable energy industry

ACHIEVING UN GOALS

It is worth highlighting that every Polenergia initiative aimed at supporting local communities also contributes to achieving the Sustainable Development Goals, adopted by 192 countries at the UN Assembly in 2015. Through the active involvement of Polenergia employees in implementing the Polenergia Group's Social Engagement Policy, as well as collaboration with business partners and local communities, the Group's efforts deliver tangible results, further solidifying its position as a leader in sustainable development.

HUMAN RIGHTS VIOLATIONS

No serious human rights issues or incidents related to affected communities were reported during the reporting period.

S3-5

Targets Related to Managing Material Negative Impacts, Advancing Positive Impacts, and Managing Material Risks and Opportunities

Polenergia Group has set targets to manage material negative impacts, advance positive impacts and manage material risks and opportunities that relate to affected communities. These objectives have been incorporated into the Polenergia Group's Sustainable Development Strategy for the 2023-2030 horizon.

The main ESG objective in this regard is **OBJECTIVE S.2: "Well-being and cooperation with relevant stakeholders".**

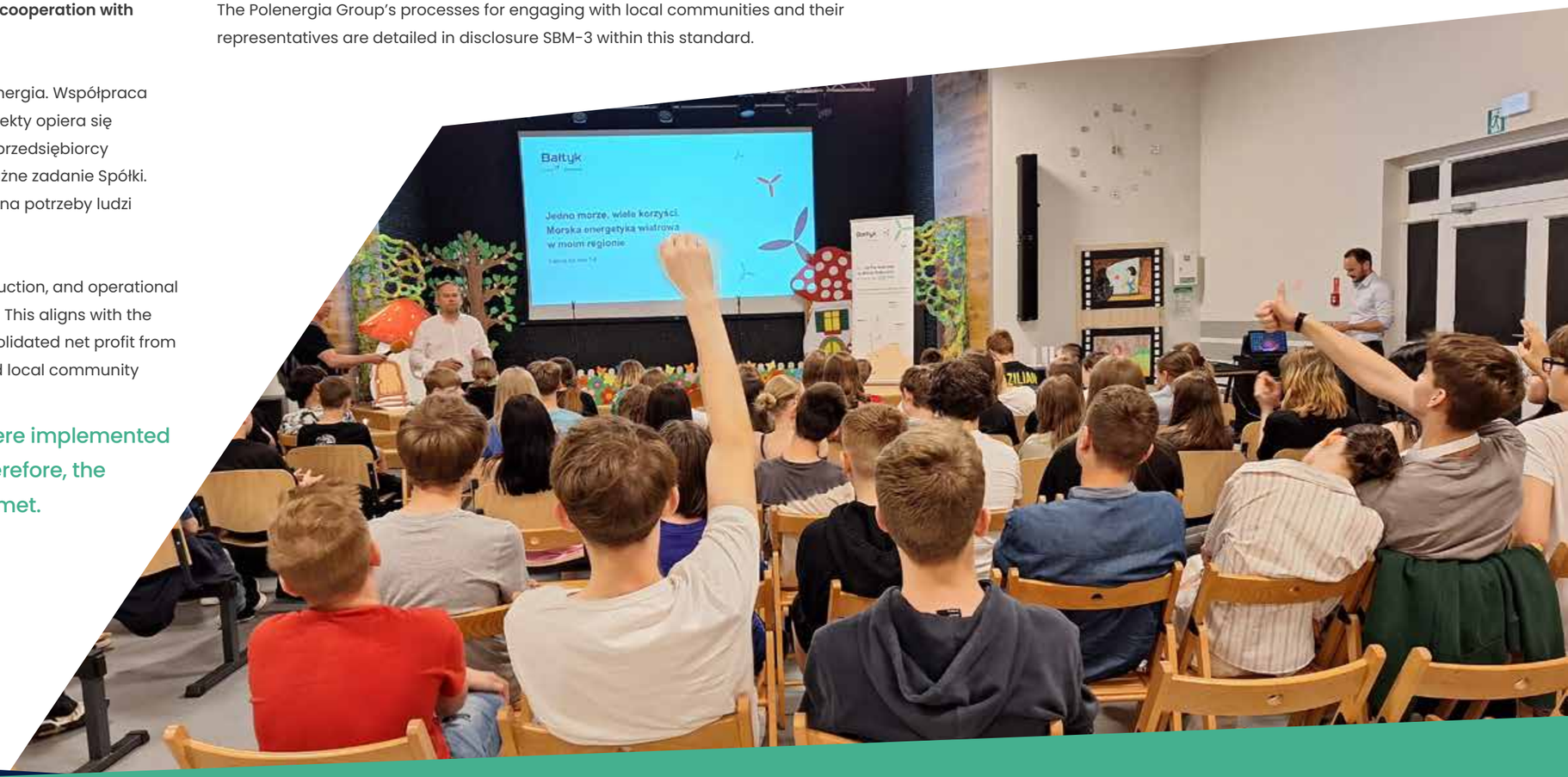
Wspieranie rozwoju społeczności lokalnych jest kluczowe dla Grupy Polenergia. Współpraca z mieszkańcami terenów, w pobliżu których Polenergia rozwija swoje projekty opiera się na dialogu i zaangażowaniu. Wywiązywanie się z roli odpowiedzialnego przedsiębiorcy i pracodawcy, członka społeczności lokalnej oraz dobrego sąsiada to ważne zadanie Spółki. Dlatego Polenergia deklaruje otwartość na otaczający świat, wrażliwość na potrzeby ludzi i przyrody oraz chęć niesienia pomocy.

