



ZE PAK SA CAPITAL GROUP

MANAGEMENT BOARD REPORT ON THE ACTIVITIES OF ZE PAK SA AND THE ZE PAK SA CAPITAL GROUP IN 2025

*(This is a translation of the document issued originally in Polish language.
The Polish original should be referred to in matters of interpretation.)*



28 KWIEŹNIA 2026

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1. SELECTED CONSOLIDATED FINANCIAL DATA

<i>Selected consolidated financial data</i>	<i>thousands of zlotys 12 months 2025 period from 01/01/2025 until December 31, 2025</i>	<i>thousands of zlotys 12 months 2024 period from 01/01/2024 until December 31, 2024</i>	<i>thousands of euros 12 months 2025 period from 01/01/2025 until December 31, 2025</i>	<i>thousands of euros 12 months 2024 period from 01/01/2024 until December 31, 2024</i>
Sales revenue	1 333 834	2 185 257	314 791	507 703
Profit/Loss from operating activities	(133,325)	264 613	(31,465)	61,478
Gross Profit/Loss	(159,044)	241 496	(37,535)	56 107
Net profit/loss for the financial period	(164,429)	262 915	(38,806)	61,083
Net profit attributable to shareholders of the parent company	(164,455)	262 928	(38,812)	61,086
Total income	(163,841)	261 782	(38,667)	60 820
Net cash from operating activities	496 489	484 705	117 174	112 612
Net cash from investing activities	(1,045,340)	(478,409)	(246 705)	(111 149)
Net cash from financing activities	565 022	(34,346)	133 348	(7,980)
Net change in cash and cash equivalents	16 171	(28,050)	3 816	(6,517)
Net earnings per share (in PLN/EUR per share)	(3.24)	5.17	(0.76)	1.20
Weighted average number of shares	50 823 547	50 823 547	50 823 547	50 823 547
	<i>state of 31/12/2025</i>	<i>state of 31/12/2024</i>	<i>state of 31/12/2025</i>	<i>state of 31/12/2024</i>
Total assets	4 115 960	3 849 821	973 800	900 964
Fixed assets	3 233 996	2 281 276	765 135	533 882
Current assets	881 964	1 568 545	208 665	367 083
Total equity	2,011,634	2 175 475	475 935	509 121
Share capital	101 647	101 647	24,049	23,788
Equity attributable to shareholders of the parent company	2,009,415	2 173 282	475 410	508 608
Total liabilities	2 104 326	1 674 346	497 865	391 843
Long-term liabilities	558 936	619 761	132 239	145 041
Short-term liabilities	1 545 390	1,054,585	365 626	246 802
Book value per share (in zloty/euro per share)	39.54	42.76	9.35	10.01
Weighted average number of shares	50 823 547	50 823 547	50 823 547	50 823 547

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<i>Selected financial data of ZE PAK SA</i>	<i>thousands of zlotys 12 months 2025 period from 01/01/2025 until December 31, 2025</i>	<i>thousands of zlotys 12 months 2024 period from 01/01/2024 until December 31, 2024</i>	<i>thousands of euros 12 months 2025 period from 01/01/2025 until December 31, 2025</i>	<i>thousands of euros 12 months 2024 period from 01/01/2024 until December 31, 2024</i>
Net revenues from the sale of products, goods and materials	1 237 891	2 119 031	292 148	492 317
Profit/Loss from operating activities	(180 724)	28,371	(42,652)	6,591
Gross Profit/Loss	(121,813)	64,862	(28,748)	15,069
Net profit/loss	(126 049)	65 192	(29,748)	15 146
Net cash from operating activities	454 226	367 187	107 200	85 309
Net cash from investing activities	(360 211)	(347 115)	(85,012)	(80,646)
Net cash from financing activities	(279)	(263)	(66)	(61)
Total net cash flow	93 736	19,809	22 122	4,602
Net earnings per share (in zloty/euro per share)	(2.48)	1.28	(0.59)	0.30
Weighted average number of shares	50 823 547	50 823 547	50 823 547	50 823 547
	<i>state of 31/12/2025</i>	<i>state of 31/12/2024</i>	<i>state of 31/12/2025</i>	<i>state of 31/12/2024</i>
Total assets	2 834 235	3 033 269	670 555	709 869
Fixed assets	2 226 905	2 422 186	526 866	566 858
Current assets	607 330	611 083	143 689	143 010
Equity capital	1 931 976	2 058 025	457 089	481 635
Share capital	101 647	101 647	24,049	23,788
Liabilities and provisions for liabilities	902 259	975 244	213 467	228 234
Long-term liabilities	126 466	128 304	29,921	30 027
Short-term liabilities	114 268	115 653	27,035	27,066
Book value per share (in zloty/euro per share)	38.01	40.49	8.99	9.48
Weighted average number of shares	50 823 547	50 823 547	50 823 547	50 823 547

Selected consolidated financial data has been translated using the following exchange rates:

- data regarding the statement of comprehensive income (profit and loss account) and the statement of cash flows (cash flow account) in accordance with the exchange rate being the arithmetic average of the average NBP exchange rates from each last business day of the month of the financial period from 1 January 2025 to 31 December 2025, which gives 4.2372 EUR/PLN, and from 1 January 2024 to 31 December 2024, which gives 4.3042 EUR/PLN.
- data on individual items of the statement of financial position (balance sheet) in accordance with the average euro/zloty exchange rate announced by the National Bank of Poland as at 31 December 2025, i.e. 4.2267 euro/zloty, and as at 31 December 2024, i.e. 4.2730 euro/zloty.

2. CHARACTERISTICS OF THE COMPANY AND THE CAPITAL GROUP

2.1. Basic information about the Company and the Capital Group

Basic information about the company

ZE PAK Spółka Akcyjna (formerly Zespół Elektrowni Pątnów – Adamów – Konin Spółka Akcyjna, hereinafter also referred to as "ZE PAK SA" or the "Company") operates as a joint-stock company, pursuant to the provisions of the Commercial Companies Code and other generally applicable provisions of Polish law. The Company was established through the transformation of the state-owned enterprise Zespół Elektrowni Pątnów – Adamów – Konin, headquartered in Konin, into a company wholly owned by the State Treasury under the name Zespół Elektrowni "Pątnów – Adamów – Konin" Spółka Akcyjna. The transformation deed was signed on December 29, 1994, before Notary Elżbieta Brudnicka of the Notary's Office in Warsaw. On December 31, 1994, the Company was entered by the District Court in Konin into the Commercial Register in Section "B" under number RHB 847. Based on the decision of the District Court in Poznań, XXII Commercial Division of the National Court Register, dated June 21, 2001, the Company was entered into the Register of Entrepreneurs. Currently, the Company is entered in the Register of Entrepreneurs maintained by the District Court for Poznań Nowe Miasto and Wilda in Poznań, 9th Commercial Division of the National Court Register, under KRS number 0000021374. The Company was established for an indefinite period.

Name:	ZE PAK Joint Stock Company
Legal form:	joint-stock company
Short name:	ZE PAK SA
Headquarters and address:	ul. Kazimierska 45, 62-510 Konin, Poland
Telephone number:	+48 63 247 30 00
Fax number:	+48 63 247 30 30
Website:	www.zepak.com.pl
Email address:	zepak@zepak.com.pl
KRS:	0000021374
REGON:	310186795
Tax Identification Number:	665-000-16-45

According to the Company's Articles of Association, the Company's core business is the generation and sale of electricity and the production and sale of heat. The Company generates energy from conventional sources. The Company has decided to gradually phase out its lignite-fired energy production operations and participate in a number of projects, focusing its future operations on low-emission and carbon-neutral energy sources. The Company may operate in the territory of the Republic of Poland and abroad. It should be noted that both the Company and the Group are currently undergoing significant changes regarding the nature of their future operations. Current investment initiatives are being implemented through special purpose vehicles, also in collaboration with external partners. This mode of operation of the Group will transform the Company into a holding entity, concentrating its shares in companies responsible for the implementation of separate projects.

The Company's shares are listed on the regulated market operated by the Warsaw Stock Exchange. The Company's shares are dematerialized and assigned the securities code ISIN PLZEPAK00012 by the National Depository for Securities.

The share capital of ZE PAK SA did not change in 2025. As of December 31, 2025, the share capital amounted to PLN 101,647,094.00 and was divided into 50,823,547 series A bearer shares with a nominal value of PLN 2.00 each, which entitle their holders to 50,823,547 votes at the Company's General Meeting, which constitutes 100% of the total number of votes at the Company's General Meeting.

The company does not have any branches (plants).

Basic information about the Capital Group

As of December 31, 2025, the ZE PAK SA Capital Group (also referred to hereinafter as the "Group," "Capital Group," or "ZE PAK SA Group") consisted of the parent entity, ZE PAK SA, eleven subsidiaries, and a company in which ZE PAK SA holds shares and consolidates using the equity method. As of the date of publication of this report, the Group no longer includes the jointly controlled entity PGE PAK Energia Jądrowa SA, whose shares were sold to Polska Grupa Energetyczne SA in the second half of 2025. A detailed list (historical and current as of the date of publication of this report) of companies comprising the ZE PAK SA Capital Group and other companies in which ZE PAK SA holds shares is presented in Table 1.

The companies most significant to the Group due to their scale of operations are ZE PAK SA, engaged in electricity and heat generation, and PAK KWB Konin SA, engaged in lignite mining. The Group's conventional generation assets in 2025 included a 474 MW coal-fired unit located at the Pątnów Power Plant, in central Poland, in the Wielkopolska Voivodeship. Units 1, 2, and 5, with a total capacity of 644 MW, were still operational in 2024 at the Pątnów Power Plant, and were decommissioned at the end of 2024. The Group's mining assets are concentrated in PAK KWB Konin SA, which has also been reducing the scale of its operations in recent years. In 2025, PAK KWB Konin SA operated only one, and the last, lignite open pit – Tomisławice.

For several years, the Group has been gradually reducing its lignite mining and lignite-based energy production activities, ultimately ceasing these activities altogether. The current baseline scenario predicts that coal mining and energy production will continue until the currently mined area of the Tomisławice open-pit mine is exhausted, which, in the Company's opinion, should occur no later than the end of the first half of 2026. The Company plans to continue providing services related to its participation in the capacity market until the end of 2026.

One of the Group's promising assets is an indirect subsidiary of ZE PAK SA, PAK CCGT sp. z o.o., which is responsible for the preparation and implementation of a project to build a gas-fired power unit on the site of the former Adamów coal-fired power plant. Construction work began in December 2023. By the end of 2025, most of the construction work had already been completed, and the unit is expected to be commissioned in the third quarter of 2027. At the end of 2025, the Group secured external financing for this project. To date, the project has been implemented using internal funds and funds obtained through bridge financing.

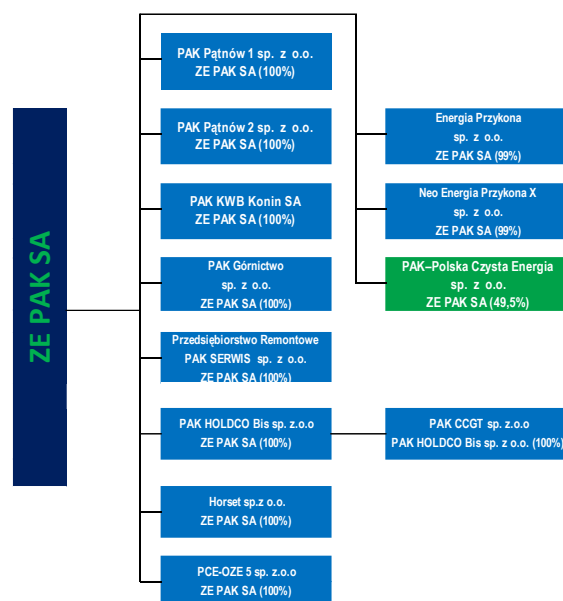
Another project being developed within the Group is the construction of a wind farm with a total capacity of 500 MW across three counties in the Opole Voivodeship. In the second quarter of 2024, the Company acquired a 99% stake in the special purpose vehicles implementing this project. As of the date of this report, preparatory and design work is underway to bring the project to the construction readiness stage. Due to the scale of the undertaking, the Group will consider securing an external partner to implement this project.

The ZE PAK SA Group cooperates with the Cyfrowy Polsat SA Capital Group ("Polsat Plus Group"), jointly developing a structure of subsidiaries of PAK – Polska Czysta Energia sp. z o.o. ("PAK – PCE"), whose activities are focused on generating energy from renewable sources and the production and use of green hydrogen. Cyfrowy Polsat SA holds a 50.5% stake in PAK – PCE, and thus control of the company, while ZE PAK SA is a minority shareholder with a 49.5% stake. PAK – PCE's main generating assets include two biomass-fired units generating electricity and heat with a total capacity of 110 MW located at the Konin Power Plant, an 83 MW photovoltaic farm located in Brudzew, and five wind farms: Kazimierz Biskupi, Miłosław, Przysów, Człuchów, and Drzeżewo, with a total capacity of approximately 289 MW. In the area of hydrogen projects, a comprehensive chain of production, distribution and use of green hydrogen has been built, which is currently being scaled to the current market situation.

In addition to the companies from the above-mentioned main areas of activity, the Group also includes other companies that deal with, among others: the implementation of construction and assembly works, maintenance works, service, production and commercial activities aimed at meeting the needs and comprehensive servicing of industry.

The vast majority of the Group's sales revenue comes from electricity sales. The Group also generates revenues from the Capacity Market mechanism, both through winning capacity market auctions (primary market) and by assuming capacity obligations from other entities (secondary market). Additional revenues come from the sale of heat and construction and renovation contracts. The Group's ownership of a lignite mine ensures the Pątnów Power Plant has access to uninterrupted supplies of lignite for its own production facilities located in the immediate vicinity of the mine. The Group's vertical integration allows it to optimize coal reserves and supplies by coordinating coal mining with demand for this fuel.

Figure 1: Diagram of ZE PAK SA subsidiaries as of December 31, 2025 and as of the date of publication of the report*



* The structure of ZE PAK SA subsidiaries has not changed since the end of the financial year until the date of publication of the report.

Table 1: List of companies in which ZE PAK SA holds shares

			The Group's percentage share in the capital		
Unit	Headquarters	Scope of activity	As of the date of publication of the report	As of December 3, 2025	As of December 31, 2024
Subsidiaries of ZE PAK SA					
"PAK Konin Brown Coal Mine" SA	62-540 Kleczew, ul. 600-lecia 9	Lignite mining	100.00%	100.00%	100.00%
"PAK Górnictwo" sp. z o. o.	62-510 Konin, Przemysłowa Street 158	Machine repair and maintenance	100.00%	100.00%	100.00%
Repair Company "PAK SERWIS" sp. z o. o.	62-510 Konin, Przemysłowa Street 158	Renovation and construction services	100.00%	100.00%	100.00%
"PAK CCGT" sp. z o. o.	62-510 Konin, Kazimierska Street 45	Electricity generation	100.00%*	100.00%*	100.00%
"PCE – OZE 5" sp. z o. o.	62-510 Konin, Kazimierska Street 45	Electricity generation	100.00%	100.00%	100.00%*
"PAK Pątnów 1" sp. z o. o. (formerly Pak Pątnów sp. z o. o.)*	62-510 Konin, Kazimierska Street 45	Electricity generation	100.00%	100.00%	100.00%
"PAK Pątnów 2" sp. z o. o.	62-510 Konin, Kazimierska Street 45	Electricity generation	100.00%	100.00%	-
"Ørsted Polska OF SPV 1" sp. z o. o.**	04-028 Warsaw, 61A United States Avenue	Electricity generation – offshore wind energy	-	-	60.00%

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"Ørsted Polska OF SPV 2" sp. z o. o.**	04-028 Warsaw, 61A United States Avenue	Electricity generation – offshore wind energy	-	-	1.00%
"Ørsted Polska OF SPV 3" sp. z o. o.**	04-028 Warsaw, 61A United States Avenue	Electricity generation – offshore wind energy	-	-	1.00%
"Ørsted Polska OF SPV 4" sp. z o. o.**	04-028 Warsaw, 61A United States Avenue	Electricity generation – offshore wind energy	-	-	1.00%
"Ørsted Polska OF SPV 5" sp. z o. o.**	04-028 Warsaw, 61A United States Avenue	Electricity generation – offshore wind energy	-	-	1.00%
"Ørsted Polska OF SPV 6" sp. z o. o.**	04-028 Warsaw, 61A United States Avenue	Electricity generation – offshore wind energy	-	-	60.00%
"Ørsted Polska OF SPV 7" sp. z o. o.**	04-028 Warsaw, 61A United States Avenue	Electricity generation – offshore wind energy	-	-	1.00%
"Ørsted Polska OF SPV 8" sp. z o. o.**	04-028 Warsaw, 61A United States Avenue	Electricity generation – offshore wind energy	-	-	50.00%
"Ørsted Polska OF SPV 9" sp. z o. o. (formerly "Mawzorino Investments" sp. z o. o.)**	04-028 Warsaw, 61A United States Avenue	Electricity generation – offshore wind energy	-	-	50.00%
"Ørsted Polska OF SPV 10" sp. z o. o.**	04-028 Warsaw, 61A United States Avenue	Electricity generation – offshore wind energy	-	-	50.00%
"Horset" sp. z o. o.	03057 Kyiv/Ukraine Smolenskiska 31/33		100.00%	100.00%	100.00%
"Energia Przykona" sp. z o. o.	02-797 Warsaw, Franciszka Klimczaka Street1	Electricity generation	99.00%	99.00%	99.00%
"Neo Energia Przykona X" sp. z o. o.	02-797 Warsaw, Franciszka Klimczaka Street1	Electricity generation	99.00%	99.00%	99.00%
"PAK HOLDCO Bis" sp. z o. o.	62-510 Konin, Kazimierska Street 45	Activities of main offices	100.00%	100.00%	-
Companies in which ZE PAK SA holds shares and consolidates using the equity method					
"PAK – Polish Clean Energy" sp. z o. o.	62-510 Konin, Kazimierska Street 45	Activities of central companies, excluding financial holding companies	49.50%	49.50%	49.50%
Jointly controlled entities (not consolidated)					
PGE PAK Nuclear Energy SA	62-510 Konin, Kazimierska Street 45	Electricity generation	-	-	50.00%

* Entities where ZE PAK SA has a partial or total indirect shareholding through other companies from the ZE PAK SA Group

** On April 30, 2025, PAK Pątnów (Acquiring Company) sp. z o. o. merged with ten companies of Ørsted Polska OF SPV 1-10 (Acquired Companies)

As at 31 December 2025, the share of the total number of votes held by the Group in its subsidiaries is equal to the Group's share in the capital of these entities.

Description of changes in the Group's structure

On January 14, 2025, ZE PAK SA acquired 100% of shares in PCE – OZE 5 sp. z o.o. from PAK CCGT sp.

In January 2025, ZE PAK SA acquired 100% of shares in each of the following companies: ØRSTED Polska OF SPV 1-10 sp. z o.o. On April 30, 2025, a merger took place between a subsidiary of the Company – PAK Pątnów sp. z o.o. (the acquiring company) and ten of the aforementioned Ørsted Polska OF SPV 1 – 10 companies (the companies being acquired) by transferring all assets of the companies being acquired to the acquiring company, by way of universal succession, and dissolving the companies being acquired without liquidation, pursuant to Article 492 § 1 item 1), Article 493 § 1 and Article 516 § 6(1) of the Commercial Companies Code, on the terms specified in the merger plan of January

31, 2025. On August 7, 2025, the National Court Register registered a change of the company's name to PAK Pątnów 1 sp. z o.o.

In the third quarter of 2025, within the ZE PAK SA Capital Group, PAK HOLDCO Bis sp. z o. o. and PAK Pątnów 2 sp. z o. o. were established. Both companies were registered in the National Court Register on August 19, 2025.

On October 17, 2025, the Company signed a final agreement with PGE Polska Grupa Energetyczna SA for the sale of 50% of shares in PGE PAK Energia Jądrowa SA to PGE SA. The acquisition of shares, in accordance with Article 328§9 of the Commercial Companies Code, occurred upon making an appropriate entry in the register of shareholders of PGE PAK Energia Jądrowa SA – this entry took place on October 20, 2025.

2.2. Basic principles and changes in the basic principles of managing the Company and the ZE PAK SA Capital Group

To streamline key management issues within the Capital Group, where ZE PAK SA is the parent company and simultaneously the owner of capital expecting a satisfactory return on invested funds, the Company's organizational structure includes a Management Services Department, reporting directly to the President of the Management Board. The Management Services Department's responsibilities include, among others, matters related to corporate governance. The primary responsibility of the Management Services Department, in the area of corporate governance, is to oversee the activities of the ZE PAK SA Capital Group and other companies in which ZE PAK SA holds shares. This unit coordinates the activities of all Group entities and monitors their compliance with applicable laws and the interests of the entire Capital Group.

In accordance with the Group's policy, members of the Management Board of ZE PAK SA may serve as members of the management boards of key subsidiaries, while members of the supervisory boards of other Group companies may serve as members of the management boards. Furthermore, to ensure the proper functioning of the corporate governance body, the Management Board of ZE PAK SA recommends candidates for the remaining members of the management and supervisory boards of Group companies to the Supervisory Board of ZE PAK SA.

The Company's organizational structure includes organizational divisions encompassing the Company's organizational units (departments, offices, divisions, etc.). Individual organizational divisions are managed by members of the ZE PAK SA Management Board in accordance with the internal division of responsibilities established by the Company's Supervisory Board. Members of the ZE PAK SA Management Board collaborate, coordinate, and coordinate activities related to Company matters, and ensure the proper cooperation of the divisions and organizational units they manage. The areas of the Company's operations managed by individual Management Board members are defined by the Company's organizational regulations, which define the organization of the Company's business.

The ZE PAK SA Capital Group operates shared service centers in the following areas:

- legal area, servicing the bodies of the Group's companies,
- investments,
- accounting, finance and controlling,
- human resources and payroll,
- environmental protection,
- logistics and purchasing,
- administration.

Shared service centers provide services in the areas specified above on the basis of agreements concluded by ZE PAK SA with Group companies. The concentration of competences in individual areas is aimed at improving the quality of services provided and optimizing the operating costs of the ZE PAK SA Capital Group.

The nature of new projects means that a number of currently undertaken investment initiatives will be implemented through special purpose vehicles, often in collaboration with external partners. This approach to Group operations will transform the Company into a holding company, concentrating shares in companies responsible for implementing separate projects.

2.3. Description of the structure of the main capital investments or main capital investments made within the Capital Group

Information regarding the structure of the ZE PAK SA Capital Group can be found above, in section 2.1 of this report. In 2025, the main capital investment was the acquisition of shares in companies to develop wind farms with an expected capacity of 500 MW.

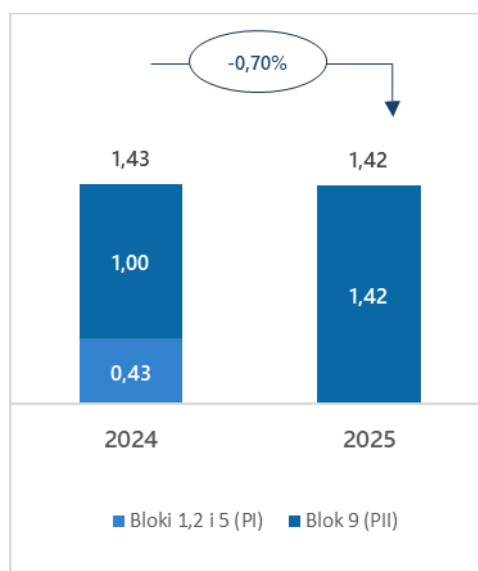
2.4. Characteristics of basic products, goods and services and basic markets and sources of supply

The ZE PAK SA Capital Group currently focuses its operations on several areas. The primary areas are undoubtedly electricity generation from conventional sources and participation in the generation of electricity from renewable energy sources, lignite mining, wholesale electricity trading, and activities aimed at ensuring an adequate supply of CO2 emission allowances. Additionally, the Group includes companies engaged in, among other things, construction and assembly work, maintenance, service, production, and commercial activities aimed at meeting the needs and providing comprehensive services to industry. In 2025, the Group operated primarily in the Polish market. An exception is activity related to certain transactions involving CO2 emission allowances, which were concluded with foreign contractors. One of the companies in the renovation segment, PAK Serwis sp. z o.o., also provides services to foreign entities, primarily German companies involved in the energy sector. One of the Group companies, i.e. Horset sp. z o.o., was registered in Ukraine and its task is to prepare for potential commercial activities.

The Group is an electricity producer and has so far based its production mainly on lignite. However, being aware of the challenges related to operating in the area of emission-intensive energy sources, it has decided to gradually reduce electricity generation from coal until its complete cessation in mid-2026.

Total net electricity production at the Group's power plants in 2025 amounted to 1.42 TWh, down only 0.70% compared to the previous year, given that the last of the 474 MW coal-fired units at the Pątnów Power Plant was in operation in 2025. Units 1, 2, and 5 (Pątnów I) were decommissioned at the end of 2024.

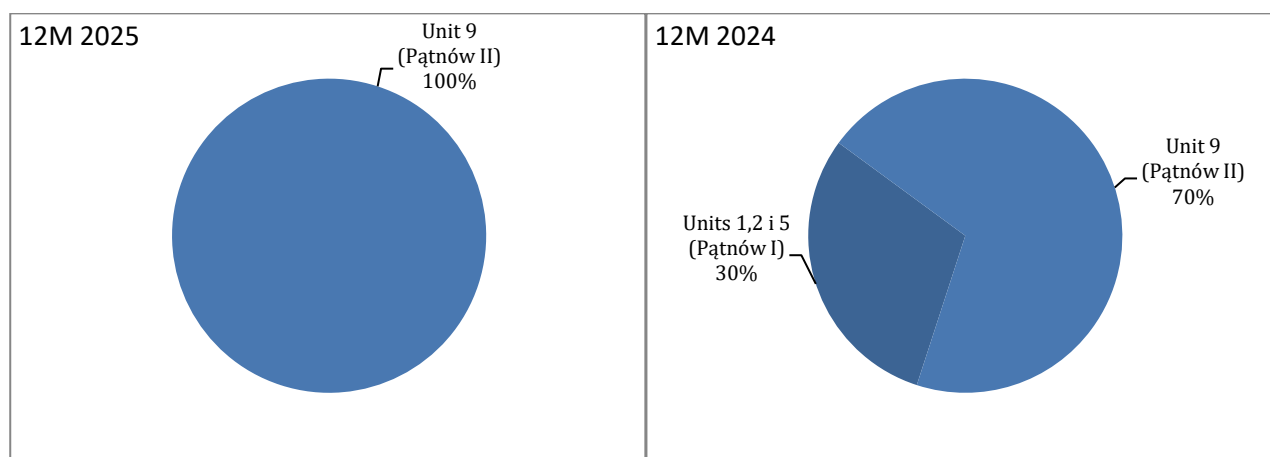
Chart 1: Net electricity production (TWh)



Source: internal data

In implementing the plan to gradually phase out coal-based energy production, the mine belonging to the Group does not undertake significant investments in the mining segment and therefore relies on the currently operated Tomisławice open-pit mine, whose resources are decreasing.

Chart 2: Production structure by power plant



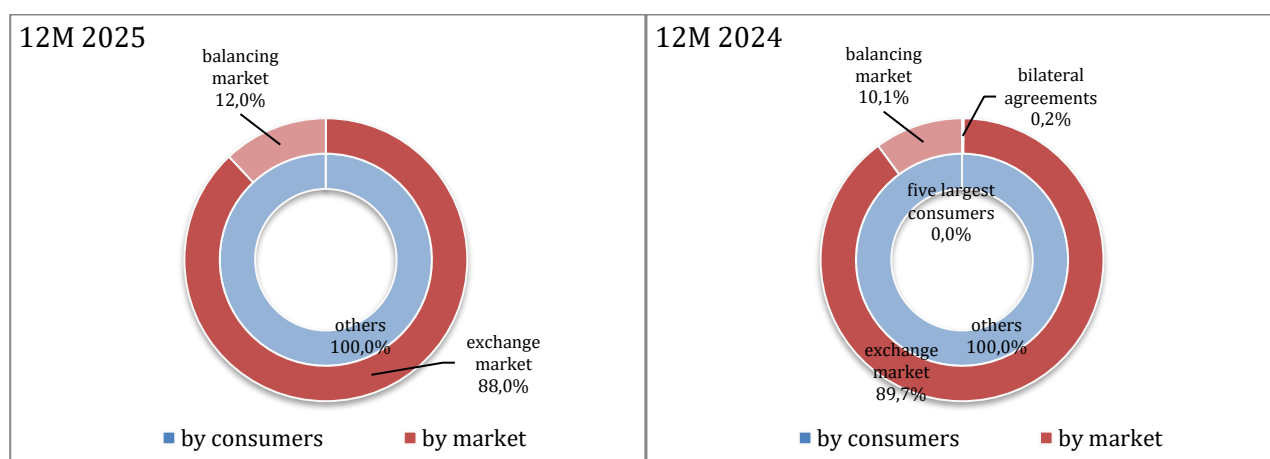
Source: internal data

In addition to energy production, the Group also engages in wholesale energy trading. In 2025, the Group sold a total of 1.86 TWh of electricity from its own production and from purchases on the market, which is 9.27% less than in 2024. In 2025, the Group sold electricity generated exclusively from Unit 9; Units 1, 2, and 5, which were still operating in 2024 and generated approximately half of the revenue from electricity sales, were decommissioned at the end of 2024.

Electricity production increased compared to 2024, which translated into higher sales of generated electricity. Sales on the power exchange fell by approximately 12% compared to the previous year, and prices on this market, driven by the futures market, fell by approximately 30%. However, sales increased through other channels, such as the balancing market and to end users. The decline in purchased energy sales was due to the exclusion of sales previously conducted by PAK – Volt SA and PAK – PCE Biopaliwa i Wodór sp. z o.o., due to the sale of a controlling stake in PAK – Polska Czysta Energia sp. z o.o., the sole shareholder of these companies, to Cyfrowy Polsat.

The primary source of electricity sales in 2025 was the exchange market, which accounted for 88.0% of the total volume of energy sold. The Group did not enter into any bilateral contracts in 2025. Transactions with end users accounted for 0.3% of the total electricity sales volume. The electricity balancing market, where Group companies sold 12.0% of the total electricity sales volume last year, complements the sales structure.

Figure 3: Structure of energy sales by customer (inner ring) and by market (outer ring)



Source: internal data

Revenues from the sale of electricity (total – generated and traded, less excise tax) accounted for 79% of the Group's total sales revenues in 2025, while the Group did not report any revenues received from the termination of long-term contracts (LTCs).

Heat generated in the Group's power plants is sold to local customers. These customers are local industrial producers. Last year, the Group sold 913 TJ of heat. Heat sales accounted for 0.34% of the Group's total sales revenue.

In 2025, revenues from the capacity market amounted to PLN 99,580 thousand and accounted for 7.47% of the Group's sales revenues.

Among the significant sources of revenue supplementing the Group's revenue structure, it's worth mentioning construction and assembly services. PAK Serwis sp. z o. o., one of the Group's companies, handles these types of projects for the Group and external entities. The main external customers are entities from the industrial construction sector and the electricity generation and distribution sector. Revenue from these services provided to external entities accounted for 6.23% of the Group's total sales revenue in 2025. Other activities generated 6.88% of total revenue last year.

The Group's primary energy source is lignite. Mined lignite is delivered directly from open-pit mines to nearby power plants. Therefore, lignite mining at the ZE PAK SA Group is closely correlated with the amount of electricity generated by power plants located near the mines.

3. DESCRIPTION OF ACTIVITY

3.1. Significant events of the financial year and events occurring after the balance sheet date that affect current and future operations

Significant events of the financial year

During the reporting period, both the composition of the Company's Management Board and the composition of the Supervisory Board changed. A description of these changes is presented in section 9.10. "Composition, changes thereto, and description of the activities of the management and supervisory bodies" of this report.

Term Sheet with PGE SA regarding the potential sale of shares in PAK CCGT sp. z o. o. and signing of the final agreement regarding the sale of shares in PGE PAK Energia Jądrowa SA

On January 23, 2025, the Company signed a Term Sheet with PGE Polska Grupa Energetyczna SA ("PGE SA") regarding the potential sale by ZE PAK SA to PGE SA of:

- 100% of shares in the special purpose vehicle PAK CCGT sp. z o. o., implementing the project of building a 600 MWe CCGT gas unit with accompanying infrastructure and
- 50% of shares in PGE PAK Energia Jądrowa SA, in which PGE SA and ZE PAK SA currently hold 50% of shares each.

On July 1, 2025, the Company announced that the exclusivity period granted to PGE SA, specified in the Term Sheet, had expired and had not been extended, and that it would focus on independent implementation of the CCGT project based on other sources of financing.

On October 16, 2025, the Company signed a preliminary conditional agreement with PGE Polska Grupa Energetyczna SA for the sale of 50% of the shares held by the Company in PGE PAK Energia Jądrowa SA to PGE SA.

The condition precedent for the execution of the Agreement was for PGE SA to obtain an unconditional decision of the minister responsible for energy resources management regarding the consent to achieve a dominant position consisting in PGE SA taking over control of PGE PAK Energia Jądrowa SA, in accordance with Article 3f section 1 of the Act of June 29, 2011 on the preparation and implementation of investments in nuclear power facilities and accompanying investments.

On October 17, 2025, the Company signed a final agreement with PGE Polska Grupa Energetyczna SA for the sale of shares in PGE PAK Energia Jądrowa SA to PGE.

The acquisition of shares, in accordance with Article 328⁹ of the Commercial Companies Code, took place upon making an appropriate entry in the register of shareholders of PGE PAK Energia Jądrowa SA – this entry took place on October 20, 2025.

PAK CCGT sp. z o. o. – Bridge financing, conclusion of a significant financial agreement and planned establishment of loan security on assets of significant value

On April 25, 2025, PAK CCGT sp. z o. o. secured bridge financing for the construction of a gas-fired power unit in Turek on the site of the former Adamów Power Plant. PAK CCGT sp. z o. o. entered into a loan agreement with EFG Bank (based in Luxembourg) for an amount of up to PLN 600 million, with a repayment date of December 31, 2025.

On July 18, 2025, PAK CCGT sp. z o. o. and EIG Global Energy (Europe) Limited (the "Investor") signed a Mandate Letter, which includes a non-binding term sheet document specifying the proposed initial terms and conditions for the Investor to provide structurally subordinated financing and providing the Investor with temporary exclusivity in further analyses and negotiations of structurally subordinated financing (within the framework specified in the Mandate Letter agreement) in connection with the ongoing CCGT Block investment project (the "CCGT Block Construction").

Pursuant to the provisions of the Mandate Letter, the Investor and the Company will take reasonable steps to negotiate, conclude, and execute a financing transaction in the form of structurally subordinated debt ("junior debt") in an expected amount of no less than EUR 100 million and no more than EUR 200 million, assuming that the total value of external financing obtained for the construction of the CCGT Unit does not exceed EUR 625 million. The intention of obtaining junior debt financing is to structurally complement the non-subordinated financing within the total project costs.

On September 25, 2025, an amendment to the agreement was signed, increasing the loan amount to PLN 760 million and extending the loan repayment period to December 31, 2026. The financing was intended to ensure the company could continue its investment. The loan bears market interest based on the WIBOR reference rate plus a margin.

On December 17, 2025, PAK CCGT sp. z o. o. entered into loan agreements under English law concerning the financing or refinancing of, among other things, the costs of the gas and steam unit construction project, with a consortium of financial institutions consisting of Alior Bank SA, Bank Gospodarstwa Krajowego, Bank Polska Kasa Opieki SA, Powszechna Kasa Oszczędności Bank Polski SA, Santander Bank Polska SA, UniCredit SpA as lenders and Bank Polska Kasa Opieki SA as agent and security agent.

On the date of conclusion, the credit agreement provided for the granting to PAK CCGT of a term loan up to the amount of PLN 2,155,000,000 (partly secured by a guarantee granted by Korporacja Ubezpieczeń Kredytów Eksportowych SA (**KUKE**)), a revolving VAT loan up to the amount of PLN 100,000,000, a working capital facility (RCF) up to the amount of PLN 40,000,000 with the possibility of increasing the amount of the working capital facility and taking out additional loans based on the concluded documentation up to the total amount of PLN 500,000,000.

The loans bear interest at a variable interest rate, which is the sum of the applicable WIBOR rate for specific interest periods and a margin. The term loan will be repaid in quarterly installments of varying amounts and, subject to mandatory early repayments, will be repaid no later than December 31, 2042. The revolving VAT loan will be repaid no later than December 31, 2028. The revolving credit facility (RCF) will be repaid at the end of the quarter, with the option of a rollover. The revolving credit facility (RCF) will be repaid no later than the earlier of: (i) the fifth anniversary of the commencement date of the availability period, or (ii) June 30, 2033, with the agreement providing for a mechanism to extend the availability period of the revolving credit facility (RCF) for subsequent periods of no longer than five years.

The funds were made available under the Syndicated Loan Agreement after the conditions precedent for the loan disbursement were met, including the submission of a guarantee provided by Korporacja Ubezpieczeń Kredytów Eksportowych SA and the establishment of the security required by the Syndicated Loan Agreement, including:

- 1) registered pledge on a set of movable assets and property rights with variable composition, which are part of the PAK CCGT enterprise;
- 2) financial and registered pledge on all shares in PAK CCGT together with a power of attorney to exercise corporate rights from shares in PAK CCGT;
- 3) financial and registered pledges on receivables arising from PAK CCGT bank account agreements;
- 4) power of attorney for PAK CCGT bank accounts;
- 5) subordination (governed by English law) of the receivables due to PAK HOLDCO Bis sp. z o. o. – a subsidiary of the Company, towards PAK CCGT
- 6) power of attorney to convert receivables into shares of PAK CCGT;
- 7) assignment for security (governed by Polish law) of certain rights, including receivables under insurance contracts and project documents due to PAK CCGT and loan agreements granted to PAK CCGT;
- 8) conclusion by the Company, PAK HOLDCO Bis sp. z o. o. and PAK CCGT of a support agreement, including in the event of cost overruns, and in connection with this agreement, the establishment by the Company of a deposit in the amount of PLN 120,000,000;
- 9) security (charge over contracts) under English law relating to tax documents concluded in connection with the Syndicated Loan Agreement;
- 10) mortgage on PAK CCGT properties; and

11) declarations of submission to enforcement by PAK CCGT and PAK HOLDCO Bis sp. z o. o.

Capacity market auction results

As a result of the supplementary auction on the capacity market for the delivery period from July 1, 2025 to December 31, 2025, conducted on May 15, 2025, in which assets from the ZE PAK SA Group participated, a capacity agreement was concluded for 308.277 MW of capacity obligation for unit no. 9 at the Pątnów Power Plant.

On May 19, 2025, Polskie Sieci Elektroenergetyczne SA published the preliminary results of the main auction for the delivery period from July 1, 2025 to December 31, 2025, announcing that the auction ended in the 1st round with a closing price of PLN 431.00/kW/year.

The value of the concluded contract, taking into account the capacity reported by the Company and the published price for the delivery period indicated above, i.e. from July 1, 2025 to December 31, 2025, amounts to PLN 67.2 million.

Receiving information about the withdrawal of the lawsuit regarding the resolutions of the Extraordinary General Meeting

In July 2025, the Company received information regarding (i) the withdrawal in its entirety of the lawsuit regarding the resolutions adopted by the Extraordinary General Meeting on October 7, 2024, filed by the Proxies of Mr. Piotr Żak in the District Court in Poznań, 9th Commercial Division, without waiving the claims covered by the lawsuit, and (ii) a motion to discontinue these proceedings.

Results of the supplementary auction of the capacity market

As a result of the supplementary auction on the capacity market for the delivery period from 1 January 2026 to 31 December 2026 conducted on 11 September 2025, in which assets from the ZE PAK SA Group participated, a capacity agreement was concluded for 409 MW of capacity obligation for unit no. 9 at the Pątnów Power Plant.

On September 15, 2025, Polskie Sieci Elektroenergetyczne SA published the preliminary results of the supplementary auction for the delivery period from January 1, 2026 to December 31, 2026, announcing that the auction ended in the 4th round with a closing price of PLN 346.37/kW/year.

The value of the concluded contract, taking into account the capacity reported by the Company and the published price for the delivery period indicated above, i.e. from January 1, 2026 to December 31, 2026, amounts to PLN 141.7 million.

Consent to the sale of assets to PAK CCGT sp. z o. o.

On September 24, 2025, the Extraordinary General Meeting of the Company approved the Company's execution of all legal and factual actions (including the conclusion of agreements) aimed at selling a set of components and fixed assets functionally constituting the Cooling System to PAK CCGT sp. z o.o. (Project Company), for a total price of no less than PLN 9 million net. The transaction is related to the ongoing investment in the construction of the CCGT unit and its purpose is to ensure the investment's effective future operation.

Increase in share capital and transfer of shares in the subsidiary ZE PAK SA

On December 15, 2025, the Extraordinary Meeting of Shareholders of PAK HOLDCO Bis, pursuant to § 16 section 3 item 5 of the Articles of Association of PAK HOLDCO Bis, increased the share capital of PAK HOLDCO Bis from PLN **5,000.00** (in words: five thousand zlotys) to PLN **663,480,000.00** (in words: six hundred sixty-three million four hundred eighty thousand zlotys), i.e. by PLN **663,475,000.00** (in words: six hundred sixty-three million four hundred seventy-five thousand zlotys). by establishing **13,269,500** (in words: thirteen million two hundred sixty-nine thousand five hundred) new shares with a nominal value of PLN 50.00 (in words: fifty zlotys) each share.

The newly created shares in the amount of 13,269,500 (in words: thirteen million two hundred sixty-nine thousand five hundred) in the increased share capital were taken up by the existing shareholder of PAK HOLDCO Bis – i.e. ZE PAK SA and covered in full with a non-cash contribution – a contribution in the form of: **1,600,000** (in words: one million six hundred thousand) shares in PAK CCGT as an indirect subsidiary of the Company, with a nominal value of **PLN 50.00** (in words: fifty zlotys) each share, with a total nominal value of shares amounting to **PLN 80,000,000.00** (in words: eighty million zlotys), the value of which was estimated at **PLN 663,475,000.00** (in words: six hundred sixty-three million four hundred seventy-five thousand zlotys), representing 100% of the share capital of PAK CCGT and entitling to exercise 100% of votes at the General Meeting of Shareholders of PAK CCGT.

On December 15, 2025, an in-kind contribution agreement was concluded between ZE PAK SA and PAK HOLDCO Bis, i.e. an agreement on the transfer of ownership of Shares from ZEPAK to PAK HOLDCO Bis, in order to cover the newly created shares in the increased share capital of PAK HOLDCO Bis.

Significant events after the balance sheet date

Updated information on the share of the gas and steam unit (CCGT) under construction in the capacity market

On January 2, 2026, the Company announced that as part of the project to build a CCGT gas-steam unit in Turek by PAK CCGT sp. z o. o. (an indirect subsidiary of the Company), the unit under construction will not be able to commence the performance of the capacity obligation within the deadline specified in the agreement.

According to the concluded capacity agreement, the capacity market unit in the Project should begin fulfilling its capacity obligation in January 2026. The Company also indicated that, at the stage of concluding the construction agreement for the unit, it was aware of the schedule risks associated with the Project's implementation, including risks related to the date of achieving the capacity obligation, which was taken into account in the conducted analyses. The Company also included current information on the unit's expected commissioning in subsequent periodic reports.

Failure to meet the originally assumed deadline for fulfilling the capacity obligation in 2026 translates into lost revenues from the capacity market in the amount of approximately PLN 16.4 million per month, with the price of the capacity obligation resulting from the main auction for this year.

At the same time, the Company announced that failure to meet the capacity obligation commencement date will result in the imposition of contractual penalties, in accordance with the Capacity Market Act. The estimated monthly penalty for 2026, calculated based on the highest capacity obligation price applicable for that year, is approximately PLN 1 million per month.

Signing of a significant contract by PAK CCGT sp. z o. o. for the supply of gas to the CCGT unit

On February 12, 2026, PAK CCGT sp. z o. o. and DUON Dystrybucja sp. z o. o. entered into an agreement to ensure the supply of gaseous fuel to the combined cycle gas turbine (CCGT) unit located in Turek. The agreement was concluded based on the international EFET standard.

The agreement was concluded for a period of five years. After this period, the agreement is automatically extended for another five-year period, unless either party submits a written notice of termination to the other no later than twelve months before the end of the collaboration.

The agreement does not stipulate any minimum gas offtake volumes for PAK CCGT, nor does it include any "take or pay" clauses. Gas deliveries will be made to the physical exit point from the transmission system managed by Gaz-System SA.

On March 26, 2026, PAK CCGT sp. z o. o. repaid the debt under the loan agreement entered into with EFG Bank, based in Luxembourg, in full. The debt under the EFG Loan Agreement was repaid from the first disbursement of funds under the syndicated loan agreement entered into in connection with the financing of the construction of the CCGT unit. The funds were disbursed after the conditions precedent for loan disbursement were met, including the submission of a guarantee provided by Korporacja Ubezpieczeń Kredytów Eksportowych SA and the establishment of the required collateral.

3.2. Significant contracts concluded during the financial year

Agreements important for the Group's operations

Due to the nature of the business and markets in which the ZE PAK SA Capital Group operates, the key agreements concluded with key suppliers and customers in the ordinary course of business are standard. Agreements for the supply of the main raw material, lignite, are multi-year, and the main suppliers are subsidiaries of ZE PAK SA. The exchange market is primarily used for energy sales. For the purchase of CO₂ emission allowances, ZE PAK SA signs framework agreements with individual contractors specifying the basic terms of cooperation. However, the purchases themselves are made in separate transactions for specific quantities using current market prices. Most CO₂ emission allowances are purchased in forward transactions.

Agreements regarding received credits, loans and guarantee lines

In 2025, the companies from the ZE PAK SA Group signed the following agreements regarding credits, loans and guarantee lines:

Agreements regarding received loans and guarantee lines

1. ZE PAK SA has signed Annex No. 8 with a bank to open a guarantee facility agreement. The signed annexes extend the validity period of the guarantee facility agreement until December 31, 2026. The available guarantee limit is PLN 4,000,000.
2. ZE PAK SA signed Annex No. 4 to the guarantee limit agreement with one of the banks, extending its validity period until June 30, 2026. The available revolving limit is PLN 100,000 thousand.
3. ZE PAK SA has signed Annex No. 9 to its multi-purpose credit facility agreement with a bank. Pursuant to the signed Annex, the agreement term has been extended until December 31, 2025. The available multi-purpose credit facility is PLN 50,000,000. The interest rate on the overdraft facility is WIBOR 1M plus the bank's margin.
4. PR PAK SERWIS sp. z o. o. signed Annex No. 18 with a bank to the multi-purpose credit line agreement, extending the agreement until March 31, 2026. The available multi-purpose revolving credit line is PLN 20,000,000. The interest rate is WIBOR 1M plus the bank's margin.
5. PR PAK SERWIS sp. z o. o. signed annex no. 6 to the framework agreement for the provision of contract guarantees under a revolving limit with an insurance company, extending the term of the agreement until October 6, 2026. The available revolving limit is PLN 5,000,000.
6. PR PAK SERWIS sp. z o. o. signed annex no. 5 to the mandate agreement for the periodic provision of contract insurance guarantees with an insurance company, extending the term of the agreement until October 16, 2026. The available renewable limit is PLN 3,000,000.
7. PAK CCGT sp. z o. o. signed a loan agreement with one of the banks for the amount of PLN 760,000 thousand with a repayment date of December 31, 2026. The interest rate is WIBOR for the given loan period plus the bank's margin.
8. PAK CCGT sp. z o. o. signed the following agreements with a consortium of banks: term loan agreement for PLN 2,155,000 thousand with repayment date by December 31, 2042. Interest rate at WIBOR 3M plus bank margin; VAT loan agreement for PLN 100,000 thousand with repayment date by December 31, 2028. Interest rate at WIBOR 3M plus bank margin; RCF loan agreement for PLN 40,000 thousand with repayment date by June 30, 2033. Interest rate at WIBOR for the given loan period plus bank margin.

Loan agreements

1. On January 29, 2025, ZE PAK SA granted a loan to PGE PAK Energia Jądrowa SA in the amount of PLN 7,829 thousand with repayment date by the end of December 2025.
2. On April 25, 2025, PAK Kopalnia Węgla Brunatnego Konin SA granted a loan to PAK CCGT sp. z o. o. in the amount of PLN 120,000 thousand with repayment date by the end of September 2025.
3. On June 25, 2025, ZE PAK SA signed Annex No. 1 to the loan agreement of January 29, 2025, in which ZE PAK SA granted a loan of PLN 7,820 thousand to PGE PAK Energia Jądrowa SA with a repayment date by the end of December 2025.
4. On September 29, 2025, PAK Kopalnia Węgla Brunatnego Konin SA signed Annex No. 1 to the loan agreement of April 25, 2025, in which PAK Kopalnia Węgla Brunatnego Konin SA granted a loan of PLN 120,000 thousand to PAK CCGT sp. z o. o. with repayment date by the end of March 2026.
5. On November 13, 2025, ZE PAK SA signed Annex No. 1 to the loan agreement of March 15, 2022, in which ZE PAK SA granted a loan of PLN 150,000 to PAK CCGT sp. z o. o. with repayment date by the end of June 2026.
6. On November 13, 2025, ZE PAK SA signed Annex No. 3 to the loan agreement of June 29, 2022, in which ZE PAK SA granted a loan of PLN 950 thousand to PAK CCGT sp. z o. o. with repayment date by the end of June 2026.
7. On November 13, 2025, ZE PAK SA signed Annex No. 1 to the loan agreement of October 24, 2023, in which ZE PAK SA granted a loan of PLN 3,500 thousand to PAK CCGT Sp. z o. o. with repayment deadline by the end of June 2026.
8. On November 13, 2025, ZE PAK SA signed Annex No. 1 to the loan agreement of April 18, 2023, in which ZE PAK SA granted a loan of PLN 7,000 thousand to PAK CCGT sp. z o. o. with repayment date by the end of June 2026.

9. On December 30, 2025, ZE PAK SA granted a loan to PAK HOLDCO Bis sp. z o. o. in the amount of PLN 100 thousand with repayment date by the end of June 2043.

Table 2: Summary of guarantees and sureties granted as of December 31, 2025

2025				
	ZE PAK SA Group		ZE PAK SA	
	thousands of zlotys	thousands of euros	thousands of zlotys	thousands of euros
Guarantees provided	18,928	554	4,000	-
- including for Group companies	-	-	-	-
Guarantees granted	375 956	282 306	375 956	282 306
- including for Group companies	-	-	-	-

Table 3: Summary of guarantees and sureties received as of December 31, 2025

2025				
	ZE PAK SA Group		ZE PAK SA	
	thousands of zlotys	thousands of euros	thousands of zlotys	thousands of euros
Guarantees received	74,792	83,642	431	-
- including from Group companies	-	-	-	-
Guarantees received	47 310	-	-	-
- including from Group companies	-	-	-	-

Agreements concluded with related entities on terms that deviate from market conditions

In 2025, no agreements were concluded between related companies in the ZE PAK SA Capital Group on terms that deviated from market conditions.

3.3. Implementation of the investment program

The main development project being implemented by the ZE PAK SA Group is the construction of a 600 MW combined cycle power unit at the former Adamów Power Plant. Design work is also underway to prepare for the implementation of the Przykona photovoltaic farm, with a capacity of approximately 280 MW. Additionally, as part of the acquired Opole Wind Farm project, the construction of wind farms with a total capacity of 500 MW is planned across three counties in the Opole Voivodeship.

Construction of the CCGT gas-steam unit in Turek

In 2022, a decision was made to prepare a project involving the construction of a combined cycle gas-steam unit in Turek, with a capacity of up to 600 MWe. Thanks to its gas fuel, the new power plant will have the lowest emissions among conventional energy sources, while its high availability and operational flexibility will enable effective stabilization of electricity production from renewable sources and the Polish power system. The investment is being carried out on the site of the former, now demolished, coal-fired Adamów power plant.

In September 2023, an agreement was concluded and launched with the general contractor – a consortium of Siemens Energy Global GmbH Co KG, Siemens Energy sp. z o. o., and Metlen Energy & Metals Single Member SA (formerly Mytilineos SA). Construction work began in December 2023. The Project's progress at the end of 2025 is 82.7%, and the unit is expected to be commissioned in the third quarter of 2027 .

The planned unit was designed by the general contractor and will be constructed as a single-shaft unit: with a single SGT4 4000F gas turbine, an SGEN5-3000W generator, a heat recovery boiler (HRSG), an SST5-5000 condensing steam turbine, and a wet cooling tower. The project is being implemented on a turnkey basis, encompassing all work, including design, obtaining selected administrative decisions on behalf of the client, delivery, construction, assembly, personnel training, commissioning, trial run, commissioning, and the provision of warranty services for a period of two years following commissioning.

The investment, which was implemented in December 2021, won a capacity market auction, receiving 17 years of support in the form of payments for the reported capacity. At the end of 2025, the Group secured external financing for this project. Until then, the project had been implemented with its own funds and funds obtained through bridge financing.

3.4. Risk management

In conducting its operations, the Group is exposed to a number of risks, actual, potential, or theoretical, present in the industry and markets where the Capital Group companies operate. These factors originate both within the Group and in its environment. To formalize the risk environment in the Group's operations, a comprehensive document entitled "Risk Management Principles for the ZE PAK SA Capital Group" ("Management Principles") was created. The Management Principles were developed and implemented to define and specify the limits of risks that exist or may arise within the ZE PAK SA Capital Group and to establish mechanisms for minimizing risk exposure in the energy and mining sector, as well as to minimize the impact of risks that, due to the specific nature of the ZE PAK SA Capital Group's core business, cannot be completely eliminated.

These principles define the Capital Group's business model and strategy. The guiding principle of the Group's business model in its mining, manufacturing, and commercial activities is to maximize production and profit while adhering to the principle of risk minimization. To implement its business plans, the Group accepts risk, but only within the scope and under the terms defined in the Management Principles. All types of business risks and situations resulting in risk exposure are minimized at all times, unless the Management Principles or Management Board decisions explicitly authorize specific deviations. The Group's capital structure and the organizational charts of individual companies define specific roles and responsibilities for decisions and actions related to the implemented strategy and market policy. A special role, closely related to compliance with and proper application of the Management Principles, is played by a task force known as the "Risk Management Committee," acting as an advisory and consultative body to the Management Board of ZE PAK SA. This body was established by order of the President of the Management Board. The main task of the Risk Management Committee is to recognize, identify and substantively assess all economic risks with a value exceeding PLN 10 million related to the Group's business activities.

As part of risk management in the Group, specific risk areas related to the achievement of the assumed business goals were identified:

- commodity risks,
- production risks,
- market risks and related financial risks,
- operational risks related to the functioning of IT systems,
- risks in the area of information security,
- unstable economic situation,
- unknown level of dynamics of changes in the economic model from the current one based mainly on fossil fuels to the future one based on low and zero emission sources and energy storage,
- the need to convince the local community to the proposed model of the future operation of the company of significant importance on a regional scale.

For each risk area identified above, specific types of risks were identified, specifically related to that specific area. The type of risk was comprehensively described, along with theoretical examples of its occurrence in the Group's operating activities. Specific actions were also developed for each risk type to minimize or eliminate it, an appropriate metric was assigned, and where possible, a "key performance indicator" (minimum performance level) was defined.

Managers and employees of organizational units assigned to a given risk area are subject to monitoring for compliance with the Management Principles, as appropriate to their scope of responsibility. Responsibility for ensuring that subordinate organizational units and independent work stations perform their tasks correctly and in accordance with the Management Principles rests with the management of the organizational units. The Management Principles also provide a detailed description of the process for proper reporting of identified risks, as well as the procedure to be followed in the event of a violation of the principles described in the document.

In accordance with the Management Principles, compliance with the procedures and procedures described in the document may only be departed from after obtaining the written authorization of the Management Board of ZE PAK SA, in which case a special procedure also described in the Management Principles applies.

Information on financial instruments related to price risk, credit risk, significant cash flow disruptions, and liquidity risk is included in Note 37 to the consolidated financial statements. It also includes information on the objectives and methods

of financial risk management. Information on transactions for which hedge accounting is applied is included in Note 38.3 to the consolidated financial statements.

3.5. Description of the use of proceeds from the issue

In 2025, the ZE PAK SA Group companies did not issue any debt or equity securities, and therefore did not generate any proceeds from the issue.

4. BASIC RISK FACTORS OF THE BUSINESS

In the process of predicting the future results of the ZE PAK SA Capital Group, a number of factors must be considered, whether actual, potential, or theoretical, present in the industry and markets in which the Group operates. These factors originate both within the Group and in its environment. In the Management Board's opinion, they can be divided into those that occur continuously in each period and those that appear incidentally during the period covered by a given periodic report.

Among the most important factors with a permanent impact on the Group's results, the following should certainly be mentioned:

- macroeconomic trends in the Polish economy and demand for electricity;
- regulatory environment;
- electricity prices;
- the cost of mining and delivering coal and other fuels;
- CO₂ emission allowances ;
- seasonality and meteorological conditions;
- capital expenditure;
- euro/zloty exchange rate and interest rate level.

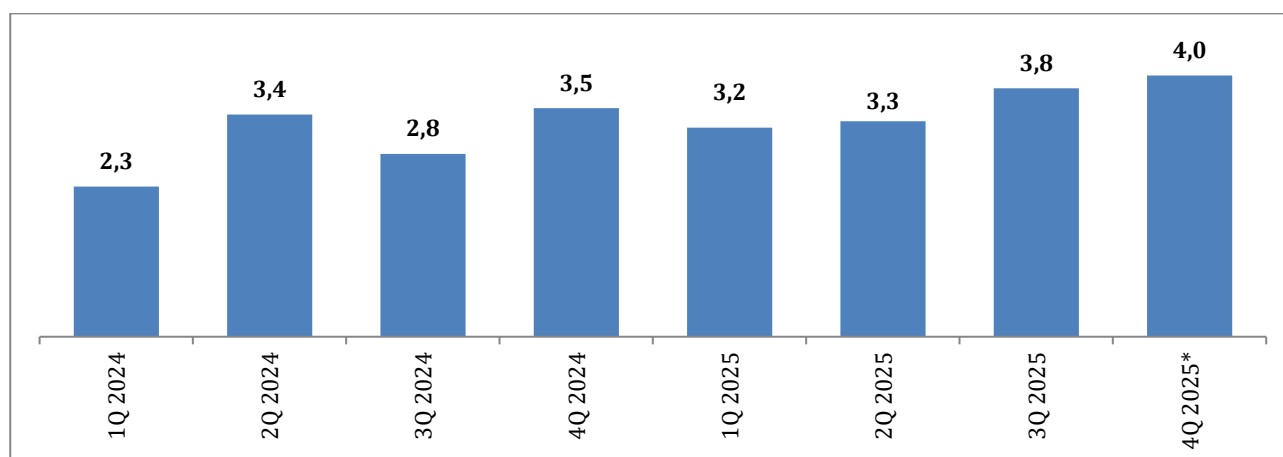
In addition to the factors mentioned, it should be noted that the Company has been gradually reducing its electricity production activities for several years. In recent years, the operation of power units with a total capacity of 644 MW was discontinued. The Company entered 2025 with the last coal-fired unit operating at the Pątnów Power Plant, with a capacity of 474 MW. This significant reduction in the scale of core operations translates into a reduced ability to produce energy and generate revenue from its sale. At the same time, it is important to be aware that the scale of the reduction in fixed costs associated with operating activities is proportionally smaller compared to the scale of the reduction in operations. Furthermore, it should be noted that the termination of generation operations requires the incurrence of some costs related to non-productive assets – these include public and legal levies (e.g., property tax), which the Group will incur during the period necessary to restore the land used in previous years to the condition required by specific legal regulations. The Company's production shutdown schedule envisages energy production from lignite until all coal has been extracted from the currently mined area of the Tomisławice open-pit mine. Due to the contracting of a 409 MW capacity obligation for the 474 MW unit at the Pątnów Power Plant in a supplementary auction held in September 2025 for the delivery period from January 1, 2026, to December 31, 2026, despite the initial decision to cease electricity production no later than the end of the first half of 2026, the Company has decided to extend the operation of the 474 MW unit, which for the remainder of 2026 will be solely related to the fulfillment of obligations arising from the Capacity Market Act. After the end of electricity production from lignite, certain costs will need to be covered from accumulated funds, the sale of assets, or revenues generated from potential new investment projects.

Macroeconomic trends in the Polish economy and the demand for electricity

When conducting business in Poland and generating the vast majority of revenue from electricity sales, macroeconomic trends in the Polish economy must be taken into account. Of particular importance are the growth in real GDP and industrial production in Poland, the development of the services sector, and the growth in individual consumption. All of these factors significantly influence electricity demand and consumption.

According to preliminary estimates, gross domestic product (GDP) in the fourth quarter of 2025, not seasonally adjusted, increased by 4.0% year-on-year in real terms (compared to 3.5% growth in the same period of 2024). In the fourth quarter of 2025, domestic demand was the main driver of economic growth. Consumption demand increased by 4.2% year-on-year, and investment demand increased by 4.7%.

Chart 4: GDP dynamics (%) in relation to the same quarter of the previous year



* The so-called preliminary estimate of gross domestic product in the fourth quarter of 2025, not seasonally adjusted, at constant average annual prices of the previous year.

Source: Own study based on data from the Central Statistical Office

According to data presented on the ENTSO-E Transparency Platform (net volumes), in 2025 electricity production in Poland amounted to a total of 153.293 TWh ¹, which means a decrease of 13.34% compared to the same period of the previous year.

Hard coal-fired power plants had the largest share in the production structure, with hard coal production reaching 52.19 TWh. Lignite produced 30.62 TWh. Year-on-year, there was a decline in production from both hard coal (by 17.37%) and lignite, which fell by 19.14%. It is worth noting that the largest increases were recorded in gas production, with generation from gas-fired power plants increasing by 14.67% compared to the same period in 2024, producing 20.99 TWh. Energy production from biomass combustion also increased, albeit slightly, compared to the previous year, with a 4.44% increase. Solar energy production in 2025 decreased by 11.80% compared to the previous year. Biomass-fired power plants generated 2.87 TWh. Wind farms produced 21.89 TWh, which is 16.05% less electricity than during the same period last year.

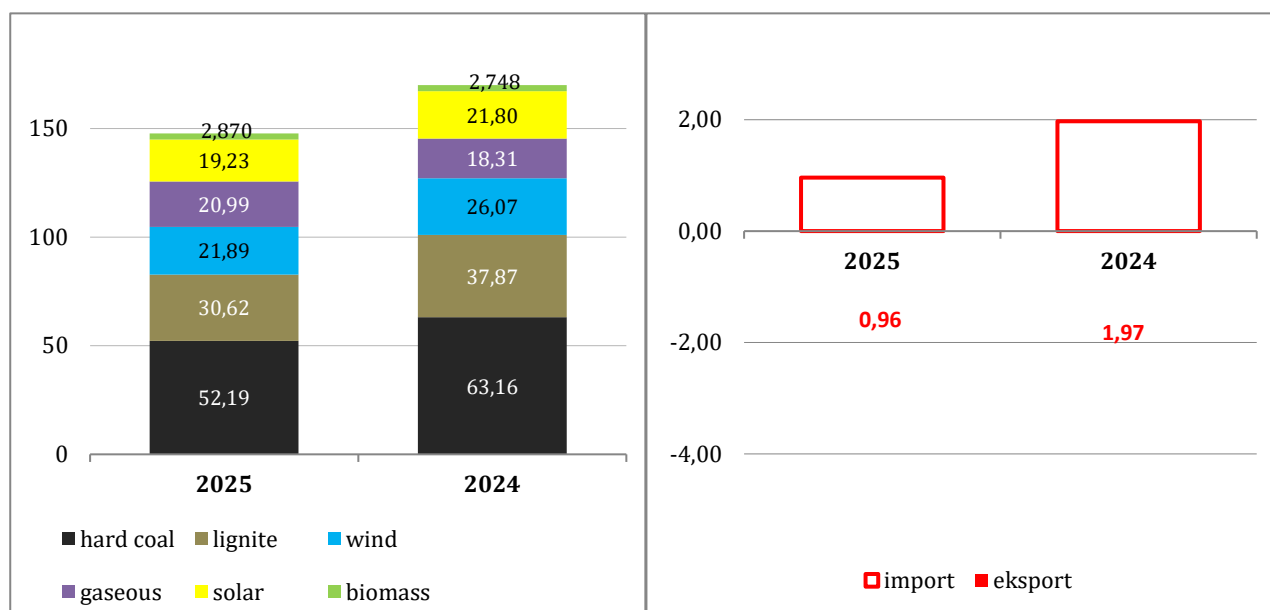
According to data on the functioning of the National Power System and the Balancing Market, presented by Polskie Sieci Elektroenergetyczne SA, the foreign exchange balance in 2025 amounted to 0.96 TWh on the import side, which means that Poland was an importer of electricity.

Polskie Sieci Elektroenergetyczne SA indicates that the gross domestic consumption of electricity in 2025 amounted to 167.48 TWh ² and decreased by 0.87% compared to 2024.

¹Based on Entsoe Transparency Platform
<https://transparency.entsoe.eu/generation/r2/actualGenerationPerProductionType/show>

²Based on Table No. 3. Structure of electricity production in domestic power plants, volumes of electricity exchange with foreign countries and domestic energy consumption - monthly values and from the beginning of the year - gross values available on the PSE SA website.

Chart 5: Structure of electricity production and balance of electricity exchange with foreign countries – TWh



Source: own study based on PSE and ENTSO-E data

Regulatory environment

On December 16, 2021, as a result of the main auction for the 2026 delivery year, PAK CCGT sp. z o. o., a company belonging to the Group, concluded a capacity agreement for 17 years of deliveries, contracting 493 MW of capacity obligation at a base price of PLN 400.39/kW/year. The value of the concluded capacity agreement for the first year of delivery for 2026 is PLN 197,392,270. Due to delays in the investment process, the Company expects the first revenues from the concluded capacity contract in the second half of 2027. Due to the delayed commencement of the capacity obligation, the CCGT unit should begin fulfilling the capacity obligation in January 2026. Already at the stage of concluding the construction agreement, the Group was aware of the schedule risks associated with the unit's construction, including risks related to the date of achieving the capacity obligation, which was taken into account in the conducted analyses. Failure to meet the originally assumed capacity obligation deadline in 2026 translates into lost capacity market revenue for the Group of approximately PLN 16.4 million per month, based on the capacity obligation price resulting from the main auction for that year. At the same time, failure to meet the capacity obligation commencement date will result in the imposition of contractual penalties from January 2026, in accordance with the Capacity Market Act. The estimated monthly penalty for 2026, calculated based on the highest capacity obligation price applicable for that year, is approximately PLN 1 million per month.

Revenues from the Capacity Market have constituted a significant revenue item for the Group since 2021. In the first half of 2025, the Company derived revenue from the performance of capacity obligations, which it acquired through transactions from other entities on the secondary capacity market, which was possible thanks to the reform of the EU electricity market, which included, among other things, extending the derogation period for supporting coal-fired units under capacity mechanisms until the end of 2028 (which the Polish administration has been seeking in EU bodies since 2022). In the first quarter of 2025, the Act of 24 January 2025 amending the Act on the Capacity Market was adopted. The amendment to the Act on the Capacity Market amended a number of provisions, including Article 15 and Article 49a of the Capacity Market Act, which allows capacity market units, consisting exclusively of generating units that commenced commercial production before July 4, 2019, to participate in supplementary auctions implementing the amended provisions. The amended provisions thus opened the opportunity for the 474 MW unit at Pątnów Power Plant to participate in the supplementary auction on the capacity market held in the second half of 2025, which does not exclude the possibility of the 474 MW unit participating in the secondary capacity market in the second half of 2025. On May 15, 2025, the Company contracted 308.277 MW of capacity obligation in a tie-break auction for the delivery period falling in the second half of 2025 at a price of PLN 431/MW/year. The value of the concluded capacity agreement with ZE PAK SA was PLN 67.2 million. Despite the initial decision to cease electricity production at the 474 MW unit by the end of the first quarter of 2026, the Company decided to extend its operation and, additionally, on September 11, 2025, the Company contracted 409 MW of capacity obligation for the 474 MW unit at the Pątnów Power Plant in a supplementary

auction for the delivery period from January 1, 2026, to December 31, 2026, at a price of PLN 346.37/kW/year. The value of the concluded capacity agreement is PLN 141.7 million.

In the context of the capacity market and its impact on the Company's future financial results, it should be added that legislative work is currently underway at the level of consultations between the Polish administration and EU bodies on a new capacity market model after 2030, however, no drafts of new regulations are known for the current period.

A significant regulatory development for the Company's financial results is the Balancing Market reform, which has been in progress since 2019, the second stage of which entered into force on June 14, 2024. The adopted change to market rules is a highly complex process involving the entire energy sector, including companies providing IT solutions for the sector. The implemented changes include a major reform of the Balancing Market, which introduced, among other things, a new market architecture, as well as new market-based rules for selling balancing capacity, new settlement rules on the Balancing Market, and different rules for payments for activations (which disappear as a separate settlement item). With the entry into force of the second stage of the Balancing Market reform, ZE PAK SA, as a Balancing Service Provider (BSP), offers the Transmission Network Operator a catalogue of balancing services on a market basis. This includes, in addition to balancing energy, balancing capacity, which includes the frequency maintenance reserve, frequency restoration reserve, replacement reserve, and operating reserve. The provision of these services by coal-fired units belonging to ZE PAK SA constitutes a new source of revenue for the Company, related to the use of units to balance the National Power System and maintain its stability.

Electricity prices

ZE PAK SA's resources include lignite-fired generating facilities. The company generates the vast majority of its revenues from the generation and sale of electricity generated by these facilities. ZE PAK SA is an active member of the Polish Power Exchange (TGE SA), where it contracts most of its production. Furthermore, it sells energy on the Balancing Market. Therefore, the risk of changes in the price at which the company sells electricity is crucial to its revenue levels.

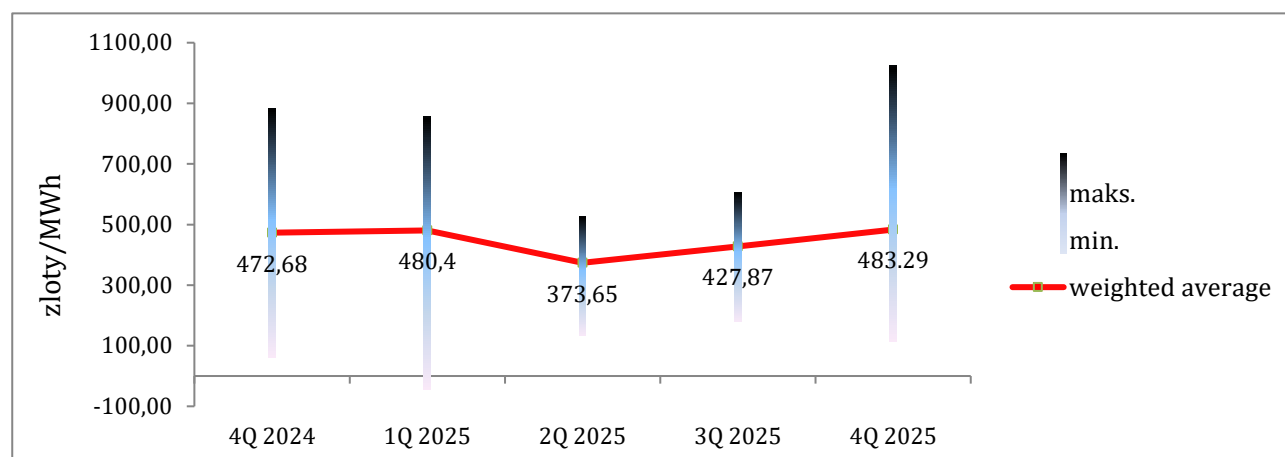
The information presented below is based on quotations from TGE SA.

In the fourth quarter of 2025, we see a continued upward trend in the TGeBase index, reaching the price level seen in the first quarter of 2025. The TGeBase index has exceeded PLN 480/MWh and is significantly higher than the prices seen in quarters II and III of 2025, confirming the theory that winter quarters are significantly more expensive than summer quarters. This was similar in the previous year.

In the fourth quarter of 2025, the average TGeBase indices reached PLN 483.29/MWh, representing a significant increase of over PLN 55/MWh compared to the third quarter of 2025. This represents a 12.95% increase. However, trading volume on the TGE SA day-ahead market in the fourth quarter of 2025 was approximately 11% lower compared to the third quarter, slightly exceeding 10 TWh.

Comparing the same periods in 2025 and 2024, the average index in Q4 2025 (PLN 483.29/MWh) was very similar to that in Q4 2024 (PLN 472.68/MWh), but was 2.2% lower. However, there has been a continuous decline in the volume traded on TGE since the beginning of 2025. In the same quarters of 2024 and 2025, this decline amounted to over 1.3 TWh, which translates to over 11.39% lower trading volume year-on-year.

Figure 6: TGeBASE energy prices

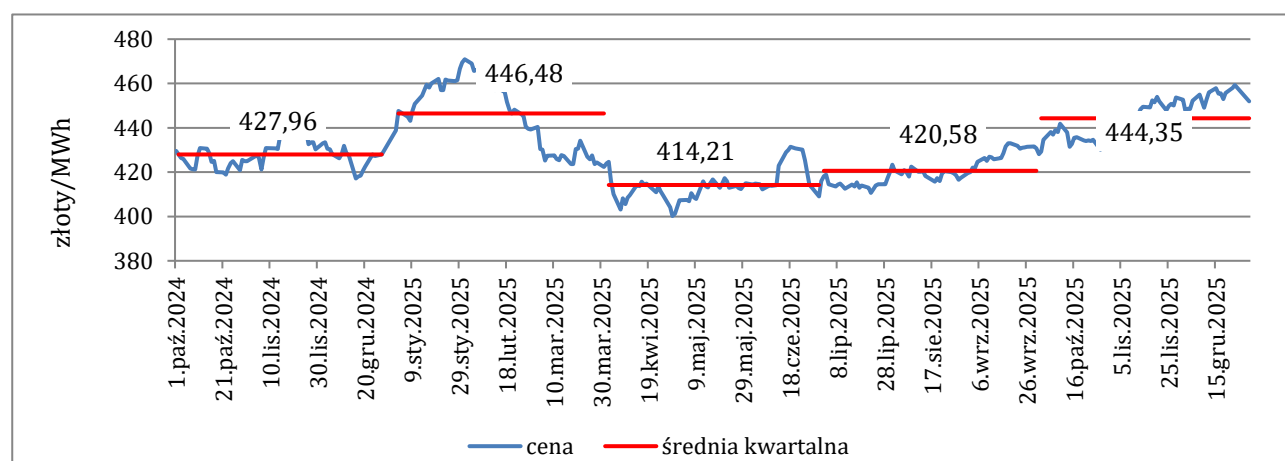


Source: own study based on TGE data

In the fourth quarter of 2025, on the forward market (OTF), in the case of the arithmetic average of the daily DKR settlement prices for the reference annual base futures contract, we see an increase in prices to the level of the first quarter of 2025 (approx. PLN 444/MWh), i.e. a situation analogous to the spot market, i.e. a higher price in winter quarters compared to summer quarters. In the fourth quarter of 2025, the price of the futures contract increases to PLN 444.35/MWh, which is PLN 23.77/MWh (5.65%) higher than in the third quarter of 2025, while the level of trading on the futures market in the fourth quarter of 2025 reaches a very high level (8.79 TWh), the highest in the whole of 2025, and increases by almost half of the volume concluded in the third quarter of 2025 (an increase of 2.9 TWh, i.e. by 49.63%).

A year-on-year comparison of average DKR rates shows slightly higher prices in 2025 and a price increase of PLN 16.39/MWh (3.83%) compared to 2024. However, the volume traded in the fourth quarter of 2025, despite the record level this year, was still lower than the volume in the fourth quarter of 2024 by nearly 1.6 TWh (a decrease of approx. 15%).

Chart 7: Price of the futures contract for the supply of electricity (band with annual delivery)



Source: own study based on TGE data

Fuel costs and supplies, coal mining costs

A significant component of electricity generation costs at ZE PAK SA Group companies is the cost of fuel. Fuel prices largely determine the competitiveness of individual electricity generation technologies. In 2024, ZE PAK SA power plants generated electricity from lignite. Furthermore, minimal amounts of light and heavy fuel oil were used for ignition purposes in the electricity generation process. Since January 1, 2025, production has been conducted only at the sole lignite-fired unit – Unit 9 at the Pątnów Power Plant (474 MW).

ZE PAK SA supplies lignite to PAK KWB Konin SA. The level of costs associated with lignite mining is also crucial for the financial result, as it largely depends on factors beyond the Company's direct control, such as the geological conditions of deposits in the final stages of their exploitation.

Currently, the company is only mining the Tomislawice cover. The deposit mined by PAK KWB Konin SA has a certain amount of resources. The ability to achieve the target electricity production level depends on the mining capacity and the quality of coal extracted from the currently mined deposit. Due to the limited resources of the deposits, supplementary supplies from external entities, which balance the projected energy production volumes, are becoming increasingly important in the final phase of their exploitation.

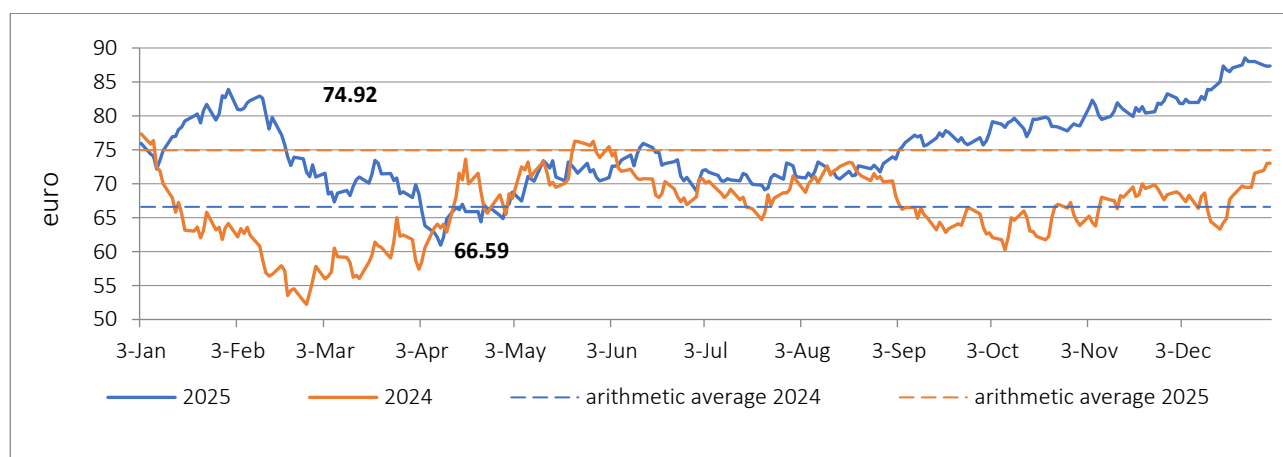
CO₂ emission allowances

Generating electricity and heat from conventional sources involves incurring CO₂ emissions costs. Because these costs constitute a significant component of the cost structure of lignite-fired energy producers, the impact of CO₂ emissions and the risk of changes in CO₂ emission allowance (EUA) prices have a significant impact on business results.

The entire amount of emission allowances needed by the ZE PAK SA Group in 2025 had to be purchased on the secondary market.

In 2025, the EUA price ranged between €60 and €86. In early January, we observed an upward trend that began in December, reaching €74 per EUA, followed by a brief correction to €70 per EUA, and by the end of January, the price reached €80 per EUA. In February, EUA prices fell from around €82 per EUA back to €70 per EUA. In March, EUA unit prices continued to decline. In April 2025, EUA prices initially fell sharply from around €68.50 to below €60, later recouping some of the losses to €63-66. In May, the price continued to rise, reaching €72.50 per EUA. In June, EUA allowance prices fluctuated significantly. At the beginning of the month, allowance prices rose to €75 (in the first half of the month) and later fell to around €68. July and August 2025 were characterized by low volatility in EUA prices, with July EUAs trading in the range of €68.50-72/EUA, and August €70-72.50/EUA. September 2025 was marked by significantly higher price volatility in the carbon market and saw increases in EUA prices. Prices rose significantly in the first half of September, reaching €77/EUA. September is the month in which EU ETS installations must settle their 2024 emissions, which is significant for price levels and may lead to price increases. In October, the market saw moderate price increases, ranging between €76-79.50/EUA. In November, the price exceeded €80/EUA, continued to rise, and reached around €83/EUA. December 2025 also saw a continuation of the upward trend, with prices reaching as high as 86 EUR/EUA. Allowance prices in 2025 were influenced by the international economic situation, in particular trade tensions between the US and the EU and the US and China (including the imposition of import tariffs on EU products by the US in the first quarter), investment fund positions, and the correlation of EUA prices with gas prices. The arithmetic average of EUA prices in 2025 was 74.92 euro/EUA, while in 2024 it was 66.59 euro/EUA, which means an increase of 8.33 euro/EUA, i.e. 12.5% year-on-year.

Chart 8: EUA futures contract price



Source: own study based on ICE data

Seasonality and meteorological conditions

Demand for electricity, especially among consumers, is subject to seasonal fluctuations. Previous experience has shown that electricity consumption increased in winter (primarily due to low temperatures and shorter daylight hours) and

decreased in summer (due to the vacation period, higher ambient temperatures, and longer daylight hours). In recent years, there has been a steady increase in summer electricity demand, primarily driven by the increasing use of refrigeration and air conditioning equipment.

Regardless of the factors described above, weather conditions are becoming increasingly important for the Group's production levels. Given the growing share of renewable energy sources in the energy generation segment, primarily wind sources, but also the growing production from photovoltaic sources, weather conditions, with particular emphasis on wind and sunlight, are becoming increasingly important when estimating ZE PAK SA's production volume.

It should be taken into account that in periods when weather conditions are favourable for production from renewable energy sources, the demand for production from the ZE PAK SA conventional power plant may be subject to periodic decreases, and similarly, in periods of lower production from renewable energy sources, it may increase.

The risk related to seasonality and meteorological conditions is becoming more and more important every year due to the growing installed capacity of weather-dependent sources in the National Power System.

Capital expenditure

Due to the Group's strategy of phasing out lignite-based energy generation, the expected level of capital expenditures related to the Group's plans to build a CCGT unit in Turek on the site of the former Adamów Power Plant, a photovoltaic farm in the Przykona commune, and a wind farm project near Opole should be taken into account in subsequent periods. The scale of the projects and the expected level of capital expenditures are significant in the context of the Group's ability to generate cash flow from current operations. The level of capital expenditures has had a significant impact, and is expected to continue to have a significant impact, on operating results, debt levels, and cash flows. Delays in implementation, changes to the investment program, and budget overruns could have a significant impact on future capital expenditures, as well as on the Group's results, financial position, and growth prospects.

The work is being extended beyond the originally planned schedule due to the project's implementation, which was financed by its own funds and bridge financing until December 2025. PAK CCGT sp. z o.o. has secured bridge financing for this project. PAK CCGT sp. z o.o. has entered into a loan agreement with EFG Bank (based in Luxembourg) for up to PLN 760 million, repayable by December 31, 2026. The financing is intended to ensure the company's ability to continue its investment. In December 2025, the ZE PAK Group finalized negotiations with financing institutions, securing financing for the construction of the CCGT unit in the amount of nearly PLN 2.3 billion. The financing documentation also provides for a VAT revolving loan of up to PLN 100 million and a working capital facility (RCF) of up to PLN 40 million, with the option to increase the amount or grant additional loans up to a total of PLN 500 million for the working capital facility.

Euro/zloty exchange rate , interest rate level

Although the Group operates in Poland, where it incurs costs and generates revenues in Polish zloty, there are several significant factors that affect its financial results depending on the euro/zloty exchange rate. The most significant include:

- transactions related to the purchase of EUA settled in euro,
- One of the companies from the renovation segment, PAK Serwis sp. z o. o., carries out some of its orders outside Poland, settling them in euros.

Group companies periodically use instruments to mitigate the risk arising from changes in exchange rates, for example, for some cash flows related to the purchase of CO₂ emission allowances. Forward transactions are used to hedge the exchange rate. Management boards monitor the financial situation and market conditions on an ongoing basis and, if necessary, may decide to use financial instruments to hedge against exchange rate risk. As of December 31, 2025, one Group company used instruments to mitigate the risk arising from changes in exchange rates. ZE PAK had active instruments to mitigate the risk arising from changes in exchange rates. ZE PAK hedged the euro exchange rate for some cash flows related to the purchase of CO₂ emission allowances, and used forward transactions to hedge the exchange rate, with settlement in August 2026. In accordance with the principles applied at the ZE PAK SA Group, the transactions are hedge-like and are tailored to the hedged item in terms of volume and maturity. The decision to select the hedging instrument also took into account: price, market liquidity, product simplicity, ease of valuation and accounting, and flexibility.

As of 31 December 2025, the Group had the following long-term financial liabilities with variable interest rates:

<i>Interest-bearing bank loans and credits</i>	<i>Repayment Date</i>	<i>December 31, 2025</i>	<i>December 31, 2024</i>
<i>Short-term</i>			
Loan from EFG Bank SA Luxembourg in the amount of PLN 760,000,000, bearing interest at the WIBOR rate + bank margin (PAK CCGT sp. z o. o.)	Upon request	581,603	-
TOTAL		581,603	-

5. DESCRIPTION OF THE FINANCIAL AND PROPERTY SITUATION

5.1. Principles of preparing financial statements

The Group prepares its consolidated financial statements based on International Financial Reporting Standards as adopted by the European Union. These standards, collectively referred to as International Financial Reporting Standards (IFRS), also include International Accounting Standards (IAS) and Interpretations issued by the Standing Interpretations Committee and the International Financial Reporting Interpretations Committee.

Significant accounting policies applied in the Group's Consolidated Financial Statements are discussed in Note 12 of the Group's Consolidated Financial Statements for 2025.

ZE PAK SA prepares individual financial statements based on the Accounting Act of 29 September 1994.

The accounting principles (policy) applied to prepare the financial statements are presented in point 6 of the Introduction to the financial statements of ZE PAK SA for the 12-month period ended 31 December 2025.

5.2. Characteristics of basic economic and financial values

Consolidated income statement and consolidated statement of comprehensive income

Sales revenues in 2025 amounted to PLN 1,333,834 thousand and decreased by PLN 851,423 thousand, i.e. by 38.96%, compared to 2024.

The decline in sales revenues in 2025 was primarily due to a decline in revenues from electricity sales, driven by both a 24.66% lower price and a 9.27% decline in sales volume, including both internal and purchased energy sales. The net production volumes (internal energy sales) of individual Group power plants are presented in Chart 1.

In 2025, revenue from the capacity market amounted to PLN 99,580 thousand, a decrease of PLN 58,447 thousand, or 36.99%, compared to the same period of the previous year. The decrease in revenue is due to the fact that the Group did not generate revenue from auction wins until June 30, 2025. It was only from July 2025 that revenues began to accrue as a result of winning a supplementary auction for capacity supplies for the second half of 2025.

Revenues from heat sales in 2025 amounted to PLN 4,515 thousand, which is PLN 17,860 thousand, or 79.82%, lower than those generated in 2024. The decrease in heat sales was due to lower realized heat demand from the sole customer in the first half of the year and the final termination of the cooperation at the end of June 2025.

Revenues from the sale of biomass reported in 2024 came from sales to one contractor, which was PAK – PCE Biopaliwa i Wodór sp. z o. o. In 2025, ZE PAK SA did not trade in biomass.

Revenue from construction contracts in 2025 increased by PLN 22,384 thousand, or 36.87%, compared to the same period of the previous year. The increase in revenue was related to the acquisition of additional work in the energy sector market, both domestically and internationally.

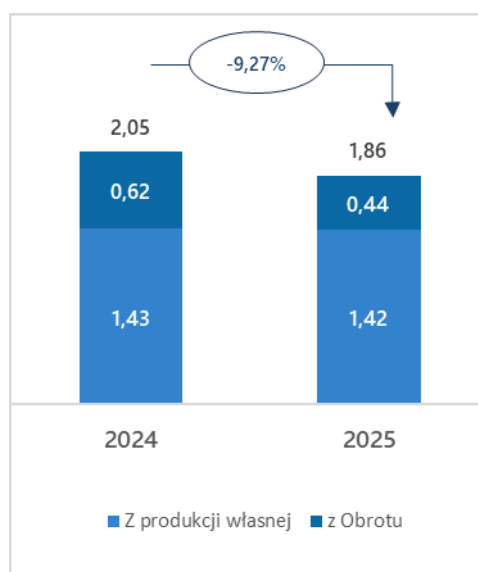
Other sales revenues in 2024 amounted to PLN 91,757 thousand and increased by PLN 13,011 thousand, i.e. by 16.52%, compared to those achieved in 2024.

In 2025, the Company did not report any revenues from the termination of the PPA (termination of the long-term power and electricity sales agreement), due to the exhaustion of the pool of available funds under the granted aid in 2024.

Table 4: Summary of consolidated sales revenues

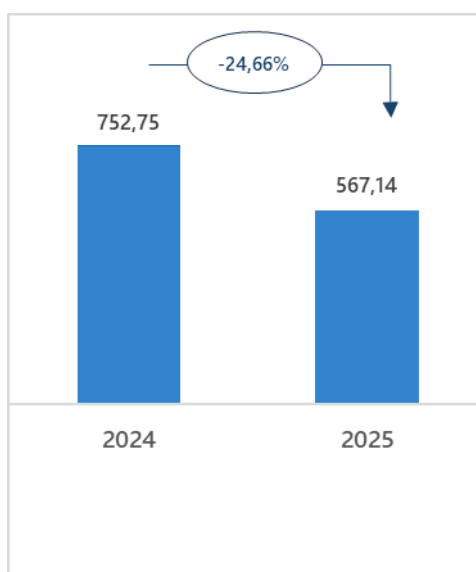
	thousands of zlotys 12-month period ended December 31, 2025	thousands of zlotys 12-month period ended December 31, 2024	thousands of zlotys Change	% dynamics
Revenues from the sale of goods and services, including:	1 333,874	2,111,584	(777,710)	(36.83)
– revenues from the sale of own electricity	843,705	1,168,589	(324,884)	(27.80)
– revenues from the sale of electricity from trading	211,217	378,041	(166,824)	(44.13)
– revenues from the capacity market	99,580	158,027	(58,447)	(36.99)
– revenues from the sale of thermal energy	4,515	22,375	(17,860)	(79.82)
– revenues from the sale of biomass	-	245,090	(245,090)	(100.00)
– revenues from construction contracts	83,100	60,716	22,384	36.87
– other sales revenues	91,757	78,746	13,011	16.52
Excise	(40)	(36)	(4)	11.11
Other income, including:	-	73,709	(73,709)	(100.00)
– compensation for termination of PPAs	-	73,709	(73,709)	(100.00)
Total sales revenue, including:	1 333 834	2,185,257	(851 423)	(38.96)

Chart 9: Electricity sales (TWh)



Source: internal data

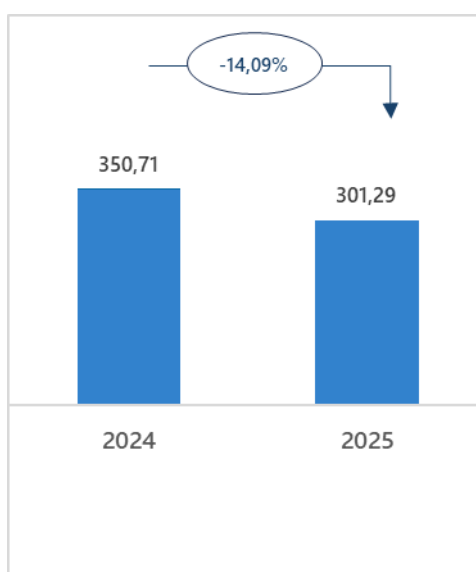
Chart 10: Average electricity sales prices* (PLN/MWh)



* Average price calculated as revenues from energy sales (+ own, from trade and system services) divided by sales volume.

Source: internal data

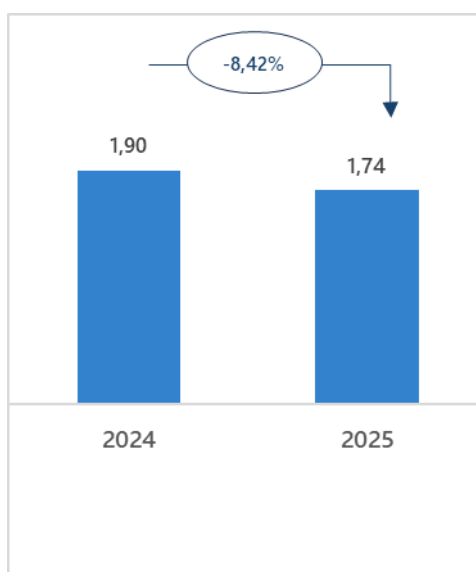
Chart 11: Average purchase prices of CO₂ emission permits *(PLN/EUA)



* Average price calculated as the EUA purchase costs for a given period divided by the volume of CO₂ emissions.

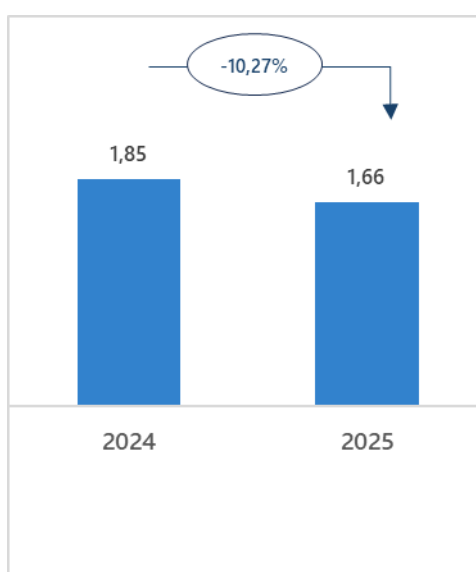
Source: internal data

Chart 12: Lignite consumption (million tonnes)



Source: internal data

Chart 13: CO₂ emissions from combustion of non-renewable fuels in the electricity production process (million tonnes)



Source: internal data

Cost of sales in 2025 amounted to PLN 1,218,552 thousand, a decrease of PLN 604,125 thousand, or 33.14%, compared to 2024. The decrease in cost of sales was driven by a lower value of purchased electricity for resale due to a decrease in energy trading volume and a decline in market energy prices; lower material consumption costs (including the absence of coal costs from outside the Group); lower carbon dioxide emission costs due to a decrease in emissions volume and the lower cost of emission allowances; and lower employee benefit costs and other costs. The increase was only slightly impacted by higher taxes and fees.

Other operating income in 2025 amounted to PLN 25,887 thousand, down PLN 30,505 thousand from the same period last year. The decrease in income was primarily due to a lower profit on the sale of other materials and a minor release of provisions for costs and losses and the write-off of liabilities compared to the previous year.

Selling costs in 2025 amounted to PLN 1,430 thousand and were similar to those realized in 2024.

ZE PAK SA CAPITAL GROUP
MANAGEMENT BOARD REPORT ON THE ACTIVITIES OF THE CAPITAL GROUP IN 2025

General and administrative expenses in 2025 amounted to PLN 172,257 thousand, an increase of PLN 13,979 thousand, or 8.83%, compared to the previous year. The increase in costs is primarily related to the decommissioning of the Pątnów I power units, and the resulting reclassification of asset maintenance costs from production costs to general and administrative expenses.

Other operating expenses in 2025 amounted to PLN 40,821 thousand, a decrease of PLN 8,897 thousand, or 17.89%, compared to the prior year. The main factor influencing the cost reduction was the absence in 2025 of the loss on the sale of property, plant and equipment and carbon dioxide emission allowances reported in 2024.

In 2025, the ZE PAK SA Group incurred an operating loss of PLN 133,325 thousand.