The Group's SPVs lead these efforts throughout the development, construction, and operational phases, implementing the Polenergia Group's Social Engagement Policy. This aligns with the ESG Strategy's operational objective of allocating 1% of the Group's consolidated net profit from the previous year to charitable causes, with at least 60% directed toward local community projects.

In 2024, the total of 443 social engagement projects were implemented with PLN 3 189 350.89 dedicated to these initiatives. Therefore, the objectives set under the ESG Strategy have been 100% met.

Furthermore, an exclusion identification survey was conducted to pinpoint areas where Polenergia can provide targeted support to local communities.

The Polenergia Group's processes for engaging with local communities and their representatives are detailed in disclosure SBM-3 within this standard.



S4

Consumers and End-Users

SBM-2

Interests and Views of Stakeholders

The Polenergia Group conducts its business responsibly, prioritizing the views and rights of consumers and end-users. The Group is deeply committed to ESG principles, actively engaging in open dialogue about its commitment and educating consumers and end-users on the importance of sustainable practices.

A prime example of Polenergia's sustainable approach to consumer engagement is Polenergia eMobility, which bases its strategy on sustainability, transparency, and close collaboration with stakeholders in building a network of ultra-fast and fast charging stations.

In creating its consumer offerings, Polenergia focuses on building trust and transparency. The goal is to ensure that every customer and consumer has full access to information about the company's offerings, environmental benefits, and the cutting-edge technologies employed by the Company in each investment. Polenergia eMobility maintains several direct and indirect communication channels, managed by dedicated internal team members, to support this transparency.

Polenergia's eMobility strategy involves continuous monitoring of market trends and changes. Regular analyses are conducted to adapt offerings in response to shifts in consumer preferences, technological advancements, and legislative changes, such as amendments to the Act on Electromobility and Alternative Fuels. This allows for strategic deployment of charging stations and efficient resource allocation, with a focus on investments with the greatest potential for electromobility growth. Key initiatives include the development of charging hubs in city centers, along the TEN-T trans-European transport network, and the construction of charging stations for electric heavy-duty vehicles (eHDVs).

Polenergia eMobility is an active member of the Polish New Mobility Association (Polskie Stowarzyszenie Nowej Mobilności), the largest industry organization in Poland and Central and Eastern Europe (CEE) promoting the electromobility and hydrogen technology markets. This partnership gives Polenergia access to valuable analyses, studies, and development trends in the Polish, European, and global markets. One of the key tools used in planning and service creation is the Polish EV Outlook report, part of which is available at: https://polishevoutlook.pl/.

Polenergia's ESG strategy incorporates close attention to customer needs, market conditions, and consumer feedback. This approach not only drives the development of innovative charging infrastructure but also fosters long-term, responsible relationships with the Group's stakeholders.

SBM-3

Material Impacts, Risks and Opportunities and their Interaction with Strategy and Business Model

The scope of disclosures presented in this chapter concerns natural persons entering into contractual relationships with companies belonging to the Polenergia Group. Specifically, this includes end-users of energy and distributed energy products and services (such as photovoltaic installations, heat pumps, energy storage, and charging stations) provided by the Group, as well as prosumers.

Given the nature of the industry, some segments' end consumers may be located further down the value chain. Due to the absence of a direct relationship with this group, as well as their non-specific characteristics and the limited data available, only narrow information is disclosed about this consumer group.

CHARACTERISTICS OF POLENERGIA GROUP CONSUMERS AND END-USERS

The following Polenergia Group companies target individual customers and prosumers:

- **Polenergia eMobility,**
- **Polenergia Dystrybucja,**
- **Polenergia Sprzedaż,**
- **Polenergia Fotowoltaika.**

Each company within the Polenergia Group adheres to safety and product quality standards to ensure consumer and end-user satisfaction, while maintaining appropriate quality and safety for the products and services offered. The impacts of Polenergia Group on consumers, as well as the impacts of consumers on the Group, were evaluated through a materiality testing process, along with the associated risk levels.

POLENERGIA EMOBILITY

Polenergia eMobility's customers include B2B partners and EV users who use charging services at publicly available charging stations.

POLENERGIA DYSTRYBUCJA

Polenergia Dystrybucja provides electricity distribution and sales services throughout Poland. It cooperates with developers on the execution of connection agreements for new housing estates. The largest group of consumers of the Company's services are individual household customers, who account for approximately 90% of the total customer base. The Company also serves business customers, including small and medium-sized enterprises from shopping malls, service premises in housing estates, and industrial plants located in economic zones.

POLENERGIA SPRZEDAŻ

Polenergia Sprzedaż directs its offer to:

- Prosumers and consumers who value environmental protection but do not have the opportunity to install a photovoltaic system.
- Business clients interested in a fixed energy price, with the option to repurchase production from their own PV installation.
- Large business customers interested in the cPPA and PPA+ models.