Table 5: Selected items of the consolidated income statement (from continuing and discontinued operations combined)

	thousands of zlotys 12-month period ended December 31, 2025	thousands of zlotys 12-month period ended December 31, 2024	thousands of zlotys Change	% dynamics
<i>Continued and discontinued operations combined</i>				
Sales revenue	1 333 834	2 185 257	(851,423)	(38.96)
Cost of sales	(1,218,552)	(1,822,677)	604,125	(33.14)
Gross profit (loss) from sales	115 282	362,580	(247,298)	(68.21)
Other operating income	25,887	56,392	(30,505)	(54.09)
Selling costs	(1,430)	(1,322)	(108)	8.17
General administrative expenses	(172,257)	(158,278)	(13,979)	8.83
Other operating costs	(40,821)	(49,718)	8,897	(17.89)
Share of profit (loss) of associates valued using the equity method	(59,986)	54,959	(114,945)	(209.15)
Profit (loss) from operating activities	(133,325)	264,613	(397,938)	(150.38)
Financial income	23 167	27,977	(4,810)	(17.19)
Financial costs	(48,886)	(51,094)	2 208	(4.32)
Gross profit (loss)	(159,044)	241,496	(400 540)	(165.86)
Income tax (tax burden)	(5,385)	21,419	(26,804)	(125.14)
Net profit (loss)	(164,429)	262,915	(427,344)	(162.54)
EBITDA*	(94,969)	281,620	(376,589)	(133.72)

* The Company defines and calculates EBITDA as operating profit (loss) (calculated as net profit (loss) for the financial year adjusted for (i) income tax (tax expense), (ii) financial income and (iii) financial costs) adjusted for depreciation (recognized in the profit and loss account) and impairment losses on fixed assets, intangible assets and mining assets.

Table 6: Consolidated costs by type

	thousands of zlotys 12-month period ended December 31, 2025	thousands of zlotys 12-month period ended December 31, 2024	thousands of zlotys Change	% dynamics
Depreciation	38,539	17,007	21,532	126.61
Write-downs of fixed assets and mining assets	(183)	-	(183)	-
Inventory write-downs	-	418	(418)	(100.00)
Material consumption	109,933	304,475	(194,542)	(63.89)
External services	165,301	164,333	968	0.59
Taxes and fees excluding excise duty	138,247	140,572	(2,325)	(1.65)
emission costs	498,628	648,706	(150,078)	(23.13)
Employee benefit costs	329,912	354,052	(24,140)	(6.82)
Other costs by type	16,701	27,096	(10,395)	(38.36)

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The value of goods and materials sold and energy purchased from the market	186,949	468,628	(281,679)	(60.11)
Total costs by type	1,484,027	2 125,287	(641,260)	(30.17)

In 2025, the achieved results were negatively impacted by a negative result on financial activities of PLN 25,719 thousand related to the discount on the reclamation provision, negative revaluation of ongoing investments, lower interest, and negative exchange rate differences. In 2024, the result on financial activities was also negative, amounting to PLN 23,117 thousand.

In 2025, the Group incurred a gross loss of PLN 159,044 thousand. At the net level, the loss in 2025 amounted to PLN 164,429 thousand.

Consolidated statement of financial position

The balance sheet total as at 31 December 2025 amounted to PLN 4,115,960 thousand and increased by PLN 266,139 thousand, i.e. by 6.91% compared to the balance as at 31 December 2024.

Fixed assets as at 31 December 2025 amounted to PLN 3,233,996 thousand. Compared to 31 December 2024, they increased by PLN 952,720 thousand, or 41.76%. The largest increase was in property, plant and equipment, which increased by PLN 1,216,976 thousand.

Current assets as at December 31, 2025 amounted to PLN 881,964 thousand. Compared to December 31, 2024, they decreased by PLN 686,581 thousand, or 43.77%. As at December 31, 2025, the largest decrease, by PLN 601,646 thousand, occurred in emission rights and by PLN 96,447 thousand in trade and other receivables.

Table 7: Selected consolidated asset items

	thousands of zlotys December 31, 2025	thousands of zlotys December 31, 2024	thousands of zlotys Change	% dynamics
<i>Fixed assets</i>				
Material fixed assets	1 828,892	611,916	1,216,976	198.88
Advances on fixed assets	239,661	448,187	(208,526)	(46.53)
Right-of-use assets	26,472	34,154	(7,682)	(22.49)
Investment properties	1,697	1,725	(28)	(1.62)
Intangible assets	363,747	354,102	9,645	2.72
Other long-term financial assets	49,710	47,193	2,517	5.33
Shares in associates and joint ventures accounted for using the equity method	715,776	775,761	(59,985)	(7.73)
Other long-term non-financial assets	766	77	689	894.81
Deferred tax assets	7,275	8,161	(886)	(10.86)
Total fixed assets	3,233,996	2,281,276	952,720	41.76
<i>Current assets</i>				
Broadcasting rights	1,042	602,688	(601,646)	(99.83)
Supplies	4,518	7,478	(2,960)	(39.58)
Trade and other receivables	305,346	401,793	(96,447)	(24.00)
Other short-term non-financial assets	43,565	50,316	(6,751)	(13.42)
Assets from contracts with customers	5,363	311	5,052	1,624.44
Cash and cash equivalents	522,130	505,959	16,171	3.20
Total current assets	881,964	1,568,545	(686,581)	(43.77)
TOTAL ASSETS	4,115,960	3,849,821	266,139	6.91

The balance sheet item equity as at 31 December 2025 amounted to PLN 2,011,634 thousand and decreased by PLN 163,841 thousand, i.e. by 7.53%, compared to the end of the previous year, mainly as a result of the net loss for 2025.

Liabilities as at 31 December 2025 amounted to PLN 2,104,326 thousand, which means that during the year they increased by PLN 429,980 thousand, i.e. by 25.68%, including long-term liabilities that decreased by PLN 60,825 thousand to PLN 558,936 thousand, i.e. by 9.81% and short-term liabilities that increased by PLN 490,805 thousand to PLN 1,545,390 thousand, i.e. by 46.54%.

Table 8: Selected consolidated liabilities items

	<i>thousands of zlotys</i> <i>December 31, 2025</i>	<i>thousands of zlotys</i> <i>December 31, 2024</i>	<i>thousands of zlotys</i> <i>Change</i>	<i>%</i> <i>dynamics</i>
<i>Equity capital</i>				
Share capital	101,647	101,647	-	-
Reserve capital	1,415,052	1,347,425	67,627	5.02
Other reserve capital	3,472	3,472	-	-
Retained earnings/Exposed losses	489,247	720,756	(231,509)	(32.12)
Exchange rate differences from the conversion of a foreign unit	(3)	(18)	15	(83.33)
Equity attributable to shareholders of the parent company	2,009,415	2,173,282	(163,867)	(7.54)
Non-controlling shareholders' capital	2,219	2,193	26	1.19
Total equity	2,011,634	2,175,475	(163,841)	(7.53)
<i>Long-term liabilities</i>				
Interest-bearing loans and credits	-	-	-	-
Long-term employee benefits	21,980	24 104	(2,124)	(8.81)
Trade payables and other long-term financial liabilities	126,771	128,595	(1,824)	(1.42)
Long-term lease liabilities	20,021	29,136	(9,115)	(31.28)
Grants and deferred income	4,848	4,980	(132)	(2.65)
Other long-term reserves and accruals	385,083	432,896	(47,813)	(11.04)
Deferred income tax provision	233	50	183	366.00
Total long-term liabilities	558,936	619,761	(60,825)	(9.81)
<i>Short-term liabilities</i>				
Trade payables and other short-term financial liabilities	170,165	188,400	(18,235)	(9.68)
Short-term lease liabilities	3,315	4,699	(1,384)	(29.45)
Current portion of interest-bearing loans and credits	581,603	-	581,603	-
Derivative financial instruments (liabilities)	821	-	821	-
Other non-financial liabilities	34,364	30,916	3,448	11.15
Income tax liabilities	1,091	1,297	(206)	(15.88)
Short-term employee benefits	3,949	4,387	(438)	(9.98)
Grants and short-term accruals	348	46	302	656.52
Liabilities arising from contracts with customers	3,014	7,194	(4,180)	(58.10)
Other short-term provisions and accruals	746,720	817,646	(70,926)	(8.67)
Total current liabilities	1,545,390	1,054,585	490,805	46.54
Total liabilities	2,104,326	1,674,346	429,980	25.68
TOTAL LIABILITIES	4,115,960	3,849,821	266,139	6.91

Consolidated statement of cash flows

In 2025, the Group generated a positive cash flow balance from operating activities of PLN 49,664,489 thousand, which was PLN 11,784 thousand, or 2.43%, higher than in the previous year. The increase in net cash from operating activities was primarily due to significantly lower expenditures on the acquisition of carbon dioxide emission allowances.

In 2025, as part of investing activities, expenditures were made on the acquisition of property, plant and equipment and intangible assets in the amount of PLN 1,029,710 thousand, which consisted of expenditures related to the investments described in more detail in section 3.3 of this report. Property, plant and equipment and intangible assets were also sold in the amount of PLN 5,519 thousand.

The balance of cash transactions within financial activities in 2025 was positive and amounted to PLN 565,022 thousand. The cash flow balance was primarily influenced by obtaining bridge financing for the CCGT unit construction project.

Cash increased by PLN 16,171 thousand during 2025 and amounted to PLN 522,130 thousand at the end of the year.

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Table 9: Selected items of the consolidated statement of cash flows

	thousands of zlotys 12-month period ended December 31, 2025	thousands of zlotys 12-month period ended December 31, 2024	thousands of zlotys Change	% dynamics
<i>Cash flow from operating activities</i>				
Gross profit (loss)	(159,044)	241,496	(400,540)	(165.86)
Adjustments for items:				
Depreciation	38,539	16,961	21,578	127.22
Interest and profit sharing	68,855	(55,415)	124,270	(224.25)
(Gain) loss from exchange rate differences	204	(58)	262	(451.72)
(Profit) loss on investment activities	22,116	(9,017)	31,133	(345.27)
(Increase) decrease in receivables	97,149	407,500	(310,351)	(76.16)
(Increase) decrease in inventory	2,960	7,370	(4,410)	(59.84)
Increase (decrease) in liabilities, excluding credits and loans	(51,032)	6,286	(57,318)	(911.84)
Change in reserves, accruals and employee benefits	529,254	509,072	20 182	3.96
Income tax paid	(4,529)	(15,761)	11,232	(71.26)
CO ₂ emission allowances	(48,332)	(628,278)	579,946	(92.31)
The remaining	349	4,549	(4,200)	(92.33)
Net cash from operating activities	496,489	484,705	11,784	2.43
<i>Cash flow from investing activities</i>				
Sale of tangible fixed assets and intangible assets	5 519	24,787	(19,268)	(77.73)
Outflows from advances on tangible fixed assets	(8,437)	(11,059)	2,622	(23.71)
Acquisition of tangible fixed assets and intangible assets	(1,021,273)	(470,795)	(550,478)	116.93
Expenditures related to other financial assets	(30,036)	(22,388)	(7,648)	34.16
Proceeds related to other financial assets	4,000	-	4,000	-
Dividends received	-	2	(2)	(100.00)
The remaining	4,887	1,044	3,843	368.10
Net cash from investing activities	(1,045,340)	(478,409)	(566,931)	118.50
<i>Cash flows from financing activities</i>				
Repayment of leasing liabilities	(4,699)	(4,657)	(42)	0.90
Proceeds from loans, borrowings and debt securities	570,000	-	570,000	-
Repayment of loans, credits and debt securities	-	(29,426)	29,426	(100.00)
Interest paid	(279)	(263)	(16)	6.08
Net cash from financing activities	565,022	(34,346)	599,368	(1,745.09)
Net increase (decrease) in cash and cash equivalents	16,171	(28,050)	44,221	(157.65)
Cash at the beginning of the period	505,959	534,009	(28,050)	(5.25)
Cash at the end of the period	522,130	505,959	16,171	3.20

Separate profit and loss account

Net revenues from sales of products, goods and materials in 2025 amounted to PLN 1,237,891 thousand and decreased by PLN 881,140 thousand, i.e. by 41.58%, compared to 2024.

The decline in sales revenues in 2025 was primarily due to a decline in revenues from electricity sales, driven by both a 24.64% lower price and a 9.27% decline in sales volume, including both internally generated and purchased energy. The net production volumes (internal energy sales) of individual Group power plants are presented in Chart 1.

In 2025, revenues from the capacity market amounted to PLN 99,580 thousand, a decrease of PLN 58,447 thousand, or 36.99%, compared to the same period of the previous year. The decrease in revenues is due to the fact that the Company did not generate revenues from auction wins until June 30, 2025. Only from July 2025 did revenues appear as a result of winning a supplementary auction for capacity supplies for the second half of 2025.

Revenues from heat sales in 2025 amounted to PLN 4,515 thousand, which is PLN 17,860 thousand, or 79.82%, lower than those generated in 2024. The decrease in heat sales was due to lower realized heat demand from the sole customer in the first half of the year and the final termination of the cooperation at the end of June 2025.

Revenues from the sale of other goods in 2025 amounted to PLN 9,353 thousand and were lower than those obtained in 2024 by PLN 247,809 thousand, i.e. by 96.36%, mainly due to the lack of revenues from the sale of biomass in 2025.

The Company achieved higher revenues from sales of services by PLN 8,085 thousand, or 13.42%. The increase in revenues was primarily due to higher revenues from support services provided to related and other entities.

In 2025, the Company did not report any revenues from the termination of the PPA (termination of the long-term power and electricity sales agreement), due to the exhaustion of the pool of available funds under the granted aid in 2024.

Table 10: Separate statement of sales revenues

	<i>thousands of zlotys</i> <i>12-month period</i> <i>ended on</i> <i>31 December 2025</i>	<i>thousands of zlotys</i> <i>12-month period</i> <i>ended on</i> <i>31 December 2024</i>	<i>thousands of zlotys</i> <i>Change</i>	<i>%</i> <i>dynamics</i>
Revenues from the sale of goods and services, including:	1,237,891	2,045,322	(807,431)	(39.48)
– revenues from the sale of own electricity	843,707	1,168,589	(324,882)	(27.80)
– purchased electricity	212,420	378,938	(166,518)	(43.94)
– revenues from the Capacity Market	99,580	158,027	(58,447)	(36.99)
– revenues from the sale of thermal energy	4,515	22,375	(17,860)	(79.82)
– revenues from the sale of other goods	9,353	257,162	(247,809)	(96.36)
– revenues from the sale of services	68,316	60,231	8,085	13.42
Other income, including:	-	73,709	(73,709)	(100.00)
– compensation for termination of PPAs	-	73,709	(73,709)	(100.00)
Net revenues from the sale of products, goods and materials	1,237,891	2,119,031	(881,140)	(41.58)

The cost of products sold in 2025 amounted to PLN 1,186,190 thousand, a decrease of PLN 356,463 thousand, or 23.11%, compared to 2024. The cost reduction was primarily due to lower material costs resulting from a lower lignite purchase price, lower tax costs due to lower costs of acquiring carbon dioxide emission allowances, and a lower value of purchased external services.

The value of goods and materials sold in 2025 amounted to PLN 186,037 thousand and was lower than in the previous year by PLN 279,418 thousand, i.e. by 60.03%, as a result of a lower purchase price and a lower volume of purchased energy.

Selling costs in 2025 amounted to PLN 1,461 thousand and were similar to those realized in 2024.

General and administrative expenses in 2025 amounted to PLN 67,233 thousand, an increase of PLN 8,145 thousand, or 13.78%, compared to the previous year. The increase in costs is primarily related to the decommissioning of the Pątnów I power units, and the resulting reclassification of asset maintenance costs from production costs to general and administrative expenses.

A detailed analytical presentation of costs is provided in Table 12.

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Table 11: Selected items of the profit and loss account

	thousands of zlotys Year ended December 31, 2025	thousands of zlotys Year ended December 31, 2024	thousands of zlotys Change	% Dynamics
Net revenues from the sale of products, goods and materials, including:	1,237,891	2,119,031	(881,140)	(41.58)
– Net revenues from product sales	1,016,118	1,482,931	(466,813)	(31.48)
– Net revenues from the sale of goods and materials	221,773	636,100	(414,327)	(65.14)
Costs of products, goods and materials sold, including:	1,372,227	2,008,108	(635,881)	(31.67)
– Cost of producing products sold	1,186,190	1,542,653	(356,463)	(23.11)
– Value of goods and materials sold	186,037	465,455	(279,418)	(60.03)
Gross profit (loss) from sales	(134,336)	110,923	(245,259)	(221.11)
Selling costs	1,461	1,346	115	8.54
General administrative expenses	67,233	59,088	8,145	13.78
Profit (loss) from sales	(203,030)	50,489	(253,519)	(502.13)
Other operating income	27,936	15,542	12,394	79.75
Other operating costs	5,630	37,660	(32,030)	(85.05)
Profit (loss) from operating activities	(180,724)	28,371	(209,095)	(737.00)
Financial income	81,264	58,631	22,633	38.60
Financial costs	22,353	22,140	213	0.96
Gross profit (loss)	(121,813)	64,862	(186,675)	(287.80)
Income tax	4,236	(330)	4,566	(1,383.64)
Net profit (loss)	(126,049)	65,192	(191,241)	(293.35)

Other operating income in 2025 amounted to PLN 27,936 thousand, which is PLN 12,394 thousand, or 79.75%, higher than in the previous year. The higher income in 2025 is primarily due to the realization of a profit in 2025 on the disposal of non-financial fixed assets and, among other things, income from granting licenses, remuneration for the assignment of receivables, and a realized profit on the sale of materials.

Other operating expenses in 2025 amounted to PLN 5,630 thousand, a decrease of PLN 32,030 thousand, or 85.05%, compared to the previous year. The high expenses in 2024 resulted from a loss on the disposal of non-financial fixed assets in the amount of PLN 36,272 thousand.

In 2025, an operating loss of PLN 180,724 thousand was incurred.

Financial income in 2025 amounted to PLN 81,264 thousand and was higher than in the previous year by PLN 22,633 thousand, i.e. by 38.60%, mainly due to higher interest income on loans granted.

Financial costs in 2025 amounted to PLN 22,353 thousand and were and were in a similar amount to those incurred in 2024, while their amount was primarily determined by the loss incurred in the amount of PLN 15,124 thousand on the sale of investments.

In 2025, the Company incurred a net loss of PLN 126,049 thousand.

Table 12: Unit costs by type

	thousands of zlotys Year ended December 31, 2025	thousands of zlotys Year ended December 31, 2024	thousands of zlotys Change	% Dynamics
Depreciation	24,149	4,011	20,138	502.07
Material and energy consumption	489,672	668,109	(178,437)	(26.71)
External services	90,592	141,765	(51,173)	(36.10)
Taxes and fees	534,084	683,263	(149,179)	(21.83)

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Salaries	87,776	93,494	(5,718)	(6,12)
Social security and other benefits, including:	21,430	22,606	(1,176)	(5.20)
- pension	7,630	6,976	654	9.38
Other costs by type	10,576	5,142	5,434	105.68
Costs by type	1,258,279	1,618,390	(360,111)	(22,25)

Individual balance sheet

The Company's balance sheet total as at 31 December 2025 amounted to PLN 2,834,235 thousand and decreased by PLN 199,034 thousand, i.e. by 6.56% compared to the balance as at 31 December 2024.

Fixed assets decreased by PLN 195,281 thousand to PLN 2,226,905 thousand, or 8.06%. The decrease was primarily in intangible assets, which decreased by PLN 602,582 thousand, or 99.75%. This is due to the fact that last year this item recorded the redemption of December futures contracts for carbon dioxide emission allowances, while in 2025 the redemption dates of the futures contracts for carbon dioxide emission allowances were rolled over to dates falling in 2026.

Current assets as at 31 December 2025 decreased by only PLN 3,753 thousand, or 0.61%. Compared to the end of 2024, the largest changes occurred in receivables, which decreased by PLN 106,540 thousand, or 29.38%, primarily due to a decrease in trade receivables, while cash and cash equivalents increased by PLN 93,060 thousand, or 38.76%.

Table 13: Selected individual asset items

	thousands of zlotys December 31 , 2025	thousands of zlotys December 31 , 2024	thousands of zlotys Change	% Dynamics
Fixed assets	2,226,905	2,422,186	(195,281)	(8.06)
Intangible assets	1,508	604,090	(602,582)	(99.75)
Property, plant and equipment, including:	56,854	48,267	8,587	17.79
1. Fixed assets	20,554	4,165	16,389	393.49
2. Fixed assets under construction	18,922	24,459	(5,537)	(22.64)
3. Advances for fixed assets under construction	17,378	19,643	(2,265)	(11.53)
Long-term receivables	-	-	-	-
Long-term investments	2,167 515	1,764,324	403,191	22.85
Long-term accruals	1,028	5 505	(4,477)	(81.33)
Current assets	607,330	611 083	(3,753)	(0.61)
Inventories, including:	5,182	7,990	(2,808)	(35.14)
1. Materials	5,168	7,809	(2,641)	(33.82)
2. Goods	14	177	(163)	(92.09)
3. Advances on deliveries	-	4	(4)	(100.00)
Short-term receivables	256,093	362,633	(106,540)	(29.38)
Short-term investments	343,629	240,066	103,563	43.14
1. Short-term financial assets, including:	343,629	240,066	103,563	43.14
- in related entities	10,503	-	10,503	-
- in other units	-	-	-	-
- cash and other monetary assets	333,126	240,066	93,060	38.76
2. Other short-term investments	-	-	-	-
Short-term accruals	2,426	394	2,032	515.74
Due contributions to share capital	-	-	-	-
Own shares	-	-	-	-
Total assets	2,834,235	3,033,269	(199,034)	(6.56)

Equity as at 31 December 2025 amounted to PLN 1,931,976 thousand and decreased by PLN 126,049 thousand, i.e. by 6.12%, compared to 31 December 2024, which is the result of the net loss incurred for 2025.

The level of provisions at the end of 2024 amounted to PLN 660,962 thousand and was lower than in the previous year by PLN 69,379 thousand, i.e. by 9.50%, mainly due to a decrease in the provision for carbon dioxide emission allowances.

As at December 31, 2025, long-term liabilities decreased by PLN 1,838 thousand, i.e. by 1.43%. The main item of liabilities, in the amount of PLN 113,476 thousand, continues to be contingent liabilities related to the acquisition of shares in Energia Przykona sp. z oo and Neo Energia Przykona X sp. z oo. Current liabilities at the end of 2025, compared to the end of 2024, decreased by PLN 1,385 thousand, i.e. by 1.20%. Liabilities related to the item trade payables decreased, while at the end of 2025, this item, in the amount of PLN 26,286 thousand, included the current portion of the contingent liability related to the acquisition of shares in Energia Przykona sp. z o.o. and Neo Energia Przykona X sp.

Table 14: Selected items of individual liabilities

	<i>thousands of zlotys</i> <i>December 31,</i> <i>2025</i>	<i>thousands of zlotys</i> <i>December 31</i> <i>, 2024</i>	<i>thousands of zlotys</i> <i>Change</i>	<i>%</i> <i>Dynamics</i>
Equity capital	1,931,976	2,058,025	(126,049)	(6,12)
Share capital	101,647	101,647	-	-
Reserve capital	1,949,066	1,881,440	67,626	3.59
Revaluation capital	3,840	6,274	(2,434)	(38.80)
Other reserve capital (funds)	3,472	3,472	-	-
Profit (loss) from previous years	-	-	-	-
Net profit (loss)	(126,049)	65,192	(191,241)	(293.35)
Write-offs from net profit during the financial year (negative value)	-	-	-	-
Liabilities and provisions for liabilities	902,259	975,244	(72,985)	(7.48)
Provisions for liabilities	660,962	730,341	(69,379)	(9.50)
1. Deferred income tax provision	-	-	-	-
2. Provision for pension and similar benefits	23,700	24,109	(409)	(1.70)
3. Other reserves	637,262	706,232	(68,970)	(9.77)
Long-term liabilities	126,466	128,304	(1,838)	(1.43)
1. Towards related entities	-	-	-	-
2. Towards other entities in which the entity has capital involvement	-	-	-	-
3. To other units, including:	126,466	128,304	(1,838)	(1.43)
– credits and loans	-	-	-	-
– other financial liabilities	113,476	128,304	(14,828)	(11.56)
– other	12,990	-	12,990	-
Short-term liabilities	114,268	115,653	(1,385)	(1.20)
1. Liabilities to related parties	44,948	47,483	(2,535)	(5.34)
2. Liabilities to other entities in which the entity has capital involvement	1,524	1,733	(209)	(12.06)
3. Liabilities to other entities, including:	65,171	63,311	1,860	2.94
– credits and loans	-	-	-	-
– other financial liabilities	26,286	-	26,286	-
– for deliveries and services, with a due date of:	19,742	42,594	(22,852)	(53.65)
– advances received for deliveries	-	31	(31)	(100.00)
– from taxes, customs duties, social and health insurance and other public law titles	9,197	10,034	(837)	(8.34)
– on account of salaries	3,793	4,129	(336)	(8.14)
– other	6,153	6,523	(370)	(5.67)
4. Special funds	2,625	3,126	(501)	(16.03)
Accruals	563	946	(383)	(40.49)

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MANAGEMENT BOARD REPORT ON THE ACTIVITIES OF THE CAPITAL GROUP IN 2025

Total liabilities	2,834,235	3,033,269	(199,034)	(6.56)
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Separate statement of cash flows

In 2025, the Company achieved a positive cash flow balance from operating activities of PLN 454,226 thousand, which was PLN 87,039 thousand higher than in the previous year. The increase in net cash from operating activities was primarily due to lower expenditures on the purchase of carbon dioxide emission allowances.

In 2025, investment expenditures exceeded revenues by PLN 360,211 thousand. The realized revenues consisted of remuneration for guarantees granted, dividends received, and proceeds from the sale of shares. Expenditures primarily included loans granted to related entities and acquired shares in subsidiaries.

Cash operations within the framework of financial activities in 2025 consisted only of interest expenses, which amounted to PLN 279 thousand.

Cash and cash equivalents increased by PLN 93,736 thousand during 2025 and amounted to PLN 333,126 thousand at the end of the year.

Table 15: Selected items of the separate cash flow statement

	<i>thousands of zlotys</i> <i>Year ended</i> <i>December 31,</i> <i>2025</i>	<i>thousands of zlotys</i> <i>Year ended</i> <i>December 31,</i> <i>2024</i>	<i>thousands of</i> <i>zlotys</i> <i>Change</i>	<i>%</i> <i>Dynamics</i>
<i>Cash flow from operating activities</i>				
Net profit (loss)	(126,049)	65,192	(191,241)	(293.35)
Total corrections	580,275	301,995	278,280	92.15
1. Depreciation	24,149	4,011	20,138	502.07
2. Gains (losses) from exchange rate differences	675	2,034	(1,359)	(66.81)
3. Interest and profit sharing (dividends)	(60,900)	(30,713)	(30,187)	98.29
4. Profit (loss) from investing activities	(4,450)	(16,446)	11,996	(72.94)
5. Change in reserves	584,834	631,809	(46,975)	(7.44)
6. Change in inventory	2,808	9,018	(6,210)	(68.86)
7. Change in receivables	104,709	355,151	(250,442)	(70.52)
8. Change in short-term liabilities, excluding loans and credits	(21,365)	(27,277)	5,912	(21.67)
9. Change in accruals	(2,675)	2,686	(5,361)	(199.59)
10. Other corrections	(47,510)	(628,278)	580,768	(92.44)
Net cash flow from operating activities	454,226	367 187	87,039	23.70
<i>Cash flow from investing activities</i>				
Influence	45,607	20,763	24,844	119.66
1. Disposal of intangible assets and tangible fixed assets	20,292	0	20,292	-
2. From financial assets, including:	25,315	20,763	4,552	21.92
– in related entities	19,717	19,724	(7)	(0.04)
– in other units, including:	5,598	1,039	4,559	438.79
dividends and profit shares	0	2	(2)	(100.00)
other inflows from financial assets	1,598	1,037	561	54.10
Expenses	405,818	367,878	37,940	10.31
1. Acquisition of intangible assets and tangible fixed assets	29,200	27,747	1,453	5.24
2. For financial assets, including:	376,618	340,131	36,487	10.73
– in related entities	376,618	340,131	36,487	10.73
Net cash flow from investing activities	(360,211)	(347,115)	(13,096)	3.77
<i>Cash flows from financing activities</i>				

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Influence	0	0	0	-
Expenses	279	263	16	6.08
1. Interest	279	263	16	6.08
Net cash flow from financing activities	(279)	(263)	(16)	6.08
Total net cash flow	93,736	19,809	73,927	373.20
Balance sheet change in cash, including:	(996,812)	17,776	(1,014,588)	(5,707.63)
change in cash position due to exchange rate differences	675	2,034	(1,359)	(66.81)
Cash at the beginning of the period	239,390	219,581	19,809	9.02
Cash at the end of the period, including	333,126	239,390	93,736	39.16
with limited disposal options	8,000	7,884	116	1.47

Consolidated and individual financial indicators

The net loss incurred in 2025, both in the consolidated and standalone accounts, resulted in all profitability indicators recording negative values.

The total debt ratio at the end of 2025 in the Group increased slightly, while in the Company it remained unchanged, which means that the level of provisions and liabilities increased accordingly and did not change in relation to the balance sheet total.

The current ratio indicates the degree to which current assets and the value of acquired carbon dioxide emission allowances cover short-term liabilities and provisions, including provisions related to carbon dioxide emission allowances. The ratios for the Group and the Company were below one, indicating that the liquidity position of the Group and the Company had deteriorated in the short term at the end of 2025.

Table 16: Consolidated indicators

		2025	2024	Change	% Dynamics
ROE	%	(8.17)	12.09	(20.26)	(167.58)
ROA	%	(3.99)	6.83	(10.82)	(158.42)
Net sales profitability*	%	(12.33)	12.03	(24.36)	(202.49)
Total debt ratio	x times	0.51	0.43	0.08	18.60
Current liquidity ratio	x times	0.57	1.49	(0.92)	(61.74)

* Net sales profitability calculated (from continuing and discontinued operations combined).

Table 17: Individual indicators

		2025	2024	Change	% Dynamics
ROE	%	(6.52)	3.17	(9.69)	(305.68)
ROA	%	(4.45)	2.15	(6.60)	(306.98)
Net sales profitability	%	(10.18)	3.08	(13.26)	(430.52)
Total debt ratio	x times	0.32	0.32	-	-
Current liquidity ratio	x times	0.86	1.55	(0.69)	(44.52)

5.3. Significant off-balance sheet items

A description of significant off-balance sheet items is presented in notes 32, 33 and 34 of the Group's consolidated financial statements for 2025.

5.4. Projected financial situation

In 2025, the Group incurred a net loss of PLN 164,429 thousand. The current situation, related to the gradual reduction of its coal mining and lignite-based energy production activities, is of significant importance to the Group's financial results. In 2025, the Group operated the last open-pit mine (Tomisławice) and the last 474 MW coal-fired unit at the Pątnów Power Plant. This reduction in the scale of core operations translates into a reduced ability to produce energy and generate revenue from its sales. At the same time, the Company is reducing fixed costs associated with its operations, which is proportionally smaller compared to the scale of the revenue reduction. However, the energy sales prices the Company achieved in 2025 were significantly lower than those achieved in 2023 and 2024. Furthermore, it should be noted that the termination of operations (particularly mining operations) will require incurring expenses for several years to come. In practice, this involves reclamation costs and public and legal levies (e.g., property tax), which the Group will incur during the period necessary to restore the area mined in previous years to the condition required by specific legal regulations. The Group's coal operations are scheduled to cease production of energy from lignite until all coal has been extracted from the currently mined area of the Tomisławice open-pit mine. This means that electricity production at a level comparable to previous periods will continue within the Group, no longer than the end of the first half of 2026. Additionally, throughout 2026, the Company will provide services related to the capacity market in connection with the capacity contract obtained as a result of winning the supplementary auction for 2026. After the production of energy from lignite is discontinued, liabilities related to this activity, including the acquisition of CO₂ emission allowances and costs related to the reclamation of areas exploited in mining and production activities, will have to be covered from accumulated funds, the sale of assets or from revenues obtained from potential new investment projects.

As of December 31, 2025, current liabilities exceeded current assets by PLN 663,426 thousand. This was primarily due to the recognition of bridge financing in the amount of PLN 581,603 thousand as a current liability financing fixed assets as of December 31, 2025. The above-mentioned bridge financing was repaid on March 26, 2026 from funds made available under the credit agreement entered into by PAK CCGT on December 17, 2025, as described in Notes 29 and 41 to the consolidated financial statements.

The Management Board is obligated to assess whether it is appropriate to prepare consolidated financial statements on a going concern basis. The Management Board has conducted a detailed analysis of cash flow forecasts. The analysis indicates that the successful acquisition of syndicated financing for the CCGT unit construction project has significantly improved the Group's current liquidity position. The cash flow forecast also assumes the possibility of additional liquidity needs occurring within at least the next 12 months from the date of these financial statements, which, in the base case scenario, could be met by obtaining additional financing in the amount of approximately PLN 200 million. At the same time, the Group holds assets that can be converted into cash and has the ability to actively manage selected liability items, which could constitute an alternative or supplementary source of securing any additional liquidity needs. The Company is currently at a very advanced stage of negotiations regarding several financing options, including financing structurally subordinated to the syndicated loan for the construction of the CCGT unit. The Management Board believes that the level of advancement of negotiations with entities offering financing, combined with the available options for managing the Group's assets and liabilities, allows for a reasonable expectation that the Group will be provided with adequate liquidity and cash resources to continue its operations in the foreseeable future.

The Group is currently in the final phase of phasing out its coal operations, which it has operated for several decades. Continuous lignite mining will continue no longer than the end of the first half of 2026. For the remainder of the year, the last power unit will provide services in the capacity market, and the Company intends to participate in the capacity market with the last coal-fired unit in 2027. At the same time, for several years, the Company has been working on the optimal way to utilize available assets previously used in mining and generation operations. The most advanced project currently underway is the construction of a 574 MW CCGT unit at the site of the former coal-fired power plant in Turek. The project received support from winning a capacity market auction in December 2021, concluding a 17-year capacity contract. Construction work began in December 2023. The unit is expected to be commissioned in the third quarter of 2027. In the context of the project to build the CCGT unit and the potential impact of the armed conflict in the Middle East, which began on February 28, 2026, on its implementation, it is worth emphasizing that almost all key components are already on site, and disruptions to the supply chain should not impact the project's timely completion. The management board sees no risks other than those typical for this type of investment, affecting the adopted CCGT gas unit construction plan, and assesses it as fully realistic.

The Group is also developing renewable energy projects. These include a large-scale wind farm and a large-scale photovoltaic farm, both pre-construction, and are expected to be completed after 2028.

5.5. Characteristics of factors influencing current and future financial results

Characteristics of factors influencing current and future financial results

In general, you should be aware that there are currently two most important factors influencing the Group's current and future financial results:

1. For several years, the Group has been gradually reducing its coal mining and lignite-based energy production operations. In recent years, mining operations at two lignite open-pit mines and the operation of power units with a total capacity of 644 MW have been discontinued. The Group entered 2025 with the last open-pit mine (Tomisławice) and the last coal-fired unit with a capacity of 474 MW at the Pątnów Power Plant operational. This significant reduction in the scale of its core operations translates into a reduced ability to produce energy and generate revenue from its sale. At the same time, it is important to be aware that the scale of the reduction in fixed costs associated with coal operations is proportionally smaller compared to the scale of the reduction in operations. Furthermore, it should be noted that the termination of operations (especially mining operations) entails the need to incur costs for several years to come. In practice, this refers to the costs of reclamation and public and legal levies (e.g., property tax), which the Group will incur during the period necessary to restore the area mined in previous years to the condition required by specific legal regulations. The Group's coal operations are scheduled to cease production of energy from lignite until all coal has been extracted from the currently mined area of the Tomisławice open-pit mine. This means that coal operations involving baseload electricity generation will continue at the Group no longer than the end of the first half of 2026. In the following months, due to limited coal resources in the open-pit mine, the unit will operate solely to meet the needs of the unit's participation in the capacity market, awaiting start-up instructions related to participation in the capacity market. After the end of lignite energy production, the costs associated with reclamation of areas exploited in mining and generation operations will have to be covered from accumulated funds, the sale of assets, or revenues generated from potential new investment projects.
2. The Group has been working for years on the optimal use of available assets previously used in mining and generation operations. The most advanced project currently is the construction of a 574 MW CCGT gas-fired turbine unit at the site of the former Adamów coal-fired power plant, which received support from a successful capacity market auction. Construction began in December 2023. Work progress at the end of 2025 is approximately 82.7%, with the unit's expected commissioning date set for the third quarter of 2027. At the end of 2025, the Group successfully finalized negotiations with financing entities regarding external financing for this project. Financing efforts extended beyond the originally planned schedule, and until negotiations with financing entities were completed, the Company undertook a number of actions to maintain construction progress. In the initial phase, the project was implemented using internal funds and funds obtained from bridge financing.

In addition to the factors mentioned above related to the current period of transformation processes in the Group, activities in the energy sector are also influenced by factors typical of the entire electricity generation industry.

In 2019, a regulatory package entitled "Clean Energy for All Europeans" (Winter Package) was adopted, fundamentally influencing national legislation in the energy sector. The entry into force of these regulations, in particular Regulation (EU) 2019/943 of the European Parliament and of the Council of 5 June 2019 on the internal market in electricity (the "Market Regulation"), is crucial for the Polish capacity market, as these regulations, effective July 21, 2025, exclude installations emitting more than 550g CO₂/kWh during electricity production from fossil fuels from support. On March 14, 2023, the European Commission presented a draft energy market reform, commonly known as the EMD (Electricity Market Design) reform, which aims to improve the structure of the EU electricity market and protect the European Union from manipulation of the wholesale energy market. The EMD reform is essentially a package of implementing regulations amending primarily the aforementioned Market Regulation and the REMIT regulation (granting ACER powers to monitor the application of the regulation, similar to those held by the Energy Regulatory Office). The EMD reform has influenced the shape of the Polish capacity market. As part of implementing the derogation provided for in the Market Regulation, the legislator amended the Capacity Market Act by introducing an additional tender process in which generating units that commenced commercial production before 4 July 2019 and emit more than 550 g of CO₂ from fossil fuels per kWh of electricity will be able, on an exceptional basis, to hold commitments or receive payments or commitments for future payments. The Act introduced the possibility of conducting four supplementary auctions for the following delivery periods: the second half of 2025 (semi-annual auction) and the delivery years 2026, 2027, and 2028 (annual auctions). Supplementary auctions are essentially an extension of existing capacity market processes and will only be held if, after conducting the initial capacity market processes for a given delivery year (main auction and supplementary auctions), a problem with generating resource adequacy is identified. In 2025, the 474 MW coal-fired unit at the Pątnów Power Plant participated in supplementary capacity market auctions, contracting capacity obligations for the second half of 2025 and the entire year 2026.

In addition to the above-described reform of the European electricity market, when assessing the market and regulatory environment of electricity producers and sellers, several phenomena of particular importance in the last year should be taken into account, the effects of which may also affect the Group's results in the future:

- work on achieving climate neutrality by the European Union (raising reduction targets),
- increase in capacity in the National Power System in the renewable energy segment, in particular intensive growth in photovoltaic installations,
- entry into force on 14 June 2024 of the balancing market reform.

The ZE PAK SA Group generates the majority of its revenue from the generation and sale of electricity, so the price at which it sells electricity is crucial to its operating results. When analyzing current market trends in the context of electricity prices on wholesale energy markets, it is crucial to look primarily at prices quoted on the Polish Power Exchange ("TGE"). For many years, factors that have significantly influenced exchange prices on the SPOT market (RDNiB TGE) have included: the volume of wind and solar generation, the level of reserves in the National Power System (KSE), the amount of transmission capacity available for cross-border exchange, and the status of customer contracts on the electricity futures market.

The electricity trading volume on TGE amounted to 119,519,384 MWh in 2025, which represents a 9.2% decrease compared to 2024³(131,691,879 MWh), including a 13.0% decrease in trading on the forward market and a 3.1% decrease in trading on the spot market. The weighted average price of a "BASE" contract (so-called "base", i.e. delivery of a fixed amount of energy over a specific time unit) on the TGE Day-Ahead Market in 2025 was PLN 446.30/MWh, which represents an increase of PLN 21.36/MWh, i.e. approximately 5%, compared to the same price in 2024 (PLN 424.94/MWh). In turn, on the forward market (RTT), the weighted average price of the annual contract with baseload delivery in 2026 (BASE_Y-26) was PLN 430.50/MWh, which means a decrease of PLN 19.30/MWh, i.e. ~4.3%, compared to the price from the BASE_Y-25 contract in 2024 (PLN 449.80/MWh). The stabilization of electricity prices can be linked to the increase in installed capacity in RES sources.

CO₂ emission allowances ("EUAs"), which the issuer is obligated to surrender in an amount corresponding to the amount of CO₂ emissions into the atmosphere, is currently the most decisive factor in determining the competitiveness of a power company generating electricity from lignite, alongside the cost of coal and auxiliary fuels. The amount of allowances required by the Group must be purchased on the market. The price level at which the Group acquires CO₂ emission allowances has had a significant impact on the Group's future financial results in previous years and continues to do so, as long as the Group continues to produce energy from lignite or gas. It is reasonable to assume that, given the plans to phase out coal production, this impact should decrease in the long term. However, in the second half of 2027, the Group will begin generating energy from gas, for which it will also be obligated to purchase EUAs for redemption. By 2025, as a result of ZE PAK SA's consistent energy transition policy toward climate neutrality, only one lignite-fired power unit remained operational – Unit No. 9 at the Pątnów Power Plant, with a capacity of 474 MW. The CO₂ emission allowance market is currently the market most exposed to price changes driven by political decisions stemming from the ongoing debate over the reform of the European Emissions Trading System (EU ETS) over the past few years, as well as the ongoing economic transformation. Prices on the CO₂ emission allowance market in 2025 did not follow a uniform trend. In the first half of the year, we observed a price decline from €83 to as much as €60, while in the second quarter, the market recorded price increases, with periodic downward price corrections. CO₂ prices ended 2025 at around €85. In 2025, EUA price trends were seen to correlate with gas prices, and price quotations were influenced by tensions in the international economy, particularly trade tensions between the US and the EU and the US and China. Due to electricity production now being conducted at only one coal-fired unit, any changes in the regulatory environment, which are expected to increase CO₂ emissions costs to a lesser extent than in previous years, when the power plant generated significantly more, will increase the cost of energy production, as ZE PAK SA currently has a hedged EUA price for most of its electricity production plan in 2026. However, given the Group's investment in the construction of a CCGT unit in Turek, emission allowance prices will be less affected due to the significantly lower emissions of gas sources compared to coal sources, but will still be a significant factor influencing the Group's financial results in the future.

Another factor that will undoubtedly impact the Group's future financial results, related to the EMD reform described in the first part, is the participation of the Group's generating units in the Capacity Market. Since the launch of the Capacity Market, ZE PAK SA has been actively participating. For the 2026 delivery year, the only operating coal-fired unit, Unit No. 9 at the Pątnów Power Plant, has a capacity agreement from the supplementary auction. Furthermore, ZE PAK SA still has the opportunity to generate revenue from the capacity market to cover the fixed costs of operating Unit No. 9 at the Pątnów Power Plant, through the potential participation of this unit in the supplementary auction for 2027, if one is held and the Group decides to participate. In 2021, as a result of an auction process conducted for the 2026 delivery year,

³TGE information from the website www.tge.pl

PAK CCGT sp. z o.o., an indirect subsidiary of ZE PAK SA, concluded a capacity agreement for 17 years of delivery, contracting 493 MW of capacity obligation at a base price of PLN 400.39/kW/year. Furthermore, when discussing issues related to the capacity market, it is important to note that the capacity market involves not only payments to participating entities, but also specific obligations and financial penalties for those who fail to fulfill or improperly fulfill the contractually agreed capacity obligation. Furthermore, in the context of Grupa Grupa's financial results, it is also important that the capacity market provides for financial penalties for delays in commencing the capacity obligation within the contractually agreed deadline. Pursuant to the concluded capacity agreement, the CCGT unit belonging to the Group should have commenced fulfilling the capacity obligation in January 2026. Already at the stage of concluding the contract for the construction of the unit, the Group was aware of the schedule risks related to the construction of the unit, including risks related to the date of achieving the capacity obligation, which was taken into account in the analyses conducted. Failure to meet the originally assumed capacity obligation deadline in 2026 translates into lost capacity market revenue for the Group of approximately PLN 16.4 million per month, based on the capacity obligation price resulting from the main auction for that year. At the same time, failure to meet the capacity obligation commencement date will result in the imposition of contractual penalties from January 2026, in accordance with the provisions of the Capacity Market Act. The estimated monthly penalty for 2026, calculated based on the highest capacity obligation price applicable for that year, is approximately PLN 1 million per month. Legislative work is currently underway, with the Polish administration and EU bodies consulting on a new capacity market model after 2030. However, given that the draft mechanisms have not been publicly presented, it is difficult to make any assumptions at this time about how the new capacity market will impact the Group's financial results.

In the context of factors affecting current and future financial results, it is also worth mentioning that since 2019, intensive work has been underway on the reform of the balancing market, adapting the market to the requirements of European law. Changes to the balancing market were introduced in stages. The second stage of the reform entered into force on June 14, 2024, introducing, among other things, a new market architecture, as well as new market-based rules for selling balancing capacity, new settlement rules on the balancing market, and other payment rules for activations. With the entry into force of the second stage of the Balancing Market reform, ZE PAK SA, as a market-based Balancing Service Provider (BSP), offers the Transmission System Operator a catalogue of balancing services, which includes, in addition to balancing energy, balancing capacity, including the frequency maintenance reserve, the frequency restoration reserve, the replacement reserve, and the operating reserve. In 2025, these services were provided only by Unit No. 9 at the Pątnów Power Plant. Revenues from balancing services will constitute a source of revenue until the unit continues to operate on baseload. Upon transition to a capacity market-specific mode, the impact of these revenues from the production of Unit No. 9 at the Pątnów Power Plant will be insignificant. Revenues from balancing services will once again have a greater impact on the Group's results once the combined cycle gas and steam unit belonging to PAK CCGT sp. z o.o., which will become a participant in the balancing services market, begins producing energy.

5.6. Unusual factors and events that influence the financial results achieved

At the end of 2024, electricity generation at Units 1 and 2 at the Pątnów Power Plant ceased, meaning that from the beginning of 2025, electricity generation will only occur at Unit 9 at the Pątnów Power Plant. Operating a single unit will translate into reduced production capacity and reduced operational flexibility. The complete end of electricity generation from lignite is expected in the first half of 2026.

6. FINANCIAL RESOURCES MANAGEMENT

6.1. Assessment of financial resource management

The Group manages its current financial resources flexibly, utilizing cash liquidity analysis models and planning future cash flows based on periodically prepared short- and long-term financial forecasts. Using these tools, Group companies conduct ongoing monitoring and analysis of the maturity of receivables and liabilities, adjusting the terms and balances of bank accounts to the cash flow levels. Cash surpluses are managed through investments in less risky financial market instruments, primarily bank deposits. The period of increased cash demand typically occurs at the turn of the first and second quarters. This stems from the fact that the Company hedges a volume of CO₂ emission allowances on the futures market and, as their redemption date approaches (the end of April each year), requires cash to purchase them. To ensure flexibility during periods of increased cash demand, overdraft facilities are utilized.

From the perspective of financial needs, the financing process for the already commenced project to build a gas-fired unit in Turek on the site of the former Adamów Power Plant is currently crucial. The project was implemented through December 2025 using internal funds and funds obtained from bridge financing. PAK CCGT sp. z o.o. secured bridge

financing for this project. PAK CCGT sp. z o.o. entered into a loan agreement with EFG Bank (based in Luxembourg) for up to PLN 760 million, repayable by December 31, 2026. This financing is intended to ensure the company's continued investment. In December 2025, the ZE PAK Group finalized negotiations with banks, securing nearly PLN 2.3 billion in financing for the construction of a gas-fired unit. The funds made available under this agreement in March 2026 enabled the full repayment of the loan with EFG Bank. The financing documentation also provides for the granting of a VAT revolving loan up to PLN 100 million and a working capital facility (RCF) up to PLN 40 million with the possibility of increasing its amount or granting additional loans up to a total of PLN 500 million for the working capital facility.