POLENERGIA FOTOWOLTAIKA

Polenergia Fotowoltaika specializes in providing innovative solutions in photovoltaics, energy storage, heat pumps, and energy optimization. It offers comprehensive products and services for both individuals and businesses looking to reduce energy costs and actively contribute to environmental protection.

MATERIAL IMPACTS ON CONSUMERS AND END-USERS

Material impacts on consumers and end-users arise from the Group's adopted business model and strategy. These impacts are shaped by both the characteristics and conditions of the Polish energy consumer market, as well as the selection of business lines pursued by the Group's companies.

The Polenergia Group identifies the following material impacts on consumers and end-users, as detailed in the SBM-3 disclosure in chapter ESRS-2:

- actual positive impact of product-specific information on the consumer,
- actual positive impact in shaping transparent marketing communications.

MATERIAL RISKS AND OPPORTUNITIES FOR CONSUMERS AND END-USERS

The Polenergia Group has not identified any material risks or opportunities relating to consumers or end-users that would apply only to specific groups of consumers or end-users and not to all of them.

S4-1

Policies Related to Consumers and End-Users

No uniform policies have been introduced at the Polenergia Group level to regulate customer relations. The policy that sets out the general standards for the relationship with each stakeholder, including customers and end-users, is the Polenergia Group's Code of Ethics, described in detail within disclosure S1-1. The Group's Code of Ethics takes into account international UN and human rights standards, as well as the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises.

Furthermore, Polenergia Sprzedaż has implemented a detailed Customer Service Procedure that outlines the process for handling and fulfilling requests from its customers. The actions taken under this procedure are aimed at ensuring the highest quality of customer service, with a primary focus on customer satisfaction and the company's reputation. The procedure specifies the step-by-step handling of various types of requests, including inquiries, complaints, and claims. Its goal is to facilitate timely, comprehensive, and proactive communication between consumers and the Company. This procedure is an internal document, which all employees of Polenergia Sprzedaż who interact with customers are required to familiarize themselves with.

Polenergia Sprzedaż operates in the Polish market. The Customer Service Procedure is overseen by the Billing and Customer Service Director, who reports to the President of the Management Board of Polenergia Sprzedaż.

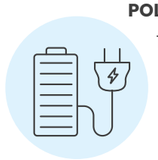
Other companies of the Group are currently developing similar documents to outline their cooperation with consumers and end-users, with the process following established market best practices.

S4-2

Processes for Engaging with Consumers and End-Users About Impacts

The Polenergia Group does not have a uniform procedure for communicating with consumers and end-users; such document is currently being developed. Some of the Group companies that are in direct contact with consumers or end-users have dedicated communication channels.

POLENERGIA EMOBILITY



To ensure high-quality service, Polenergia eMobility utilizes a helpdesk service that provides customers with essential technical and informational support through both telephone and email contact.

Helpdesk for charging station users:

- 24/7 hotline: +48 514 850 100
- e-mail: bok.pem@polenergia.pl

Furthermore, the Company has its own Facebook profile (Meta) through which it maintains ongoing communication with its customers and operates the website www.polenergia-emobility.pl

Consumers can also contact Polenergia eMobility via the “Polenergia eMobility” mobile app which enables:

- registration and logging in your user profile,
- search for charging stations,
- use of fleet profiles,
- adding payment cards and RFID cards,
- starting, running and terminating the charging process,
- insight into the history of charges made,
- redirection to the user support centre (hotline and e-mail contact).

POLENERGIA DYSTRYBUCJA

Polenergia Dystrybucja offers the following channels to consumers and end-users to contact the customer service:

- hotline: +48 699 606 707,
- 24-hour emergency hotline,
- e-mail: bok@polenergia.pl,
- My Polenergia Customer Portal.

The „Moja Polenergia” electronic portal is available online and as a mobile application. It allows users to access their balances and invoices, make fast and secure payments, verify electricity consumption, update personal information, and quickly contact the Customer Service.

POLENERGIA SPRZEDAŻ

Polenergia Sprzedaż has implemented a Customer Service Procedure. Under the procedure, contact with the customer, including the feedback, is possible through several channels, i.e.,:

- helpline: +48 718 898 888 with a unified IVR (Interactive Voice Response) system in place, through which consumers and end-users can select the subject of the call and the Group company they plan to contact,
- e-mail: cok@polenergia-sprzedaz.pl,
- submissions to eBOK (Electronic Customer Service) at: https://ebok.polenergia-sprzedaz.pl/ ,
- submission form: https://ebok.polenergia-sprzedaz.pl/kontakt/,
- postal correspondence.
  Polenergia Sprzedaż Sp. z o.o, ul. Krucza 24/26, 00-526 Warszawa

POLENERGIA FOTOWOLTAIKA

Polenergia Fotowoltaika provides the following channels for consumers and end-users to contact its Customer Service:

- hotline.: +48 799 399 888
- e-mail: dok@polenergia-pv.pl
- postal correspondence:
  Polenergia Fotowoltaika, ul. Szturmowa 2, 02-678 Warszawa

For customers who have used the VIP Care service, Polenergia Fotowoltaika provides dedicated contact channels:

- e-mail: vipcare@polenergia-pv.pl
- telephone: +48 799 394 444

Thanks to the contact channels, customers can easily receive assistance and all necessary information on products, services, installations or service.

Submissions from consumers and end-users of the Polenergia Group received by telephone to the helpdesk and via e-mail mainly concern the following issues:

- the handling of the charging process and ordering the RFID cards (in the case of eMobility),
- clearing, preauthorisation of funds and invoicing (all companies),
- private and company profile registrations (all companies).

The Polenergia Group does not conduct separate initiatives specifically aimed at understanding the views of particularly vulnerable or marginalized consumers or end-users. However, in establishing reporting channels, efforts have been made to consider the diverse communication needs of all consumers and end-users.

S4-3

Processes to Remediate Negative Impacts and Channels for Consumers and End-Users to Raise Concerns

Consumers and end-users can anonymously report any irregularity regarding actual or potential impacts –whether positive or negative – affect or may affect them. Reporting was conducted via the platform https://polenergia.zglaszam.to/ until 31 December 2024. A new platform for submissions at https://zglaszam.polenergia.pl has been launched as of 1 January 2025.

Reports are confidential, with full access granted to authorized personnel only. The entire process is supervised by the Compliance Officer. The Whistleblowing Procedure, which describes the whistleblowing process, applies to all companies within the Polenergia Group.

Consumers and end-users may raise concerns through the channels described above and in the S4-2 disclosure. They can also use the reporting forms available on the websites of the Polenergia Group and its subsidiaries.

To ensure the availability of notification channels, relevant information is provided on the publicly accessible Polenergia Group website (www.polenergia.pl), which is available in English to facilitate communication.

Complaints submitted to the Polenergia Group and its individual companies are handled with confidentiality and full respect for privacy and data protection rights. Each special purpose company within the Polenergia Group registers complaints individually.

Companies within the Polenergia Group that maintain direct contact with customers or end-users keep a register of complaints using dedicated tools, which allow for timely responses and proper categorization of reported cases. For instance, Polenergia Dystrybucja uses a workflow for this purpose.

Furthermore, the number and duration of incoming and outgoing calls are recorded to enable monitoring of the quality of customer calls and responses in complaint situations.

In December 2024, Polenergia Dystrybucja conducted a customer satisfaction survey among 102 customers who signed comprehensive agreements for distribution services and electricity sales during the period from September to November 2024. The survey evaluated the contract execution process, information availability, first impressions after service initiation, the user-friendliness of the available tools, areas for improvement, and overall customer satisfaction.

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 End-Users, and Effectiveness of Those Actions

ACTION - RESPONSIBLE MARKETING

Consumers of Polenergia Group companies – Polenergia eMobility, Polenergia Fotowoltaika, Polenergia Dystrybucja, and Polenergia Sprzedaż – are primarily homeowners and electric vehicle owners or drivers. They are often environmentally conscious, aware of climate change, and supportive of decarbonization efforts. Polenergia's marketing strategies align with these values, focusing on education and increasing consumer awareness.

Polenergia integrates both climate education and sustainability into its communications. Polenergia Sprzedaż, for example, operates a website with information on its Energy 2051 product (100% renewable energy), along with details of its ESG initiatives: Energy 2051 - Rely on renewables | Polenergia].

Polenergia eMobility's marketing practices focus on:

- **Raising awareness of its services** by emphasizing that its charging stations are powered by Energy 2051-certified renewable electricity. This is communicated through the eMobility website (polenergia-emobility.pl), the application website polenergia-emobility.pl/aplikacja, social media, press releases, and outdoor advertising (e.g., at Blue City Shopping Centre in Warsaw).
- **Marketing-driven sales support** by offering promotional campaigns linked to the availability of renewable energy in the grid, such as Holidays with RES, Hours and Weekends with RES, and Green Weekends. These initiatives, which provided lower charging rates during periods of high renewable energy production, earned Polenergia the e-Mobility Media Award.
- **Educating young consumers** through a collaboration with Magic City sp. z o.o. and Blue City Shopping Centre. Polenergia eMobility financed an educational e-car simulator, a charging station, and an interactive quiz demonstrating the charging process. This initiative, completed in December 2024, has been available to children during the opening hours of the Inca Play playground in Blue City since January 2025.

ACTION - PRODUCT SAFETY, PERSONAL SAFETY OF THE CONSUMER AND ACCESS TO INFORMATION

The Polenergia Group ensures that its consumers have access to the highest quality products while maintaining strict safety standards. Polenergia Fotowoltaika offers photovoltaic panels, heat pumps, and energy storage solutions, sourcing only goods that are approved for use in the EU, hold the necessary CE certifications, and comply with Polish and EU regulations. Due to the nature of its business model, the key activities described below are conducted on a regular basis and were carried out throughout the reporting period.