6.2. Assessment of the implementation of investment plans

The Group is currently implementing several investment projects at various stages of development. The adopted method for implementing the planned investments relies primarily on the use of funds generated through ongoing operations, as well as external financing. When planning financing, Group companies consider a number of factors that exist now or may arise in the future and have a significant impact on the investment program. The anticipated financing structure for individual investment projects also considers the level of a number of financial indicators, such as debt and liquidity ratios, to achieve their optimal levels.

The biggest challenge currently is financing the already-launched gas-fired unit project in Turek, on the site of the former Adamów power plant. The project was implemented through December 2025 using internal funds and funds obtained from bridge financing. PAK CCGT sp. z o.o. secured bridge financing for this project. PAK CCGT sp. z o.o. entered into a loan agreement with EFG Bank (based in Luxembourg) for up to PLN 760 million, repayable by December 31, 2026. The financing is intended to ensure the company's continued investment. In December 2025, the ZE PAK Group finalized negotiations with banks, securing financing for the construction of the gas-fired unit in the amount of nearly PLN 2.3 billion. The financing documentation also provides for the granting of a VAT revolving loan up to PLN 100 million and a working capital facility (RCF) up to PLN 40 million with the possibility of increasing its amount or granting additional loans up to a total of PLN 500 million for the working capital facility.

7. IMPORTANT FACTORS AND DEVELOPMENT PROSPECTS

Directional actions determined by the Group Strategy

From the perspective of its strategic directions, the ZE PAK SA Capital Group has reached a crucial juncture. For several years, the Group has been gradually reducing its coal mining and lignite-based energy production activities. In recent years, mining from two lignite open pits and the operation of power units with a total capacity of 644 MW have been discontinued. The Group entered 2025 with the last open pit (Tomisławice) and the last coal-fired unit with a capacity of 474 MW at the Pątnów Power Plant operating. It should be noted that the termination of operations (particularly mining operations) will entail the need to incur costs for several years to come. In practice, these include reclamation costs and public and legal levies (e.g., property tax), which the Group will incur during the period necessary to restore the land mined in previous years to the condition required by specific legal regulations. The timeline for phasing out the Group's coal operations envisages energy production from lignite until all coal has been extracted from the currently mined area of the Tomisławice open-pit mine. This means that coal operations will continue within the Group no longer than the end of the first half of 2026. In the second half of 2026, the last coal-fired unit will provide services related to participation in the capacity market mechanism. The Company intends to have the last coal-fired unit operating in the capacity market also in 2027.

Due to the planned termination of its coal operations, the Group has been working for years on the optimal way to manage available assets previously used in mining and manufacturing activities and is developing other projects, focusing on low-emission and zero-emission sources of energy generation.

- 1) The most advanced project currently underway is the construction of a 574 MW CCGT gas-fired turbine unit at the site of a former coal-fired power plant in Turek. The project received support from winning a capacity market auction in December 2021, securing a 17-year capacity contract. Construction work began in December 2023. The current progress is 82.7%, with the unit's expected commissioning date set for the third quarter of 2027. The Group successfully secured financing for this project. In December 2025, an agreement was signed with a consortium of banks for PLN 2.25 billion, and a loan was disbursed in March 2026. In the context of the implementation of the CCGT project and the potential impact of the armed conflict in the Middle East, which began on February 28, 2026, it is worth emphasizing that almost all key components are already on site, and disruptions to supply chains should not affect the project's timely completion.

- 2) Another project is the construction of a large photovoltaic farm on land previously used for mining operations near the town of Przykona. The farm is expected to have a capacity of approximately 258 MW. Currently, preparatory and planning work is underway. The company is considering various project implementation options, including the orientation of the photovoltaic panels and the potential location of energy storage facilities near the farm.
- 3) In the second quarter of 2024, the Company acquired a 99% stake in a project that plans to build wind farms with a total capacity of 500 MW across three counties in the Opole Voivodeship. Preparatory and design work is currently underway to bring the project to a construction-ready stage. Due to the scale of the project, the Group will consider securing an external partner to implement it.
- 4) One of the projects under consideration is the modernization of a 474 MW coal-fired unit at the Pątnów Power Plant to adapt it to gas combustion. The advantage of this solution is the lower expected capital expenditure compared to building a gas-fired unit from scratch. Awareness of the high demand of the national energy system for flexible generating units compatible with the increasing number of uncontrollable renewable energy sources prompted the Group to conduct a thorough analysis of this solution. To this end, the Group obtained gas grid connection conditions. However, due to uncertainty regarding the feasibility of utilizing the support system for the project under consideration and the capital needs of other projects, work on this project has been suspended for now.

ZE PAK SA is also a minority shareholder (49.5%) in PAK – Polska Czysta Energia sp. z o.o., around which a structure of special purpose vehicles is being gradually built, responsible for activities in specific renewable energy technologies. The sale of a majority stake (50.5%) in the PAK – PCE structure to Cyfrowy Polsat SA Group has secured a strong capital partner for implementing a wide range of promising investment projects in the area of renewable energy sources and the production and use of "green" hydrogen. The ZE PAK SA Group is actively participating in the development of the PAK – PCE structure, including at the operational level.

8. CHARACTERISTICS OF THE SHAREHOLDER STRUCTURE

8.1. Shareholder structure

The structure of shareholders holding, directly or indirectly through subsidiaries, at least 5% of the total number of votes as of the date of this annual report was prepared based on a letter received from the Solkomtel Foundation, information from the Company's direct shareholder, i.e. Argumenol Investment Company Limited, and analyses based on the opinion of a professional advisor, which were published in Current Reports No. 24/2025 and 25/2025 dated September 27, 2025. In the letter received on September 23, 2025, the Foundation confirmed that there is no parent entity within the meaning of Article 4, Section 14 of the Act on Public Offering. In particular, there is no entity that:

- directly or indirectly holds a majority of votes in the Foundation's governing body (Foundation Council), or
- has the power to appoint or dismiss the majority of members of the Foundation Council, or
- more than half of the members of the management board of such other entity are also members of the Foundation Council, procurators or persons holding managerial positions in the Foundation, or persons holding managerial positions in the parent company or its subsidiaries.

The Solkomtel Foundation does not have a management board or supervisory board. Its governing body is the Foundation Council, responsible for managing the Foundation's affairs and representing it. The current members of the Foundation Council are:

- Peter Schierscher – appointed by the Princely Court in Vaduz, Liechtenstein;
- Jarosław Grzesiak – appointed jointly by Tobiasz Solorz, Aleksandra Żak and Piotr Żak;
- Tomasz Szeląg – appointed by Zygmunt Solorz.

The Foundation is represented jointly by Peter Schierscher acting together with Tomasz Szeląg or Jarosław Grzesiak.

Table 18: List of shareholders holding, directly or indirectly through subsidiaries, at least 5% of the total number of votes at the General Meeting of the Company as at the date of submitting this report

<i>Shareholder</i>	<i>pcs. Number of shares and the corresponding number of votes at the General Meeting</i>	<i>% Share in the total number shares/votes</i>
Solkomtel Foundation ^{*)}, through Stasalco:	33 523 911	65.96
Stasalco Limited (through Elektrim SA):	33 523 911	65.96
Elektrim SA (through Argumenol Investment Company Limited, Anokymma Limited and Enelka Taahhüt Imalat ve Ticaret AS):	33 523 911	65.96
Anokymma Limited (through Argumenol Investment Company Limited and IB 8 FIZAN)	26 080 313	51.32
Enelka Taahhüt Imalat ve Ticaret AS (via IB 8 FIZAN)	3 588 348	7.06
IB 8 FIZAN (through Argumenol Investment Company Limited) and: <i>Polynon Investments Limited (through Argumenol Investment Company Limited)</i>	25 431 239	50.04
<i>Progoria Investments Limited (through Argumenol Investment Company Limited)</i>	1 230 328	2.42
<i>Justinana Investments Limited (through Argumenol Investment Company Limited)</i>	2 460 655	4.84
<i>Justinana Investments Limited (through Argumenol Investment Company Limited)</i>	1 639 319	3.23
<i>Iceus Investments Limited (through Argumenol Investment Company Limited)</i>	2 869 647	5.65
<i>Argumenol Investment Company Limited (direct)</i>	33 523 911	65.96
Nationale – Nederlanden OFE	4 503 242	8.86
OFE PZU "Golden Autumn"	4 635 719	9.12
PTE Allianz Polska SA	3 491 456	6.87
The rest	4 669 219	9.19
Together	50 823 547	100.00

^{*)} The Register of Beneficiaries of Solkomtel Foundation indicates: (1) Zygmunt Solorz as the founder, curator and first beneficiary (the sole economic beneficiary of the Foundation for life); (2) Peter Schierscher as a member of the Foundation Council;
(3) Jarosław Grzesiak as a member of the Foundation Council; and (4) Tomasz Szeląg as a member of the Foundation Council.

8.2. Acquisition of own shares

In 20245, the Company did not acquire any of its own shares.

8.3. Shares and interests in entities from the ZE PAK SA Capital Group held by supervisory and management personnel

The table below presents the ownership status (direct and indirect) of the Company's shares and shares/stocks in entities related to the Company by management personnel as at 31 December 2025 and as at the date of preparation of this report.

Table 19: Status of shares in the Company and shares/stocks in entities related to the Company held by management personnel as at 31 December 2025 and as at the date of preparation of the report.

<i>Name and surname</i>	<i>ZE PAK SA shares</i>		<i>Shares in entities related to ZE PAK SA</i>	
	<i>quantity</i>	<i>face value</i>	<i>quantity</i>	<i>face value</i>
Piotr Żak	0	0	0	0
Zygmunt Artwik	0	0	0	0
Maciej Nietopiel	0	0	0	0
Andrzej Janiszowski	0	0	0	0

ZE PAK SA CAPITAL GROUP
MANAGEMENT BOARD REPORT ON THE ACTIVITIES OF THE CAPITAL GROUP IN 2025

Katarzyna Sobierajska	0	0	0	0
Maciej Koński	0	0	0	0
Bartłomiej Drywa	0	0	0	0

The table below presents the holding (direct and indirect) of the Company's shares and shares/stocks in entities related to the Company by supervisory persons as at 31 December 2024 and as at the date of preparation of this report.

Table 20: Status of shares in the Company and shares/stocks in entities related to the Company held by supervisory persons as at 31 December 2025 and as at the date of preparation of the report.

Name and surname	ZE PAK SA shares		Shares in entities related to ZE PAK SA	
	quantity	face value	quantity	face value
Tobias Solorz	0	0	0	0
Aleksandra Żak	0	0	0	0
Tomasz Szelaąg	0	0	0	0
Alojzy Z. Nowak	0	0	0	0
Beata Jakacka-Sitek	0	0	0	0
Alexander Grad	0	0	0	0
Daniel Ozon	0	0	0	0
Jarosław Grzesiak	0	0	0	0
Daniel Kaczorowski	0	0	0	0

8.4. Employee share program control system

The Company does not have an employee share program, therefore the Company does not have a system for controlling the employee share program.

9. DECLARATION ON THE APPLICATION OF CORPORATE GOVERNANCE PRINCIPLES

The statement on the application of corporate governance principles is presented in accordance with § 72 section 7 item 5) of the Regulation of the Minister of Finance of 6 June 2025 on current and periodic information provided by issuers of securities and conditions for recognizing as equivalent information required by the laws of a non-member state.

9.1. A set of corporate governance principles applied

From 1 July 2021, ZE PAK SA is subject to a set of corporate governance rules for companies listed on the WSE Main Market – Best Practices of GPW Listed Companies 2021 (“DPSN 2021”), adopted by Resolution No. 13/1834/2021 of the Stock Exchange Supervisory Board dated 29 March 2021.

The Company's Management Board, within the scope of its authority under the Articles of Association and generally applicable legal provisions, exercises due diligence to ensure that the Company complies with the Best Practices to the fullest extent possible. The number and scope of the principles waived in 2025 are described in detail in the section below. The Company's Management Board makes every effort to ensure that the Company's information policy towards investors, both individual and institutional, which implements the guidelines contained in the Best Practices, is consistent with their expectations. The Company strives to minimize both the number and scope of the principles waived. Furthermore, for reasons beyond the Company's control, not all principles contained in the Best Practices are applied.

The text of the 2021 Best Practices is published on the website of the Warsaw Stock Exchange at:

DPSN 2021 – https://www.gpw.pl/pub/GPW/files/PDF/dobre_praktyki/DPSN21_BROSZURA.pdf

In accordance with the principles of Good Practice and in connection with the launch of **a new reporting system called GPW Data, which replaced the previous EBI system**, in 2025 the Company published current information on the status of the Company's application of the principles contained in the Good Practice at:

https://ri.zepak.com.pl/upload/files/GPW_Dobre_Praktyki_2021_PAK.pdf.pdf

9.2. The set of DPSN 2021 rules that have been waived

The corporate governance principles that the Company did not comply with in its operations in 2025 are listed below, along with an explanation of the Company's position on each specific deviation.

Rule 1.4.2. DPSN 2021

Information on the ESG strategy should, among other things, present the value of the equal pay index paid to its employees, calculated as the percentage difference between the average monthly remuneration (taking into account bonuses, awards and other allowances) of women and men for the last year, and provide information on actions taken to eliminate possible inequalities in this area, along with a presentation of the risks associated with this and the time horizon in which equality is planned to be achieved.

Explanation of reasons for non-application of rule 1.4.2.

Due to the nature of the Company's operations in the heavy industry segment, men predominate in employment (in the production sector), and therefore the Company does not maintain such statistics. However, remuneration at the Company is adjusted to the level of education, competencies, and position held, and is not in any way dependent on the employee's gender or age.

Rule 2.1. DPSN 2021

A company should have a diversity policy for its management board and supervisory board, adopted by the supervisory board or the general meeting, as appropriate. The diversity policy defines diversity goals and criteria, including in areas such as gender, educational background, specialized knowledge, age, and professional experience, and also indicates the deadline and method for monitoring the achievement of these goals. In terms of gender diversity, the condition for ensuring diversity in a company's governing bodies is a minimum of 30% minority representation on the relevant body.

Explanation of reasons for non-application of rule 2.1.

The Company has not developed a diversity policy for its management board or supervisory board. In accordance with the Company's standards, objective criteria such as knowledge, experience, competencies, and skills required to perform the assigned functions are decisive when selecting management and supervisory personnel. In the Company's opinion, these criteria can ensure the effective and efficient operation of the Company and the implementation of its adopted strategy.

Rule 2.2. DPSN 2021

Persons making decisions regarding the selection of members of the company's management board or supervisory board should ensure the versatility of these bodies by selecting members who ensure diversity, enabling, among other things, the achievement of the target minimum minority participation rate set at a level of no less than 30%, in accordance with the objectives set out in the adopted diversity policy referred to in principle 2.1.

Explanation of reasons for non-application of rule 2.2.

Decision-makers selecting members of the management board and supervisory board ensure the comprehensiveness of these bodies, guided by the current needs of the company, which are expressed by considering the candidates' relevant professional experience, competencies, and education necessary to perform the functions entrusted to them. This principle is not applied to maintaining the mandated minimum minority participation rate of 30%. In the Company's opinion, adopting a rigid minority participation rate in the Company's governing bodies may lead to a situation where minority membership is a decisive factor in selecting a candidate, at the expense of the Company's most important criteria, such as relevant professional experience, competencies, and education.

Rule 2.11.6. DPSN 2021

The annual report includes information on the degree of implementation of the diversity policy in relation to the management board and the supervisory board, including the achievement of the objectives referred to in principle 2.1.

Explanation of reasons for not applying rule 2.11.6.

Due to the lack of a developed diversity policy and the explanation for non-application of principle 2.1., the report on the activities of the supervisory board will not contain information on the degree of implementation of the Company's diversity policy.

Rule 4.1. DPSN 2021

A company should enable shareholders to participate in a general meeting using electronic means of communication (e-general meeting), if this is justified by the shareholders' expectations notified to the company, provided that it is able to provide the technical infrastructure necessary to conduct such a general meeting.

Explanation of reasons for non-application of rule 4.1.

The Company provides real-time broadcasts of the General Meeting. In the Company's opinion, organizing an "e-General Meeting" may pose numerous legal and interpretational challenges. If such concerns are raised, the Company is willing to reconsider its decision, prior to analyzing all potential risks.

Rule 6.2. DPSN 2021

Incentive programs should be designed to, among other things, make the level of remuneration of the company's management board members and key managers dependent on the company's actual, long-term situation in terms of financial and non-financial results, long-term shareholder value growth and sustainable development, as well as the stability of the company's operations.

Explanation of reasons for non-application of rule 6.2.

The company does not currently have any incentive programs, however, the Company initially assumes that if such a program is adopted, it will be consistent with the principles of Good Practice.

Rule 6.3. DPSN 2021

If a company has a management option program as one of its incentive programs, the implementation of the option program should be dependent on the eligible persons meeting, within at least 3 years, pre-determined, realistic and appropriate financial and non-financial objectives and sustainable development, and the agreed purchase price of the shares by eligible persons or the settlement of the options may not differ from the value of the shares at the time the program was adopted.

Explanation of reasons for non-application of rule 6.3.

The company does not currently have any incentive programs based on options or other instruments linked to the company's shares, however, the company initially assumes that if such a program is adopted, it will be consistent with the principles of Best Practice.

9.3. Incidental violation of DPSN 2021 rules

Rule 4.9.1.

candidacies for board members should be submitted in time to enable shareholders present at the general meeting to make informed decisions, but no later than 3 days before the general meeting; candidacies, along with a complete set of materials concerning them, should be immediately published on the company's website; The rule was breached incidentally.

Company comment regarding incidental breach of rule 4.9.1.

Due to the fact that the Company did not receive all the candidates for members of the supervisory board in time to enable the shareholders present at the general meeting to make decisions with due consideration, but no later than 3 days before the general meeting, the Company will publish materials regarding the candidates nominated at the general meeting on June 12, 2025 on its website immediately after receiving a complete set of materials.

9.4. Description of the main features of the internal control and risk management systems used in relation to the process of preparing financial statements and consolidated financial statements

The process of preparing the Company's financial statements, as well as the consolidated statements of the Capital Group, is carried out using internal control and risk management mechanisms, such as: internal procedures in force in the Company, mechanisms for managing IT systems used to record economic events and prepare financial statements, as well as data and system protection mechanisms, principles of supervision over the preparation of financial statements, principles of verification and evaluation of reports, internal audit and other control elements.

The preparation of the Company's financial statements and the Group's consolidated statements is carried out in an orderly manner, based on the organizational structure in place within the Company and the Group. The management accounting tools implemented within the Company and the Group, as well as the IT systems used to record economic events in the accounting records, provide a basis for assessing that the Company's financial statements and the Group's consolidated statements fairly and fairly present the financial position, assets, and financial results of the Company and the Group.

The basic regulations regarding the preparation of financial statements include: the Company's accounting policy in accordance with the Accounting Act of 29 September 1994, the International Financial Reporting Standards ("IFRS") approved by the European Union, the procedure for closing the accounts of companies belonging to the Capital Group and the requirements for the preparation of financial statements and consolidated financial statements imposed by the Warsaw Stock Exchange.

As of the date of this report, the Company has not yet decided to maintain the Group's accounting records in accordance with IFRS. Therefore, the Group's financial reporting process is a two-stage process. First, all Group companies prepare their separate financial statements in accordance with Polish accounting standards. These statements are subject to audit provided they meet the requirements specified in the Accounting Act. Next, the companies restate their separate financial statements based on the Group's agreed-upon IFRS accounting policy, using transition sheets to the IFRS financial statements. These separate financial statements form the basis for preparing the Group's consolidated financial statements. Only in the case of ZE PAK SA is data automatically imported from the SAP ERP system into the SAP BPC consolidation system.

The Group's consolidated financial statements are prepared using the SAP BPC IT system. The system operates a dedicated central unit within the parent company (ZE PAK SA), which is connected to the accounting departments in individual subsidiaries. The consolidation process is initiated by the central unit, which grants companies access to enter data into the system. Subsidiaries have access to their historical data at any time, but without the ability to amend it. The central unit continuously monitors data input by the companies, then, after entering individual data, begins the consolidation process. This process is based on defined business rules that determine the content of consolidation adjustments. Additionally, the consolidation process allows the central unit to make manual adjustments. The final result of the consolidation process is a complete financial statement package with explanatory notes in Excel files, which, after verification, are then exported to a Word file.

The Management Board is responsible for the internal control system in the Company and its effectiveness in the process of preparing financial statements and periodic reports prepared and published in accordance with the principles of the Regulation of the Minister of Finance of 6 June 2025 on current and periodic information provided by issuers of securities and conditions for recognizing as equivalent information required by the laws of a non-member state.

The Management Board member responsible for finance oversees the process of preparing the Company's and Group's financial statements and periodic reports. The Financial Director is responsible for organizing the work related to preparing the financial statements. Together with the Chief Accountant, he develops a schedule of work required for preparing the reports.

The Company's effective internal control and risk management system in the financial reporting process is ensured by:

- preparing procedures defining the principles and division of responsibilities in the process of preparing financial statements,
- determining the scope of reporting based on the applicable provisions of the Accounting Act and International Financial Reporting Standards,
- implementing and supervising the application of consistent accounting principles in the companies of the Capital Group, and
- half-yearly reviews and annual audits of the financial statements of ZE PAK SA and the Capital Group by an independent statutory auditor.

Annual and half-yearly financial statements are subject to audit and review by an independent auditor, who expresses an opinion on the reliability and clarity of these statements and the correctness of the accounting records constituting the basis for their preparation.

The auditor is selected by the Supervisory Board from among renowned audit firms that guarantee high standards of service and the required independence.

Audits of financial statements are carried out:

- pursuant to the provisions of Chapter 7 of the Accounting Act of 29 September 1994,

- in accordance with the National Standards on Auditing in the wording of the International Standards on Auditing, adopted by the resolution of the National Council of Statutory Auditors of 10 February 2015, as amended, and the resolution of the National Council of Statutory Auditors of 7 July 2017.

In particular, the audit includes checking the correctness of the accounting principles applied by the Company and the Group, verifying significant estimates, checking – on a random basis – accounting documents and records from which the amounts and information included in the financial statements result, as well as an overall assessment of the financial statements.

The financial results of the Company and the Group are monitored on an ongoing basis throughout the financial year and are subject to periodic assessment by the Supervisory Board. At regular meetings of the Supervisory Board, the Management Board presents information on the current financial situation of the Company and the ZE PAK SA Group.

The task of the Company and the Group is to prepare financial statements, including numerical data and explanations in words, that:

- presents reliably and clearly all information relevant to the assessment of the financial and property situation as of a given date, as well as its financial result for a given period,
- have been prepared correctly in all material respects, i.e. in accordance with the accounting principles resulting from the International Financial Reporting Standards and related interpretations published in the form of European Commission regulations and in accordance with the requirements of the Accounting Act and implementing provisions issued on its basis, as well as on the basis of properly maintained accounting books,
- is consistent with the legal provisions and the provisions of the Company's Articles of Association affecting the content of the financial statements.

The Company maintains documentation describing its accounting policies, as specified in Article 10 of the Accounting Act. The cost accounting principles, asset and liability valuation, and financial result determination methods used are consistent with the Accounting Act and International Financial Reporting Standards.

The Management Board is responsible for the accuracy of the Company's and Group's accounting records. The Company maintains its accounting records in the integrated SAP ERP system. This system, similarly to the SAP BPC reporting consolidation system described above, ensures the division of responsibilities, the consistency of accounting entries, and control between the general ledger and subsidiary ledgers. These records enable the determination of financial results, VAT, and other budgetary obligations. Accounting records ensure the accuracy and completeness of entries. The chronology of economic events is maintained. Accounting records reflect the actual state, and data is entered completely and correctly, based on accounting documents qualified for posting. The continuity of records and the correct operation of the procedures used are ensured. Accounting documents comply with the requirements of the Accounting Act. Accounting books are stored at the Company's headquarters. System functionality can be modified to ensure the technical solutions are aligned with changing accounting principles and legal standards. The system is documented in both end-user and technical sections. System documentation is periodically reviewed and updated. The company has implemented organizational and systemic solutions to ensure the proper use and protection of data access protection systems and computer hardware. Access to the financial accounting system resources is limited by appropriate authorizations, granted to authorized employees solely within the scope of their duties and activities.

The Company has an internal audit function, whose purpose is to provide an independent and objective assessment of risk management and internal control systems. The internal audit function operates under audit regulations. The function performs scheduled and ad hoc audit tasks at both the parent company and Group companies. Audit plans are developed based on risk analyses. Audit results are reported to the Company's Management Board. Information from internal audit activities is also analyzed by the Audit Committee.

As part of controlling activities, periodic management reporting is assessed in terms of the information presented, in particular in the context of analyzing deviations from the assumptions adopted in the financial plans.

9.5. Shareholders holding significant blocks of shares

The table below lists shareholders holding significant blocks of shares, to the best of the Company's knowledge, based on notifications sent to the Company.

*Table 21: Shareholders holding, directly or indirectly, significant shareholdings (over 5%) according to the information available to the Company based on the notifications provided on the acquisition/sale of the Company's shares, as at the date of this report**

<i>Shareholder</i>	<i>Number of shares held</i>	<i>Percentage share in the share capital</i>	<i>Number of votes held</i>	<i>Percentage share in the total number of votes</i>
Argumenol Investment Company Limited.	33 523 911	65.96%	33 523 911	65.96%
Nationale-Nederlanden Open Pension Fund	4 503 242	8.86%	4 503 242	8.86%
OFE PZU "Złota Jesień"	4 635 719	9.12%	4 635 719	9.12%
PTE Allianz Polska SA	3 491 456	6.87%	3 491 456	6.87%

* According to information available to the Company based on the notifications of purchase/sale of shares provided.

9.6. Holders of securities giving special control rights

As at December 31, 2025 and as at the date of preparation of this report, the Company did not issue any securities giving special control rights.

9.7. Restrictions on the exercise of voting rights

In accordance with the Company's Articles of Association and other internal documents of the Company, as at 31 December 2025 and as at the date of preparation of this report, there are no restrictions on the exercise of voting rights.

9.8. Restrictions on the transfer of ownership of securities

As of December 31, 2025 and as of the date of preparation of this report, there are no restrictions on the transfer of ownership rights to the Company's securities in the Company.

9.9. Rules regarding the appointment and dismissal of management and supervisory personnel

Management

The Company's Management Board consists of three or more members appointed for a joint term of office. The Management Board comprises the President of the Management Board, Vice-Presidents of the Management Board, and other members of the Management Board. The number of Management Board members and their roles are determined by the Supervisory Board. The Management Board's term of office is three years. The President of the Management Board, Vice-Presidents of the Management Board, and other members of the Management Board are appointed and dismissed by the Supervisory Board in a secret ballot. The President of the Management Board, Vice-Presidents of the Management Board, and other members of the Management Board may also be dismissed or suspended by the General Meeting.

The Management Board manages the Company's affairs and represents the Company. The Management Board operates under applicable law, the Company's Articles of Association, the Regulations of the Management Board and Supervisory Board, the Company's Organizational Regulations, the Work Regulations, the Employee Remuneration Regulations, and resolutions of the General Meeting.

A resolution of the Management Board is required for matters exceeding ordinary management, in particular:

- 1) adopting and amending the organizational regulations defining the organization of the Company's enterprise,
- 2) taking out loans and credits,
- 3) establishment of a power of attorney,
- 4) providing loan guarantees and property guarantees,
- 5) acquisition and disposal of real estate, perpetual usufruct rights or shares in real estate or perpetual usufruct.

A resolution of the Management Board is also required in matters in which the Management Board refers the matter to the General Meeting and the Supervisory Board.

Supervisory Board

The Company's Supervisory Board consists of at least five members appointed for a joint term of office. The Supervisory Board's term of office is five years. Supervisory Board members are appointed and dismissed by the General Meeting. Before electing Supervisory Board members for a new term, the General Meeting determines the number of Supervisory Board members. The Supervisory Board elects from among its members, by secret ballot, the Chairman, Secretary, Deputy Chairman, or, if deemed appropriate, two Deputy Chairmen.

The Supervisory Board should include two members who meet the independence criteria for an independent member of the supervisory board within the meaning of the Commission Recommendation of 15 February 2005 on the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board (2005/162/EC) taking into account the Best Practices of Companies Listed on the Warsaw Stock Exchange ("Independent Members of the Supervisory Board"). Prior to appointment to the Supervisory Board, a candidate for an Independent Member of the Supervisory Board shall submit to the Company a written declaration on meeting the independence criteria.

Pursuant to the Act of May 11, 2017, on Statutory Auditors, Audit Firms, and Public Oversight (consolidated text: Journal of Laws of 2025, item 1891 – Announcement of the Marshal of the Sejm of the Republic of Poland of November 7, 2025, regarding the announcement of the consolidated text of the Act on Statutory Auditors, Audit Firms, and Public Oversight), the Company has the status of a public interest entity within the meaning of this Act and therefore should have an audit committee. The audit committee consists of at least three members. At least one member of the audit committee must have knowledge and skills in accounting or financial statement auditing. Pursuant to the aforementioned Act, the majority of audit committee members, including the chairperson, must meet the criteria for independence from the given public interest entity.

The Supervisory Board exercises constant supervision over the Company's activities in all areas of its activity.

The competences of the Supervisory Board include matters reserved by the provisions of the Commercial Companies Code and the provisions of the Company's Articles of Association, in particular:

- 1) auditing the Company's annual financial statements and consolidated financial statements, both in terms of their compliance with the books and documents and the factual circumstances, auditing the Management Board's annual report on the Company's operations, which includes sustainable development reporting, along with assessing the Management Board's work, as well as examining the Management Board's proposals regarding the distribution of profits or the coverage of losses, and submitting a written report on the results of the above audits to the Annual General Meeting ,
- 2) preparing and presenting to the Annual General Meeting a report on the activities of the Supervisory Board, an assessment of the Company's situation, an assessment of the Company's compliance with its disclosure obligations, an assessment of the rationality of the Company's policy, including, among others, its pricing policy, as well as an assessment of the internal control system and the system for managing risks significant to the Company, in each of the above-mentioned cases taking into account the corporate governance principles adopted by the Company,
- 3) approving and amending the Regulations of the Management Board and the Organizational Regulations of the Company,
- 4) approving the Work Regulations and the Employee Remuneration Regulations,
- 5) establishing the principles and amounts of remuneration for Management Board members,
- 6) suspending the President of the Management Board, the Vice-President of the Management Board and other Members of the Management Board or the entire Management Board from duties for important reasons, by secret ballot,
- 7) delegating a Member or Members of the Supervisory Board for a period not longer than three months to temporarily perform the duties of a Member of the Management Board who has been dismissed, resigned or is unable to perform his duties for other reasons,
- 8) determining the amount of remuneration of a Member or Members of the Supervisory Board delegated to temporarily perform the duties of a Member of the Management Board,
- 9) selection of an auditor to audit the Company's financial statements,
- 10) approving the multi-annual operating programs of the Company and the Group, including the operating strategies of the Company and the Group, developed by the Management Board,
- 11) approving the quarterly and annual operating programs of the Company and the quarterly and annual operating programs of the Group, in particular including production and revenue plans, generic cost plans, unit cost plans, remuneration plans, investment plans and repair and servicing plans,
- 12) approving the terms, plans and prices of purchases and sales of goods and services by the Company within the scope specified by the resolution of the Supervisory Board,

- 13) approving the selection of bidders in the Company's tender procedures and approving offers submitted by the Company in tender procedures, to the extent specified by a resolution of the Supervisory Board,
- 14) granting consent to the employment of a director, deputy director, expert, or advisor, regardless of the basis of such employment, in particular under an employment relationship or other legal relationships. The Supervisory Board's consent is also required for any change or termination of employment referred to above,
- 15) giving consent to apply for, amend or waive any license or permit referred to in § 4 section 2 of the Statute, as well as to transfer or make them available to third parties,
- 16) giving consent to the issuance by the Company of bonds other than bonds convertible into shares or bonds with priority rights,
- 17) approving the merger and division plan of the Company before its agreement, as well as the transformation plan of the Company.

In addition, the Supervisory Board is responsible for the following matters:

- 1) considering and giving opinions on matters raised by the Management Board that are the subject of resolutions of the General Meeting,
- 2) giving consent to any acquisition, disposal, taking up or encumbrance of shares and stocks in companies, as well as any participation titles in entities and organisations other than companies,
- 3) giving consent to pay shareholders an advance on the expected dividend,
- 4) giving consent to the conclusion by the Management Board of any contract for the provision of consulting services,
- 5) expressing consent to the Company performing any Qualified Legal Activity, subject to any exclusions that may be provided for by a resolution of the Supervisory Board.
- 6) granting consent to any acquisition and disposal of real estate, perpetual usufruct rights or shares in real estate or perpetual usufruct, as well as to the establishment of a limited right in rem on real estate, perpetual usufruct rights or shares in real estate, with a value up to the amount referred to in § 1 section 4 item 4.15 of the Statute,
- 7) the conclusion by the Company with an entity related to the Company of a significant agreement within the meaning of the provisions on current and periodic information provided by issuers of securities admitted to trading on a regulated market, excluding typical agreements concluded by the Company on market terms, as part of its operating activities,
- 8) granting consent to candidates proposed by the Management Board of the Company to perform functions in the bodies of companies belonging to the Group; appointing by the Management Board persons to perform functions in the bodies of companies and other entities in which the Company participates directly or indirectly.

At the request of the Management Board, the Supervisory Board grants a member of the Management Board permission to hold positions in the governing bodies of companies in which the Company holds shares and to receive remuneration for such positions.

9.10. The composition, changes thereto and description of the activities of the management and supervisory bodies

Management

The Company's Management Board started the 2025 financial year with the following composition:

- 1) Piotr Woźny – President of the Management Board,
- 2) Zygmunt Artwik – Vice President of the Management Board,
- 3) Maciej Nietopiel – Vice President of the Management Board,
- 4) Andrzej Janiszowski – Vice President of the Management Board,
- 5) Katarzyna Sobierajska – Vice President of the Management Board,
- 6) Maciej Koński – Vice President of the Management Board.

On May 12, 2025, the Company received a statement of resignation from Mr. Piotr Woźny from membership in the Company's Management Board and from the position of President of the Management Board, effective at the end of May 12, 2025. Piotr Woźny resigned for personal reasons.

At the same time, also on May 12, 2025, the Supervisory Board of ZE PAK SA adopted a Resolution on entrusting the Vice-President of the Management Board of the Company, Mr. Andrzej Janiszowski, with the function of the President of the Management Board of ZE PAK SA, from May 13, 2025.

On December 29, 2025, the Supervisory Board of the Company adopted a resolution on appointing Mr. Piotr Żak as President of the Management Board of ZE PAK SA, effective December 29, 2025. At the same time, the Supervisory Board of the Company adopted a resolution on entrusting Mr. Andrzej Janiszowski, the current President of the

Management Board of the Company, with the function of Vice President of the Management Board of ZE PAK SA, effective December 29, 2025.

After the balance sheet date, on March 16, 2026, the Supervisory Board of the Company adopted a resolution on the appointment of Mr. Bartłomiej Drywa to the Management Board of ZE PAK SA, as of March 16, 2026, entrusting him with the position of Vice President of the Management Board of ZE PAK SA.

As of the date of signing this report, the composition of the Company's Management Board is as follows:

- 1) Piotr Żak – President of the Management Board,
- 2) Zygmunt Artwik – Vice President of the Management Board,
- 3) Bartłomiej Drywa – Vice President of the Management Board,
- 4) Andrzej Janiszowski – Vice President of the Management Board,
- 5) Maciej Koński – Vice President of the Management Board,
- 6) Maciej Nietopiel – Vice President of the Management Board,
- 7) Katarzyna Sobierajska – Vice President of the Management Board

Supervisory Board

At the beginning of the reporting period, the composition of the Company's Supervisory Board was as follows:

- 1) Zygmunt Solorz – Chairman of the Supervisory Board,
- 2) Justyna Magdalena Kulka – Deputy Chairman of the Supervisory Board,
- 3) Wiesław Walendziak – Secretary of the Supervisory Board,
- 4) Tomasz Szelaąg – Member of the Supervisory Board,
- 5) Henryk Sobierajski – Member of the Supervisory Board,
- 6) Sławomir Zakrzewski – Independent Member of the Supervisory Board,
- 7) Alojzy Z. Nowak – Independent Member of the Supervisory Board,
- 8) Beata Jakacka-Sitek – Independent Member of the Supervisory Board

On October 15, 2025, the Company's Extraordinary General Meeting adopted resolutions to dismiss Mr. Zygmunt Solorz and Ms. Justyna Kulka from the Supervisory Board. At its meeting on October 16, 2025, the Company's Supervisory Board, acting under §17 section 1 of the Company's Articles of Association, adopted a resolution electing Mr. Tomasz Szelaąg as Chairman of the Company's Supervisory Board.

On December 29, 2025, the Company received the resignation of Mr. Sławomir Zakrzewski from the position of Member of the Supervisory Board of the Company for personal reasons, with immediate effect.

On December 29, 2025, the Extraordinary General Meeting of ZE PAK SA, during the resumed session, adopted resolutions on the dismissal of Mr. Wiesław Walendziak and Mr. Henryk Sobierajski from the Supervisory Board of the Company.

At the same time, at the same meeting, the Extraordinary General Meeting of Shareholders of the Company adopted resolutions on the appointment of five new members to the Supervisory Board of ZE PAK SA, which came into effect upon adoption:

- 1) Tobias Solorz,
- 2) Aleksandra Żak,
- 3) Daniel Ozon,
- 4) Aleksander Grad,
- 5) Jarosław Grzesiak.

The Supervisory Board of ZE PAK SA, at its meeting held on December 29, 2025, adopted resolutions on the election of:

- 1) Tobias Solorz as Deputy Chairman of the Supervisory Board,
- 2) Aleksandra Żak as Deputy Chairman of the Supervisory Board,
- 3) Jarosław Grzesiak as Secretary of the Supervisory Board.

Due to the above changes, the composition of the Company's Supervisory Board as of December 31, 2025 was as follows:

- 1) Tomasz Szelaąg – Chairman of the Supervisory Board,
- 2) Tobias Solorz – Deputy Chairman of the Supervisory Board,
- 3) Aleksandra Żak – Deputy Chairman of the Supervisory Board,

- 4) Alojzy Z. Nowak – Independent Member of the Supervisory Board,
- 5) Beata Jakacka-Sitek – Independent Member of the Supervisory Board,
- 6) Daniel Ozon – Independent Member of the Supervisory Board,
- 7) Aleksander Grad – Independent Member of the Supervisory Board,
- 8) Jarosław Grzesiak – Independent Member of the Supervisory Board.

On February 12, 2026, the Extraordinary General Meeting of ZE PAK SA set the number of members of the Supervisory Board at 9 and adopted a resolution on the appointment of Mr. Daniel Kaczorowski to the Supervisory Board of the Company; the resolution on the appointment came into effect upon its adoption.

At the meeting on March 2, 2026, Mr. Tomasz Szelaąg resigned from his position as Chairman of the Supervisory Board. The resignation concerned only the position of Chairman of the Supervisory Board of ZE PAK SA and did not include his resignation from membership in the Supervisory Board.

The Company's Supervisory Board, acting under § 17 section 1 of the Company's Articles of Association and § 5 section 2 of the Regulations of the Company's Supervisory Board, adopted a resolution appointing Mr. Daniel Kaczorowski to the position of Chairman of the Company's Supervisory Board. The resolution on the appointment and nomination came into effect upon its adoption.

Taking into account the above changes, as of the date of signing this report, the composition of the Supervisory Board of ZE PAK SA is as follows:

- 1) Daniel Kaczorowski – Chairman of the Supervisory Board,
- 2) Tobiasz Solorz – Deputy Chairman of the Supervisory Board,
- 3) Aleksandra Żak – Deputy Chairman of the Supervisory Board,
- 4) Jarosław Grzesiak – Secretary of the Supervisory Board
- 5) Alojzy Z. Nowak – Independent Member of the Supervisory Board,
- 6) Tomasz Szelaąg – Member of the Supervisory Board
- 7) Beata Jakacka-Sitek – Independent Member of the Supervisory Board,
- 8) Daniel Ozon – Independent Member of the Supervisory Board,
- 9) Aleksander Grad – Independent Member of the Supervisory Board,

Members of the Supervisory Board meeting the independence criteria referred to in Article 129, paragraph 3 of the Act of 11 May 2017 on statutory auditors, audit firms and public supervision and principle 2.3 of the 2021 Best Practices are: Ms. Beata Jakacka-Sitek, Mr. Alojzy Z. Nowak, Mr. Aleksander Grad and Mr. Daniel Ozon.

In carrying out its obligations under the Code and Statutes, the Supervisory Board held 11 meetings in 2025 and adopted a total of 160 resolutions.

During the reporting period, the Supervisory Board collectively exercised ongoing oversight over the Company's operations in all areas of its business. The Supervisory Board focused primarily on the following matters:

- 1) assessment of reports prepared for the 2024 financial year,
- 2) giving consent to the Company to perform activities resulting in incurring liabilities worth more than half a million zlotys,
- 3) giving opinions on motions submitted by the Management Board in matters relating to the current operations of the Company,
- 4) approving activities related to the restructuring process ongoing in the ZE PAK SA Capital Group.

Audit Committee

Year 2025 The Audit Committee met in the following composition:

- 1) Sławomir Zakrzewski – Chairman of the Audit Committee,
- 2) Tomasz Szelaąg,
- 3) Alojzy Z. Nowak.

At the end of the financial year, on December 29, 2025, the Company received the resignation of Mr. Sławomir Zakrzewski from the position of Member of the Supervisory Board of the Company for personal reasons, with immediate effect.

On March 2, 2026, the Company's Supervisory Board supplemented the composition of the Audit Committee of the Supervisory Board by appointing Ms. Beata Jakacka-Sitek, Mr. Aleksander Grad and Mr. Daniel Ozon.

All newly appointed members of the Audit Committee meet the independence criteria. Mr. Aleksander Grad and Mr. Daniel Ozon possess expertise in the industry in which the Company operates. The Audit Committee members with

accounting knowledge and skills are Mr. Alojzy Z. Nowak and Mr. Tomasz Szelać, while Ms. Beata Jakacka-Sitek has legal experience.

On March 16, 2026, acting under §25 section 4 of the Regulations of the Supervisory Board of ZE PAK SA, the Audit Committee of the Supervisory Board of ZE PAK SA adopted a resolution on the election of Ms. Beata Jakacka-Sitek as Chairwoman of the Audit Committee.

As of the date of publication of the report, the composition of the Committee is as follows:

- 1) Beata Jakacka-Sitek – Chairwoman of the Audit Committee of the Supervisory Board of ZE PAK SA, Independent Member;
- 2) Aleksander Grad – Independent Member of the Audit Committee of the Supervisory Board of ZE PAK SA;
- 3) Alojzy Z. Nowak – Independent Member of the Audit Committee of the Supervisory Board of ZE PAK SA;
- 4) Tomasz Szelać – Member of the Audit Committee of the Supervisory Board of ZE PAK SA ;
- 5) Daniel Ozon – Independent Member of the Audit Committee of the Supervisory Board of ZE PAK SA.

The Company has developed a policy for selecting an audit firm to conduct an audit and a policy for the provision of permitted non-audit services by the audit firm conducting the audit, by entities related to that audit firm and by a member of the audit firm's network.

The main assumptions of the policy for selecting an audit firm to conduct the audit:

- 1) Pursuant to the Company's articles of association, the body selecting the audit firm to perform the statutory audit is the Company's Supervisory Board.
- 2) The remuneration for conducting a statutory audit received by the audit firm or its subcontractors may not be made dependent on any conditions, including the result of the statutory audit, or be shaped or made dependent on the provision of additional services that are not the statutory audit of the Company or its affiliated companies.
- 3) The Audit Committee of the Supervisory Board of the Company approves the procedure for selecting the audit firm.
- 4) The company prepares tender documentation for invited audit firms according to specific criteria.
- 5) The Company evaluates the offers submitted by audit firms in accordance with the selection criteria specified in the tender documentation and prepares a report containing the conclusions of the selection procedure and submits it to the Audit Committee.
- 6) The Audit Committee presents a recommendation to the Supervisory Board of the Company regarding the selection of an audit firm.
- 7) If the decision of the Supervisory Board of the Company regarding the selection of an audit firm differs from the recommendation of the Audit Committee, the Supervisory Board of the Company shall justify the reasons for not following the recommendation of the Audit Committee and shall submit such justification to the General Meeting of Shareholders of the Company.

The main assumptions of the policy for the provision of permitted non-audit services to the Company by the audit firm conducting the audit, by entities related to that audit firm and by a member of the audit firm's network:

- 1) In implementing the provisions of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight ("AoBR"), the Company does not conclude agreements with the audit firm conducting the audit, with entities related to that audit firm or with members of the audit firm's network for the provision of prohibited services within the meaning of Article 136 of the AoBR.
- 2) To the extent unrelated to the Company's tax policy, the Company may commission work that constitutes permitted non-audit services to the audit firm conducting the audit or to an entity affiliated with that audit firm or to a member of the audit firm's network.
- 3) The Audit Committee oversees the legality of the work referred to in point 2. Before the Company commissions the services referred to in point 2, the Audit Committee conducts an assessment of the threats and safeguards to independence referred to in Articles 69-73 of the Act on Audit and Audit Supervision.
- 4) The policy also lists the main types of services that are permitted and prohibited.

The recommendation regarding the selection of an audit firm to conduct the audit was prepared following a selection procedure organised by the Company that meets the applicable criteria and this recommendation meets the conditions for selecting an auditor applicable in the Company.

On August 18, 2025, the Audit Committee of the Supervisory Board of ZE PAK SA adopted resolutions regarding:

- 1) election of the Chairman of the Audit Committee;

- 2) recommendation of the Audit Committee to the Supervisory Board of ZE PAK SA regarding the selection of an audit firm to conduct statutory audits and reviews of the consolidated and separate financial statements of ZE PAK SA and the separate financial statements of companies belonging to the ZE PAK SA Capital Group, prepared for the years 2025-2027.

On December 12, 2025, the Audit Committee adopted a Resolution on the acceptance of the information from the Management Board of ZE PAK SA regarding the double materiality analysis and the scope of sustainable development reporting for 2025 in the ZE PAK SA Capital Group.

The Audit Committee of the Supervisory Board of ZE PAK SA met with representatives of the Company three times in 2025.

9.11. The operation of the General Meeting, its basic powers and a description of shareholders' rights and the manner of their exercise

General Assembly

The General Meeting is convened in the cases specified in the Commercial Companies Code and the Company's Articles of Association. The General Meeting is generally convened by the Company's Management Board and meets as either an ordinary or extraordinary meeting. If the General Meeting is convened by an entity or body other than the Company's Management Board, the Management Board is obligated to cooperate with that entity or body to perform all actions specified by law necessary to convene, organize, and conduct the General Meeting. From the date of the first listing of the Company's shares on the regulated market operated by the Warsaw Stock Exchange, General Meetings may be held using electronic means of communication. The Supervisory Board of the Company decides whether to conduct a General Meeting using electronic means of communication.

The General Meeting is held in Warsaw or at the Company's registered office. The General Meeting is broadcast live. After the meeting, a link to the video broadcast of the General Meeting is available on the Company's website.

The General Meeting of ZE PAK SA is convened by means of an announcement published on the Company's website and in the manner specified for the provision of current information in accordance with the provisions on public offering and conditions for introducing financial instruments to an organized trading system and on public companies.

The Company makes materials made available to shareholders in connection with the General Meeting, including draft resolutions proposed for adoption, as well as other important materials, available on the website <http://ri.zepak.com.pl/>.