Before establishing cooperation with suppliers, Polenergia verifies product compliance with applicable standards. Furthermore, the Group collaborates with certified subcontractors authorized to work with energy installations. These subcontractors receive training on proper installation methods in accordance with manufacturer requirements. Polenergia Fotowoltaika develops and provides installation guidelines that define the standards necessary to ensure safe product operation and usage. These guidelines, along with checklists for installers, are regularly updated. Installation designs and diagrams undergo review by specialists to ensure product safety. Customers are consistently provided with comprehensive documentation for the key components of their installed systems, including data sheets, installation manuals, warranty cards (as supplied by manufacturers), and the PV Installation User Manual. This information is sent to the email address specified in the contract.

The company has also implemented a procedure for reporting non-conformities by both customers and subcontractors, which applies in cases of deficiencies or damage to components delivered to the installation site. As part of its internal control measures, Polenergia Fotowoltaika inspects installations after completion by subcontractors and, if any non-conformities or irregularities are identified, monitors the defect removal process.

In addition to these measures, Polenergia Fotowoltaika actively engages in further initiatives aimed at enhancing consumer benefits, including::

- Preparation of a customised installation design tailored to each client, including details on benefits from the installation, i.e., the estimated energy output and environmental impact;
- Monitoring of PV installations to verify the correct operation of installed equipment;
- Periodic maintenance inspections to ensure the installation remains in optimal condition and to quickly address minor operational irregularities.

With regard to photovoltaic installations, the company offers a Production Guarantee, ensuring a specified level of energy generation. If the actual output falls short, Polenergia Fotowoltaika compensates users and implements corrective measures such as optimization or system expansion. For selected customers, the company conducts Net Promoter Score (NPS) surveys to assess satisfaction with its services across various departments.

Polenergia Fotowoltaika updates its installation guidelines for subcontractors annually, based on an analysis of recurring issues that have caused or could potentially cause negative consumer impacts. As a result, the company develops annual checklists for post-installation inspections, ensuring that inspectors address all critical areas that could affect consumers or end-users.

Customer requests are managed through the company's IT systems, where they are tracked, controlled, and reported to the Management Board during bi-weekly meetings.

Polenergia Fotowoltaika ensures that its own practices do not contribute to significant negative impacts on consumers or end-users. Installation designs are prepared and sent to customers for approval in accordance with contractual terms, allowing clients to verify the planned execution. Additionally, all installed systems undergo audits to confirm compliance with the original design and installation guidelines. This makes it possible to verify that the installed installation complies with the previously prepared design and installation guidelines.

It is planned to increase end-users' utilization of PV installations through intelligent building energy management systems. The company is also encouraging end-users to upgrade their heating systems by replacing traditional radiators with low-temperature alternatives, which helps reduce the electricity demand of heat pumps.

SERIOUS INCIDENTS RELATED TO THE IMPACT ON THE CONSUMER AND END-USER

No serious human rights issues or incidents affecting end-users or consumers were reported in 2024.

S4-5

Targets Related to Managing Material Negative Impacts, Advancing Positive Impacts, and Managing Material Risks and Opportunities

The Polenergia Group has set targets for managing significant negative impacts, advancing positive impacts and managing material risks and opportunities that relate to consumers and end-users. These objectives have been incorporated into the Polenergia Group's Sustainable Development Strategy with a 2023-2030 time horizon.

The main ESG objective in this regard is **OBJECTIVE E.2: "Supporting green transformation of clients",** which Polenergia pursues through the activities of its special purpose vehicles, i.e., primarily the production, sale and trading in energy from renewable sources, as well as through the wide range of distributed energy products and services (photovoltaic installations, heat pumps, energy storage, charging stations) provided by the Group.

Polenergia eMobility has increased the number of charging stations to 76 in 2024 and increased the share of charging station capacity to 8.8 MW, an increase of 526% year-on-year.

Polenergia Dystrybucja serves individual customers who generate energy from renewable sources for their own use through installations connected to its network. In 2024, the company connected 12 new installations, marking a 30% year-on-year increase. By the end of 2024, the total number of power consumption points (PPE) reached 51.

Customers of Polenergia Dystrybucja are increasingly connecting electric car chargers to the grid, contributing to the growth of electromobility infrastructure and supporting energy transition. By the end of 2024, the company operated 68 such chargers, with 35 new devices connected in 2024 alone. This represents a more than 100% increase compared to the previous year.

05

GOVERNANCE INFORMATION

G1

Business Conduct

GOV-1

The Role of Administrative, Supervisory and Governing Bodies

The role and expertise of the administrative, management and supervisory bodies with regard to business conduct is described within the ESRS 2 GOV-1 disclosure in this report.

IRO-1

Description of Processes to Identify and Assess Material Impacts, Risks and Opportunities

The full process for identifying risks and opportunities is described in the IRO-1 disclosure under ESRS 2.

G1-1

Business Conduct Policies and Corporate Culture

CODE OF ETHICS

The Polenergia Group operates in an ethical and legal manner, with the implementation of corporate social responsibility and sustainable development being central to its operations. The Group ensures that business development consistently aligns with the values outlined in its internal regulations. The most important of these is the Polenergia Group's Code of Ethics, which serves as a practical guide for complying with the law, upholding good customs, maintaining standards of conduct derived from the Group's organizational culture, and adhering to generally accepted best practices.