The basic competences of the General Meeting include:

- 1) consideration and approval of the Management Board's report on the Company's activities and the financial statements for the previous financial year and granting discharge to members of the Company's bodies for the performance of their duties,
- 2) profit sharing or loss coverage,
- 3) change in the scope of the Company's activities,
- 4) amendment to the Company's Articles of Association,
- 5) increase or decrease in share capital,
- 6) authorization of the Management Board to acquire own shares for the purpose of redemption,
- 7) appointment and dismissal of members of the Supervisory Board,
- 8) determining the amount of remuneration for members of the Supervisory Board,
- 9) merger, division and transformation of the Company,
- 10) dissolution and liquidation of the Company,
- 11) issue of convertible bonds or bonds with priority rights and subscription warrants,
- 12) sale and lease of an enterprise or its organized part and establishment of limited property rights thereon
- 13) creation and liquidation of the Company's capital and funds,
- 14) the conclusion by the Company of a credit, loan, guarantee or other similar agreement with a member of the Management Board, Supervisory Board, proxy or liquidator of the Company or for the benefit of any of these persons,
- 15) conclusion by a subsidiary of a credit, loan, guarantee or other similar agreement with a member of the Management Board, Supervisory Board, proxy or liquidator of the Company or for the benefit of any of these persons,
- 16) all provisions relating to claims for compensation for damage caused during the establishment of the Company or during the exercise of management or supervision, and
- 17) use of share capital.

Persons who are shareholders 16 days prior to the date of the General Meeting have the active right to participate in the General Meeting. A shareholder will be permitted to participate in the General Meeting upon presentation of a personal certificate of entitlement to participate in the General Meeting, issued by the entity maintaining the securities account.

A shareholder participates in the General Meeting and exercises the right to vote in person or by proxy.

A shareholder representing at least one-twentieth of the Company's share capital has the right to request that specific matters be placed on the agenda of the General Meeting. Such request should be submitted to the Company's Management Board no later than 21 days prior to the date of the General Meeting.

A shareholder requesting the inclusion of specific matters on the agenda of the General Meeting should demonstrate that they hold the appropriate number of shares as at the date of the request by attaching to the request a deposit certificate issued by the entity maintaining the securities account.

A shareholder representing at least one twentieth of the Company's share capital may, before the date of the General Meeting, submit to the Company in writing or by electronic means of communication draft resolutions concerning matters included in the agenda of the General Meeting or matters that are to be included in the agenda.

Each shareholder entitled to participate in the General Meeting may submit draft resolutions regarding matters included in the agenda during the General Meeting of the Company.

Resolutions of the General Meeting are adopted by an absolute majority of votes cast, unless the Commercial Companies Code provides otherwise. One share of the Company entitles the holder to one vote at the General Meeting.

9.12. Description of the rules for amending the Company's Articles of Association

Amendments to the Company's Articles of Association, in accordance with the provisions of the Commercial Companies Code and the Company's Articles of Association, require the General Meeting to adopt an appropriate resolution and make an entry in the register of entrepreneurs. The General Meeting may authorize the Company's Supervisory Board to establish a consolidated text of the amended Articles of Association or introduce editorial changes specified in a resolution of the General Meeting. Amendments to the Articles of Association are effective from the date of entry in the register of entrepreneurs. In 2021, an amendment was made to the Company's Articles of Association, changing the Company's name from Zespół Elektrowni Pątnów-Adamów-Konin Spółka Akcyjna to ZE PAK Spółka Akcyjna. On March 3, 2026, the District Court for Poznań – Nowe Miasto i Wilda in Poznań, 9th Commercial Division of the National Court Register, registered amendments to the Company's Articles of Association, adopted by the Extraordinary General Meeting of Shareholders of ZE PAK SA on February 11, 2026, consisting in repealing the current wording of § 22, sec. 1 of the Company's Articles of Association and giving it a new, following wording:

"The Company's Management Board consists of three or more members appointed for a joint term of office. The Management Board comprises: the President of the Management Board, the Vice President of the Management Board, and other members of the Management Board. The number of Management Board members and their functions are determined by the Supervisory Board."

The Extraordinary General Meeting of ZE PAK SA, acting under Article 430 § 5 of the Commercial Companies Code, by Resolution No. 4 dated February 11, 2026, authorized the Company's Supervisory Board to establish the consolidated text of the amended Company's Articles of Association, reflecting the amendment made pursuant to this Resolution. The consolidated text of the Company's Articles of Association adopted by Resolution No. 16/2026/IX of the Company's Supervisory Board dated February 27, 2026, is effective from the date of registration of the amendment by the National Court Register in the Register of Entrepreneurs, i.e. from March 3, 2026, and is available on the Company's website.

9.13. Information on the remuneration system and the remuneration of management and supervisory staff

At ZE PAK SA, the remuneration system is based on the Collective Bargaining Agreement for ZE PAK SA employees of October 19, 2021 (CCLA). Only members of the Management Board, the Chief Accountant, and key managers with management contracts are exempt from the CCLA. The Collective Bargaining Agreement entered into force on January 1, 2022, as required by the registration procedure with the District Labor Inspector in Poznań.

The basic components of employee remuneration included in the Collective Employment Agreement (ZZP) are the individual monthly base salary, the monthly statutory bonus, the length-of-service bonus, the annual bonus, the retirement

and disability severance pay, and other benefits. Employees are also entitled to bonuses from the President of the Management Board Fund and social benefits.

The remuneration policy for key managers is defined by the Management Board in individual agreements. The primary component of remuneration is base pay. Key managers may receive discretionary bonuses awarded by decision of the Management Board. Key managers are also entitled to certain components of the Collective Employment Agreement.

Members of the ZE PAK SA Management Board are remunerated based on the provisions of individual management contracts, the content of which is determined by the Company's Supervisory Board. In 2020, the Annual General Meeting adopted the "Remuneration Policy for Members of the ZE PAK SA Management Board and Supervisory Board" (in 2024, the Annual General Meeting adopted a resolution to re-adopt the Policy in its current wording for a subsequent validity period). The Policy aims to ensure sustainable growth in the Company's value, which the Management Board and Supervisory Board must achieve, among other things, by designing the remuneration structure for members of the Management Board and Supervisory Board for the overall performance of their duties. This is achieved by limiting these individuals' remuneration to a fixed portion, allowing them to perform their duties related to the Company's overall operations without being limited to pursuing selected goals. The volatility of market, social, and economic conditions, as well as the need to flexibly respond to emerging risks and business opportunities, do not justify rigidly defining such goals. The need for flexible responses to changing circumstances and emerging challenges is ensured by the possibility of awarding bonuses to Management Board members. This provides flexibility in ensuring the company's stability and long-term interests. Management Board members are entitled to a monthly salary. They may also be awarded a discretionary bonus. In the event of dismissal from the Management Board, severance pay is not provided. There are no provisions regarding compensation in the event of dismissal due to a merger or acquisition.

The Company does not have any incentive or bonus program based on the Company's capital .

Table 22: Information on the amount of remuneration paid in 2025 by the Company and its subsidiaries to all members of the Management Board performing their functions in 2025

	thousands of zlotys	thousands of zlotys	thousands of zlotys	thousands of zlotys
<i>Name and surname of the Management Board member</i>	<i>The amount of remuneration (gross) paid by the Company</i>	<i>including variable remuneration components*</i>	<i>The amount of remuneration (gross) paid by the Company's subsidiaries</i>	<i>Total:</i>
Piotr Woźny	2,727.81	2,500.00	273.00	3,000.81
Piotr Żak	0.00	0.00	0.00	0.00
Zygmunt Artwik	1,020.00	300.00	0.00	1,020.00
Maciej Nietopiel	580.00	160.00	691.00	1,271.00
Andrzej Janiszowski	860.00	500.00	3,052.00	3,912.00
Katarzyna Sobierajska	1,080.00	360.00	0.00	1,080.00
Maciej Koński	165.00	85.00	263.00	428.00
Total	6,432.81	3,905.00	4,279.00	10,711.81

* Variable remuneration components include: awards and bonuses, severance pay for dismissal from the Management Board, holiday pay and retirement benefits.

Table 23: Information on the amount of non-cash benefits in 2025 granted by the Company and its subsidiaries to all members of the Management Board serving in 2025

	thousands of zlotys	thousands of zlotys	thousands of zlotys
<i>Name and surname of the Management Board member</i>	<i>Total estimated value of non-cash benefits granted by the Company</i>	<i>Total estimated value of non-cash benefits granted by the Company's subsidiaries</i>	<i>Total</i>
Piotr Woźny	0.0	-	0.0
Piotr Żak	0	-	0
Zygmunt Artwik	0.0	-	0.0
Maciej Nietopiel	10.8	-	10.8
Andrzej Janiszowski	0.0	-	0.0
Katarzyna Sobierajska	0.0	-	0.0
Maciej Koński	0.0	-	0.0

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Together	10.8	-	10.8
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The total amount of remuneration, understood as the value of salaries, awards, and benefits received in cash, in kind, or any other form, paid by the Company and its subsidiaries to members of the Management Board in 2025 amounted to PLN 10,722.63 thousand. This amount should be treated as the gross value of remuneration paid or payable in the period from January 1 to December 31, 2025.

Members of the Supervisory Board of ZE PAK SA are remunerated pursuant to Resolution No. 12 of the Extraordinary General Meeting of 15 April 2019, which established the monthly remuneration for the Chairman of the Supervisory Board at PLN 15,000, the Deputy Chairman of the Supervisory Board at PLN 12,000 and for the remaining members at PLN 10,000.

Table 24: Information on the amount of remuneration and the value of non-cash benefits paid in 2025 by the Company and its subsidiaries to all members of the Supervisory Board performing their functions in 2025

<i>Name and surname of the Supervisory Board member</i>	<i>thousands of zlotys</i> <i>The amount of remuneration (gross) paid by the Company and its subsidiaries</i>	<i>thousands of zlotys</i> <i>Total estimated value of non-cash benefits granted by the Company and its subsidiaries</i>	<i>thousands of zlotys</i> <i>Total</i>
Zygmunt Solorz	790.36	0.00	790.36
Tomasz Szelaǵ	128.18	0.00	128.18
Wiesław Walendziak	120.70	0.00	120.70
Justyna Magdalena Kulka	548.34	0.00	548.34
Sławomir Zakrzewski	120.00	0.0	120.00
Jarosław Grzesiak	0.00	0.0	0.00
Alojzy Z. Nowak	120.00	0.0	120.00
Tobias Solorz	0.00	0.0	0.00
Henryk Sobierajski	121.10	0.00	121.10
Beata Jakacka Sitek	120.00	1.80	121.80
Aleksandra Źak	0.00	0.00	0.00
Daniel Ozon	0.00	0.00	0.00
Alexander Grad	0.00	0.00	0.00
Together	2,068.68	1.80	2,070.48

The total amount of remuneration, understood as the value of salaries, awards, and benefits received in cash, in kind, or any other form, paid by the Company and its subsidiaries to members of the Supervisory Board in 2025 amounted to PLN 2,070.48 thousand. This amount should be treated as the gross value of remuneration paid or payable in the period from January 1 to December 31, 2025.

The Company has no liabilities arising from pensions and similar benefits towards former managers, supervisors or former members of administrative bodies or liabilities incurred in connection with such pensions.

10. DIVERSITY POLICY STATEMENT

With reference to §72 section 7 item 5 letter m of the Regulation of the Minister of Finance of June 6, 2025, on current and periodic information, the Company declares that neither the ZE PAK SA Group nor ZE PAK SA has adopted a separate document describing the diversity policy for the Management Board or Supervisory Board. In accordance with the Company's standards, objective criteria such as knowledge, experience, competencies, and skills required to perform the assigned functions are decisive when selecting management and supervisory personnel. In the Company's opinion, these criteria can ensure the effective and efficient operation of the Company and the implementation of the adopted strategy. At the same time, other management solutions addressing diversity management have been adopted. The Group places great importance on high standards of corporate culture and creating a work environment free from all forms of discrimination. Employees are evaluated based on their performance, not on their gender, age, nationality, or ethnic origin.

The long-term restructuring process meant that most vacancies were filled through internal recruitment (through transfers between departments and companies). A side effect of efforts to limit layoffs and focus the recruitment process on those already employed within the Group's companies was the lack of a significant influx of young workers, resulting in an increase in the average age of employees. This could eventually lead to significant retirements and staffing shortages.

Therefore, the ZE PAK SA Group actively monitors changes in the employee age structure to prevent the negative consequences of losing a large portion of experienced employees without adequately preparing their successors.

also encompasses a diversity policy, guaranteeing equal treatment regardless of gender, age, worldview, religion, political views, etc. The document serves as a tool for reporting potential incidents of discrimination on any basis. It defines desirable and undesirable behaviors within the organization, constituting its ethical policy. Due to its nature, it also incorporates elements of anti-discrimination and anti-corruption policies, as well as procedures for reporting violations and irregularities, non-compliance with legal obligations, threats to occupational health and safety, health, environmental safety, unfair competition practices, and attempts to conceal any of the above. It applies to all employees, regardless of position or length of service. In 2020, the Code of Ethics was also implemented in other companies within the Capital Group.

In 2025, the Group decided to strengthen its internal regulations regarding broadly defined human rights to emphasize their importance and the rejection of any attempts to violate them. **The Human Rights Policy, adopted at the end of 2025**, constitutes a set of principles aimed at ensuring that the company's operations are conducted with full respect for internationally recognized human rights. This policy covers a wide range of issues, such as employee rights, occupational health and safety, diversity protection, and the elimination of forced and child labor. It emphasizes opposition to all forms of violence, harassment, mobbing, and hate speech in the workplace. The document details management's responsibility for implementing these principles, procedures for reporting violations, including protection for whistleblowers, and the consequences of non-compliance, drawing on national regulations and international standards such as the UN and ILO Guiding Principles.

Another related document adopted in 2025 is **the Diversity and Equality Workplace Policy , which is aligned with the protection of fundamental human rights** and represents a commitment to promoting an inclusive culture and an environment free from discrimination. This policy has a broad scope, applying to all employees working for the company, from candidates to consultants, and covers aspects such as recruitment, employment conditions, and professional development. The document details the principles of preventing discrimination and victimization, emphasizing the right of everyone to a workplace free from harassment. It also outlines the responsibility of the Board and management for implementing and monitoring the policy and outlines procedures for handling violations, including grievance procedures and disciplinary action. This policy aims to ensure fair treatment and appreciation of differences among employees, making equal opportunities an integral part of management.

an Anti-Mobbing Policy in 2025 , defining principles for counteracting mobbing within the organization. The policy defines mobbing as persistent and prolonged harassment or intimidation of an employee, aimed at humiliating, ridiculing, or isolating them. The primary goal is to create a work environment free from mobbing and other forms of violence, and the employer is committed to this goal. The document establishes personnel management standards to prevent mobbing and specifies that non-compliance with the policy may result in sanctions under Labor Law. Furthermore, it outlines principles for responding to mobbing incidents, encouraging informal resolutions and enabling written complaints in accordance with the Employee Grievance Mechanism. The entire policy is monitored and audited.

In 2025, the Company adopted **an Anti-Corruption Policy** , which outlines principles designed to prevent corruption, conflicts of interest, and other unethical practices. This document reflects the Company's commitment to building an organizational culture based on integrity, responsibility, and respect for the law. The Policy's goal is to ensure compliance with applicable law and international ethical standards, counteract all forms of corruption, including bribery, nepotism, abuse of position, and conflicts of interest, build an organizational culture based on integrity, transparency, and accountability, protect the company's reputation and the trust of stakeholders, customers, business partners, and the public, and establish rules of conduct for employees and associates in situations that may pose a risk of corruption.

The above-mentioned policies are published both on the internal intranet site and on the publicly accessible ZE PAK website.

All of the above policies have also been implemented in companies belonging to the ZE PAK SA Capital Group.

In connection with the commencement of work on the implementation of Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on improving the gender balance among directors of listed companies and related measures (Women on Boards Directive) into the national legal system, the Company decided to develop a gender balance policy in management and supervisory bodies immediately after the announcement of the law regulating these issues.

The Company also adopted a Procedure for anonymous reporting of violations of the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organized Trading, and on Public Companies, Regulation 2017/1129, and ethical procedures and standards. This allows employees to easily and securely report inappropriate, dangerous, or unethical behavior by their employers, and provides full protection for those reporting. In

2021, the Company also adopted the Regulations for Reporting Violations of Law, which defines the internal procedure for reporting violations of law, the procedure for taking follow-up actions, and the procedure for protecting the whistleblower.

Both the Code of Ethics and the Anonymous Violation Reporting Procedure are available on the Company's website.

Figures relating to diversity in the management board and the Supervisory Board of the Company and the Group can be found in this report, in the Management Board's Statement on Sustainable Development for 2025 for the Capital Group in the subsection – "Information on Social Issues".

11. SUSTAINABILITY REPORTING FOR 2025 FOR THE CAPITAL GROUP

11.1. General information

ESRS 2 General Disclosures

BP-1 – General basis for preparation

ZE PAK SA, with its registered office in Konin, ul. Kazimierska 45, and the ZE PAK SA Capital Group ("ZE PAK SA Group") it comprises, is a company listed on the Warsaw Stock Exchange and in previous years was required to publish non-financial data statements, i.e. it met the criteria established for the largest public interest entities (listed in the catalogue in Art. 3 sec. 1e items 1 to 6 of the Accounting Act). Therefore, it belongs to the group of enterprises that were obliged to disclose non-financial data in previous years. The Act of December 6, 2024, amending the Accounting Act, the Act on Statutory Auditors, Audit Firms and Public Oversight and certain other acts, which was announced on December 17, 2024 and entered into force on January 1, 2025, imposed on the ZE PAK SA Group an obligation to disclose information on sustainable development, imposing new reporting obligations, specified by the Corporate Sustainability Reporting Directive (CSRD) (2022/2464), using the European Sustainability Reporting Standards (ESRS).

This document constitutes a *sustainability statement* ("Statement", "Report") within the meaning of the aforementioned standards and constitutes compliance with statutory *sustainability reporting obligations* under the Accounting Act. It covers all companies of the ZE PAK SA Capital Group included in the consolidated management report, which also defines the reporting boundaries (including with respect to carbon footprint estimation). It covers the period from January 1, 2025, to December 31, 2025, and indicates significant events that occurred after December 31, 2025, but before the statement was signed. The statement has been attested by an independent auditor, providing limited assurance regarding the compliance of the sustainability reporting with the requirements of the Corporate Sustainability Reporting Directive (CSRD).

In the Statement, the Group addressed its current and potential impacts, taking into account the value chain, in those aspects where it considered this significant. It is worth emphasizing that in the case of activities related to energy production from lignite, the value chain is integrated, i.e., it encompasses all stages, from mining operations to the resale of generated energy. Companies within the ZE PAK SA Group utilize a number of suppliers of products and services (e.g., construction, maintenance). However, in 2025, supplementary purchases of lignite from deposits of an external entity (KWB Sieniawa) were no longer used. Although the ZE PAK SA Group strives to carefully select partners, building relationships with large, reputable entities, it is aware that it does not have full knowledge of the individual social and environmental impacts of specific economic entities.

The ZE PAK SA Group did not avail itself of the option to omit information relating to intellectual property, know-how or innovation results on the grounds of its confidential nature (ESRB 1, Section 7.7 Classified and sensitive information and information relating to intellectual property, know-how or innovation results). In accordance with national provisions transposing Article 19a(3) and Article 29a(3) of Directive 2013/34/EU, the ZE PAK SA Group did not avail itself of the exemption from the obligation to disclose information relating to upcoming events or matters that are the subject of ongoing negotiations.

BP-2 – Disclosure of Information in Relation to Special Circumstances

In the ZE PAK SA Group's assessment, there were no special circumstances that would require adopting an understanding of the short-, medium-, or long-term horizon other than that adopted in the European Sustainability Reporting Standards (ESRS). This means, with respect to the short-term time horizon: the period adopted by the ZE PAK SA Group as the reporting period in its financial statements; with respect to the medium-term time horizon: the period from the end of the

short-term reporting period to 5 years; and with respect to the long-term time horizon: beyond 5 years. The time horizon adopted in the ESRS well reflects the cycles in which the Group operates and its planning periods.

The Group's business model strongly integrates the upstream value chain (see SBM-1), including its own fossil fuel resources (lignite). As a result, the Group incurs relatively small expenses on purchasing goods and services from external entities in the course of its operations. Therefore, metrics covering upstream value chain data were limited to carbon footprint estimates (Scope 3), without defining additional ESG-related metrics that would include value chain data, quantitative metrics, and monetary amounts, which are subject to a high level of measurement uncertainty. The Group did not acquire such ESG metrics from suppliers. At the same time, the Group uses "Supplier Assessment Sheets," which focus on aspects such as timeliness and supplier certification of management systems (see G1-2).

The specific nature of the upstream value chain will change in the medium term, however, when the CCGT unit is commissioned, and the ZE PAK Group will be forced to purchase gas fuel from a third party. It is worth noting, however, that currently, in connection with ongoing investments, particularly the construction of the CCGT, the Group purchases goods and services from third parties, and the investment itself is rigorously monitored, including for ESG factors. Because the Group's product is electricity, which is fed into the National Power System, it is impossible to track which entities use the energy physically generated by ZE PAK assets and for what purposes. Consequently, the Group refrained from establishing indicators related to the downstream value chain.

Quantitative data disclosed in individual tables in the report are generally actual data, obtained from internal reporting and records. For the convenience of report users, any limitations regarding specific data are indicated directly in the appropriate section of the report (next to the relevant table). In a few cases, where presenting actual data was not possible, the Company has decided to make estimates. This applies to the carbon footprint, which is not measured but calculated based on fuel and energy consumption data, using appropriate conversion factors, in accordance with the approach described in "The GHG Protocol Corporate Accounting and Reporting Standard" (Scopes 1 and 2). Similar estimates were also made for the Scope 3 carbon footprint. Information on the calculation methods used can be found directly in the section concerning the ESRS E1 E1-6 indicator (Gross Scope 1, 2, and 3 greenhouse gas emissions and total greenhouse gas emissions, Climate Change). The methods used were consistent with those indicated in the "Technical Guidance for Calculating Scope 3 Emissions. Supplement to the Corporate Value Chain (Scope 3) Accounting & Reporting Standard".

No errors were identified in the data from previous periods that would require correction, apart from one typographical error in ESRS E1-6 – the Scope 1 emission factor for 2024 was given in kg _e CO₂ instead of tonnes of CO₂. No errors were identified in previous non-financial disclosures prepared under previous regulations that would require correction. The Group also made no significant changes to the preparation and presentation of sustainability information compared to the previous reporting period.

The Group has made use of the option of incorporating by reference for the following ESRS indicators:

- GOV-1 – The role of administrative, management and supervisory bodies
- SBM-3 – Significant impacts, risks and opportunities and their interrelationships with the strategy and business model
- E1-3 – Actions and resources in relation to climate policy
- IRO-1 – Description of processes for identifying and assessing significant impacts, risks and opportunities related to biodiversity and ecosystems
- E4-4 – Biodiversity and ecosystem objectives

Group has taken advantage of the opportunities offered by the gradual implementation of the regulations, i.e. the powers indicated in ESRS 1 Appendix C in relation to SBM-3 item 48 letter e) and disclosures relating to the expected financial effects resulting from significant risks and opportunities related to individual areas of environmental impact, i.e.: E1-9, E2-6, E3-5, E4-6 and E5-6.

In the reporting year, it did not obtain such ESG metrics from suppliers (e.g. information on their carbon footprint), although it uses "Supplier Assessment Sheets" that focus on aspects such as timeliness or suppliers having certified management systems (see: G1-2).

GOV-1 – The role of administrative, management and supervisory bodies

The Supervisory Board exercises ongoing oversight over the Company's operations in all areas of its business. The Supervisory Board is authorized to obtain regular and comprehensive information from the Management Board on all material matters concerning the Company's operations and those of its subsidiaries and affiliates, as well as on the risks

associated with these operations and methods of managing these risks. The Company has an Audit Committee, whose members are appointed by the Supervisory Board from among its members. The majority of the Audit Committee members, including its Chair, meet the independence criteria set forth in the Act of 11 May 2017 on Statutory Auditors, Audit Firms, and Public Oversight (Journal of Laws of 2017, item 1089). Audit Committee members also possess knowledge and skills in accounting or financial auditing, as well as knowledge and skills in the industry in which the Group operates, including knowledge related to energy and climate transition issues. Information on the education and experience of individual members of the Supervisory Board can be found at <https://zepak.com.pl/pl/o-firmie/wladze-spolki/rada-nadzorcza.html>.

The Company's Management Board consists of seven members appointed for a joint eighth term. The Management Board comprises the President of the Management Board and six Vice-Presidents of the Management Board: five men (86%) and one woman (14%). The number of Management Board members and their roles are determined by the Supervisory Board. The Management Board's term of office is three years. Information on the education and experience of individual Management Board members can be found at <https://zepak.com.pl/pl/o-firmie/wladze-spolki/zarzad-spolki.html>.

The individual bodies, their governance structure, and their respective responsibilities are described in the Corporate Governance Statement, which forms part of the Management Board's Report on Activities. These include, in particular, subsections 9.10, 9.11, and 9.12.

As of the date of this report's publication, the Supervisory Board consisted of nine members: seven men (78%) and two women (22%). The percentage of independent Supervisory Board members is 44.4%. ZE PAK SA's governing bodies did not include any individuals nominated by employees.

The Group has a company trade union and a works council that represent the interests of employees in the areas of working conditions, safety and social issues.

Both the Supervisory Board and Management Board members have constant access to the expertise of the ZE PAK SA Group's sustainability team. Management Board members are continuously educated and have access to expertise on legislative changes in the area of sustainable development through contact with external and internal Group experts, active participation in internal projects (materiality studies and the annual review of Management Systems), and participation in external events. This knowledge helps them effectively manage risks, opportunities, and impacts within the Group, anticipate trends, and set strategic goals for the ZE PAK Group.

The Audit Committee is a standing committee of the Supervisory Board of ZE PAK SA. The Committee serves as an expert for the Supervisory Board and supports it in ensuring the Company's correct and effective application of financial reporting principles, internal control, and cooperation with the Company's auditor. The Audit Committee also supports the Supervisory Board in fulfilling its statutory control and oversight responsibilities, including monitoring the financial reporting process at ZE PAK SA and its Capital Group, the effectiveness of internal control and risk management systems, the effectiveness of internal audit, and the proper functioning of risk identification and management systems.

The Company has developed Organizational Regulations that define the organization and principles of operation of ZE PAK, including the organizational structure of the Company, the internal division of responsibilities among the Management Board members, the duties of the management staff and the scope of competences, tasks and responsibilities of organizational units.

Table 25: Division of competences of Management Board members, taking into account the areas of sustainable development

GENERAL MEETING
SUPERVISORY BOARD
MANAGEMENT ----- → Management Advisory Team
President of the Management Board Piotr Źak
• Organization and management, organizational structure • Supervision of the Shared Services Center in the following areas: Legal, Company Authority Services, • Audit and internal control
Vice President of the Management Board, Production Division Zygmunt Artwik
• Production asset management

• Management of electricity and heat production in the Company's power plants • Supervision over the operation and repairs of energy equipment in the Company's power plants • Supervision over the functioning of the Integrated Quality, Safety and Environmental Management System • Strategy management and risk analysis in the field of renovation activities • Supervision of technical supervision and documentation • Coal and biomass fuel supply management • Management of investment and modernization plans • Supervising the Company's modernization or investment projects
Vice President of the Management Board, Financial Division Maciej Nietopiel
• Management and administration of the Company's finances • Supervision of the Shared Services Center in the areas of Accounting, Controlling and Finance • Obtaining external sources of financing for the Company's needs • All matters related to property insurance • Supervision over the protection of classified information • Defence and civil defence at ZE PAK SA • Supervision of cooperation with military, local government and internal services units
Vice President of the Management Board, Development Division Maciej Koński
• Implementation of the Company's current development strategy, in particular in the area of hydrogen technologies • Supervision of cooperation and maintaining contacts with domestic and foreign research and development centers • Supervision of the Shared Services Center in the area of environmental protection • IT service management • Cybersecurity
Vice President of the Management Board, Logistics Division Katarzyna Sobierajska
• Logistics and purchasing process management • Supervision of the supplier selection procedure and the correct and transparent conduct of tender procedures • Supervision over the analysis of sales procedures for fixed assets, materials and parts • Policy for selecting suppliers of services, construction works, materials and finished capital goods • Personal data protection • Conducting chemical tests and analyses performed by the Quality Research Center • Property protection • Supervision over the restructuring and structural changes of the Company • Company administration management • Managing the company's car fleet
Vice President of the Management Board, Strategy and Trade Division Andrzej Janiszowski
• Policy for selecting suppliers of services, construction works, materials and finished capital goods • Supervision of the strategy for the sale and purchase of electricity, CO2 allowances, Property Rights and Guarantees of Origin, and capacity obligations • Implementation of the electricity and heat sales policy • Supervising the Company's modernization or investment projects • Supervision of the operational support of the Capacity Market

• Management of land resources belonging to the Capital Group • Supervision of the SSC area in the field of Human Resources Management • Information security management • Critical infrastructure protection
Vice President of the Management Board, Communications and ESG Division
• Investor Relations, ESG and Compliance • Supervision over the fulfillment of disclosure obligations in accordance with the regulations applicable to public companies • Group reporting, including sustainability reporting

The implementation of ESG responsibility is supported by the Code of Ethics, adopted ESG reporting policies and procedures, which define the principles for identifying, assessing and reporting significant risks and opportunities.

The responsibility of the entity's governing bodies for impacts, risks, and opportunities (IROs) related to sustainable development is formally reflected in the Company's internal regulations, including the Organizational Regulations, which define the division of responsibilities among Management Board members, and in corporate policies such as the Sustainable Development Policy, Risk Management Policy, and Ethics Policy. The Management Board's responsibilities explicitly include assessing significant risks and opportunities, including ESG issues, and presenting the results of these assessments to the Supervisory Board.

The management of significant impacts, risks, and opportunities is integrated into management functions and assigned to specific positions within the Management Board (in accordance with the division of responsibilities indicated in the table above). Among the most important are:

- **Vice President of the Management Board (Communications and ESG Division)** is responsible for investor relations, ESG and Compliance as well as the Group's reporting, including sustainability reporting (coordinating and supervising this process)
- **The Vice President of the Management Board (Finance Division)** is responsible for incorporating ESG factors into the ZE PAK Group's financial strategy, particularly in the context of the transition from conventional energy to zero- and low-emission energy sources. He is responsible for developing financing strategies for projects related to low-emission transformation and sustainable development, including investment profitability analysis, obtaining sustainable financing (green finance, sustainability-linked loans), and collaborating with financial institutions.
- **The Vice President of the Management Board (Development Division)** supervises the environmental protection area within the Shared Services Center and implements a development strategy that is focused on transformation towards sustainable development, including transformation towards the development of low- and zero-emission production assets and personal data protection.
- **The Vice President of the Management Board (Production Division)** supervises the functioning of the Integrated Quality, Safety and Environmental Management System.
- **Vice President of the Management Board (Logistics Division)** supervises supplier selection procedures and purchasing policy, which is crucial for supply chain management, as well as fleet management

This system is integrated with internal control mechanisms. The Audit Committee (operating within the Supervisory Board) monitors the effectiveness of internal control, risk management, and internal audit systems, supporting the Supervisory Board in overseeing reporting, including sustainability reporting. The Management Board is supported by a sustainability team, and the implementation of ESG accountability is based on adopted reporting procedures that define the principles for risk identification and assessment.

Administrative and supervisory bodies play a key role in setting and monitoring sustainable development goals:

- **The Management Board** is responsible for specifying the Company's objectives and their quantification in quantitative and qualitative terms, including strategic objectives regarding the improvement of management systems and the introduction of new products.
- **The Supervisory Board** exercises constant supervision over the Company's activities, approves key directions of activities in the ESG area and supervises the process of identifying and assessing significant risks and opportunities.

The Management Board's responsibilities include assessing significant risks and opportunities (including ESG) and presenting the assessment results to the Supervisory Board. The Management Board's regulations include provisions

regarding responsibility for defining the Company's objectives and quantifying them (defining quantitative and qualitative goals, in particular financial goals such as profit levels, profitability, liquidity, etc., as well as strategic goals: introducing new products and services, improving the management system, etc.).

GOV-2 – Information provided to the administrative, management and supervisory bodies of the entity and the issues they address related to sustainable development

Individual ESG aspects have their own business owners, who are responsible for managing them within their business areas (e.g., occupational health and safety or environmental protection), which in turn were assigned to individual Management Board members (see GOV-1). In 2025, the Company's management and supervisory bodies made decisions and analyzed information regarding key identified impacts, risks, and opportunities (IROs). The main topics addressed by these bodies included: progress in decarbonization and the construction of the CCGT unit (climate change mitigation), managing the social impact resulting from coal phase-out (working conditions and affected communities), and issues related to post-mining land reclamation (biodiversity and ecosystems).

Business owners of individual areas, most often department directors, and their subordinate employees possess the appropriate knowledge and competencies to substantively manage specific ESG impacts, risks, and opportunities at the operational level. They report information on key events, risks, and impacts to company management at the appropriate frequency for each area. They are also responsible for accurate internal reporting and for submitting required reports to administrative bodies. As mentioned, the frequency of this information may vary and depends on the specifics of the topic. Information on impacts, risks, and opportunities, or events and related activities that have the greatest social, environmental, or financial consequences for the Group, will be communicated immediately. Management Board members will often be directly involved in related projects. It is also important to note that a significant portion of the ESG aspects relevant to the Group concern areas covered by the integrated management system (OSH, environment). This, in turn, means that they are subject to review. The Integrated Management System (IMS) is reviewed annually by the company's management. It is planned by the President of the Management Board after consultation with the IMS Representative. It is conducted by directors and interested managers of organizational units. Its purpose is to verify the effectiveness and proper functioning of the Integrated Quality, Safety, and Environmental Management System. The review includes an assessment of opportunities for improvement and the need for changes in the System, including the implemented Policy and its objectives. The review is conducted according to a previously prepared program (agenda). Based on the input data presented, which is prepared by each organizational unit in the form of reports on the activities of individual departments, a protocol is created during the IMS review, which includes all decisions and actions related to system improvement, the implementation of necessary changes, and resource requirements.

Sustainability reporting is coordinated by the organizational unit responsible for investor relations and ESG, which also coordinates all public reporting, including the management board's activity report, which includes a sustainability statement. The management board member responsible for investor relations, ESG, and compliance, who is responsible for public reporting, oversees the statement's development. The statement, like the entire report, is subject to approval by the Supervisory Board and is signed by individual Management Board members. During their work in 2025, the Management Board and Supervisory Board addressed issues directly relevant to ESG, such as environmental protection and occupational health and safety (however, there were no management board or supervisory board meetings devoted solely and comprehensively to ESG). At the same time, information on the progress of work on the sustainability report is provided to the management bodies in accordance with the established ESG Schedule for a given reporting year, which constitutes an annex to the President's order on the establishment of the Task Force for Sustainability Reporting.

The Management Board, as the body responsible for the sustainability statement, approved the scope of sustainability reporting at an earlier stage by formally approving the results of the double materiality analysis. The results of the internal double materiality analysis were presented to the Management Board. By Resolution No. 255/VIII/2025, the Management Board approved the scope of the sustainability report, prepared with the support of an external advisor. During the reporting period, i.e., in 2025, the Management Board consulted with employee representatives on sustainability information relevant to the entity's employees, as well as methods for obtaining and verifying it. Previously, for the purposes of the 2024 reporting, employee representatives were involved in the double materiality assessment process (surveys). The results of the analysis and the opinion of employee representatives were submitted to the Audit Committee, which adopted a resolution recommending that the Supervisory Board review the above materials.

GOV-3 – Integrating Sustainability Outcomes into Incentive Systems

The Annual General Meeting in 2024 adopted the Remuneration Policy ("Remuneration Policy for Members of the Management Board and Supervisory Board of ZE PAK SA") in its current wording. Consequently, in 2025, aspects related to achieving ESG objectives, including climate objectives, were not formally included in the bonus incentive systems of Management Board and Supervisory Board members. However, sustainability issues are an inherent part of the overall assessment of the Management Board's effectiveness in the process of strategic transformation of the Group's

business model. Detailed information on the applicable remuneration system for management and supervisory personnel can be found in Section 9.13. *Information on the remuneration system and remuneration amounts for management and supervisory personnel*.

The remuneration of members of the Management Board and Supervisory Board is not directly linked to sustainable development.

It is worth noting that ZE PAK SA has abandoned setting rigid targets for Management Board and Supervisory Board members, justifying this move by citing excessive market volatility and the need for dynamic and flexible adaptation. At the same time, individual Management Board members who demonstrate a flexible approach to emerging challenges can expect bonuses. Therefore, the awarding of bonuses may also be linked to the Group's approach to ESG challenges, including those related to climate change. It is worth noting that the fundamental actions of the ZE PAK SA Group are related to the transformation of its business model towards a more sustainable model, in which energy production will be based on low- and zero-emission sources. As a result, the implementation of key business activities and environmental, including climate, activities are often synonymous.

GOV-4 – Due Diligence Statement

Considering the fact that the Directive of the European Parliament and of the Council on Corporate Sustainability Due Diligence (CSDDD), published in the Official Journal of the EU in July 2024, is not yet in force and its entry into force is planned for several years, the Group has not yet started actions aimed at implementing solutions aimed at ensuring compliance with the above-mentioned directive.

At the same time, despite relatively limited purchases from third parties due to the exploitation of its own fuel resources, the Group maintains tender procedures that ensure sufficient transparency and allow for due diligence in both bid selection and collaboration with a given entity. It's worth noting that, due to the involvement of reputable financial institutions, large investment projects are accompanied by specific due diligence measures. These are often much more demanding than most solutions found on the market.

Table 26: Key elements of the due diligence process (see IRO-1 in ESRS G1 for more information)

Basic Elements of the Due Diligence Process	Sustainability Statement Points
a) incorporating due diligence into corporate governance, strategy and business model	References in the report: ESRS 2 GOV-2, ESRS 2 GOV-3, ESRS 2 SMB-3, SMB-3-E1, E1-2, E2-1, E3-1, SMB-3-E4, E4-2, E5-1, SMB-3-S1, S1-1, SMB-3-S3, S3-1, GOV-1-G1, G1-1, G1-2, G1-3 With regard to the upper part of the value chain (suppliers), this mainly involves: • Purchasing procedures in force in the ZE PAK SA Group companies (including criteria for meeting technical conditions, market conditions and credibility): suppliers are, among others, subject to qualification on the basis of current (previous) cooperation, control of deliveries and their periodic assessment (including through auditing) • The purchasing process is supported by an electronic purchasing platform that eliminates certain risks, e.g. it prevents the review of submitted offers before the deadline
b) collaborating with affected stakeholders at all key stages of the due diligence process	References in the report: ESRS 2 GOV-2, ESRS 2 SBM-2, ESRS 2 IRO-1, IRO-1-E1, SMB-3-E1, E1-2, IRO-1-E2, E2-1, IRO-1-E3, E3-1, IRO-1-E4, E4-2, IRO-1-E5, E5-1, SBM2-S1, S1-1, ESRS 2 SBM-2-S3, S3-1, IRO-1-G1, G1-1, G1-2, G1-3 With regard to the upper part of the value chain (suppliers), this mainly involves:

	• The management system introduces "Supplier Assessment Sheets": in addition to obvious factors such as the quality of deliveries, the level and stability of prices and payment terms, it takes into account e.g. timeliness or suppliers having certified management systems • Feedback for suppliers (purchasing processes) • Submitting audit results to the Management Board and Supervisory Board
c) identification and assessment of adverse impacts	References in the report: ESRS 2 SBM-3, ESRS 2 IRO-1, SMB-3-E1, IRO-1-E1, IRO-1-E2, IRO-1-E3, SMB-3-E4, IRO-1-E4, IRO-1-E5, SBM2-S1, SMB-3-S3, IRO-1-G1 With regard to the upper part of the value chain (suppliers), this mainly involves: • Detecting irregularities and abuses in the activities of organizational units and determining the causes and effects of identified irregularities and the persons responsible for them • The management system introduces "Supplier Assessment Sheets": in addition to obvious factors such as the quality of deliveries, the level and stability of prices and payment terms, it takes into account e.g. timeliness or suppliers having certified management systems.
d) taking action to reduce identified adverse impacts	References in the report: E1-1, E1-3, E2-2, E3-2, E4-1, E4-3, E5-3, S1-3, S1-4, S3-3, S3-4, S3-3, S4-3, G1-3 With regard to the upper part of the value chain (suppliers), this mainly involves: • Internal control system ("ZE PAK SA Internal Audit Regulations"), which includes: self-control of the correctness of work performance, functional control and institutional control • Planned inspections (in accordance with the annual plan approved by the Management Board), ad hoc (upon request of the Management Board or Supervisory Board) and verification inspections • Examination and evaluation of the activities of organizational units and companies of the ZE PAK SA Group in terms of: efficiency, legality, purposefulness, reliability and transparency of documentation (processes)
e) monitoring the effectiveness of these efforts and providing relevant information in this regard	References in the report: E1-4 – E1-6; E2-3 – E2-5, E3-3 – E3-4, E4-4- E4-5, E5-3 – E5-5, S1-5 – S1-17, S3-5, G1-4 – G1-6 • Evaluation of cooperation with suppliers and updating the list of qualified suppliers • Introducing corrective and remedial actions (e.g. submitting and implementing post-audit recommendations).

GOV-5 – Risk Management and Internal Controls for Sustainability Reporting

Formally, the body responsible for reporting, including sustainability reporting, is the Management Board, and it is supervised by the Supervisory Board.

Individual material ESG aspects have their own business owners. Individual business units manage them at the operational level, reporting both results and the risks associated with them, most often through formalized and properly documented internal reporting. They are also responsible for external reporting, other than this statement, required by other regulations (e.g., environmental reporting regarding environmental use). For some results, such as greenhouse gas emissions, which are critical to the image of the ZE PAK SA Group, the quantitative data are verified by an auditor (independently of the expert verification to which this statement is subject).

During the development phase of this declaration, the work of obtaining these funds is coordinated by the unit responsible for investor relations, which prepares the entire management report and public reporting. It reports directly to the Management Board member responsible for finance.

Due to changes in sustainability reporting requirements, the Group has not decided to incur additional expenditures on purchasing external tools to support it. As a result, the Group currently does not utilize any additional IT system for its sustainability reporting to support the collection and aggregation of all quantitative ESG data. Such data is obtained from various reporting systems managed and controlled by their business owners. For some data (e.g., employment data), HR systems enable full aggregation and consolidation at the Group level. As regulatory reporting requirements stabilize, the Group does not rule out implementing an additional tool to support reporting. At the same time, the relatively simple structure of the capital group and its organizational structure means that obtaining individual data, including ensuring its completeness within the context of reporting boundaries, is not particularly risky. It is also worth mentioning that a Sustainability Reporting Task Force was established in 2025, which facilitates better work organization, segregation of duties, and information flow. It enables systematic data collection, verification, and analysis, reducing the risk of reporting errors and potential sanctions. The team supports the management board in identifying key ESG indicators of strategic importance, as well as in their implementation and monitoring. During the data consolidation stage, the person coordinating the entire process analyzes and clarifies any potential concerns (e.g., in the event of significant variability in results compared to the previous period, etc.).

The main risks identified by the ZE PAK SA Group in relation to sustainability reporting include:

regulatory risk – due to changing and unclear regulations on sustainability reporting, lack of sectoral standards;

data quality risk – difficulties in collecting, analysing and verifying data required by CSRD, EU Taxonomy;

operational risk – lack of appropriate processes and tools adapted to monitoring and reporting sustainable development;

supply chain risk – incorrect reporting of suppliers' sustainability activities (lack of transparency and limited insight into the actual ESG practices of their suppliers, especially further down the supply chain).

Strategies to mitigate the main identified risks:

- constant monitoring of legal changes and training for employees from individual departments, such as the Investor Relations Department, ESG and Compliance Department, Controlling Department or Environmental Protection Department (e.g. organised by the Association of Stock Exchange Issuers or postgraduate studies in ESG);
- gradual introduction of data collection automation through the use of technology for monitoring and reporting on sustainable development and raising employee awareness of the importance of data quality;
- cooperation with certified suppliers and application of due diligence principles.

At present, the Group has not decided to formalize a risk prioritization system for sustainability reporting. This is partly due to the fact that, in addition to issues related to the consolidation and presentation of reported information, the management of most of the key ESG reporting aspects is covered by the Integrated Management System. This, in turn, addresses issues related to the approach to risk, including the method for setting risk priorities and defining risk mitigation methods. Actions taken during the annual reviews of the Integrated Management System are analyzed by the Management Board.

While there is no formal procedure for how the entity incorporates findings from the risk assessment and internal controls related to the sustainability reporting process into appropriate internal functions and processes, the conclusions drawn from the summary of the first reporting cycle led to the formal establishment of a team that is now responsible for the timely provision of accurate data required for reporting. This ensures oversight of the integrity and quality of the data disclosed. Any significant findings resulting from the risk assessment and internal controls related to the sustainability

reporting process would be reported to the Management Board and presented to the Audit Committee of the Supervisory Board.

(see: GOV-2 – Information provided to the administrative, management and supervisory bodies of the entity and the issues they address related to sustainable development).

SBM-1 – Strategy, Business Model and Value Chain

Business model

The ZE PAK SA Capital Group is a major electricity producer in the Polish energy market. It is also a key component of the country's energy system, contributing to its stable operation. The Group does not sell electricity to retail customers, but only to business customers who supply it to other entities (both individuals and legal entities). Therefore, the Group has no control over who ultimately receives the energy it produces, resells, and feeds into the National Energy System (NES). Due to the nature of the National Energy System, it can only assume that the majority of it will be consumed domestically. However, it has no knowledge of the specific entities (individuals or legal entities) consuming the energy generated by ZE PAK's assets. The Group also generates small revenues from the sale of by-products, primarily gypsum from flue gas desulfurization. This gypsum is then processed by a nearby entity unrelated to the Group, resulting in high-quality construction products (e.g., drywall, gypsum plaster). Although the sale of gypsum is insignificant from the point of view of revenues compared to the scale of revenues obtained from the sale of energy, it is important from the point of view of environmental results.

Group is a private (not controlled by the State Treasury) energy group consisting of vertically integrated entities operating in the area of lignite mining, energy generation from conventional and renewable sources and energy trading.

It's worth emphasizing in the current, extremely challenging geopolitical situation that energy production at the ZE PAK SA Group relies entirely on domestic fuel, with lignite coming from local deposits. Therefore, **energy production at the ZE PAK SA Group was and is independent of fuel imports** and the associated risks. With the construction and commissioning of new natural gas-based assets, it will begin using fuels not sourced from Polish deposits, but will remain independent of imports from Russia or Belarus.

Looking at our current operations, the companies that are most significant to the Group due to their scale of operations are ZE PAK SA, which **generates electricity and heat** (part of the ESRS sector: *Power generation and energy supply* (UPE)), and **PAK KWB Konin SA**, which **mines lignite** (part of the ESRS sector: *Mining, quarries and coal* (MQC))⁴. These operations are complemented by wholesale electricity trading, activities aimed at ensuring the appropriate number of CO2 emission allowances, and the production and sale of heat. The Group has also included other companies for years, which engage in activities such as construction and assembly work, maintenance, service, production, and sales aimed at meeting the needs and providing comprehensive services to the industry. from the point of view of sustainable development reporting, and more specifically the disclosure of SBM-1 point 40 c, it will be important to implement activities related to the management of combustion waste and the reclamation of post-industrial areas, including post-mining areas, for the Group's own needs, which will be part of the ESRS sector: *Water and Waste Services* - UWW.

At the same time, given the significant carbon footprint of conventional energy production, several years ago the Group embarked on an unprecedented transformation in Poland toward more sustainable, low- and zero-emission generation sources. Hydrogen technologies have also become a focus of the Group's interest.

The Group's conventional generation assets in 2025 included a 474 MW coal-fired unit (9 – Pątnów II) located at the Pątnów Power Plant in central Poland, in the Wielkopolska Voivodeship. Units 1, 2, and 5 at the Pątnów Power Plant, which were still operational in 2024, were decommissioned at the end of 2024. The Group's mining assets are concentrated in PAK KWB Konin SA, which has also been reducing the scale of its operations in recent years. Currently, PAK KWB Konin SA operates only one, and the last, lignite open pit – Tomisławice.