The Code of Ethics is detailed in disclosure S1-1.

ANTI-CORRUPTION POLICY

The Polenergia Group has implemented an Anti-Corruption Policy on 17 January 2023. The policy defines corruption in both the public and private sectors and provides a summary of the most significant provisions of the Criminal Code on various forms of corruption, including examples of conduct that may be regarded as corruption.

The policy establishes general principles for preventing corruption, governing relationships with employees, and regulating interactions with external parties, including decisions related to the purchase of goods and services, contractor vetting, and cooperation with business partners.

The policy also outlines the actions, including whistleblowing, to be taken in the event of suspected corruption. Reports can be submitted through the platform: https://zglaszam.polenergia.pl/. Measures are put in place to ensure that all reports are addressed promptly, independently, and objectively.

The policy is reviewed and updated at least once a year or following any legislative changes in this area. The Compliance Officer is responsible for implementing and overseeing compliance with the policy within the Group. Additionally, compliance with the principles outlined in the policy is supervised by the President of the Management Board.

PROCEDURES FOR RECEIVING AND DEALING WITH INTERNAL WHISTLEBLOWER REPORTS

The Whistleblowing procedure of Polenergia S.A. applies to all the companies within the Group.

Furthermore, the companies of the Polenergia Group covered by the Whistleblower Protection Act of 14 June 2024 and/or Directive (EU) 2019/1937 on the protection of whistleblowers have implemented procedures for receiving and handling internal reports, so that employees can report any violations. These procedures have been adopted by Polenergia S.A. and Polenergia Fotowoltaika S.A.: Procedure for Receiving and Handling Internal Notifications referred to in the Act on Protection of Whistleblowers at Polenergia S.A. and Procedure for Receiving and Handling Internal Notifications referred to in the Act on Protection of Whistleblowers at Polenergia Fotowoltaika S.A.

The procedures for reporting violations of Polenergia S.A. and Polenergia Fotowoltaika S.A. specify in particular:

1. Methods for reporting legal violations.
2. Scope of reportable violations.
3. Measures to protect whistleblowers from retaliation.
4. Rules governing the investigation of reported violations.
5. Guidelines for collecting, storing, and handling information on reported violations.
6. Confidentiality and data protection measures for whistleblowers, affected individuals, and other parties involved in the investigation.
7. Available channels for submitting reports of violations.

The procedures apply to individuals who report or disclose information on violations obtained in a work-related context. Anonymous reporting is permitted.

The procedures strictly prohibit any form of retaliation against individuals who submit a report, whether through internal reporting, external reporting, or public disclosure. These procedures were developed in consultation with representatives of employees in the implementing companies.

The Compliance Officer is responsible for overseeing the implementation and adherence to these policies. The policies are publicly accessible through the Policies and procedures - ESG Service section on the Polenergia Group website.

POLENERGIA S.A. WHISTLEBLOWING PROCEDURE

The Polenergia S.A.'s whistleblowing procedure applies to all Group companies.

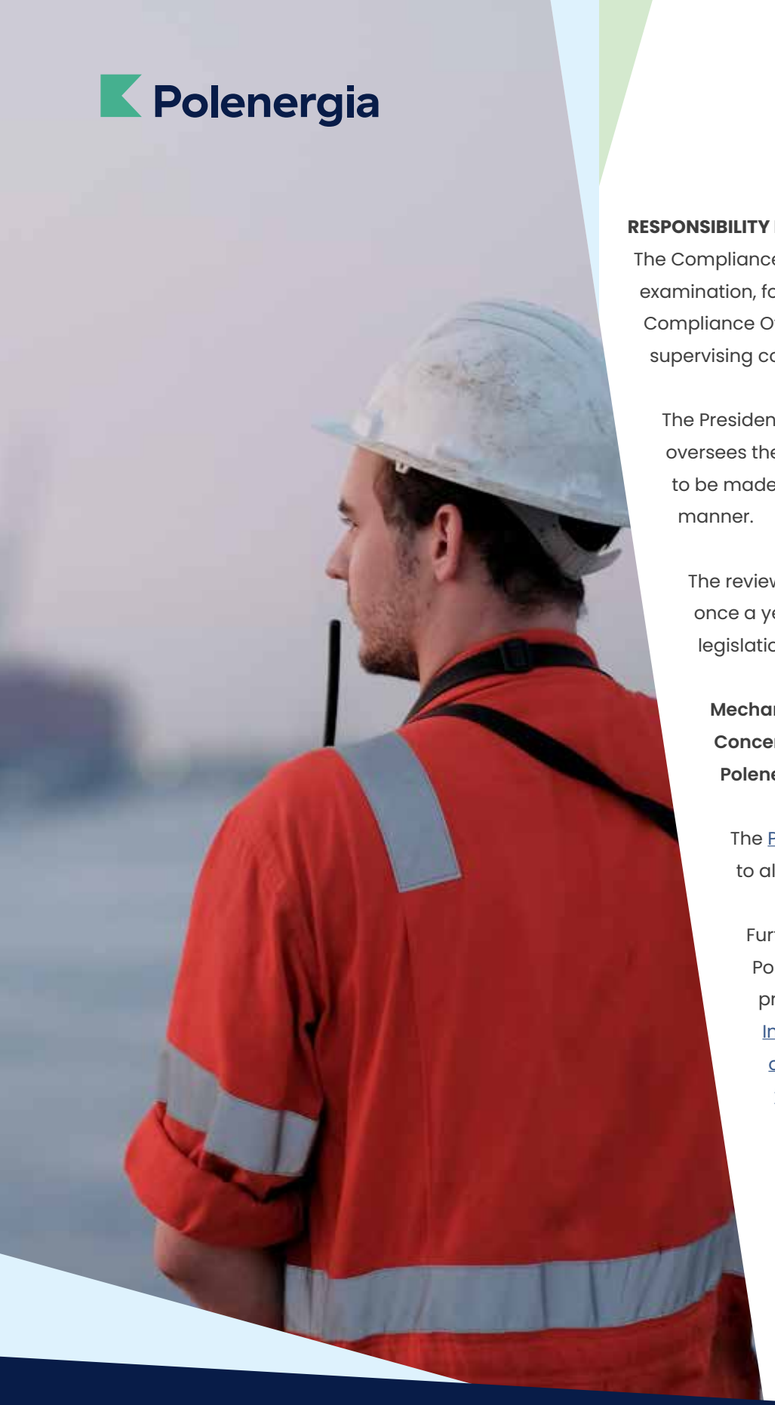
The procedure sets forth:

1. The definition of an irregularity and the reporting process.
2. Who can submit reports and the available reporting methods.
3. Measures to protect individuals who report violations.
4. The process for receiving, investigating, and addressing reports.

Polenergia Group has implemented both a primary and an alternative reporting channel within the frame of the procedure. The primary channel for submission is an online platform which until 31 December 2024 was accessible at https://polenergia.zglaszam.to/. Starting from 1 January 2025, it is available at https://zglaszam.polenergia.pl The alternative submission system has been established to ensure full objectivity and independence when dealing with the submissions. If a submitted report concerns any of the persons involved in the process, the platform allows this to be noted on the form. In such a case, the report is forwarded to the HR Director and is then examined by objective and independent persons.

Reports may be made with attribution or anonymously. The procedure prohibits any retaliation against the whistleblower.

The procedure is made available to interested parties at the Polenergia Group website in the Policies and procedures - ESG Service section.



RESPONSIBILITY FOR THE PROCEDURE

The Compliance Officer is responsible for receiving reports, their examination, follow-up and supervising these processes. The Compliance Officer is also responsible for implementing and supervising compliance with the procedure.

The President of the Management Board of Polenergia S.A. oversees the implementation of solutions that enable submissions to be made in a secure, confidential and legally compliant manner.

The review and update of the Procedure takes place at least once a year and following every change in the relevant legislation.

Mechanism for Identifying, Reporting and Investigating Concerns about Unlawful Conduct Relating to the Polenergia Group

The Polenergia S.A.'s whistleblowing procedure applies to all Group companies.

Furthermore, as mentioned, above Polenergia S.A. and Polenergia Fotowoltaika S.A. have adopted the following procedures: the Procedure for Receiving and Handling Internal Notifications referred to in the Act on Protection of Whistleblowers at Polenergia S.A. and the Procedure for Receiving and Handling Internal Notifications referred to in the Act on Protection of Whistleblowers at Polenergia Fotowoltaika S.A.

The Polenergia Group has established a public reporting channel, as outlined above, with strict procedures prohibiting any form of retaliation against individuals who submit a report, whether internally, externally, or through public disclosure.

The Group upholds the principles of prompt, independent, and objective investigation of business conduct incidents, including cases of corruption and bribery, in accordance with its procedures for receiving and handling internal reports. These processes are supported by the dedicated reporting platform.

To ensure transparency, ethical business practices, and a safe working environment, the Polenergia Group collects information on all irregularities, not just those covered by the Whistleblower Protection Act. Consequently, the Group enables reporting not only within all Group companies but also for other concerns, such as suspected bullying or unethical behaviour. These reports follow the same structured process as described above.

TRAINING ON BUSINESS CONDUCT

Employee trainings organised at Polenergia S.A. are governed by the Procedure on training and qualification improvement of Polenergia S.A. employees.

All employees and associates of Polenergia Group undergo initial onboarding training, compliance training and annual refresher training on compliance issues (in particular covering the topics of anti-corruption, verification of business partners, anti-money laundering and counter-terrorist financing, application of compliance clauses, whistleblowing rules). The trainings end with a test.

In the Polenergia Group, the front office employees, salesmen working in the Polenergia Fotowoltaika as well as managers responsible for the development and construction of projects who maintain dialogue with local government authorities are the most exposed to activities related to corruption or bribery. Those persons follow the Business Partner Code clearly outlines the principles of transparent cooperation with the aforementioned groups.

G1-2

Management of Relationships with Suppliers

POLICIES ON RELATIONS WITH SUPPLIERS

Polenergia Group's approach to supplier requirements within the value chain is outlined in Business Partner Code. This Code details the standards expected from partners, including suppliers of goods and services, as well as other cooperating organizations, particularly in terms of compliance and ESG principles.