For several years, the Group has been gradually reducing its lignite mining and lignite-based energy production activities, ultimately ceasing these activities altogether. The current baseline scenario predicts that coal mining and coal-based energy production will continue until the currently mined area of the Tomisławice open-pit mine is exhausted, which, in the Company's opinion, should occur no later than the end of the first half of 2026. The Company plans to continue providing services related to its participation in the capacity market until the end of 2026.

⁴All of the lignite obtained is used by the Group, i.e. the Group does not generate any revenue from the sale of lignite at the consolidated level, which should be disclosed (see: SBM-1 item 40 b), however, at the same time this activity gives rise to intra-group settlements, which requires this activity to be indicated in the disclosure (see: SBM-1 item 40 c),

One of the promising assets is an indirect subsidiary of ZE PAK SA, PAK CCGT sp. z o.o., which is responsible for the preparation and implementation of the project to build a gas-fired unit in Turek on the site of the former Adamów coal-fired power plant with a capacity of 562 MW. Construction work began in December 2023. The project was completed at the end of the third quarter of 2025 at over 82.7%, and the expected commissioning date is the third quarter of 2027. In December 2025, **the Group successfully finalized negotiations with banks, thanks to which it secured financing for the construction of the gas-steam unit. Obtaining financing of nearly PLN 2.3 billion is a significant success and confirms the recognition of financial markets for the implementation of the ZE PAK Group's strategic plans.** At that time, the project was implemented from own funds and from funds obtained from bridge financing.

Another project being developed within the Group is the construction of a wind farm with a total capacity of 500 MW across three counties in the Opole Voivodeship. In the second quarter of 2024, the Company acquired a 99% stake in the special purpose vehicles implementing this project. As of the date of this report, preparatory and design work is underway to bring the project to the construction readiness stage. Due to the scale of the undertaking, the Group will consider securing an external partner to implement this project.

Group is collaborating with the Polsat Plus Group to jointly develop a structure of subsidiaries of PAK – Polska Czysta Energia sp. z o. o. ("PAK – PCE"), whose activities are focused on generating energy from renewable sources and the production and use of green hydrogen. Cyfrowy Polsat SA holds a 50.5% stake in PAK – PCE, and thus controls the company, while ZE PAK SA is a minority shareholder with a 49.5% stake in PAK – PCE. PAK – PCE is implementing a wide range of promising investment projects in the areas of renewable energy sources and the production and use of green hydrogen. PAK-PCE's main renewable energy generation assets include two biomass-fired units generating electricity and heat with a total capacity of 110 MW, located at the Konin Power Plant, an 83 MW photovoltaic farm in Brudzew, and five wind farms: Kazimierz Biskupi, Miłosław, Przyrów, Czulchów, and Drzeżewo, with a total capacity of approximately 289 MW. In the area of hydrogen projects, a comprehensive chain for the production, distribution, and use of green hydrogen has been built, which is currently being scaled to the current market situation.

In 2025, the Group operated on a scale that allowed it to achieve revenues at the level set out in the table below, with employment at the end of the year at 2,132 people.

All persons employed in the company are employed in the domestic segment.

Table 27: Energy revenues

	Sector according to European Sustainability Reporting Standard – SEC 1 Sector Classification (Working Draft, 15/01/2024)		2024	2025
Total revenues (PLN thousand), including:	-	-	2 185 257	1 333 834
- revenues from energy	Power Production and Energy Utilities	code: UPE	2 185 257	1 333 834

In accordance with the requirements of the ESRS (SBM-1 item 40 letter d), the Group declares that in 2025 it conducted activities related to the fossil fuel sector. Revenues from the extraction of lignite, which is a solid fuel, amounted to PLN 466,504 thousand in 2025 (Mining segment), while revenues from conventional electricity generation from lignite were included in the Generation segment. The Group did not generate revenues from activities related to crude oil or natural gas.

Including by operating segments (in thousands):

	Production	Extraction	Renovations	The remaining	Consolidation adjustments	Sum
Sales revenue 2025	1 237 064	466 504	183 858	104 033	(657 625)	1 333 834
Sales revenue 2024	2 117 824	627 672	167 062	129 810	(857 111)	2 185 257

The ZE PAK SA Group, while generating revenues from energy based on fossil fuels, did not generate revenues related to the production of chemicals, production of controversial types of weapons, cultivation and production of tobacco (i.e. indicated in the SBM-1 40 d requirement).

ESG strategy

The ambitious development strategy of the ZE PAK SA Group, focused on rapid transformation towards clean energy technologies and a radical reduction of the carbon footprint, initiated an internal reorganization of the Group, including a discussion on functional strategies, including a sustainable development strategy. The key areas of responsibility identified in the original strategy remain relevant, and the nature of the ongoing, day-to-day impact of operational activities, although it will decrease in many areas, will be a gradual process and will continue to require management's attention. The transformation of the business model, in addition to the gradual reduction of existing environmental impact categories, will mean new challenges and new aspects of responsibility towards the environment, which must be incorporated into the new management approach and sustainable development strategy.

developed in early 2023 (updated in early 2024), takes into account ESG factors, i.e. those related to the impact on the environment (**Environmental**), the social environment (**Social**) and corporate governance (**Governance**) and focuses on:

- on the decarbonization of the business model and its transformation towards a sustainable economy, which is part of the energy transformation of the Eastern Greater Poland region,
- in ESG areas not directly related to transformation, on activities consistent with the logic of striving to improve existing processes, typical of total quality management (TQM) and ensuring at least compliance with legal requirements and environmental expectations.

Each of the seven goals has been assigned measures (KPIs) and their values, which should be achieved in the following years, as well as directions of activities or projects (also described with measures) that will be part of the implementation of the above-mentioned goals.

At the same time, in mid-2023, a strategic decision was made to transfer ownership of the majority stake in PAK-PCE sp. z o. o., a group of special purpose vehicles responsible for operations in specific renewable energy technologies (including photovoltaic farms, wind farms, biomass energy, hydrogen production, and the hydrogen bus project). Therefore, the Company updated its Strategy to include its stake in the PAK-PCE Group. The Polsat Plus Group became the new owner. Increasing the capital involvement of the Polsat Plus Group, which was previously a minority shareholder, means gaining a strong partner capable of guaranteeing the implementation of a wide range of promising investment projects in the area of renewable energy sources and the production and use of green hydrogen. The ZE PAK SA Group still owns nearly half of the company's shares and, given its business expertise, will be the entity whose employees will bear a significant burden of operational management of PAK-PCE's assets. At the same time, however, the transfer of the majority stake to Polsat Plus Group will have significant implications for both financial and non-financial reporting – i.e., especially when reporting in accordance with the operational control principle, it will result in the disclosure of numerous items by the new majority shareholder. As a result, for example, the levels of selected indicators assumed in the ZE PAK SA Group's Sustainable Development Strategy for 2024-2028 will formally not be achieved (this applies, for example, to the level of direct CO₂ emissions from energy production per unit of energy (1 MWh)), because the ZE PAK SA Group will report emissions from conventional energy, but not clean generation sources (PAK – PCE sp. z o.o.).

Sustainable development strategy of the ZE PAK SA Group for 2024-2028

For decades, ZE PAK SA has been a key link in the National Energy System. It also plays a significant role in the industrial functioning of the Konin subregion and the local labor market. As an electricity producer previously relying primarily on lignite, the Group has consciously decided to gradually reduce its coal-fired electricity generation and develop projects in the area of energy generation from low- and zero-emission sources, as well as the production and use of green hydrogen:

- a project of a low-emission electricity source in the form of a CCGT unit in Turek at the site of the former Adamów power plant,
- construction of a large-scale PV farm in Przykona,
- acquisition of a large wind farm project located near Opole,
- in cooperation with CP – development of the structure of subsidiaries of the PAK – PCE company, whose activities focus on the production of energy from renewable sources and the production and use of green hydrogen.

The strategy is based on the following seven goals, the first three of which are related to the transformation and decarbonization of operations, the next three to the optimization of non-financial results of the business, and the last one is a management goal:

Goal 1: Transformation towards zero and low-emission energy – implemented independently and in cooperation with CP.

Goal 2: Entering the hydrogen fuel and zero-emission automotive industry – implemented independently and in cooperation with CP.

Goal 3: Responsible exit from the mining industry (lignite) with respect for the social and natural environment – implemented independently.

Goal 4: Being a responsible employer in the region – implemented independently.

Goal 5: Striving for a circular economy (CE) – implemented independently.

Goal 6: Being a good neighbor and member of the local community: limiting the impact of current operational activities on the social and natural environment – implemented independently.

Goal 7: Ensuring a high-quality management system and its continuous improvement, taking into account social and environmental aspects in the decision-making process – implemented independently

All these goals were assigned measurable objectives (KPIs):

Table 28: Goals of the ESG Strategy for 2024-2028

	2023	2024	2025	2026	2027	2028
Goal 1: Transformation towards zero and low-emission energy.						
scenario for mining and exploitation of coal blocks	Józwin open pit – end of mining	Units 1, 2 and 5 at the Pątnów Power Plant – end of operation	The base case scenario assumes the shutdown of unit 9 at the Pątnów II power plant at the end of the year.	The emission and installed capacity indicators given below will only apply if a decision is made to extend coal operations		-
CO ₂ emissions from energy production per unit of energy (1 MWh)*	1.35	1.30	1.30	1.30	0.47	0.32
installed capacity of low- and zero-emission assets (wind farms + photovoltaics + biomass (including assets of the PAK – PCE group) + gas-steam block)	214.5	337.5	483.9	788.3	1,349.3	1,349.3
<i>*index calculated as the number of purchased EUAs divided by net electricity production, excluding energy from biomass, photovoltaics and wind</i>						
Goal 2: Entering the hydrogen fuel and zero-emission automotive industry.						
(objectives from this area have been omitted because they relate to the activities of the PAK – PCE company, in which ZE PAK SA is a minority shareholder and which is not consolidated in this reporting)						
Goal 3: Responsible exit from the mining industry (lignite) while respecting the social and natural environment.						
Improvement and restoration of natural water conditions in post-mining areas*			Technical reclamation of post-mining areas*			
Filling the reservoir after the Lubstów and Głowy open pits	2024-2025		Submitting applications for the reclamation of post-mining areas		2024-2025	
Filling the reservoir after the Roztoka open pit	2024-2025		Completion of technical reclamation – 419 ha		2026	
Filling the reservoir after the Józwin open pit	2024-2028		Completion of technical reclamation – 510 ha		2027	
Filling the reservoir after the Drzewce open-pit mine	2024-2028		Completion of technical reclamation – 672 ha		2028	

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Filling the reservoir after the Adamów open pit	2024-2028					
* by the end of 2028, it is planned to achieve a capacity of over 800 million m³ in water reservoirs in the Konin-Turek region			* by the end of 2028, technical reclamation will have been completed in an area of 1,602 ha			
Goal 4: Being a responsible employer in the region.						
	2023	2024	2025	2026	2027	2028
employment level (in persons)	2,623	2,464	2,326	2 208*	1 387*	1 112
average salary in the ZE PAK SA Group / average salary announced by the Central Statistical Office for the Konin subregion	≥100%	≥100%	≥100%	≥100%	≥100%	≥100%
number of days of plant downtime due to strike action	0	0	0	0	0	0
accident frequency rate	<100% of previous year's value	<100% of previous year's value	<100% of previous year's value	<100% of previous year's value	<100% of previous year's value	<100% of previous year's value
* only in the event of extension of coal operations						
Goal 5: Strive for a circular economy.						
the degree of economic utilization of raw material from flue gas desulfurization	~100%	~100%	~100%	~100%	~100%	~100%
degree of economic use of combustion waste	≥100% of the previous period's level	≥100% of the previous period's level	≥100% of the previous period's level	≥100% of the previous period's level	≥100% of the previous period's level	≥100% of the previous period's level
the degree of economic use of raw materials from demolition	~100%	~100%	~100%	~100%	~100%	~100%
the degree of economic utilization of raw material from flue gas desulfurization	~100%	~100%	~100%	~100%	~100%	~100%
Goal 6: Being a good neighbor and member of the local community: limiting the impact of current operational activities on the social and natural environment.						
number of serious environmental accidents	"zero"	"zero"	"zero"	"zero"	"zero"	"zero"
number of serious social conflicts	"zero"	"zero"	"zero"	"zero"	"zero"	"zero"
Goal 7: Ensuring a high-quality management system and its continuous improvement, taking into account social and environmental aspects in the decision-making process.						
the number of significant penalties or sanctions related to the violation of social, environmental and human rights interests, or	"zero"	"zero"	"zero"	"zero"	"zero"	"zero"

confirmed corrupt, anti-market and monopolistic practices related to the activities of the ZE PAK SA Group						
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All goals were then broken down into specific actions and projects that contribute to their implementation and to the achievement of the Sustainable Development Goals (SDGs).



Value chain

Due to the relatively highly integrated value chain involving electricity production from lignite, which remains the Group's primary source of revenue, and encompassing the entire upstream portion of the value chain, the supply chain in this area is relatively limited. The Group's operations involve sourcing the primary raw material, lignite, from the deposits it operates ⁵. Purchases from external suppliers are therefore limited primarily to various types of services related to the maintenance and servicing of owned assets, as well as professional support services. However, a number of service tasks are also performed by entities within the ZE PAK SA Group (e.g., PAK Serwis).

The Group also purchases certain quantities of fuel raw materials (fuel oil, heavy fuel oil), which are also used in its plants, as well as limestone and urea, which are crucial in the desulfurization and exhaust gas refining processes. Of course, it also purchases, albeit in relatively small quantities, other fuels used for purposes other than direct electricity generation (diesel oil, gasoline).

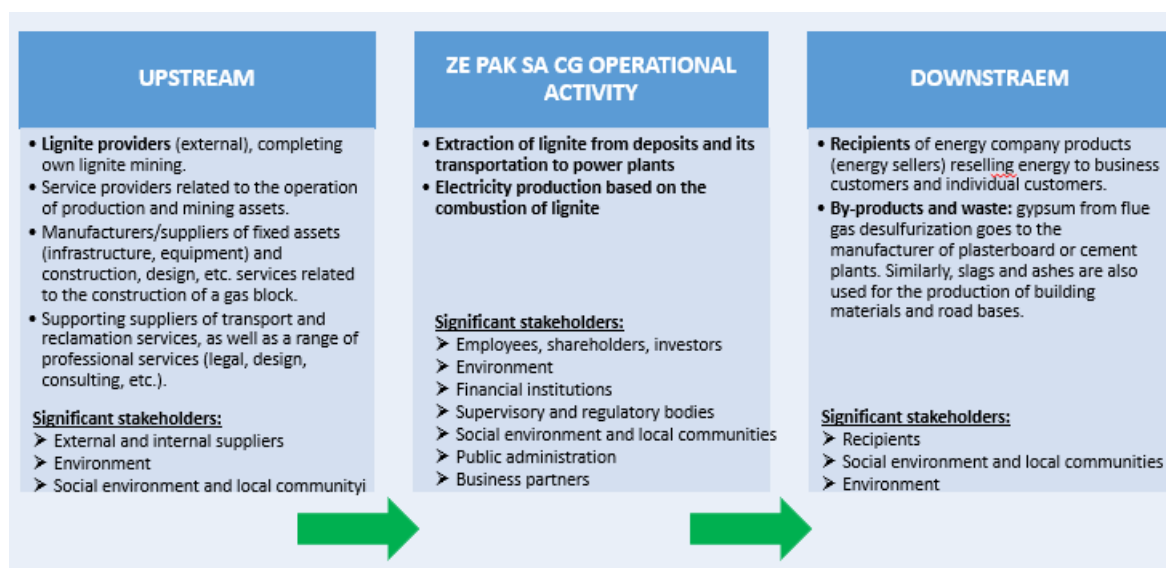
The situation, along with the ongoing transformation, will change, not only in the long term but even in the medium term. The planned decommissioning of the last remaining lignite-based assets will eliminate demand for this fuel. On the other hand, the launch of production based on production assets using a different fuel, such as natural gas, will require significant fuel purchases from third parties.

At the same time, the ongoing transformation, including investments in new production assets and the liquidation of those being phased out, entails the purchase of various types of construction services, infrastructure elements, equipment, and a range of professional services. It also involves significant involvement of external entities in demolition and remediation work.

The dominant source of revenue and product of the ZE PAK SA Group is electricity, primarily generated from lignite. However, the ZE PAK SA Group does not conduct activities related to the distribution, supply, or sale of energy to end users. As a participant in the National Power System, it supplies contracted amounts of electricity to the system and also operates in the energy trading area, for example, in the event of production outages. The energy from the ZE PAK SA Group is sold on the exchange market, where it is purchased primarily by large entities that further distribute, supply, and sell it to end users: businesses and households. A consequence of this structured business model is the Group's lack of contact with consumers, which also limits the scope of significant ESG aspects related to consumers in terms of direct impact (e.g., customer service, communication reliability, or consumer data protection).

⁵In 2025, no additional supplementary purchases were made from KWB Sieniawa .

The value chain and key stakeholders involved in value chain processes



SBM-2 – Stakeholder Interests and Opinions

When defining the significant sustainability issues for the ZE PAK SA Group for 2024-2028, a materiality analysis was conducted in early 2024, using an extensive questionnaire for various stakeholder groups within the Company, while maintaining the principle of double materiality. The materiality analysis resulted in a list of significant stakeholders, significant issues divided into environmental and climate change issues, social issues, including employee issues, corporate governance issues, and a list of significant non-financial risks. This analysis covered the overall operations of the ZE PAK Group, encompassing the activities and, consequently, the revenues of all companies consolidated in its financial statements (information on the Group's structure as of the balance sheet date can be found in subsection 2.1. "Basic Information about the Company and the Capital Group").

Due to the fact that there were no changes in the Group's business model or market environment in the 2025 reporting year that could significantly impact the nature of its environmental and social impact, a full analysis was not re-evaluated. As with the 2024 report, the 2025 report also underwent an internal review of the reporting scope, based, among other things, on an analysis of the reporting scope of other Polish and European public companies that could serve as a benchmark for the ZE PAK Group.

Due to the transformation of the business model that the ZE PAK Group is undergoing – the planned decommissioning of the last lignite-based generation assets and the launch of natural gas-based production (PAK CCGT) in the short and medium term. This will result in a significant change in the operating model, and changes in the scope of operations will result in changes in the scope of impacts (even if not in the category of the impact itself – it is expected that similar, if not the same, ESG aspects will be significant – but in their nature or intensity). The ZE PAK Group plans to conduct a re-analysis of double materiality after the change in its operating model and most likely based on the updated ESRS approach. In turn, the observations and conclusions drawn from them will be taken into account in reviews of the sustainability strategy to maintain consistency (i.e., address in the strategy those issues that are important to stakeholders).

Individual stakeholder groups differ in their areas of interest, expectations, and concerns, as well as in the form and frequency of communication. These expectations and concerns, more often related to aspects that constitute a source of risk rather than opportunity, are consequently articulated in various forms and at various levels. In some cases, such information reaches managers, and only then, in the form of opinions or observations, is the latter passed on to the company's management (e.g., during working meetings). However, a significant portion is communicated directly to the Management Board, whose members are directly involved, for example, in formalized social dialogue processes with trade unions, meetings with investors, and municipal authorities, which are significantly influenced by both the operations and transformation of the ZE PAK Group.

Depending on the nature of the issues raised, the Group's involvement in these matters may range from unilaterally listening (monitoring) to providing responses, to the actual and genuine participation of individual groups in developing specific solutions. Sometimes, this influence will be at the operational level, other times at the strategic planning level. It's worth mentioning here the consultation of key decisions with the social partners, and the Management Board's collaboration with trade unions in planning the Group's transformation, which entails, among other things, mine closures and, consequently, layoffs. This collaboration also included joint activities aimed at ensuring that miners and energy

workers benefit from bridging pensions and mining/energy leave. At the same time, not only shareholders but also financing institutions are directly involved in the PAK CCGT project (monitoring the investment, assessing its implementation, among other things, in terms of meeting their expected ESG standards). In turn, dialogue with local government institutions helped develop the optimal scope of reclamation of post-mining and post-industrial areas, which is one of the fundamental areas of the ESG strategy.

External information exchange involves maintaining relationships with investors, stock market analysts, and journalists. As part of the responsibilities of the Investor Relations, ESG, and Compliance Department, its representatives hold regular meetings with individual investors and representatives of financial institutions.

During each of these meetings, ZE PAK SA stakeholders had the opportunity to view a presentation prepared specifically for the event. Information materials, publications, and presentations were also prepared and made available during the meetings and via the investor relations website.

Environmental and Social Action Plan (ESAP) for PAK CCGT

The Environmental and Social Action Plan (ESAP) for the project to build a combined cycle gas turbine (CCGT) unit in Turek on the site of the former Adamów Power Plant is intended to ensure full compliance with the Equator Principles and other applicable standards, such as IFC requirements and OECD and UN guidelines. As part of the process of obtaining the Environmental Permit, a regulatory dialogue was conducted, providing the public with the opportunity to submit comments and proposals, which was utilized by, among others, environmental organizations. The next step will be to update the implemented grievance mechanisms, develop a stakeholder engagement plan, and formally establish a social governance system.

The most important interested groups include the following listed in the table below:

Table 29: Key stakeholders

Stakeholder	Way of Engagement	Purpose and issues covered	Organization of communication, information flow and taking into account feedback and
Employees and co - workers	Internal communication system Intranet Participation in the relevance study Internal meetings and events	Working conditions and professional development Issues directly or indirectly related to the energy transition in the context of restructuring and employment stability Availability of additional social and occupational health and safety benefits	The unit responsible for communication with the departments at the operational level is the Human Resources Management Department . Key employee issues of strategic importance, e.g. those related to transformation , are consulted with the Management Board , which makes decisions based on information received from the Human Resources Management Department.
Trade unions	Current collaboration	Employee issues Trade unions representing employees play a significant role in mediating between employers and employees . Dialogue with them is formalized, yet traditionally constructive and collaborative . As a result, conflicts have not escalated in recent years , and the parties have jointly developed solutions that benefit employees, for example, in the context of the planned cessation of lignite mining .	The process of organizing communication (dialogue) between the employer (management) and trade unions is formalized and regulated by law, including the Act of 23 May 1991 on trade unions , which specifies , among others : • the rights of unions to represent employees . • the employer 's obligation to provide information necessary to conduct trade union activities . • the need to consult with the trade union organization on matters of regulations (work , remuneration) and dismissals (group and individual). • principles of protection for trade union activists the operational level , the Human Resources Management Department is involved in daily communications . Management Board representatives are directly involved in matters of greater importance , including formal consultations . Arrangements with the trade unions directly translate into decisions that influence the way of operating and the strategy of the Group .

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Natural environment	Communication with non - governmental and environmental organizations	Minimizing negative environmental impact and sustainable waste management	The unit responsible at the operational level is the Department of Environmental Protection . Environmental issues of strategic importance, such as those related to business model transformation, are consulted with the Management Board and , based on the findings, communicated to stakeholders and incorporated into the company's operations and strategy.
Investors and shareholders	Investor relations and communication on the website https://ri.zepak.com.pl/pl/ and via the mailbox ri@zepak.com.pl Results conferences General Meeting of Shareholders	Company's business strategy, including its ESG strategy. Broadly understood Group and Company results, risks, and development prospects. Sustainable Development (ESG) Activities	The unit responsible at the operational level is the Investor Relations Office , operating within the Investor Relations, ESG, and Compliance Department . Management Board representatives are involved in key events (e.g., earnings conferences). In response to investor inquiries and comments, the Management Board makes decisions based on their expectations . Decisions important to investors, as well as information of strategic importance , are communicated (including in current reports).
Financial institutions	External website of the Company Face -to - face meetings and teleconferences Results conferences	Business strategy and sustainable development of the Company Compliance with EU taxonomy Financial results	The responsible unit at the operational level is the Investor Relations Office , operating within the Investor Relations, ESG, and Compliance Department, and the Chief Financial Officer. In the event of key events, Management Board representatives are involved, making decisions based on the information provided, directly engaging in discussions, etc. Arrangements with financial institutions directly translate into decisions that impact the Group 's operations and strategy. Furthermore, implementing specific expectations of financial institutions (e.g., regarding ESG) may, for example, condition the obtaining of financing and the terms of its granting.
Business clients and recipients	Direct meetings external communication Group	Business plans, performance indicators Due to the fact that energy is traded on the stock exchange and many transactions are made dynamically, in real time, buyers' interest is limited to basic parameters such as volume and price. In turn, the conditions for the resale of energy production by-products (gypsum, slag and ash) are agreed individually with their recipients.	The unit responsible at the operational level is the Trade and Market Services Department . Representatives of the Management Board are involved in decisions of greater importance.

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Internal , external and subcontractor suppliers	Ongoing contact and cooperation	Terms of cooperation, punctuality, payments,	The responsible unit at the operational level is the Logistics and Purchasing Department. Representatives of the Management Board are involved in decisions of greater importance, making decisions based on the information provided, directly engaging in discussions, etc.
Supervisory authorities and national and EU regulators	External website of the Company Current and periodic reports	Timeliness and quality of reported corporate documents	Depending on the specific subject matter and the authority involved, the responsible unit at the operational level may include, among others, the Legal Department , Investor Relations, ESG, and Compliance Department (Compliance Department) . Due to the nature of this type of communication, representatives of the Management Board are most often involved (depending on the matter, they may only be regularly informed of its progress or directly involved). The findings and decisions of supervisory authorities are subject to implementation .
The environment and local communities	Social media Local events Activities carried out in cooperation with partners .	Identification of social problems of the Transformation Group, reclamation of areas endowed with recreational value , as well as newly constructed and planned facilities. A crucial issue is the method of implementing the water reclamation of former open pits and the involvement of local government officials associated with the Powidz Landscape Park Association, which brings together eight municipalities: Powidz, Ostrowite, Kleczew, Wilczyn, Witkowo , as well as Jeziora Wielkie, Orchowo, and Trzemeszno. Delays in this area will contribute to the lowering of the water levels of natural lakes (J. Wilczyński , J. Ostrowski, J. Powidzki). At the same time, due to the strong direct or indirect ties of residents to the Group (employment within the Group itself or in companies cooperating with the Group) , the transformation may raise certain concerns . Concerns may also be raised by the reduction in taxes that the Group will pay to municipal budgets , which will also indirectly affect their residents. Public attention is focused primarily on energy availability, with particular emphasis on economic accessibility in the context of rising energy prices (due to the lack of retail energy sales , these issues do not directly affect the Group) .	Depending on the specific subject matter and the body involved, the responsible unit at the operational level may include, among others, the Department of Environmental Protection or the Department of Real Estate. In the case of issues of strategic significance, decisions and actions are consulted with the Management Board . Taking into account the interest of the community, the model (method) of operation may be modified or additional, previously unplanned solutions may be implemented.
Public administration and local authorities	Direct meetings Mailing	At the local level, issues related to current administrative proceedings .	Depending on the specific subject matter and the authority involved, the responsible unit at the operational level may include the Department of Environmental Protection or

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		A keen interest in the Group's transformation and the consequent closure of individual blocks or mining plants. The cessation of mining production , but also the operation of manufacturing facilities, has consequences for both the employment of the local population and the tax revenues of local government budgets.	the Department of Real Estate. In the case of strategically important matters, decisions and actions are consulted with the Management Board . Depending on the specific nature of the topic, Management Board members are directly involved in the discussions. These decisions influence the way companies operate and the implementation of specific investments.
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The company engages key stakeholder groups—customers, local communities, employees, trade unions, regulators, suppliers, and investors—using public consultations, employee dialogue, surveys conducted as part of the Dual Materiality Analysis, and ongoing communication channels. The results of this engagement include expectations regarding supply reliability, greater environmental transparency, the pace of energy transition, occupational safety, and a responsible supply chain. This information is shared with management and used to update its energy strategy, plan infrastructure investments, refine environmental policies, and strengthen occupational health and safety measures. The results of this dialogue are an integral part of the Dual Materiality Analysis and influence the identification and prioritization of ESG topics relevant to the company and its stakeholders.

The expectations and interests of the above-mentioned groups were taken into account in the double significance analysis (IRO-1) and in the process of identifying the nature of impacts, risks and opportunities (IRO) in the following ways: (a) indirectly – through the use of double significance analysis in Stages I and III, (b) directly – through the involvement of selected representatives of interest groups in the process of assessing pre-selected significant aspects (Stage II of the double significance analysis).

As part of its materiality assessment processes, the Company analyzed the interests and opinions of key stakeholders, such as business customers, local communities, employees, social partners, investors, and regulators. These opinions are gathered through social dialogue, environmental consultations, stakeholder surveys as part of the Dual Materiality Analysis, and stakeholder communication. The results of these activities allow the Company to understand expectations regarding supply reliability, environmental transparency, the pace of energy transition, occupational safety, and a responsible supply chain. These analyses provide key input into shaping the Company's strategy and business model, particularly in the areas of infrastructure investments, the development of low-emission energy sources, employee policies, ESG risk management, and energy transition planning.

The external stakeholder engagement activities conducted by the ZE PAK SA team to date have focused on areas related to communication with the administration, environmental and sanitary authorities and other institutional stakeholders, as well as with local communities and non-governmental organizations, as part of the development of new investment projects, in particular at the environmental impact assessment stage, promoting facts about low-emission energy in general and gas-fired energy in particular (CCGT project), and disseminating basic information about the stages of project development among residents of municipalities where the company is conducting or developing low-emission projects involving the generation of electricity from natural gas, during administrative proceedings.

As part of the permitting process, disclosure of information about the Project is conducted in accordance with Polish regulations. However, public access to the process is ensured by the relevant administrative body, which notifies the public of the initiation of the application process and allows time for public comments, conducts an administrative hearing open to the public, and considers submitted comments and recommendations.

After reviewing the Environmental Decision, all comments received from the public during the environmental procedures must be considered and responded to. Notices of the initiation of the environmental procedure will be posted in the customary manner in all localities affected by the projects, including on the appropriate locality noticeboards and on the noticeboards of the associated municipal offices.

SBM-3 – Significant impacts, risks and opportunities and their interrelationships with the strategy and business model

Issues related to the risk management approach and the primary business risk factors to which the ZE PAK SA Group's operations are exposed are described in the following sections of this Management Board's Report on the Operations of the ZE PAK SA Group, namely in Chapters 3.4. Risk Management and 4. Primary Risk Factors of Conducted Operations. ESG risks constitute an integral part of the business risks identified therein. Often, a specific business risk category is identical to a specific ESG risk aspect, while in other cases, ESG issues are one dimension of the described risk. In Chapters 4. *Primary Risk Factors of Conducted Operations* and 5.5. *Characteristics of Factors Impacting Current and Future Financial Results*, the Group provides a more comprehensive description of the economic consequences of the risks, which are reflected in the impacts and risks described in SBM-3. In Chapter 5.2. *Key economic and financial figures*: The Group has identified provisions to be created in 2025 in connection with selected aspects of its operations, which are reflected in the impact aspects listed below (e.g., provisions for reclamation, provisions for the redemption of CO2 emission allowances). Information on the financing of individual activities that support strategy implementation can be found in 6. *Financial Resources Management* and 7. *Significant Factors and Development Prospects*. Information assessing the resilience of the business model in terms of its ability to counteract significant impacts and risks can be

found in Chapters 5. Description of *Financial and Asset Position* , 6. *Financial Resources Management* , and 7. *Significant Factors and Development Prospects*.

Although the binding list of business risks is those indicated in Chapter 4. Basic risk factors of conducted business activity, by analyzing them in terms of sustainable development and ESG factors, their subsequent disintegration can be achieved.

Table 30: Significant impacts, risks and opportunities related to sustainable development

a. Climate change (ESRS 1)

Significant impacts, risks and opportunities related to climate change (ESRS E1): :

Thematic ESRS	Topic*	Subtopic *	Description	Category **	Place of concentration	Time perspective	Potential financial impact related to risk/opportunity** *	Resistance of the strategy and business model to a given risk****
ESRS E1	Climate change	Climate change mitigation	Direct and other indirect impacts of greenhouse gas emissions on the climate	negative impact actual	own operations	short-term medium term long-term	n/a	n/a
ESRS E1	Climate change	Adapting to climate change	Exposure of the Group's business model to climate-related <u>physical risks</u> (more see: ESRS E1 SBM-3)	risk	the upper part of the chain own operations lower part of the chain	short-term medium term long-term	negligible	negligible susceptibility
ESRS E1	Climate change	Adapting to climate change	Exposure of the Group's business model to climate-related <u>transition risks</u> (more see: ESRS E1 SBM-3)	risk	the upper part of the chain own operations lower part of the chain	short-term medium term long-term	critical	significant susceptibility
ESRS E1	Climate change	Energy	The risk of high costs of emission allowances and, as a result, a decline in the profitability of operating activities	risk	own operations	short-term medium term long-term	moderate	significant vulnerability
ESRS E1	Climate change	Energy	Development opportunities related to the growing demand for low-emission energy from stable generation sources	chance	own operations lower part of the chain	short-term medium term long-term	low	significant vulnerability

In terms of impact, lignite-fired energy production, like the combustion of other fuels, **is associated with significant greenhouse gas emissions, especially CO₂, into the atmosphere** , and thus, according to current knowledge, contributes to the deepening of global climate change. At the same time, from a financial impact perspective, the costs of **CO₂ emission allowances constitute a significant item in the cost structure** , which, coupled with the significant volatility of these allowance prices on the market, translates into a significant impact on the ZE PAK SA Group's operating results. Therefore, the Group is gradually phasing out lignite-fired production. The last major shutdowns of units 1, 2, and 5 (end of production) occurred at the end of 2024 at the Pątnów Power Plant. In 2025, only one unit of this power plant – unit

no. 9 (formerly Pątnów II Power Plant) – was operational. At the same time, the planned launch of energy production from natural gas combustion will also involve direct, although significantly lower, CO₂ emissions.

The risks discussed above currently affect the ZE PAK SA Group, but the scale of exposure is decreasing with the reduction in lignite-based energy production. Therefore, in the medium term, when Unit No. 9 is shut down and energy production from natural gas and complementary renewable energy assets (photovoltaic and wind farms) is simultaneously launched, the scale of the risk will be significantly reduced. Furthermore, in the medium and long term, energy production in:

- based on natural gas by a power plant that meets the low-emission criteria
- Other assets (existing or planned), including those in which the ZE PAK SA Group holds a stake but are not consolidated in its results, will enable the Group to become a beneficiary of the energy transition. It has the opportunity to optimally balance zero-emission renewable energy assets, such as photovoltaic and wind farms, with zero- or low-emission assets characterized by stable and flexible production (energy based on biomass or gas fuel).

At the same time, the Group's operations and assets are exposed to physical risks and climate-related transitions.

(see: 4. Basic risk factors of the business, Costs of CO₂ emission allowances; ESRS E1)

b. Pollution (ESRS 2)

Significant impacts, risks and opportunities related to pollution (ESRS E2):

Thematic ESRS	Topic*	Subtopic *	Description	Category**	Place of concentration	Time perspective	Potential financial impact related to risk/opportunity***	Resistance of the strategy and business model to a given risk****
ESRS E2	Pollution	Air pollution	Emissions into the atmosphere of, among others, SO ₂ , NO _x , and dust (PM) mainly as a result of the combustion of fossil fuels in the process of energy production	negative impact actual	own operations	short-term medium term long-term	n/a	n/a
ESRS E2	Pollution	Air pollution	Risk of exceeding emission standards (e.g. due to failure/incorrect operation of the installation)	risk	own operations	short-term medium term long-term	negligible	negligible susceptibility
ESRS E2	Pollution	Water pollution Soil pollution	Environmental effects of contamination resulting from leakage (e.g. of oil, fuel oil or acids) into the environment.	negative impact actual	own operations	short-term medium term long-term	n/a	n/a
ESRS E2	Pollution	Water pollution Soil pollution	Costs of removing the effects of contamination resulting from leakage (e.g. oil, fuel oil or acids) into the environment.	risk	own operations	short-term medium term long-term	negligible	negligible susceptibility

The combustion of lignite and other fossil fuels (including, ultimately, gaseous fossil fuels) in energy production generates atmospheric emissions of SO₂, NO_x, and particulate matter (PM), which in turn negatively impact the environment. Mining operations emit these pollutants to a disproportionately smaller extent, meaning that mining operations generate organized emissions of air pollutants from the boiler room that provides heat for the mine's social facilities. In open-pit mining, fugitive (mechanical) dust emissions are also significant.

Current manufacturing operations are associated with the risk of failures, which could result in leaks of oil, fuel oil, or acids, and consequently, local contamination of the soil and water environment. Leaks of ash pulp or supernatant water into the soil and water environment should also be considered. Hypothetically, a leak of oil used in a wind turbine could also occur. Depending on the scale, scope, and nature of a potential failure, the potential environmental costs may vary, as may the Group's costs associated with preventing the failure, limiting its impact, or restoring the environment to its pre-failure state.

Gradually shifting production to other assets will result in a significant reduction in the scale of impact, i.e., pollutant emissions from gas combustion have a lower impact. In contrast, sources such as photovoltaics and wind turbines do not emit this type of pollutant.

(see ESRS E2 *Pollution*)

c. Water and Marine Resources (ESRS E3)

Significant impacts of risks and opportunities related to water and marine resources (ESRS E3):

Thematic ESRS	Topic*	Subtopic*	Description	Category	Place of concentration	Time perspective	Potential financial impact related to risk/opportunity***	Resistance of the strategy and business model to a given risk****
ESRS E3	Water and marine resources	Water	Risk related to limited availability of water for cooling purposes (high level of water stress in the region)	risk	own operations	long-term	negligible	negligible susceptibility
ESRS E3	Water and marine resources	Water	The impact of operational activities (discharge of cooling water) on the change in water temperature in the Konin Lakes	negative impact actual	own operations	short-term medium term long-term	n/a	n/a
ESRS E3	Water and marine resources	Water	Disturbance of water conditions as a result of mining activities (so-called depression cones)	negative impact actual	own operations	short-term medium term	n/a	n/a
ESRS E3	Water and marine resources	Water	Disturbance of water conditions as a result of cessation of mining activities (filling of the so-called depression cones)	negative impact actual	own operations	short-term medium term long-term	n/a	n/a
ESRS E3	Water and marine resources	Water	Increasing water retention in the region affected by water deficit and the steppe process	positive impact actual	own operations	short-term medium term	n/a	n/a

						long-term		
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The ZE PAK Group generates electricity in areas characterized by high levels of water stress, which may mean future restrictions on the use of limited water resources. Generation activities, specifically the discharge of cooling water into the Konin Lakes, result in increased temperatures in these lakes.

Years of mining activity and the need to pump and drain groundwater from the open-pit mine area **have resulted in the formation of so-called depression coneholes and disrupt natural water conditions** (including reduced flow in streams affected by the mine and increased flow in streams due to the discharge of water from underground and surface drainage of the open-pit mine). The ongoing **water reclamation** of the final workings is restoring water conditions in the region, which were impaired by many years of mining drainage.

As a result of curtailing and ultimately ceasing mining, **the effects of reclaimed open pits filling with water will be noted**. The timing of water reclamation is crucial. The sooner the pits fill with water, the sooner the mine's impact on water conditions in the area of retreating depression cone areas will be reduced. At the same time, filling them too quickly may disrupt the water balance artificially created over the years of mining, including the currently observed decline in natural lake levels. This, in turn, negatively impacts both the environment and the socio-economic situation (e.g., tourism).

At the same time, in an era of ongoing climate change, which is particularly affecting eastern Greater Poland (the area is slowly becoming steppe-like), the creation of new reservoirs will be crucial for the region. **This will increase water retention in areas that are currently among the most water-stressed in Poland**. This impact, especially in the long term, will enable the retention of larger volumes of water. It will also, of course, offer specific opportunities for the development of tourism and recreation.

(see: ESRS E3 *Water and Marine Resources*)

d. Biodiversity and Ecosystems (ESRS E4)

Thematic ESRS	Topic*	Subtopic *	Description	Category	Place of concentration	Time perspective	Potential financial impact related to risk/opportunity***	Resistance of the strategy and business model to a given risk****
ESRS E4	Biodiversity and ecosystems	Direct factors influencing biodiversity loss	The threat of invasive species development in the Konin Lakes (as a result of the activities of fish farms)	negative impact actual	lower part of the chain	short-term medium term long-term	n/a	n/a
ESRS E4	Biodiversity and ecosystems	Impacts on the range and condition of ecosystems	Current effects of filling open pits after closed mines with water for areas of high biodiversity (Powidzki Landscape Park)	negative impact actual	own operations	short-term medium term	n/a	n/a
ESRS E4	Biodiversity and ecosystems	Direct factors influencing biodiversity loss	Long-term effects of filling open pits after closed mines with water for areas with high biodiversity (e.g. restoration of water resources in lakes, natural streams and wetlands, improving the condition of forest resources and hydrological conditions)	positive impact actual	own operations	long-term	n/a	n/a

Heat released into the surface waters of the Konin Lakes complex **has impacted the original, natural biological life of these lakes**. On the one hand, it has enabled the economic development of fisheries and fish farming businesses (including stocking material). On the other, it has indirectly, through intensive fishing, led to the introduction of a number of invasive species, alien to the original biosphere. Changes in the volume of heat released may affect the species structure of the Konin Lakes. It should be noted that the current scale of the impact, along with the reduction in energy production from lignite, is disproportionately smaller than that observed in previous years.

The vicinity and impact zone of ZE PAK SA Group plants include several areas of high natural value that could potentially be negatively impacted by economic activity. In the current situation, the impact of water filling open pits left by abandoned mines is particularly significant, as it could also impact areas with high biodiversity. Restoring water conditions through ongoing water reclamation will translate into the restoration of water resources in lakes, natural streams, and wetlands, improving forest resources and hydrological conditions. On the one hand, this could pose a risk of impoverishing valuable natural areas that, during the period of mining drainage, established themselves in areas with limited water resources, within the reach of decades-old depression cone holes. On the other hand, it offers an opportunity to restore the original species and functions of pre-mining areas by, for example, increasing the quantitative status of lakes and other reservoirs, wetlands, and watercourses. However, such a situation could positively impact the biodiversity of these areas.

(see: ESRS E4 *Biodiversity and Ecosystems*)

e. Resource use and the circular economy (ESRS E5)

Nature of impacts in the area of resource use and the circular economy (ESRS E5):

Thematic ESRS	Topic*	Subtopic*	Description	Category	Place of concentration	Time perspective	Potential financial impact related to risk/opportunity***	Resistance of the strategy and business model to a given risk****
ESRS E5	Circular economy	Resource inputs, including resource utilization Resources discharged related to products and services	The economic use of demolition waste and by-products (gypsum, slag and ash) allows for reducing the costs of their storage and generating additional revenues.	chance	own operations	short-term medium term	low	low susceptibility
ESRS E5	Circular economy	Resource inputs, including resource utilization Resources discharged related to products and services	The economic use of demolition waste and by-products (gypsum, slag and ash) allows for limiting the exploitation of natural resources	positive impact actual	lower part of the chain	short-term medium term	n/a	n/a

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ESRS E5	Circular economy	Waste	Environmental effects of improper waste management	negative impact actual	the upper part of the chain own operations	short-term medium term long-term	n/a	n/a
ESRS E5	Circular economy	Waste	The risk of improper waste management and the costs of removing the environmental effects of these irregularities	risk	the upper part of the chain own operations	short-term medium term long-term	negligible	negligible susceptibility
ESRS E5	Circular economy	Resources discharged related to products and services	Risk related to the future disposal of components remaining from decommissioned wind and photovoltaic farms	risk	own operations	long-term	negligible	low susceptibility

As a result of its operations and construction work (investments, demolition), a number of categories of waste are generated. The ZE PAK SA Group must ensure proper management and, where possible, reuse of these wastes. A significant portion of this waste, including materials from the demolition of the former Adamów Power Plant and by-products generated from coal combustion (gypsum, ash), is used commercially. Due to the commercial use of a significant portion of these by-products, the risks associated with waste generation are under control, although they do exist (for example, the previously mentioned risk of ash pulp or supernatant water leaking into the ground and water environment). As current production is phased out, the volume of waste generated will decrease.

New generation assets, on the one hand, will not generate significant waste directly related to production, on a scale similar to that associated with the combustion of solid fuel (gas combustion does not result in the formation of ash; photovoltaics and wind farms do not generate waste in the post-production cycle, except for the waste generated during maintenance and service work).

In the long term, the ZE PAK SA Group, like other entities operating photovoltaic and wind farms, will face the challenge of managing the remains of worn-out elements of this infrastructure (i.e. decommissioned photovoltaic panels and wind turbines).

(see ESRS E5 Resource Use and the Circular Economy)

f. Own employee resources (ESRS S1)

The nature of revenues in the area related to own employee resources (ESRS S1)

Thematic ESRS	Topic*	Subtopic *	Description	Category	Place of concentration	Time perspective	Potential financial impact related to risk/opportunity***	Resistance of the strategy and business model to a given risk****
ESRS S1	Own employee resources	Working conditions	Social costs of job losses in the region as a result of phasing out mining and conventional production (energy transformation)	negative impact actual	own operations	short-term medium term long-term	n/a	n/a

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ESRS S1	Own employee resources	Working conditions	Health and safety risks	risk	own operations	short-term medium term long-term	negligible	negligible susceptibility
ESRS S1	Own employee resources	Working conditions	Risk of a dispute with the employee	risk	own operations	short-term medium term long-term	negligible	negligible susceptibility
ESRS S1	Own employee resources	Equal treatment and equal opportunities for all	Risk of discrimination and human rights violations within the Group	risk	own operations	short-term medium term long-term	negligible	negligible susceptibility

The energy transition and the associated phase-out of lignite-based energy production and mining mean **the gradual elimination of jobs in both the mining industry and power plants**. This, in turn, means job losses and the need to seek new sources of income for many households in the region. Furthermore, the consequences of the transition will affect not only those directly employed by the ZE PAK SA Group, but also those in companies directly or indirectly associated with its operations.

Operational activities (mining, energy) involve a range of **natural hazards and workplace injuries**. Employees are also exposed to harmful factors (e.g., noise, dust, high temperature, high pressure, electrical current, explosive atmospheres, and moving machine parts). Factors associated with work arduousness include inadequate lighting and nighttime work. The transformation of the energy sector and new generation assets will also mean changes in the exposure of individual workplaces to hazards.

A potential **divergence of positions between the employer and employee representatives** (trade unions) could lead to an organisational crisis, which in extreme cases could result in a strike and a production stoppage.

Potential threats related to **a lack of respect for individual dignity** by superiors and co-workers, as well as the theoretical threat of employers restricting freedom of association or strike. The energy transition and changes to the ZE PAK SA Group's business model will mean a loss of full control over the upstream value chain, which is provided by a highly integrated model. Therefore, unlike the model in which the ZE PAK SA Group controlled mining operations for fuel production, it will no longer have this control over other fuels (e.g., natural gas), also in the context of respect for employee and human rights.

(see: ESRS S1 *Own employee resources*)

g. Affected Communities (ESRS S3)

Nature of impacts in the area related to affected communities:

Thematic ESRS	Topic*	Subtopic *	Description	Category	Place of concentration	Time perspective	Potential financial impact related to risk/opportunity**	Resistance of the strategy and business model to a given risk****
ESRS S3	Affected communities	Economic, social and cultural	Risk of mining damage and other nuisances for residents (e.g. noise, disruption of water conditions)	negative impact actual	own operations	short-term medium term	n/a	n/a

		rights of the community				long-term		
ESRS S3	Affected communities	Economic, social and cultural rights of the community	Risk of having to repair mining damage	risk	own operations	short-term medium term long-term	low	negligible susceptibility
ESRS S3	Affected communities	Economic, social and cultural rights of the community	Development of fish farms in the region	positive impact actual	lower part of the chain	short-term medium term long-term	n/a	n/a
ESRS S3	Affected communities	Economic, social and cultural rights of the community	Reducing the amount of heat needed by fish farms	negative impact actual	lower part of the chain	medium term long-term	n/a	n/a

The ongoing exploitation of lignite over the years and the shifting of the mining front were directly linked to **land acquisitions**, which could have led to social resistance. However, the phasing out of mining, including the lack of new land acquisitions, effectively eliminated this aspect of social influence.

mining damage and **other nuisances** for years (e.g., increased noise in the vicinity of the plants or disruption of waterways). In turn, the construction of new assets and construction work can create new nuisances and public concerns.

Changing the scale of energy production, specifically **reducing the volume of heat required by fish farms** for their fish farming operations (especially fry farming), could disrupt their operations, especially more significantly in the medium and long term. At the same time, a key area of operation for fish farms is located near the Konin Power Plant, which is fueled by biomass, significantly limiting their risk exposure (this plant is owned by a company in which the Group is a minority shareholder and does not consolidate it in its sustainability reporting).

h. Business Conduct (ESRS G1)

Nature of business conduct impacts (ESRS G1):

Thematic ESRS	Topic*	Subtopic*	Description	Category	Place of concentration	Time perspective	Potential financial impact related to risk/opportunity***	Resistance of the strategy and business model to a given risk****
ESRS G1	Business Conduct	Corruption and bribery	Risk of corruption	risk	the upper part of the chain	short-term medium term	negligible	negligible susceptibility

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					own operations lower part of the chain	long-term		
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*topics and subtopics have been mapped based on Appendix A of ESRS 1: Application Requirements – AR 16.

**** impacts (positive/negative)** mean the impact of the company's activities on the environment (social, natural) (so-called *Inside-Out perspective*); **risks/opportunities** mean the impact on the company's activities in the context of the consequences for its results (so-called *Outside-In perspective*).

*****Scale (of current financial impacts related to risk):**

- **Negligible (negligible current financial effects) (situation, results and cash flows (current year):** the risk did not generate any noticeable effects on the financial position, results or cash flows included in the financial statements in the previous reporting period; **balance sheet adjustment risk (next year):** there is no risk of the need to adjust the carrying amounts of assets or liabilities in the next annual reporting period)
- **Low (low current financial impact) (position, results and cash flows (current year):** the risk did not generate any marginal costs, income or changes in cash flows in the previous reporting period that were easily absorbed within standard operating costs, without affecting the entity's overall results; **balance sheet adjustment risk (next year):** the probability of having to adjust the carrying amounts of assets and liabilities in the next year is very low, and the potential amount of the adjustment would be insignificant from the point of view of the financial statements).
- **Moderate (moderate current financial impact) (situation, results and cash flows (current year):** the materialisation of the risk was clearly and noticeably reflected in the cost, revenue (Opex) or cash flows of the current year, but did not disturb the profitability or overall financial stability of the entity; **balance sheet adjustment risk (next year):** there is some probability of the need to make adjustments to the carrying amounts (e.g. small impairment losses or provisions) in the next reporting year, but these will relate to a limited, specific group of assets or liabilities and will not threaten the balance sheet total).
- **Significant (significant current financial impact) (situation, results and cash flows (current year):** the risk had a clear, significant impact on the financial results, financial position or cash flows in the current period (e.g., high operating costs related to repairing damage, a significant change in the level of sales in a given segment; **balance sheet adjustment risk (next year):** with respect to this risk or opportunity, there is a significant risk of a significant adjustment to the carrying amounts of assets and liabilities in the next annual reporting period; this includes a reasonable probability of having to establish large financial reserves or make significant asset write-downs in the next 12 months)
- **Significant (critical current financial impact) (situation, results and cash flows (current year):** the risk (or opportunity) was one of the main factors shaping (or drastically burdening) the financial situation, cash flows and results of the entity in the closed reporting period; **balance sheet adjustment risk (next year):** there is a very high probability or even certainty of making fundamental, systemic adjustments to the carrying amounts of assets and liabilities in the next financial year (e.g. impairment of key production assets and recognition of them as "stranded assets", materialisation of powerful legal/environmental liabilities threatening liquidity ratios).

******Scale (business model resilience and risk):**

- **Negligible (negligible vulnerability/ very high resilience):** The identified material risk has no discernible impact on the entity's current business model, value chain or strategy; the entity's ability to generate cash flows and maintain financial performance remains unimpeded.
- **Low (low vulnerability/ high resilience):** the identified material risk may cause minor or short-term disruptions in the value chain, but the business model and core strategy remain highly resilient and stable; managing the issue requires only minor operational adjustments or minor shifts in current expenditures, and the financial impact on the entity's financial position is easy to absorb and does not require modifications to long-term financial or strategic plans)
- **Moderate (moderate vulnerability/ moderate resilience):** the identified material risk has a noticeable impact on the business model or individual elements of the value chain, requiring proactive adaptation actions; risk mitigation requires partial adjustments to strategy, decision-making, or capital allocation plans; planned capital expenditures (e.g., for new technologies, infrastructure upgrades, or changing suppliers) are necessary in the short or medium term to minimize the expected financial impact; however, the underlying business model remains viable.
- **Material (significant vulnerability/low resilience)** (the identified impacts and risks strongly impact the fundamentals of the business model and value chain, threatening the entity's competitiveness in the absence of profound changes; a significant transformation of business strategy and financial planning is required; the entity must make significant changes, such as significant asset divestment plans, market withdrawals of existing products/services, deep transformation of the business or entry into new business areas; the anticipated financial impacts may significantly impact access to finance or the cost of capital).
- **Significant (significant vulnerability/lack of resilience or critically low resilience):** Risks (e.g., physical or transition) pose a fundamental threat to the *raison d'être* of the entity's current business model, and its ability to adapt is severely limited;

there is a high risk of a material adjustment to the carrying value of assets (e.g., stranded assets) in the related financial statements; the anticipated financial impact critically impacts financial position, performance, and cash flows, forcing the organization to completely redefine its value chain, revenue model, and funding sources to maintain business continuity.

The ZE PAK Group, as a large organization, is at risk of unethical behavior, including unethical behavior in interpersonal relationships (between employees and at the organization's interface with the environment), unacceptable attempts to influence local government officials (or vice versa), corruption, bribery, and nepotism. Such threats will be present across all time horizons. The risk is present across all time horizons and applies to both its own operations and the relationships of individual entities in the upper links of the value chain.

Issues related to the approach to risk management and the key business risk factors to which the ZE PAK SA Group's operations are exposed are described in the first part of this Management Board's Report on the Operations of the ZE PAK SA Group, namely in Chapters 3.4. Risk Management and 4. Key Risk Factors of the Business. ESG risks constitute an integral part of the business risks identified therein. Often, a specific business risk category is identical to a specific ESG risk aspect, while in other cases, ESG issues are one dimension of the described risk (a full list of business risks is provided in Chapter 4).

IRO-1 – Description of processes for identifying and assessing significant impacts, significant risks and significant opportunities

In preparation for the introduction of new reporting obligations, the ZE PAK SA Group conducted a double materiality analysis in advance, using its results for the purposes of the non-financial data statement for 2023, which became the basis for defining the scope of sustainability reporting for 2024.

The ZE PAK SA Group then carried out an analysis and a parallel **assessment of the materiality the impact and financial materiality** of individual ESG aspects indicated in Appendix A to ESRS 1 General Requirements. Representatives of the Management Board of ZE PAK SA were involved in the multi-stage assessment, documenting each stage, and in their verification and approval.

Stage I (intra-organizational analysis). The assessment of individual aspects in the dimension of assessing the significance of impact was conducted taking into account the factors indicated in the ESRS and the OECD Guidelines for Multinational Enterprises, i.e. (a) scale, (b) scope, and (c) irreversible nature of the impact (according to the adopted 5-point scale). For individual assessment dimensions, the following approximate scale was helpful:

- individual aspects of social or environmental effects: scale, scope, irreversibility of the nature of the impact
- financial consequences.

Individual impacts were assessed on a 5-point scale, where 1 meant negligible significance and 5 meant very high significance. These assessments were also accompanied by an assessment of the likelihood of occurrence (e.g., risk materialization) (on a 5-point scale, where: 1 – "Very unlikely/almost impossible (potentially may occur within a period of no more than 25 years)", 2 – "Unlikely (may occur within a period of no more than 10 years)", 3 – "Somewhat likely (may occur within a period of no more than 5 years)", 4 – "Very likely (in no more than 3 years)", 5 – "Certain or very likely (occurred/occurs during the reporting period or may occur within a period of no more than 1 year)"). ESG aspects for which the sum of the scores obtained in both dimensions was higher than 5 were considered potentially material.

The first, working assessment of the significance of individual sustainability issues was conducted internally, and the results were presented for approval to the Vice President of the Management Board of ZE PAK SA. Following this, the second step was undertaken, involving stakeholders.

Stage II (consultations). Taking into account **the ESRS's expectations regarding cooperation with interested parties (stakeholders) in the areas of, among others, identification and assessment Materiality**, the results of the Stage I assessment, were compared with stakeholder opinions using an online survey. Fifty-five stakeholders were invited to participate in the consultation process, summarizing the most important findings from the Stage I assessment. Those invited to the consultation could determine whether the issues deemed material by the ZE PAK SA Group were, in their opinion, material and should be included in the report, or vice versa. They could also provide additional commentary on a given aspect (e.g., identify specific, narrower aspects related to a given issue that the ZE PAK SA Group should pay more attention to). Twenty-two individuals responded to the survey, and their ratings and comments were superimposed on previous assessments. A transparent key was adopted: if at least 50% of respondents indicated that a given aspect should be included in the report, it was deemed material. The results did not differ significantly from the version developed internally (as a result of the consultation, reporting on one issue, which was recommended by less than 50% of respondents, was omitted).

Due to the fact that:

- in the reporting year 2025, there were no changes in the Group's business model or in the market environment that could have a significant impact on the nature of the environmental and social impact,
- the analysis of the scope of reporting of Polish and foreign enterprises that could be a reference point for the ZE PAK Group did not reveal any significant differences, let alone any deficiencies on the part of the ZE PAK Groups

The plan to re-elaborate the full analysis was abandoned. Instead, it is planned to do so in the short and medium term, respectively.

- exclusion of the last lignite-based generation assets
- launch of production based on natural gas (PAK CCGT),

will result in a significant change to the operating model, which will require a repeat double materiality analysis. This should coincide with the planned changes to the European Sustainability Reporting Standards (ESRS), which will likely modify the approach to double materiality analysis. From the ZE PAK Group's perspective, this was another argument for refraining from conducting a new double materiality analysis for the 2025 reporting.

With respect to the analysis of non-financial reporting by other entities, the Company did not use additional external data sources in its analysis. The scope of reporting, following verification, was assessed by the Management Board, which consulted with the employee representatives. By Resolution No. 255/VIII/2025, the Management Board approved the scope of the sustainability report, prepared with the support of an external advisor. The results of the analysis, the Management Board resolution, and the opinion of the employee representatives were submitted to the Audit Committee, which adopted a resolution recommending that the Supervisory Board review the above materials.

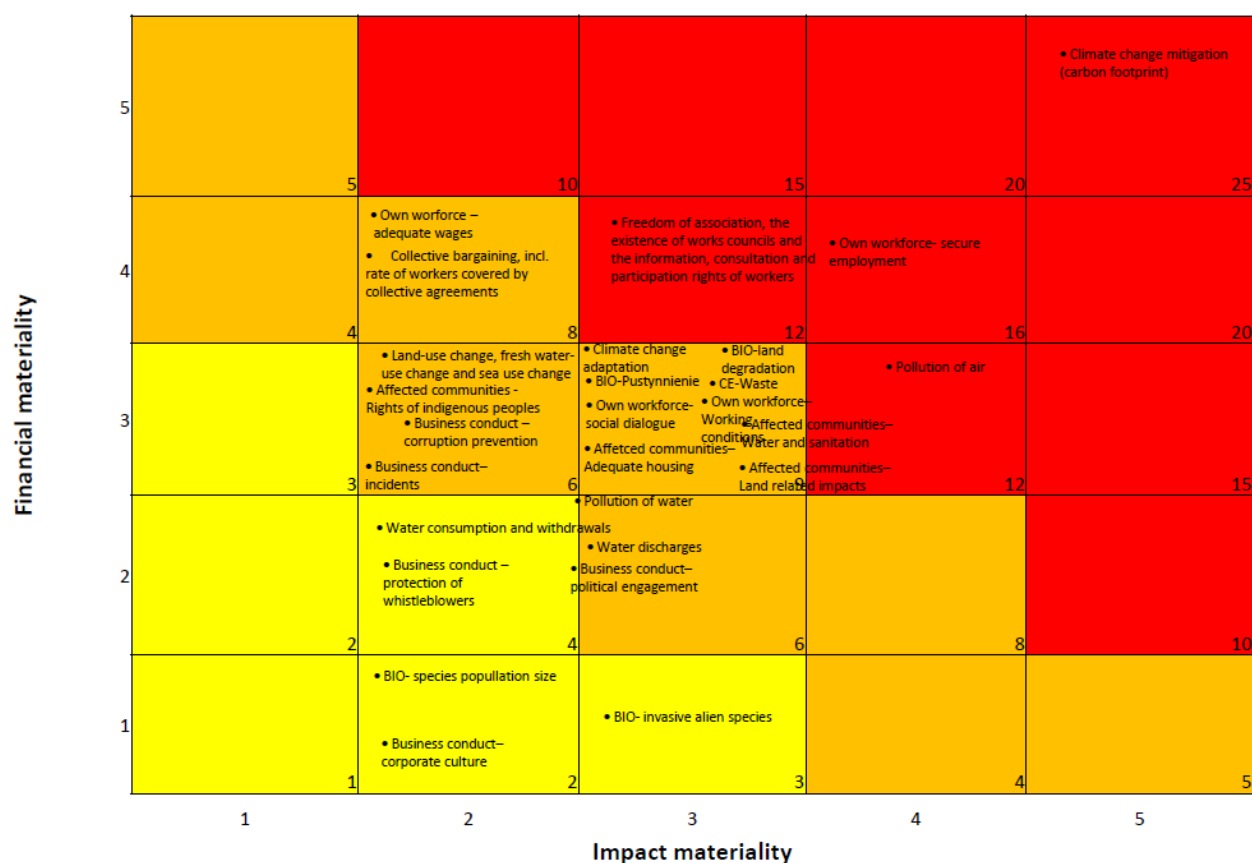
Regardless of sustainability reporting, in 2025 an analysis was commissioned of the compliance of the CCGT sp. z o.o. gas and steam unit (BGP) construction project with environmental and social standards, in particular with the Equator Principles.

Environmental and social *due diligence* analysis of the PAK CCGT investment

The analysis included an on-site inspection of the construction site. Its purpose was to verify and evaluate the implemented policies and actions in the environmental and social areas, as well as the management of occupational health and safety aspects on site.

According to the *due diligence report*, the PAK CCGT project was classified as Category A due to significant environmental and social risks, primarily stemming from the use of gas fuels and the scale of the project. However, it was also assessed as having an adequate level of ESG maturity. In the *due diligence summary*, the authors described the assessment methodology, key risks, and the project's compliance with national regulations, IFC standards, and OECD and UN human rights guidelines.

To illustrate the materiality of individual ESG aspects, the following matrix was developed. It was constructed using a methodology based on the combined consideration of impact materiality and financial materiality, which is also illustrated in Table 31. Each ESG topic was independently assigned a score for both dimensions. This allowed us to identify issues that are significant both from the perspective of the entity's impact on the environment and society (impact materiality) and from the perspective of the potential impact of ESG factors on the entity's financial performance, economic situation, and risks (financial materiality). This approach reflects the dual materiality principle required by the ESRB and allows for the consideration of synergies between both dimensions of analysis.



Sustainability Matrix of Significant Issues – Dual Significance Study Results

Table 31: Significant Issues from the Double Significance Study

Ip	Aspect (topic)	Subtopic	Smaller thematic unit	Financial materiality	Significance of impact
1	Climate change	Adapting to climate change		3	3
2	Climate change	Climate change mitigation (carbon footprint)		5	5
3	Pollution	Air pollution		3	3.7
4	Pollution	Water pollution		2	2.7
5	Water and marine resources	Water	Water intake and consumption	2	1.7
6	Water and marine resources	Water	Water discharges	2	3
7	Biodiversity and ecosystems	Direct factors influencing biodiversity loss	Land use change, freshwater and sea use change	3	2.3
8	Biodiversity and ecosystems	Direct factors influencing biodiversity loss	Invasive alien species	1	2.3
9	Biodiversity and ecosystems	Impact on the status of species	Population size of a given species	1	2.3
10	Biodiversity and ecosystems	Impact on the range and condition of ecosystems	Land degradation	3	3
11	Biodiversity and ecosystems	Impact on the range and condition of ecosystems	Desertification	3	3
12	Resource use and the circular economy	Waste		3	3
13	Own employee resources	Working conditions	Employment security	4	3.7

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14	Own employee resources	Working conditions	Adequate pay	4	2
15	Own employee resources	Working conditions	Social dialogue	3	3
16	Own employee resources	Working conditions	Freedom of association, the existence of works councils and workers' rights to information, consultation and participation	4	3
17	Own employee resources	Working conditions	Collective bargaining, including the percentage of employees covered by collective agreements	4	2
18	Own employee resources	Working conditions	Occupational health and safety	3	3.3
19	Affected communities	Economic, social and cultural rights of the community	Adequate housing conditions	3	3
20	Affected communities	Economic, social and cultural rights of the community	Water and sanitation	3	3
21	Affected communities	Economic, social and cultural rights of the community	Impact on land	3	3
22	Affected communities	Indigenous rights	Prior, voluntary and informed consent	3	2
23	Business Conduct	Corporate culture		1	1.7
24	Business Conduct	Protection of whistleblowers		2	2
25	Business Conduct	Political involvement and lobbying activities		2	2.7
26	Business Conduct	Corruption and bribery	Prevention and detection, including training	3	2
27	Business Conduct	Corruption and bribery	Incidents	3	2

IRO-2 ESRS Disclosure Requirements Covered by an Entity's Sustainability Statement

The entity confirms that, in preparing this sustainability statement, it has complied with the disclosure requirements for information that was deemed material following the double materiality analysis.

The list of requirements arising from ESRS S2 (Persons carrying out work in the value chain) and ESRS S4 (Consumers and end-users) has been omitted in its entirety as, following a double materiality assessment, these issues were deemed not to be material to the Group's business model (in accordance with ESRS 1 paragraph 32).

For the convenience of sustainability reporting readers, a summary of material ESG aspects, along with page numbers where this information can be found, is included at the end of the report. Similarly, a table identifying all data points stemming from other EU regulations, as listed in Appendix B of this standard, is also included at the end of the report, indicating where in the sustainability statement they can be found.

11.2. Environmental information

Disclosure of information pursuant to Article 8 of Regulation 2020/852 and Commission Delegated Regulation (EU) 2021/2178

Pursuant to Article 8(1) of Regulation (EU) 2020/852, undertakings subject to Article 19a or 29a of Directive 2013/34/EU of the European Parliament and of the Council(2) are required to disclose information on how and to what extent their activities relate to environmentally sustainable economic activities, i.e. economic activities that qualify for and are consistent with the taxonomy based on the criteria set out in the regulations.

In the information below, ZE PAK SA Group has disclosed information on turnover, capital expenditures and operating expenses related to assets or processes related to environmentally sustainable economic activities. The presentation of data is further specified in Annex I to 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 on environmentally sustainable economic activities to be disclosed by companies subject to Article 19a or 29a of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU with regard to corporate sustainability reporting, and specifying the method for complying with that disclosure obligation. It incorporates the updates to the form of presentation set out in 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 technical screening criteria for determining the conditions under which a specific 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 the prevention and control of pollution or to the protection and restoration of biodiversity and ecosystems, as well as to determining whether that economic activity does not cause significant harm to any other environmental objective, and amending Commission Delegated Regulation (EU) 2021/2178 as regards the public disclosure of specific information in relation to those economic activities.

The information below also refers to Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards public disclosure of specific information in relation to these economic activities.

Recognizing your business as environmentally sustainable

A business activity qualifies as environmentally sustainable if:

- makes a significant contribution to the achievement of at least one environmental objective,
- does not cause significant harm to any environmental objective,
- is conducted in accordance with minimum guarantees,
- meets the technical qualification criteria established by the Commission.

The goal was to analyze individual business activities of the ZE PAK SA Group in terms of meeting the above four criteria. To this end:

1. The business activities were analyzed, **identifying those aspects that were consistent with the taxonomy** (so-called "taxonomy") within the meaning of Article 1 of Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021. This review covered categories of revenue, capital expenditures (CapEx), and operating expenses (OpEx). The preliminary analysis and identification stage precluded any exclusions due to the low significance of certain activities. In developing the 2025 statement and thus updating the aspects of its operations identified the previous year in light of its current operations, the ZE PAK SA Group took into account activities relevant to sustainable development that were announced as annexes to the relevant regulation over the past three years. In particular, this includes the Commission (EU) supplementing the list of economic activities that qualify as making a significant contribution to climate change mitigation or adaptation, as well as the Commission (EU) publishing technical screening criteria to determine the conditions under which a given economic activity qualifies as making a significant contribution to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to the prevention and control of pollution, or to the protection and restoration of biodiversity and ecosystems.
2. For activities that make a significant contribution to climate change mitigation, adaptation to climate change, the sustainable use and protection of water and marine resources, the transition to a circular economy, the prevention and control of pollution, or the protection and restoration of biodiversity and ecosystems, taking into account the introduced exclusions, it was also verified whether the individual activities **met the so-called technical criteria of the taxonomy** for all six environmental objectives (i.e. the criteria for a significant contribution).

3. It was assessed whether, if a given activity meets the technical criteria for at least one objective, **this activity does not harm the achievement of the other environmental objectives** (i.e. criteria relating to the "do not cause significant harm" principle),
4. For all activities, both those meeting the technical criteria and those not, **an assessment of compliance with the so-called minimum guarantees was made**.
5. Revenues (turnover), expenditures (CapEx), and operating expenses (OpEx) associated with the above-mentioned activities eligible for the taxonomy were summarized, categorized into those that met the technical criteria and those that did not, those that were detrimental to other objectives by failing to meet the no-significant-harm principle, or those that would fail to meet the minimum guarantee principle. The Company also identified activities that qualified as transitional *activities (T)* or enabling activities *(E)*.

Step 1: Identifying eligible activities for taxonomy

The ZE PAK SA Group has already reviewed its business model and related business activities several times to identify compliant activities, i.e., by preparing non-financial data statements for previous years. In 2025, as in previous years, revenues (turnover), capital expenditures (CapEx), and operating expenses (OpEx) were reviewed at the stage of identifying compliant activities. Taking into account European Commission Delegated Regulation (EU) 2026/73 of 4 July 2025 amending Delegated Regulation (EU) 2021/2178 as regards simplifying the content and presentation of information to be disclosed on environmentally sustainable activities and Delegated Regulations (EU) 2021/2139 and (EU) 2023/2486 as regards simplifying certain technical screening criteria for determining whether an economic activity does not cause significant harm to environmental objectives, the Group has omitted the assessment of those economic activities eligible for or compliant with the taxonomy due to the total turnover resulting from these economic activities being less than 10% of the turnover-related denominator of this KPI. At the same time, the following factors had a significant impact on the results of the analysis carried out in 2025:

- the ZE PAK SA Group's continuation of its activities in the **gas energy sector** will be in line with the technical criteria for activities eligible for the taxonomy, which were added to it in March 2022;
- The establishment in June 2023 of technical qualification criteria for determining the conditions under which a given economic activity qualifies as making a significant contribution to the sustainable use and **protection of water and marine resources, to the transition to a circular economy, to the prevention and control of pollution or to the protection and restoration of biodiversity and ecosystems** has significantly expanded the scope of activities shown as eligible for taxonomy on the part of the ZE PAK SA Group (activities related to the closure of mines, reclamation of post-mining and post-industrial areas).

As a result, there were no significant changes in the scope of activities eligible for the taxonomy compared to 2024 (with the exception of the lack of continuation of activities conducted in 2024, which fall under PCC 2.4 *Remediation of contaminated sites and areas*). The results of the analysis of activities consistent with the taxonomy are presented in the table below:

Table 32: Results of the analysis of the activities of the ZE PAK SA Capital Group that qualify for the taxonomy

Economic activities eligible for taxonomy			Impact on:		
			Revenues (turnover)	Capital expenditures (CapEx)	Operating expenses (OpEx)
CCA	14.2.	Flood risk prevention and protection infrastructure			✓
CCM CCA	4.1.	Electricity production using photovoltaic technology		✓	
CCM CCA	4.3.	Electricity production from wind energy		✓	
CCM CCA	7.7.	Exercising ownership rights to real estate	✓		
CCM CCA	4.29	Electricity production from gaseous fossil fuels		✓	✓
ORGAN IC	1.1.	Conservation, including restoration, of habitats, ecosystems and species			✓
CE	2.6.	Decontamination and dismantling of end-of-life products	✓		
CE	2.7.	Sorting and recovery of materials from non-hazardous waste	✓		
CE	3.3.	Demolition and demolition of buildings and other structures	✓		✓
WTR	2.1.	Water supply			✓
WTR	2.2.	Municipal sewage treatment			✓

In 2025, a number of activities were conducted from which the ZE PAK SA Group did not yet generate revenue. In the case of activities such as 4.29, 4.1. and 4.3., in the scope related to the newly constructed photovoltaic farm in Przykona, the wind farm in Opole, and the gas-steam unit in Turek on the site of the former Adamów power plant, they were and are still at the investment stage, i.e., they were recognized as fixed assets under construction and as such included in non-current assets and reported in capital expenditures (CAPEX).

Step 2: Allocation of financial values related to the identified activities in accordance with the taxonomy

Based on its financial and accounting records, the ZE PAK SA Group assigned turnover, capital expenditures (CapEx), and operating expenses (OpEx) to each of the activities identified above, consistent with the taxonomy. This step was implemented in accordance with the accounting principles set out in *Annex I of 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 on environmentally sustainable economic activities to be disclosed by companies subject to Article 19a or 29a of Directive 2013/34/EU, and specifying the method for meeting this disclosure obligation*. The values identified on the basis of financial and accounting records constitute the denominators of the indicators referred to in *Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088*.

Step 3: Verification of technical qualification criteria

The scope of activities that the Group took into account does not bring any significant changes compared to the scope reported a year earlier, therefore the Group relied on the assessment of the technical qualification criteria carried out for the purposes of reporting for 2024. At that time, substantive employees of the business units responsible for each of the identified activities in accordance with the taxonomy assessed the compliance of these activities with the technical criteria, both those relating to the so-called significant contribution, as well as the criteria relating to the principle of " *do no significant harm* " (*DNSH*).

This analysis was carried out taking into account all six environmental objectives for which such criteria have been developed and published, i.e.:

- mitigating climate change,
- adaptation to climate change,
- sustainable use and protection of water and marine resources;
- transition to a circular economy;
- pollution prevention and control;
- protection and restoration of biodiversity and ecosystems

For those activities that met the technical qualification criteria, based on the financial and accounting records, revenue, capital expenditures (CapEx), and operating expenses (OpEx) were allocated accordingly. These were determined for each activity to the extent to which they met the technical qualification criteria.

These amounts were determined in accordance with the accounting rules set out in Annex I of 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 on environmentally sustainable economic activities to be disclosed by companies subject to Article 19a or 29a of Directive 2013/34/EU and specifying the method for meeting this disclosure obligation. These amounts constitute the numerators of the indicators referred to in Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088.

Step 4: Evaluate compliance with minimum guarantees

The ZE PAK SA Group assessed whether its operations are conducted in a manner that ensures compliance with the so-called minimum guarantees.

Pursuant to Article 18 of Regulation 2020/852, "The minimum safeguards referred to in Article 3(c) are the procedures applied by an enterprise conducting business activities to ensure compliance 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 core conventions set out in the International Labour Organization Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights."

The Final Report on Minimum Safeguards , prepared by Platform On Sustainable Finance, was used in the assessment process. However, it does not constitute regulation and is not legally binding. According to the recommendations, failure to meet minimum safeguards is defined as one of four conditions:

- inadequate or non-existent due diligence processes regarding human rights, including labor rights, corruption, taxation and fair competition,
- the company has been ultimately held accountable or found to have violated labor or human rights law in certain types of labor or human rights litigation,
- lack of cooperation with the OECD National Contact Point (hereinafter referred to as the OECD NCP) regarding the notification accepted by the OECD NCP,
- The Business and Human Rights Resource Centre (BHRRC) raised the issue against the company and the company failed to respond within 3 months.

The Group's due diligence process elements, as defined by the above guidelines, can be recreated based on the standards, policies, and strategies developed by the Group, particularly the ZE PAK SA Group Code of Ethics, policies related to respect for human rights, including employee rights, corruption, taxation, and fair competition, the ZE PAK SA Group ESG Strategy 2024-2028, and the Integrated Management System Policy, which define the Group's values, principles of conduct, priorities, and resources. Adherence to established values and principles, as well as striving to achieve the aspirations set forth in these documents, is required of both the Group's employees and contractors. Elements of the due

diligence process can also be identified in sustainability reporting activities under the CSRD Directive (EU Directive 2022/2464), particularly in the double-materiality analysis process. This process was conducted in early 2024 and internally verified in 2025.

Previously a producer of conventional energy from high-emission sources, in 2020 the Group announced, among other things, a complete phase-out of coal within the next few years, a move it is effectively implementing. Over the past few years, ZE PAK SA Group has decommissioned 1,937 MW of equipment. At the Group's largest power plant, Pątnów, only one coal-fired unit (Pątnów II), with a capacity of 474 MW, is now operational out of the original seven units. This translates into a restructuring of employment within the Group, however, most vacancies have been filled for years through internal recruitment (in other words, the employment of individuals working within the ZE PAK SA Group has been protected by transfers between individual departments, plants, and companies). The company actively participates in developing protective programs for energy professionals and miners, particularly energy and mining leave, which mitigate the effects of reduced electricity production from lignite.

The Company's internal regulations regarding employee employment are consistent with applicable Labor Law and other national regulations implementing the International Labor Organization standards ratified by the Republic of Poland into Polish law. The ZE PAK SA Group has formal solutions in place that define the employer-employee relationship under Polish law, including work regulations pursuant to the Labor Code, Company Collective Bargaining Agreements pursuant to the Labor Code, Social Benefit Fund regulations pursuant to the Act on Company Social Benefit Funds, and remuneration regulations in entities not covered by the provisions of Company Collective Bargaining Agreements. Employee Councils operate in companies that meet the statutory criteria. Trade unions also operate within ZE PAK SA Group companies. The Management Board of ZE PAK SA and the management boards of other companies inform and consult with employee representatives on matters specified in the law.

The fundamental aspects related to people management were also defined several years ago in the ZE PAK SA Capital Group's Social Responsibility Strategy for 2017-2020. In terms of operational management, they have been maintained to this day, including those reflected in the new ZE PAK SA Group's Sustainable Development Strategy for 2024-2028, although taking into account the requirements related to transformation.

From the beginning of its operations, the ZE PAK SA Group has pledged its support for local initiatives. The Group's goal is to support the local community through social engagement, compensating, where possible, the impacts of its operations, where they cannot be eliminated or reduced. Through its corporate social responsibility initiatives, the Company focuses on building public awareness of important social, ecological, and cultural issues. Involvement in social events provides an opportunity to promote social integration and build interpersonal bonds. In addition to participating in sporting, cultural, and health- and technological innovation-supporting initiatives, the Company is a strategic partner of the annual "For Earth, for Us" festival organized in Uniejów by the Polsat Group. It is also a member of the Lepsza Polska Program association, which clearly demonstrates that even the smallest actions can halt these negative changes – they make sense.

The purchasing procedures in place at ZE PAK SA Group companies, as described in their management systems, also govern supplier selection. A fundamental requirement for supplier selection is that they be specialized suppliers who meet agreed-upon technical and commercial requirements and guarantee 100% delivery reliability. Furthermore, suppliers whose products directly impact the quality of electricity and heat are qualified based on ongoing collaboration with suppliers, supply monitoring, and periodic assessment, including through audits and updates to the list of qualified suppliers. The management system also introduces "Supplier Assessment Sheets." In addition to obvious factors such as supply quality, price levels and stability, and payment terms, it also considers factors such as timeliness and the suppliers' possession of certified management systems.

In 2025, the **ESG Partner Declaration document was adopted**, containing a set of commitments regarding compliance with ethics, preventing corruption, respecting human rights and meeting the social and environmental criteria that the Company expects from the Partner as part of responsible cooperation.

Additionally, the Group companies maintain lists of qualified suppliers who are assessed not only in terms of the quality and timeliness of the services offered, but also in terms of compliance with occupational health and safety and environmental protection regulations.

The company is responsible for purchasing electricity generation and mining. The purchasing process itself, defined by ZE PAK SA's Supplier Selection Regulations, is supported by an electronic purchasing platform that eliminates certain

threats, such as the risk of unfair competition or the possibility of unethical communication with a potential supplier. At the same time, all areas, including purchasing, are subject to internal audit oversight, including for potential corruption.

In 2025, there were no flagrant violations of labor law, human rights, employee rights, anti-corruption, consumer protection, competition law, or tax law. No administrative proceedings were initiated against any ZE PAK SA Group entity or its management. One reported case of verbal harassment was promptly investigated, corrective action was taken, and the resulting solution was accepted by the injured party (in the Group's opinion, this case confirmed the effectiveness of the adopted procedural solutions and the zero tolerance for this type of behavior).

When analyzing issues related to respect for human rights, taking into account the Universal Declaration of Human Rights of 10 December 1948, adopted by the UN, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights, the Company distinguished rights the respect for which may be of particular importance in the case of large industrial enterprises such as the ZE PAK SA Group.

In terms of individual respect and ensuring respect (*Article 1 of the UDHR*), which means respect for diversity and a simultaneous lack of acceptance of any form of discrimination (*Article 2*) or mobbing (*Article 4*), in addition to respecting and enforcing legal regulations that guarantee such respect (e.g., the Labor Code), ZE PAK SA has adopted a Code of Ethics, which is available to all employees on the company's external website. It not only guarantees the above-mentioned individual rights but also serves as a tool for resolving potential conflicts. It includes a mechanism for resolving concerns and reporting suspected behaviors that may violate the provisions of the Code of Ethics. It is worth noting that the Code of Ethics also condemns other behaviors that violate human rights, such as child labor, forced labor, and slavery.

At the same time, internal regulations at the ZE PAK SA Group guarantee respect for the right to social security (*Article 22*) and the right to leave and rest (*Article 24*). The Group scrupulously complies with its obligations related to the payment of social security contributions (ZUS) and records accrued leave days (*Article 24*). It also actively supports employee recreation and activities (e.g., by subsidizing vacations and offering sports passes). These issues are formally regulated in the regulations of the Company Social Benefits Fund (ZFŚS).

The ZE PAK SA Group also ensures procedural solutions for fair remuneration, i.e., equal pay for equal work regardless of non-substantive differences between employees (*Article 23*). Monitoring of wage levels and potential gender-based differences has also been initiated. Nevertheless, it is important to be aware of the strong dominance of men in mining professions and positions in the energy sector. As a result, the ZE PAK SA Group employs a relatively small percentage of women, and, moreover, they dominate in certain areas (finance, human resources).

ZE PAK SA Group companies that meet statutory criteria have Workers' Councils, elected based on applicable regulations. A number of trade union organizations also operate under the Trade Union Act. The Management Boards of Group companies inform and consult with employee representatives (meetings of the Management Board, Workers' Councils, and trade unions) on matters specified in the law. In the opinion of the management, freedom of association in trade unions and related rights are guaranteed (*Article 23*).

It should be emphasized that suspected violations of any human rights, including those not listed here, can and should be reported using the mechanisms provided for in the Code of Ethics. Additionally, in 2023, the Company developed a Grievance Mechanism, which introduces uniform rules for reporting violations of law in the workplace, i.e., within the Company. The mechanism applies to employees but also externally, for example, to subcontractors, suppliers, shareholders, partners, and job applicants. It defines (i) an internal procedure for filing complaints related to violations of law; (ii) a procedure for taking follow-up action; (iii) a procedure for protecting the whistleblower; (iv) an internal procedure for documenting received complaints; and (v) a procedure for handling complaints of gender-based violence and harassment (GBVH).

The Company is committed to complying with the Code of Ethics, the Human Rights Policy, the Diversity and Equality Policy, the Anti-Mobbing Policy, the Anti-Corruption Policy, and the Respect and Dignity at Work Policy. These policies were implemented in the Company in 2025.

During the reporting period, no penalties were imposed on members of the management of ZE PAK SA or its subsidiaries, nor were they convicted by final judgments or otherwise held liable for gross violations of the law in the scope referred to in the second premise.

The ZE PAK SA Group has not been recorded as an entity violating the applicable rules by:

- Business and Human Rights Resource Center (BHRRC) (<https://www.business-humanrights.org/en/companies/>).
- OECD National Contact Point (<http://mneguidelines.oecd.org/database/>).

As of the date of this report, there are no ongoing legal proceedings involving the Company alleging breaches relevant to the minimum safeguards, and no judgments have been issued against the Company in 2024 or 2025 indicating non-compliance with the minimum safeguards. Given the absence of legal proceedings, it can be concluded that there are no instances of non-compliance with the OECD Guidelines for Multinational Enterprises or the UN Guiding Principles on Business and Human Rights.

There have been no judgments passed against the Company or any proceedings concluded establishing violations relevant to the minimum guarantees (i.e. violations of human rights, workers' rights, corruption, fair competition, etc.).

Summary and presentation of results

The results obtained in the previous steps have been summarised in tables in line with the updated template (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 technical screening criteria for determining the conditions under which a specific 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 the prevention and control of pollution or to the protection and restoration of biodiversity and ecosystems, as well as to determining whether that economic activity does not cause significant harm to any other environmental objective, and amending Commission Delegated Regulation (EU) 2021/2178 as regards public disclosure of specific information in relation to those economic activities).

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Table 33: Percentage share of consolidated **turnover** from products or services related to economic activities in line with the taxonomy in 2025

Table 55: Percentage share of consolidated turnover from products or services related to economic activities in line with the taxonomy in 2025																			
Business activity (1)	Year			Criteria for Substantial Contribution						Criteria for the DNSH (Do No Significant Harm) Principle						Minimum guarantees (17)	Share of activities consistent with the taxonomy (A.1.) or eligible for taxonomy (A.2.) Turnover, year N-1 (18)	Support Activities Category (19)	Transition Activities (20)
	Code(s) (2)	Turnover (absolute value) (3)	Part of the turnover, year N (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity (10)	Climate change mitigation (17)	Adaptation to climate change (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity (16)				
		thousand PLN	%	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	T
A. Activities eligible for taxonomy																			
A.1. Types of environmentally sustainable activities (in accordance with the taxonomy)																			
Decontamination and dismantling of end-of-life products	CE 2.6.	9,429.38	0.71%	N/EL	N/EL	N/EL	EL	N/EL	N/EL	T	T	T	T	T	T	T	1.41%		
Exercising ownership rights to real estate	CCM /CCA 7.7.	284.15	0.02%	EL	EL	N/EL	N/EL	N/EL	N/EL	T	T	T	T	T	T	T	0.01%		
Turnover from sustainable activities (taxonomy compliant) (A.1.)		9,713.52	0.73%	0.71%	0.00%	0.00%	0.02%	0.00%	0.00%								1.42%		
Including supporting (E)		-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								-		
Including for the transition (T)		-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								-		
A.2. Activities that qualify for taxonomy but are environmentally unsustainable (non-taxonomy-compliant activities)																			
				EL N/EL	EL N/EL	EL N/EL	EL N/EL	EL N/EL	EL N/EL										
Sorting and recovery of materials from non-hazardous waste	CE 2.7.	3,635.30	0.27%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0.06%		
Demolition and demolition of buildings and other structures	CE 3.3.	430.36	0.03%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0.05%		

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Turnover from activities that qualify for the taxonomy but are environmentally unsustainable (not consistent with the taxonomy) (A.2.)	4,065.65	0.30%	0.00%	0.00%	0.00%	0.30%	0.00%	0.00%								0.11%		
A. Turnover from activities eligible for taxonomy (A.1 + A.2)	13,779.18	1.03%	0.71%	0.00%	0.00%	0.33%	0.00%	0.00%								0.53%		
B. Activities that do not qualify for taxonomy																		
Turnover from activities not eligible for taxonomy (B)	1,320,055.11	98.97%																
TOTAL (A+B)	1,333,834.29	100.00 %																

Table 33a: Nuclear and natural gas activities

Row	Nuclear energy activities	
1	The company conducts research, development, demonstration and deployment of innovative electricity generation facilities that generate energy from nuclear processes with minimal fuel cycle waste, finances or has exposure to these activities.	NO
2	The company builds, finances or has exposure to the construction and safe operation of new nuclear facilities for the generation of electricity or process heat, including for district heating or industrial processes such as hydrogen production, as well as their safety modernisation, using best available technologies.	NO
3	The company operates, finances or has exposure to the safe operation of existing nuclear facilities that generate electricity or process heat, including for district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety modernisation.	NO
	Natural gas activities	
1	The company constructs or operates an installation for generating electricity using gaseous fossil fuels, finances this activity or has exposure to it.	YES
2	The company builds, modernises and operates installations for the combined production of heat/cooling and electricity using gaseous fossil fuels, finances this activity or has exposure to it.	NO
3	The company builds, modernises and operates heat generation installations that produce heating/cooling energy using gaseous fossil fuels, finances this activity or has exposure to it.	NO

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Table 33b: Economic activity according to taxonomy (nominative)

Row	Types of business activities	Amount and share (information should be provided in monetary amounts and percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Adaptation (CCA)	
		Sum	%	Sum	%	Sum	%
1	Amount and share of economic activities consistent with the taxonomy referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0	0	0	0	0
2	Amount and share of economic activities consistent with the taxonomy referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0	0	0	0	0
3	Amount and share of economic activities consistent with the taxonomy referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0	0	0	0	0
4	Amount and share of economic activities consistent with the taxonomy referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0	0	0	0	0
5	Amount and share of economic activities consistent with the taxonomy referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0	0	0	0	0
6	Amount and share of economic activities consistent with the taxonomy referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	0	0	0	0	0	0
7	Amount and share of other business activities consistent with the taxonomy not included in lines 1–6 above in the denominator of the applicable KPI	13,779.18	1.03%	13,779.18	1.03%	-	-
8	Total applicable KPI	13,779.18	1.03%	13,779.18	1.03%	-	-

Table 33c: Economic activity according to taxonomy (numerator)

Row	Types of business activities	Amount and share (information should be provided in monetary amounts and percentages)
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		CCM + CCA		Climate Change Mitigation (CCM)		Adaptation (CCA)	
		Sum	%	Sum	%	Sum	%
1	Amount and share of economic activities that comply with the taxonomy referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
2	Amount and share of economic activities that comply with the taxonomy referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
3	Amount and share of economic activities that comply with the taxonomy referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
4	Amount and share of economic activities that comply with the taxonomy referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
5	Amount and share of economic activities that comply with the taxonomy referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
6	Amount and share of economic activities that are in line with the taxonomy referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
7	Amount and share of other business activities consistent with the taxonomy not included in lines 1–6 above in the numerator of the applicable KPI	9,713.52	0.73%	9,713.52	0.73%	-	-
8	Total amount and total share of taxonomically compliant economic activities in the numerator of the applicable KPI	9,713.52	0.73%	9,713.52	0.73%	-	-

Table 33d: Economic activities that qualify for taxonomy but are not consistent with taxonomy

Row	Types of business activities	Amount and share (information should be provided in monetary amounts and percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Adaptation (CCA)	
		Sum	%	Sum	%	Sum	%

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1	Amount and share of economic activities eligible for the taxonomy but not compliant with the taxonomy referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2	Amount and share of economic activities eligible for the taxonomy but not compliant with the taxonomy referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3	Amount and share of economic activities eligible for the taxonomy but not compliant with the taxonomy referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4	Amount and share of economic activities eligible for the taxonomy but not compliant with the taxonomy referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
5	Amount and share of economic activities eligible for the taxonomy but not compliant with the taxonomy referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
6	Amount and share of economic activities eligible for the taxonomy but not compliant with the taxonomy referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7	Amount and share of other economic activities eligible for the taxonomy but not compliant with the taxonomy not included in lines 1–6 above in the denominator of the applicable KPI	13,779.18	1.03%	13,779.18	1.03%	-	-
8	Total amount and total share of taxonomically eligible but non-taxonomical economic activities in the denominator of the applicable KPI	13,779.18	1.03%	13,779.18	1.03%	-	-

Table 33e: Economic activities not eligible for taxonomy

Row	Types of business activities	Sum	Percentage share
1	Amount and share of economic activities referred to in row 1 of Template 1 that are economic activities not eligible for the taxonomy in accordance with Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
2	Amount and share of economic activities referred to in row 1 of Template 1 that are economic activities not eligible for the taxonomy in accordance with Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-

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3	Amount and share of economic activities referred to in row 1 of Template 1 that are economic activities not eligible for the taxonomy in accordance with Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
4	Amount and share of economic activities referred to in row 1 of Template 1 that are economic activities not eligible for the taxonomy in accordance with Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
5	Amount and share of economic activities referred to in row 1 of Template 1 that are economic activities not eligible for the taxonomy in accordance with Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
6	Amount and share of economic activities referred to in row 1 of Template 1 that are economic activities not eligible for the taxonomy in accordance with Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
7	Amount and share of other economic activities not eligible for taxonomy, not included in lines 1–6 above, in the denominator of the applicable KPI	1,320,055.11	98.97%
8	Total amount and total share of economic activities not eligible for taxonomy in the denominator of the applicable KPI	1,320,055.11	98.97%

Accounting principles

The basis for calculating the key performance indicator for Turnover (KPI Turnover) was the ZE PAK SA Group's financial statements for 2025, prepared in accordance with International Reporting Standards (IFRS). Net sales revenue from the aforementioned statement was used as the denominator of the indicator.

Based on the assessment of compliance with Regulation (EU) 2020/852 described below, revenue from activities compliant with the taxonomy was identified. The amount reported in the consolidated financial statements of the ZE PAK SA Group, originating from activities identified as compliant with the taxonomy, was assigned to the numerator of the key performance indicator.

Information on assessing compliance with Regulation (EU) 2020/852

Individual revenue categories of the ZE PAK SA Group were analyzed for eligibility for the taxonomy. This process included analyzing eligible activities. Based on the analysis, four eligible activities were identified:

CCM/CCA 7.7.	Exercising ownership rights to real estate
CE 2.6.	Decontamination and dismantling of end-of-life products
CE 2.7.	Sorting and recovery of materials from non-hazardous waste
CE 3.3.	Demolition and demolition of buildings and other structures

The individual activities indicated above were analyzed in relation to the technical criteria defined for each activity. The requirements of each technical criterion were consulted and confirmed with individuals within the individual companies with the appropriate knowledge to confirm whether a given technical criterion was met.

The analysis determined that two eligible activities were identified as consistent with the taxonomy. These include decontamination and dismantling of end-of-life products, and the exercise of property ownership rights.

To avoid double counting, individual revenue amounts were assigned to a single activity. Once assigned to a given activity, they were not included in further analyses.

Contribution to multiple objectives, disaggregation of key performance indicators

For activities related to climate change mitigation (CMM) and climate change adaptation (CCA), climate change mitigation (CMM) was considered the dominant objective and the turnover from these activities was allocated to it. The key performance indicator was not disaggregated.

Contextual information

Not applicable.