Updated in June 2023, the Code has since been integrated into Polenergia Group's contracts through compliance clauses that obligate partners to adhere to its provisions. The Compliance Officer reviews the Code at least once a year, updating it as necessary in response to newly identified risks or emerging issues. Additionally, the Group's Code of Ethics establishes guidelines for employee conduct towards business partners, ensuring consistency in ethical interactions.

A detailed description of the Code is provided in disclosure S2-1. The Polenergia Group does not currently have a policy specifically aimed at preventing late payments.

SOCIAL AND ENVIRONMENTAL CRITERIA IN THE SELECTION OF SUPPLIERS

The Polenergia Group expects its partners to comply with all applicable international, regional, and national regulations, as well as industry guidelines related to environmental protection, public health, and safety. This expectation is formalized in the Business Partner Code, which all partners must review and accept.

The Group emphasizes minimizing environmental impact, particularly regarding carbon footprint, and encourages partners to prioritize sustainability as a key element of corporate social responsibility. Of its suppliers the Polenergia Group expects high standards in environmental and health protection, including biodiversity preservation and restoration.

The Group also encourages its partners to implement policies, programs, and strategies aimed at reducing adverse impacts at the environment, responsible use of resources, and maintaining positive relationships with local communities. The Group is committed to studying its impact on the environment and local communities, a process that requires cooperation from partners in reporting relevant environmental and social impact indicators.

Consequently, Polenergia expects its partners to actively participate in such reporting. The Group is keen for its partners to proactively assess and take into account the foreseeable impacts of the processes, production of goods and provision of services on the environment, health, safety and local communities in order to prevent or – if not possible – reduce the negative impacts of its activities.

Work is currently underway to implement a supplier assessment and selection system based on social and environmental criteria, with full implementation scheduled for 2025. Furthermore, in December 2024, the Management Board of Polenergia S.A. adopted the Procedure for Minimum Environmental and Social Standards for Contractors' Works, which establishes specific social and environmental requirements for contractors engaged in construction projects.

G1-3

Prevention and Detection of Corruption and Bribery

Every employee and contractor of Polenergia is required to know the Group's anti-corruption policy. Employees are required to undergo training on various compliance topics (including anti-corruption issues). Furthermore, from 2025 onwards, every employee must also take part in refresher training devoted specifically to anti-corruption issues. During the training, employees acquire the skills to effectively recognise and avoid the risks associated with fraudulent practices and, furthermore, learn how to conduct themselves according to the highest ethical standards. The training courses are conducted online.

The Compliance Officer is responsible for investigating corruption and bribery cases. The President of the Management Board of Polenergia S.A. supervises compliance with the principles resulting from the Anti-corruption policy. Conclusions on its application and the overall compliance activities are reported to the Management Board twice a year by the Compliance Officer.

G1-4

Incidents of Corruption or Bribery

In 2024, there were no convictions against Polenergia Group for violations of anti-corruption and anti-bribery laws. Furthermore, no fines were imposed against Polenergia Group in 2024 for violations of bribery laws.

Every employee of Polenergia is required to know the Group's anti-corruption policy. Each employee must also participate in anti-corruption training.

G1-5

Political Influence and Lobbying Activities

The President of the Management Board oversees the entire compliance area, including ensuring adherence to lobbying regulations. Nonetheless, the Company does not engage in lobbying activities.

The Group has not made any financial or in-kind contributions of a political nature. Polenergia Group is not legally required to be a member of a chamber of commerce or any other organization representing its interests.

The Group does not collect or verify information on whether members of its governing, management, or supervisory bodies have previously held positions in public administration.

In Poland, major government legislative initiatives are subject to public consultations, allowing all interested parties to submit comments on draft laws or regulations. The Polenergia Group participates in these consultation processes primarily through its involvement in industry organizations. All submitted comments are publicly available on the official government website.

G1-6

Payment Practices

Polenergia Group pays special attention to timely payments in accordance with the Act on Prevention of Excessive Delays in Commercial Transactions. The Polenergia Group has an Accounting Policy and a Procedure on Accounting Document Circulation, Invoice Acceptance Process and Accounting Document Records at Polenergia S.A., the purpose of which is to ensure a transparent and consistent and correct document circulation process.

Contractual payment terms do not exceed 30 days. In the Polenergia Group, standard payment terms vary depending on the category of suppliers and contractual arrangements.

At present, the Polenergia Group does not systematically monitor the rate of on-time payments. However, work is underway to develop procedures and systems to accurately track and report this data. Ultimately, the process will be based on the analysis of accounting data and reporting of indicators in accordance with accepted standards. The Group aims to disclose data on the timeliness of payments made in the 2025 report.

In 2024, one company in the Polenergia Group (Polenergia Obrót S.A.) was party to court proceedings regarding late payments. The proceedings were instituted by Polenergia Obrót S.A. The case concerns a default payment by Jeronimo Martins Polska S.A. to Polenergia Obrót S.A.

Polenergia

The report was developed by Polenergia's ESG Team under the leadership of the Environment and Sustainability Director and ESG Coordinator.

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Report ESG: ESG Report

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