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Table 34: Percentage share of consolidated **capital expenditures** for products or services related to business activities in line with the taxonomy in 2025

Business activity (1)	Year			Criteria for Substantial Contribution						Criteria for the DNSH (Do No Significant Harm) Principle									
	Code(s) (2)	Capital expenditure (absolute value) (3)	Part of the turnover, year N (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity (10)	Climate change mitigation (17)	Adaptation to climate change (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity (16)	Minimum guarantees (17)	Share of activities consistent with the taxonomy (A.1.) or eligible for the taxonomy (A.2.) Investment outlays, year N-1 (18)	Support Activities Category (19)	Transition Activities (20)
		thousand PLN	%	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	T
A. Activities eligible for taxonomy																			
A.1. Types of environmentally sustainable activities (in accordance with the taxonomy)																			
Electricity production using photovoltaic technology	CCM /CCA 4.1.	1,572.05	0.12 %	EL	EL	N/EL	N/EL	N/EL	N/EL	n/a	T	n/a	T	n/a	T	T	0.01%		
Electricity production using wind technology	CCM /CCA 4.3.	9,290.90	0.73 %	EL	EL	N/EL	N/EL	N/EL	N/EL	n/a	T	T	T	n/a	n/a	T	0.24%		
Electricity production from gaseous fossil fuels	CCM /CCA 4.29	1,207,770.72	94.89 %	EL	EL	N/EL	N/EL	N/EL	N/EL	n/a	T	T	n/a	T	T	T	39.31%		T
Capital expenditure from sustainable activities (in line with the taxonomy) (A.1.)	1,218,633.66		95.74 %	95.74 %	0.00%	0.00%	0.00%	0.00%	0.00%								39.56%		
Including supporting (E)	-		0.00 %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								0.00%		
Including for the transition (T)	1,207,770.72		94.89 %	94.89 %	0.00%	0.00%	0.00%	0.00%	0.00%								39.31%		T
A.2. Activities that qualify for taxonomy but are environmentally unsustainable (non-taxonomy-compliant activities)																			

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<i>Capital expenditure from activities that qualify for the taxonomy but are environmentally unsustainable (not consistent with the taxonomy) (A.2.)</i>	-	0.00 %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%							0.00%		
Capital expenditures for activities eligible for taxonomy (A.1 + A.2)	1,218,633.66	95.74 %	95.74 %	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%							39.56%		
B. Activities that do not qualify for taxonomy																		
Capital expenditures from activities not eligible for taxonomy (B)	54,182.15	4.26 %																
TOTAL (A+B)	1,272,815.81	100.00%																

Table 34a: Nuclear and natural gas activities

Row	Nuclear energy activities	
1	The company conducts research, development, demonstration and deployment of innovative electricity generation facilities that generate energy from nuclear processes with minimal fuel cycle waste, finances or has exposure to these activities.	NO
2	The company builds, finances or has exposure to the construction and safe operation of new nuclear facilities for the generation of electricity or process heat, including for district heating or industrial processes such as hydrogen production, as well as their safety modernisation, using best available technologies.	NO
3	The company operates, finances or has exposure to the safe operation of existing nuclear facilities that generate electricity or process heat, including for district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety modernisation.	NO
	Natural gas activities	
1	The company constructs or operates an installation for generating electricity using gaseous fossil fuels, finances this activity or has exposure to it.	YES
2	The company builds, modernises and operates installations for the combined production of heat/cooling and electricity using gaseous fossil fuels, finances this activity or has exposure to it.	NO
3	The company builds, modernises and operates heat generation installations that produce heating/cooling energy using gaseous fossil fuels, finances this activity or has exposure to it.	NO

Table 34b: Economic activity according to taxonomy (nominative)

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Row	Types of business activities	Amount and share (information should be provided in monetary amounts and percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Adaptation (CCA)	
		Sum	%	Sum	%	Sum	%
1	Amount and share of economic activities consistent with the taxonomy referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2	Amount and share of economic activities consistent with the taxonomy referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3	Amount and share of economic activities consistent with the taxonomy referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4	Amount and share of economic activities consistent with the taxonomy referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	1,207,770.72	94.89%	1,207,770.72	94.89%	-	-
5	Amount and share of economic activities consistent with the taxonomy referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
6	Amount and share of economic activities consistent with the taxonomy referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7	Amount and share of other business activities consistent with the taxonomy not included in lines 1–6 above in the denominator of the applicable KPI	10,862.95	0.85%	10,862.95	0.85%	-	-
8	Total applicable KPI	1,218,633.66	95.74%	1,218,633.66	95.74%	-	-

Table 34c: Economic activity according to taxonomy (numerator)

	Types of business activities	Amount and share (information should be provided in monetary amounts and percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Adaptation (CCA)	
		Sum	%	Sum	%	Sum	%

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1	Amount and share of economic activities that comply with the taxonomy referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
2	Amount and share of economic activities that comply with the taxonomy referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
3	Amount and share of economic activities that comply with the taxonomy referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
4	Amount and share of economic activities that comply with the taxonomy referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	1,207,770.72	94.89%	1,207,770.72	94.89%	-	-
5	Amount and share of economic activities that comply with the taxonomy referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
6	Amount and share of economic activities that are in line with the taxonomy referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
7	Amount and share of other business activities consistent with the taxonomy not included in lines 1–6 above in the numerator of the applicable KPI	10,862.95	0.85%	10,862.95	0.85%	-	-
8	Total amount and total share of taxonomically compliant economic activities in the numerator of the applicable KPI	1,218,633.66	95.74%	1,218,633.66	95.74%	-	-

Table 34d: Economic activities that qualify for taxonomy but are not consistent with taxonomy

	Types of business activities	Amount and share (information should be provided in monetary amounts and percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Adaptation (CCA)	
		Sum	%	Sum	%	Sum	%
1	Amount and share of economic activities eligible for the taxonomy but not compliant with the taxonomy referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-

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2	Amount and share of economic activities eligible for the taxonomy but not compliant with the taxonomy referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3	Amount and share of economic activities eligible for the taxonomy but not compliant with the taxonomy referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4	Amount and share of economic activities eligible for the taxonomy but not compliant with the taxonomy referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
5	Amount and share of economic activities eligible for the taxonomy but not compliant with the taxonomy referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
6	Amount and share of economic activities eligible for the taxonomy but not compliant with the taxonomy referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7	Amount and share of other economic activities eligible for the taxonomy but not compliant with the taxonomy not included in lines 1–6 above in the denominator of the applicable KPI	-	-	-	-	-	-
8	Total amount and total share of taxonomically eligible but non-taxonomical economic activities in the denominator of the applicable KPI	-	-	-	-	-	-

Table 34e: Economic activities not eligible for taxonomy

	Types of business activities	Sum	Percentage share
1	Amount and share of economic activities referred to in row 1 of Template 1 that are economic activities not eligible for the taxonomy in accordance with Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
2	Amount and share of economic activities referred to in row 1 of Template 1 that are economic activities not eligible for the taxonomy in accordance with Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
3	Amount and share of economic activities referred to in row 1 of Template 1 that are economic activities not eligible for the taxonomy in accordance with Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-

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4	Amount and share of economic activities referred to in row 1 of Template 1 that are economic activities not eligible for the taxonomy in accordance with Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
5	Amount and share of economic activities referred to in row 1 of Template 1 that are economic activities not eligible for the taxonomy in accordance with Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
6	Amount and share of economic activities referred to in row 1 of Template 1 that are economic activities not eligible for the taxonomy in accordance with Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
7	Amount and share of other economic activities not eligible for taxonomy, not included in lines 1–6 above, in the denominator of the applicable KPI	54,182.15	4.26%
8	Total amount and total share of economic activities not eligible for taxonomy in the denominator of the applicable KPI	54,182.15	4.26%

Accounting principles

The basis for the calculation of KPI Capex was the consolidated financial statements of the ZE PAK SA Group for the year ended 31 December 2025 – the denominator was the costs settled on the basis of:

- (a) IAS 16 Property, Plant and Equipment, paragraph 73(e)(i) and (iii);
- b) IAS 38 Intangible Assets, paragraph 118(e)(i);
- c) IAS 40 Investment Property, paragraph 76(a) and (b) (in the case of the fair value model);
- d) IAS 40 Investment Property, paragraph 79(d)(i) and (ii) (in the case of the cost model);
- e) IAS 41 Agriculture, paragraph 50(b) and (c);
- f) IFRS 16 Leases, paragraph 53(h).

Based on the assessment of compliance with Regulation (EU) 2020/852 described below, expenditures were identified that were compliant with the taxonomy. The amount reported in the consolidated financial statements of the ZE PAK SA Group, originating from activities identified as compliant with the taxonomy, was assigned to the numerator.

Information on assessing compliance with Regulation (EU) 2020/852

Individual categories of capital expenditures of the ZE PAK SA Group were analyzed in accordance with the provisions of Regulation (EU) 2021/2178, Annex I, point 1.1.2.2.

Based on the analysis, three activities were identified as eligible for the taxonomy:

- CCM/CCA 4.1. Electricity production using photovoltaic technology
 - CCM/CCA 4.3. Electricity production from wind energy
 - CCM/CCA 4.29. Electricity production from gaseous fossil fuels
-

Contribution to multiple objectives, disaggregation of key performance indicators

Based on the compliance assessment, it was determined that three activities: make a significant contribution to achieving two environmental objectives: climate change mitigation (CCM) and climate change adaptation (CCA). The climate change mitigation (CCM) objective was identified as the dominant objective and financial values were assigned to it.

The key performance indicator has not been disaggregated.

Contextual information

Not applicable.

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Table 35: Percentage of consolidated **operating costs** for products or services related to business activities in line with the taxonomy in 2025

	Year			Criteria for Substantial Contribution						Criteria for the DNSH (Do No Significant Harm) Principle									
Business activity (1)	Code(s) (2)	Operating expenses (absolute value) (3)	Part of the turnover, year N (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity (10)	Climate change mitigation (11)	Adaptation to climate change (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity (16)	Minimum guarantees (17)	Share of activities consistent with the taxonomy (A.1.) or eligible for the taxonomy (A.2.) Operating expenses, year N-1 (18)	Support Activities Category (19)	Transition Activities (20)
		thousand PLN	%	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	T
A. Activities eligible for taxonomy																			
A.1. Types of environmentally sustainable activities (in accordance with the taxonomy)																			
Flood risk prevention and protection infrastructure	CCA 14.2.	2,100.00	3.63 %	N/EL	EL	N/EL	N/EL	N/EL	N/EL	n/a	T	n/a	n/a	T	n/a	T	3.63%	E	
Conservation, including restoration, of habitats, ecosystems and species	BIO 1.1.	1,626.02	2.81 %	N/EL	N/EL	N/EL	N/EL	N/EL	EL	n/a	T	n/a	T	T	T	T	21.69%		
Remediation of contaminated sites and areas	PCC 2.4.	0.00	0.00 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL	n/a	T	n/a	n/a	T	n/a	T	0.06%		
Water supply	WTR 2.1.	68.71	0.12 %	N/EL	N/EL	EL	N/EL	N/EL	N/EL	n/a	T	T	n/a	n/a	T	T	0.01%		
Municipal sewage treatment	WTR 2.2.	8.97	0.02 %	N/EL	N/EL	EL	N/EL	N/EL	N/EL	T	T	T	T	T	T	T	0.02%		
Electricity production from gaseous fossil fuels	CCM /CCA 4.29.	7,829.86	13.55 %	EL	EL	N/EL	N/EL	N/EL	N/EL	n/a	T	T	n/a	T	T	T	0.39%		T
Operating expenses from sustainable activities (in line with the taxonomy) (A.1.)		11,633.55	20.13 %	13.55 %	3.63%	0.13%	0.00%	0.00%	2.81%								25.80%		

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Including supporting (E)		2,100.00	3.63 %	0.00%	3.63%	0.00%	0.00%	0.00%	0.00%							3.63%		
Including for the transition (T)		7,829.86	13.55 %	13.55 %	0.00%	0.00%	0.00%	0.00%	0.00%							0.39%		
A.2. Activities that qualify for taxonomy but are environmentally unsustainable (non-taxonomy-compliant activities)																		
				EL N/EL	EL N/EL	EL N/EL	EL N/EL	EL N/EL	EL N/EL									
Demolition and demolition of buildings and other structures	CE 3.3.	1,055.53	1.83 %	N/EL	N/EL	N/EL	EL	N/EL	N/EL							6.23%		
<i>Operating expenses from activities that are eligible for the taxonomy but are environmentally unsustainable (not consistent with the taxonomy) (A.2.)</i>		1,055.53	1.83 %	0.00%	0.00%	0.00%	1.94%	0.00%	0.00%							6.23%		
Operating expenses for activities eligible for taxonomy (A.1 + A.2)		12,689.09	21.95 %	13.55 %	3.63%	0.13%	1.83%	0.00%	2.81%							32.10%		
B. Activities that do not qualify for taxonomy																		
<i>Operating expenses from activities not eligible for taxonomy (B)</i>		45,115.70	78.05 %															
TOTAL (A+B)		57,804.79	100.0 0%															

Table 35a: Nuclear and natural gas activities

	Nuclear energy activities	
1	The company conducts research, development, demonstration and deployment of innovative electricity generation facilities that generate energy from nuclear processes with minimal fuel cycle waste, finances or has exposure to these activities.	NO
2	The company builds, finances or has exposure to the construction and safe operation of new nuclear facilities for the generation of electricity or process heat, including for district heating or industrial processes such as hydrogen production, as well as their safety modernisation, using best available technologies.	NO
3	The company operates, finances or has exposure to the safe operation of existing nuclear facilities that generate electricity or process heat, including for district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety modernisation.	NO
	Natural gas activities	
1	The company constructs or operates an installation for generating electricity using gaseous fossil fuels, finances this activity or has exposure to it.	YES

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2	The company builds, modernises and operates installations for the combined production of heat/cooling and electricity using gaseous fossil fuels, finances this activity or has exposure to it.	NO
3	The company builds, modernises and operates heat generation installations that produce heating/cooling energy using gaseous fossil fuels, finances this activity or has exposure to it.	NO

Table 35b: Economic activity according to taxonomy (nominative)

	Types of business activities	Amount and share (information should be provided in monetary amounts and percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Adaptation (CCA)	
		Sum	%	Sum	%	Sum	%
1	Amount and share of economic activities consistent with the taxonomy referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2	Amount and share of economic activities consistent with the taxonomy referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3	Amount and share of economic activities consistent with the taxonomy referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4	Amount and share of economic activities consistent with the taxonomy referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	7,829.86	13.55%	7,829.86	13.55%	-	-
5	Amount and share of economic activities consistent with the taxonomy referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
6	Amount and share of economic activities consistent with the taxonomy referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7	Amount and share of other business activities consistent with the taxonomy not included in lines 1–6 above in the denominator of the applicable KPI	4,859.23	8.41%	4,859.23	8.41%	-	-
8	Total applicable KPI	12,689.09	21.95%	12,689.09	21.95%	-	-

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Table 35c: Economic activity according to taxonomy (numerator)

	Types of business activities	Amount and share (information should be provided in monetary amounts and percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Adaptation (CCA)	
		Sum	%	Sum	%	Sum	%
1	Amount and share of economic activities that comply with the taxonomy referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
2	Amount and share of economic activities that comply with the taxonomy referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
3	Amount and share of economic activities that comply with the taxonomy referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
4	Amount and share of economic activities that comply with the taxonomy referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	7,829.86	13.55%	7,829.86	13.55%	-	-
5	Amount and share of economic activities that comply with the taxonomy referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
6	Amount and share of economic activities that are in line with the taxonomy referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-
7	Amount and share of other business activities consistent with the taxonomy not included in lines 1–6 above in the numerator of the applicable KPI	3,803.69	6.58%	3 803.69.23	6.58%	-	-
8	Total amount and total share of taxonomically compliant economic activities in the numerator of the applicable KPI	11,633.55	20.13%	11,633.55	20.13%	-	-

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Table 35d: Economic activities that qualify for the taxonomy but are not consistent with the taxonomy

	Types of business activities	Amount and share (information should be provided in monetary amounts and percentages)					
		CCM + CCA		Climate Change Mitigation (CCM)		Adaptation (CCA)	
		Sum	%	Sum	%	Sum	%
1	Amount and share of economic activities eligible for the taxonomy but not compliant with the taxonomy referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2	Amount and share of economic activities eligible for the taxonomy but not compliant with the taxonomy referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3	Amount and share of economic activities eligible for the taxonomy but not compliant with the taxonomy referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4	Amount and share of economic activities eligible for the taxonomy but not compliant with the taxonomy referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
5	Amount and share of economic activities eligible for the taxonomy but not compliant with the taxonomy referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
6	Amount and share of economic activities eligible for the taxonomy but not compliant with the taxonomy referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
7	Amount and share of other economic activities eligible for the taxonomy but not compliant with the taxonomy not included in lines 1–6 above in the denominator of the applicable KPI	1,055.53	1.83%	1,055.53	1.83%	-	-
8	Total amount and total share of taxonomically eligible but non-taxonomical economic activities in the denominator of the applicable KPI	1,055.53	1.83%	1,055.53	1.83%	-	-

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Table 35e: Economic activities not eligible for taxonomy

	Types of business activities	Sum	Percentage share
1	Amount and share of economic activities referred to in row 1 of Template 1 that are economic activities not eligible for the taxonomy in accordance with Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
2	Amount and share of economic activities referred to in row 1 of Template 1 that are economic activities not eligible for the taxonomy in accordance with Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
3	Amount and share of economic activities referred to in row 1 of Template 1 that are economic activities not eligible for the taxonomy in accordance with Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
4	Amount and share of economic activities referred to in row 1 of Template 1 that are economic activities not eligible for the taxonomy in accordance with Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
5	Amount and share of economic activities referred to in row 1 of Template 1 that are economic activities not eligible for the taxonomy in accordance with Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
6	Amount and share of economic activities referred to in row 1 of Template 1 that are economic activities not eligible for the taxonomy in accordance with Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable KPI	-	-
7	Amount and share of other economic activities not eligible for taxonomy, not included in lines 1–6 above, in the denominator of the applicable KPI	45,115.70	78.05%
8	Total amount and total share of economic activities not eligible for taxonomy in the denominator of the applicable KPI	45,115.70	78.05%

Accounting principles

The basis for calculating the KPI Opex denominator in accordance with the provisions of Annex No. 1 to Regulation 2021/2178 was the separation of direct, non-capitalized expenses from the general costs of the ZE PAK SA Group, based on the consolidated financial statements of the ZE PAK SA Group for the year ended on 31 December 2025.

Based on the assessment of compliance with EU Regulation 2020/852 described below, costs were identified that were consistent with the taxonomy. The amount reported in the consolidated financial statements of the ZE PAK SA Group, originating from activities identified as compliant with the taxonomy, was assigned to the numerator.

Information on assessing compliance with Regulation (EU) 2020/852

Individual categories of operating expenses of the ZE PAK SA Group, included in the denominator of the key performance indicator, were analyzed in accordance with the provisions of EU Regulation 2021/2178.

Based on the analysis, seven activities were identified that qualified for the taxonomy, including eight that were consistent with it:

CCA 14.2.	Flood risk prevention and protection infrastructure
BIO 1.1.	Conservation, including restoration, of habitats, ecosystems and species
PCC 2.4.	Remediation of contaminated sites and areas
WTR 2.1.	Water supply
WTR 2.2.	Municipal sewage treatment
CCM/CCA 4.29.	Electricity production from gaseous fossil fuels
CE 3.3.	Demolition and demolition of buildings and other structures

In the case of compliant activities, four were in line with the implementation of two environmental objectives, with the objective related to climate change mitigation (CCM) considered dominant, two were in line with the implementation of the objective related to the use and protection of water and marine resources, one was in line with the protection and restoration of biodiversity and ecosystems, and one was in line with the prevention of pollution.

Contextual information

The ZE PAK Group conducts a significant portion of its business activities, which are consistent with the taxonomy, based on its own resources, i.e., within the capital group. As a result of consolidation, these amounts, which constitute revenue for some Group companies (intra-group sales) and operating expenses for other Group entities (internal consumption), are not visible in the consolidated results reported in this disclosure. At the same time, the Group assesses the scale of intra-group activities as significant for the market. Therefore, in accordance with Commission Delegated Regulation (EU) 2021/2178 (point 1.2.3.1(b) of Annex I), the Group has disclosed their amounts as contextual information, providing a better picture of the actual scale of the Group's operations in areas related to the following activities, which are important from a sustainability perspective.

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Table 3 5f: Contextual information on intra-group transactions that meet the taxonomy compliance criteria

Business activity (1)	Year			Criteria for Substantial Contribution						Criteria for the DNSH (Do No Significant Harm) Principle							Support Activities Category (19)	Transition Activities (20)
	Code(s) (2)	Absolute operating expenses including intra-group transactions(3)	Part of opex, year N (4)	Climate change mitigation (5)	Adaptation to climate change (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity (10)	Climate change mitigation (17)	Adaptation to climate change (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity (16)	Minimum guarantees (17)		
		thousand PLN	%	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	T
C. Activities that meet the compliance criteria but do not qualify for taxonomy due to their intra-group nature																		
C.1. Environmentally sustainable activities that meet the compliance criteria but are not eligible due to their intra-group nature																		
<i>Flood risk prevention and protection infrastructure</i>	CCA 14.2.	4,208.81	7.28%	N/EL	EL	N/EL	N/EL	N/EL	N/EL	n/a	T	n/a	n/a	T	n/a	T	E	
<i>Conservation, including restoration, of habitats, ecosystems and species</i>	BIO 1.1.	9,087.15	15.72%	N/EL	N/EL	N/EL	N/EL	N/EL	EL	n/a	T	n/a	T	T	T	T		
<i>Remediation of contaminated sites and areas</i>	PCC 2.4.	-	0.00%	N/EL	N/EL	N/EL	N/EL	EL	N/EL	n/a	T	n/a	n/a	T	n/a	T		
<i>Water supply</i>	WTR 2.1.	68.71	0.12%	N/EL	N/EL	EL	N/EL	N/EL	N/EL	n/a	T	T	n/a	n/a	T	T		
<i>Municipal sewage treatment</i>	WTR 2.2.	8.97	0.02%	N/EL	N/EL	EL	N/EL	N/EL	N/EL	T	T	T	T	T	T	T		
<i>Electricity production from gaseous fossil fuels</i>	CCM/CCA 4.29.	7,829.86	13.55%	EL	EL	N/EL	N/EL	N/EL	N/EL	n/a	T	T	n/a	T	T	T		T
Operating expenses including intra-group transactions related to sustainable activities (C)		21,203.49	36.68%	13.55 %	7.28%	0.13%	0.00%	0.48%	15.25 %									

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(meeting the compatibility criteria but not qualifying for taxonomy)																		
Including supporting (E)		4,208.81	7.28%	0.00%	7.28%	0.00%	0.00%	0.00%	0.00%								-	
Including for the transition (T)		7,829.86	13.55%	13.55%	0.00%	0.00%	0.00%	0.00%	0.00%								-	

ESRS E1 Climate Change

GOV-3 Integrating Sustainability Outcomes into Incentive Systems

See ESRS 2 General Disclosures, GOV-3 – Integrating Sustainability Performance into Incentive Schemes.

E1-1 – Transformation Plan for Climate Change Mitigation

The ZE PAK Group has not adopted a separate *Transformation Plan for climate mitigation purposes* because the key issues related to the transformation plans from the Group's perspective have already been reflected in the ZE PAK SA Group's business strategy and the supplementary Sustainable Development Strategy for 2024-2028 (developed in early 2023⁶, adopted by the Management Board and then communicated to the Supervisory Board). (see ESRS 2 SBM-1). For the same reasons, the Group does not currently plan to adopt such a plan. However, this results in the absence of certain elements that, in accordance with Scope E1-1, should be disclosed, including: (a) the Sustainable Development Strategy has a shorter planning horizon and does not include a 2030 target; (b) the key performance indicators that should be achieved focus on production emissions intensity (emissions from energy production per unit of energy) and the capacity of installed assets. At the same time, the greenhouse gas emission reduction targets adopted by the Group are in line with the latest scientific findings, aimed at limiting global warming to 1.5°C compared to the pre-industrial era, in accordance with the assumptions of the Paris Agreement.

Regardless, the Group's fundamental goal is to transform its operating model toward one in which energy is generated from low- and zero-emission sources. This assumes the phasing out of conventional coal-fired power generation and related mining operations, including the reclamation of areas where lignite mining was carried out. At the same time, the ZE PAK SA Group is incurring and plans to continue incurring significant expenditures on investments related to new, less climate-damaging generation sources (issues related to securing financing for key transformation investments are discussed in chapters 6. *Financial Resource Management* and 7. *Significant Development Factors and Prospects*). In addition to the investments already completed in photovoltaic farms, wind farms, and biomass-based energy and hydrogen generation, in which the Group currently holds a minority stake, the Group has initiated the construction of a gas-fired power plant with photovoltaic assets to balance its production. In 2025, it completed a significant project to reduce Hg emissions at the last operating coal-fired unit⁷. It also became involved in a project to design and build one of two nuclear power plants planned in Poland, but ultimately, in October 2025, the company sold its stake in the project to the PGE Group. (see: 7. *Significant factors and development prospects; SBM-3 – Significant impact, risks and opportunities and their interrelationships with the strategy and the business model*).

In terms of implementing energy transition plans, in recent years the ZE PAK SA Capital Group has decommissioned conventional lignite-fired assets with a capacity of 1,937 MW. At the Group's largest power plant, Pątnów Power Plant, only one of the originally available seven coal-fired units was operational in 2025.

Additionally, due to the end of operation of units no. 1-6 (formerly Pątnów I Power Plant) and the decommissioning of storage facilities and installation equipment, the quantities of hazardous substances stored on the premises of the Power Plant no longer qualify the plant as a plant with an Increased Risk (IRR) of a serious accident.

The Group plans to decommission all coal-fired units. The base-case scenario predicts that coal mining and energy production from the last of the 474 MW coal-fired units will continue until the currently mined area of the Tomisławice open-pit mine is exhausted, which, in the Company's opinion, should occur no later than the end of the first half of 2026. The Company plans to provide services related to participation in the capacity market until the end of 2026. However, as a result of these measures, annual emissions directly related to energy production decreased by 74.89% between 2019 and 2025. New low-emission assets, primarily the combined cycle gas turbine (CCGT) unit, which are intended to replace the coal-fired generation assets, are still in the implementation phase, with the investment progressing at the end of 2025 at approximately 82.7%. In the context of potential locked -in greenhouse gas emissions from key coal assets, the Group estimates that they will systematically decrease and will be zero due to the planned phase-out of lignite mining and production by the end of 2026 at the latest.

⁶At the beginning of 2024 it was verified and updated.

⁷ Project "Construction of a complete turnkey facility to reduce mercury emissions to the level of $\leq 7 \mu\text{g}/\text{Nm}^3$ and dust emissions to the level of $\leq 8 \text{ mg}/\text{Nm}^3$ in flue gases from the BB-1345sN boiler of unit no. 9 at the Pątnów II Power Plant"

SBM-3 – Significant impacts, risks and opportunities and their interrelationships with the strategy and business model

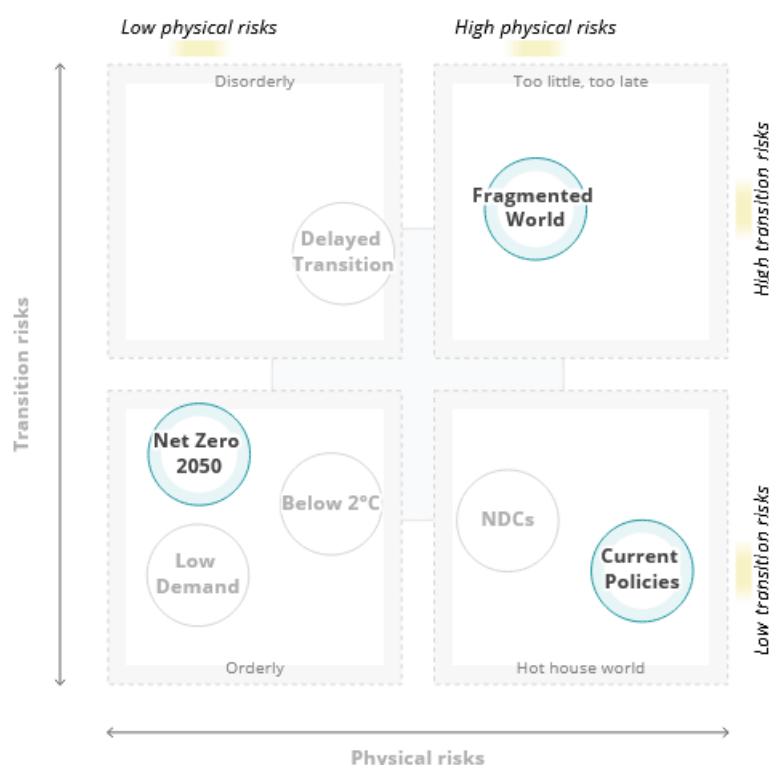
Among the most important climate-related aspects identified as significant impacts in ESRS 2 SBM-3, the ZE PAK SA Group identifies both opportunities and risks. These include both physical risks and transitions. Their nature and severity will change over the medium and long term, as the business model transitions to energy.

The scenario analysis, including the process of identifying individual risks and classifying them into categories (physical risks, transition risks) and subcategories (acute risks, persistent risks, political and legal risks, technological risks, market risks, and reputational risks), was conducted internally and was an expert analysis conducted by individuals responsible for ESG issues at the ZE PAK SA Group. It utilized the *Climate-Related Risk Classification* (Source: Commission Delegated Regulation (EU) 2021/2139). It focused on the direct impact on the company's business model, while also taking into account aspects related to the entire value chain. It considered both current impacts and the future.

It included three scenarios, all developed and described by The Network of Central Banks and Supervisors for Greening the Financial System (NGFS) ⁸. These scenarios are :

- **The Current Policy Scenario (Hot House World)** assumes that insufficient global action will result in a relatively high increase in average temperature and an increase in physical risks in nature (both permanent and extreme weather events). At the same time, the lack of significant pressure from individual governments will mean a relatively low level of transition risks in the economy, i.e., risks related to the pressure for transformation and a shift towards more sustainable business models.
- **Net Zero 2050** , implemented by the EU, among others, in response to the recommendations contained in the Paris Agreement, assumes, in simple terms, the adoption of relatively rapid and far-reaching actions. As a result, the expected global temperature increase will be lower and the scale of physical risks will be reduced. Nevertheless, an active stance by governments and the European Commission will mean greater pressure for businesses to transform and face the associated transition risks.
- **The Fragmented World scenario** assumes fragmented, inconsistent, and ultimately ineffective actions to counteract global warming. As a result, despite the pressure for transformation in some economies (e.g., EU economies) and the associated high level of transition risk for businesses, there is a significant increase in temperature and exposure to high levels of physical risks.

⁸Detailed information about them is available at: <https://www.ngfs.net/ngfs-scenarios-portal/explore>.



Source: The Network of Central Banks and Supervisors for Greening the Financial System (NGFS)

The approach used and described below is consistent with the TCFD approach (*Recommendations of the Task Force on Climate-related Financial Disclosures* , TCFD, June 2017), i.e. with the logic of climate risk analysis presented by TCFD at the qualitative level (including the division into physical and transition risks, as well as further categorization and characterization).

The ZE PAK SA Group's transformation towards a sustainable economy was not only initiated some time ago and largely completed, eliminating a significant portion of the transition risks associated with it. It's difficult to talk about the probability of undertaking these actions, and therefore about the risk itself, in the case of actions already implemented or underway. Furthermore, the ongoing transformation plan is leading to a rapid and noticeable reduction in greenhouse gas emissions, thus mitigating the associated risks. These are fundamental risks to the Group's business model. Similarly, as a result of the ongoing transformation, increased water retention will reduce social and environmental risks related to the limited water resources in the region. Detailed information on the units decommissioned in recent years can be found in disclosure E1-3, and information regarding the current and future structure of production assets can be found in Chapter 7: *Significant Factors and Development Prospects* .

Moreover, planned asset investments are or will be implemented taking into account current technical requirements for buildings and structures, including threats posed by, for example, severe weather events, which were not necessarily taken into account during the construction of the decommissioned facilities. Therefore, the level of risk exposure, despite their similar nature, will actually be lower.

IRO-1 – Description of processes for identifying and assessing significant climate-related impacts, risks and opportunities

When it comes to the basic risk factors of the business activity, directly influencing the current financial results of the company, the factor that is of particular importance and at the same time characterized by variability is the cost of **CO₂ emission allowances** . (See: 4. *Basic Risk Factors of Operations, Costs of CO₂ Emission Allowances*). Seeking to reduce their costs in the medium and long term, the Group aims to structure its generation asset portfolio in a way that will significantly reduce greenhouse gas emissions and, consequently, the business model's exposure to emissions-related costs. This risk, which directly impacts significant ongoing costs and is expected to be reduced through **current and**

planned investments in business model transformation, is indirectly linked to further transition risks, described below, directly related to the transition to a sustainable economy.

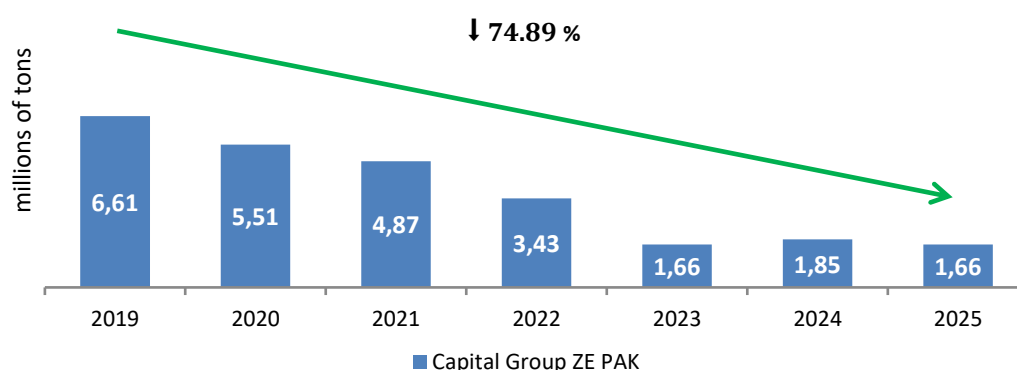
At the same time, however, assets, including production assets, are exposed to **physical risks**, in particular those of an acute nature related to the occurrence of violent atmospheric phenomena.

The nature of individual risks is presented directly in the analysis below.

Climate risks – scenario analysis

The ZE PAK SA Group is an entity whose operations, just a few years ago, were characterized by a huge carbon footprint, both in absolute and relative terms (emissions per unit of energy produced). The initiated and consistently implemented business model transformation strategy translates into multi-year plans, encompassing multi-million investments in new, climate-friendly generation assets, expenditures related to the decommissioning of decommissioned high-emission conventional energy generation assets, and the remediation of areas where lignite-related operations were conducted. As a result, the carbon footprint of the business, both in absolute and relative terms, has already decreased significantly (the chart below shows the decline in emissions over the past few years). The ZE PAK SA Group's ambition is to strive for zero-emission energy production.

CO₂ emissions related to energy production in the Group in 2019-2025



To continue the pace of investment on an unprecedented scale in Poland, the ZE PAK SA Group decided to acquire a strong capital partner, which in mid-2023 formally became the majority shareholder in PAK – PCE sp. z o.o., a group that has been assembling clean energy entities and assets for several years. This decision helped ensure the implementation of a wide range of promising investment projects in the areas of renewable energy sources and the production and use of green hydrogen. At the same time, however, from a formal perspective, the rules governing consolidated reporting, including carbon footprint reporting, stipulate that emissions are consolidated using the operational control method. This means, despite the consistent implementation of the initial transformation strategy, that the low- and zero-emission assets belonging to the PAK – PCE Group will not be reported by the ZE PAK SA Group, but by the Polsat Plus Group (the new majority owner of PAK – PCE).

(note : due to Cyfrowy Polsat taking over operational control over green assets concentrated in PAK – PCE sp. z o. o., the climate risks related to them were omitted in this analysis; at the same time, they are included in a similar analysis published by Cyfrowy Polsat)

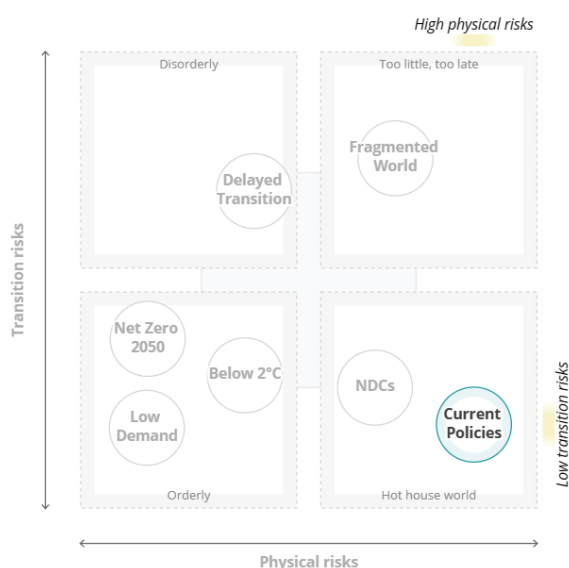
Current and potential sources of an organization's carbon footprint

Despite the dramatic decline, the largest source of the ZE PAK SA Group and ZE PAK SA Group's carbon footprint remains that resulting from the combustion of lignite in the energy generation process (Scope 1). Besides biogenic emissions associated with biomass combustion, other fuels (fuel oil, light heating oil) generate marginal emissions compared to lignite. Similarly, those associated with the combustion of gasoline and diesel fuel are relatively small sources of emissions. Due to the specific nature of the lignite energy industry, the transportation of raw materials is also not a source of significant emissions. Significant emissions are also associated with the generation of electricity by other entities, which is purchased by the ZE PAK SA Group.

The transformation strategy, which also encompasses assets in which the ZE PAK SA Group holds a minority stake, assumes the gradual phase-out and replacement of conventional coal-fired power generation. It will be replaced by biomass, wind farms, and photovoltaics. During the transition period, the volatility of some renewable energy sources will be stabilized by energy production from natural gas, which produces significantly lower emissions than lignite.

Climate-Related Physical Risks: *Current Policy Scenario (Hot House World)*

A scenario in which individual economies continue their current policies and companies fail to address the challenges of transforming their business models (*business as usual*) means there will be no need to incur the costs associated with transitioning to a sustainable economy. At the same time, in practice, this lack of action will mean an increase in physical risks related to climate change in the coming decades.



The assets of the ZE PAK SA Group are quite well prepared for the potential materialization of physical risks, although any event, especially an acute one, can lead to material losses. This primarily concerns weather phenomena such as storms or gales, which can be extreme in scale (floods, wind damage, power grid disruptions).

For large, conventional generating facilities, dissipating excess heat can be a challenge, especially during prolonged periods of heat combined with drought. Nevertheless, a unique cooling system, a key element of which is the interconnected Konin lakes, provides ZE PAK SA with a much higher level of safety than that of most power plants in Poland located on rivers (the latter experience significant drops in water levels and rising water temperatures, forcing them to curtail production).

The planned new production facilities will also be prepared for the challenges related to the prevailing weather conditions.

Table 36: Potential identified *climate-related physical risks*

temperature related: constant	Probability of risk materialization (scale: negligible, low, moderate, significant, significant)	Financial consequences of risk materialization (scale: negligible, low, moderate, significant, significant)
constantly		
Persistently higher average air temperatures will also translate into higher average water temperatures in the Konin Lakes, whose water resources are used to cool conventional power plants. At the same time, however, the ZE PAK SA Group's	negligible	low

generating assets have a significant advantage over most conventional generating facilities in the country, which are cooled by rivers, whose low water levels drop significantly during hot periods, while temperatures rise. It's worth mentioning the possibility of replenishing the Konin Lakes if water losses become excessive. (the assumed phasing out of units using lignite will take place relatively quickly, i.e. this activity will not be carried out in a time when such risks could become severe)		
spicy		
Heatwaves exacerbate cooling problems at conventional power plants. At the same time, ZE PAK SA Group's facilities are in a much better situation than those of other generators, which rely on river water for cooling.	low	moderate
Wind related		
constantly		
No significant impact	-	-
spicy		
There is a negligible risk of damage to the generating infrastructure. There is a risk of damage to the power grid in the event of violent and extreme weather events (e.g., storms, hurricanes).	negligible	low
water-related		
constantly		
The steppe-formation processes observed in Greater Poland are associated with increasing levels of water stress, and thus increasing limitations on the water resources that can be used economically in these areas. These limitations may intensify and thus become an obstacle to further industrial development. With this in mind, the ZE PAK SA Group is already engaging in costly initiatives aimed at increasing water retention in the region (including through increased land reclamation towards water). This is evidenced by the Letter of Intent signed on April 22, 2025, concerning cooperation in the implementation of the project entitled "Increasing retention and flood protection of the middle Warta River by utilizing the potential of post-mining reservoirs in the Biskupia Struga catchment area and adapting the Ślesiński Canal to water transfer." The letter concerns taking actions to benefit the region's nature and economy, as well as restoring water resources in the lakes, natural streams, and wetlands of the Powidz Landscape Park and adjacent areas, which are also crucial for improving the conditions necessary to ensure the sustainability and proper condition of forest resources, including those managed by the State Forests National Forest Holding, as well as improving hydrological conditions. Under the agreement, actions will be taken to contribute to the faster reconstruction of water conditions in the area of the Powidz Landscape Park: a) redirecting usable water from the Warta River (maximum 1.5 m³/s at high water levels on the Warta River, 1.0 m³/s at average water levels, taking into account the well-being	negligible	low

of the Warta River), using the existing infrastructure of PGW Wody Polskie and ZE PAK SA, to the reservoirs of the Kazimierz Północ and Józwin IIB open-pit mines in order to accelerate the reconstruction of aquifer levels that have been reduced as a result of the depression cone that has been operating in this region for years, which will consequently translate into an increase in the quantitative status of lakes, other reservoirs, wetlands and watercourses of importance to the Parties to the Letter, stopping their further degradation, b) the system of transferring water to the above-mentioned reservoirs will also be used to increase retention in eastern Greater Poland and as part of ongoing flood protection, directing part of the flood waters from the Warta River through the Ślesiński Canal to the emerging reservoirs. The letter was signed under the patronage of the Minister of Climate and Environment and was concluded between: the Powidz Landscape Park Association (whose members are: Jeziora Wielkie Commune, Kleczew Commune, Orchowo Commune, Ostrowite Commune, Powidz Commune, Trzemeszno Commune, Wilczyn Commune, Witkowo Commune), ZE PAK SA, the Wielkopolska Voivodeship, Słupca County, Gniezno County, Konin County, Mogilno County, Kazimierz Biskupi Commune, the Gniezno Forest District, the Konin Forest District, and the Miradz Forest District. Each stakeholder committed to providing specific amounts for the implementation of the aforementioned task. At the same time, industrial areas in the Konin region, where ZE PAK SA Group plants operate, are not at risk of flooding in the event of a sea level rise, even in the unfavorable scenario of a global temperature increase of +3°C or even 4°C⁹.		
spicy		
Extremely violent weather phenomena, such as sudden and heavy rainfall or rapid melting of snow, can be disruptive to mining operations (requiring the removal of large amounts of water from open pits). However, this will be phased out in the short term. Heavy downpours may disrupt transport to and from plants by damaging roads.	low	moderate
Earthbound		
constantly		
No significant impact	-	-
spicy		
No significant impact on the production infrastructure, possible threats related to landslides in the area of lignite open pits.	negligible	negligible

⁹"Coastal risk screening tool. Land projected to be below annual flood level in 2050" (interactive maps) (<https://coastal.climatecentral.org/>).

(however, the pace of phasing out mining and energy production activities based on lignite means that these activities will not be carried out in the future in which such risks could become severe)		
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Climate-Related Transition Risks and Opportunities: *Net Zero 2050*

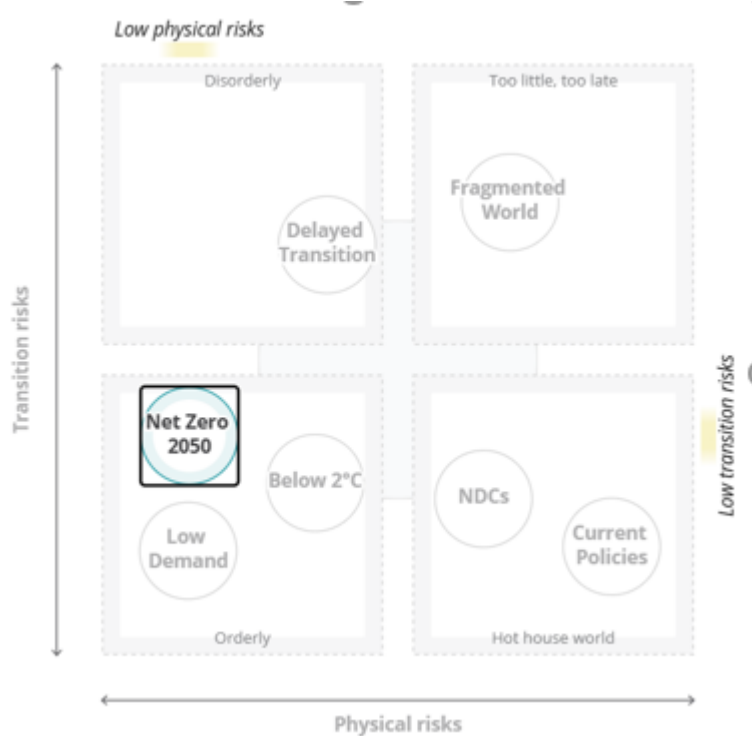
In some ways, contrasting with the *Hot House World scenarios*, scenarios such as Net Zero 2050, which assume climate neutrality by 2050, offer hope of avoiding the most severe physical risks for the economy. At the same time, however, the dynamic transformation of the economy, including the enormous financial outlays required, will pose an unprecedented challenge to national economies and individual businesses. Therefore, it implies a high level of transition risk.

Scenario: Net Zero 2050

Net Zero 2050 aims to limit global warming to around 1.5°C. This will be achieved by enforcing stringent climate policies and implementing cost-effective, innovative solutions. The goal is to achieve climate neutrality by 2050.

Scenario specifics:

- physical risk: **relatively low**
- transition risk: **high**
- ambitions: <1.5°C
- policy implementation: immediate and smooth
- technological changes: rapid
- CDR technology usage: medium/high
- Regional policy volatility: medium



Source: The Network of Central Banks and Supervisors for Greening of the Financial System (NGFS)

Economic policy, and in particular the EU's climate policy, has forced the ZE PAK SA Group to take steps to fundamentally transform its business model, transforming it from an energy producer with a high carbon footprint into a provider of low- and zero-emission energy. Significant transition risks have materialized in the mining and lignite-based energy production business. Implemented regulations, and especially the resulting rapidly rising costs of emission allowances (ETS), have called into question the long-term economic viability of this type of business. Furthermore, the regulatory framework has made it increasingly difficult to secure external financing. This has led to the decision to

gradually, but relatively quickly, phase out production in both mining and lignite-based energy production. Further, the ZE PAK SA Group's mines are being closed, and open-pit mine sites are being reclaimed. Individual coal-fired power units are and will be shut down and liquidated.

These are being replaced with new generation assets, namely photovoltaic (PV) farms and wind farms centered around the PAK-PCE company. Simultaneously, in the coming years, an investment will be made to build a gas-fired power plant on the site of the former, demolished Adamów power plant, which will play a significant role in stabilizing electricity production from renewable energy sources. Another investment, carried out jointly with the PGE Group, was to be the construction of a nuclear power plant in Pątnów (a project outside the scope of consolidation and ultimately sold to the PGE Group).

The implementation to date and specific future investment plans demonstrate that the ZE PAK SA Group has mastered the challenge of a profound transformation, shifting from high-emission energy production to clean, climate-friendly energy. At the same time, however, this process, in addition to decommissioning assets, some of which were obsolete and depreciated, requires the commitment of significant capital. Besides the need to secure external financing, it also requires building partnerships with other entities and developing assets in which the ZE PAK SA Group will be a key, but not exclusive, investor. With the Polsat Plus Group as a backbone, the ZE PAK SA Group could afford extensive investments in renewable energy sources, but it became a minority shareholder in them.

*Table 37: Potential identified **climate-related transition risks and opportunities by business segment***

political and legal	Probability of risk materialization (scale: negligible, low, moderate, significant, significant)	Financial consequences of risk materialization (scale: negligible, low, moderate, significant, significant)
- growing environmental requirements, including regulations resulting in increased costs and limited profitability of operations, which are associated with greenhouse gas emissions (including from energy production based on lignite), - more difficult to obtain financing for projects based on conventional non-renewable fuels (especially coal), while simultaneously promoting activities that are important for sustainable development and meet technical criteria (so-called taxonomy), - increased ESG and emissions reporting obligations.	significant	important
technological		
- lack of prospects for energy production technologies based on lignite, resulting in the need to phase out energy production based on lignite and liquidate lignite mines (despite the technological possibility of continuing production, incomplete depreciation of assets and available lignite resources), - capital involvement in renewable energy technologies, which are, however, technologically unstable sources (wind, solar), with limited availability of technologies enabling large-scale energy storage, - investing in stable and at the same time flexible low- and zero-emission energy sources that can stabilize production from other renewable energy sources in the transition period – energy based on natural gas combustion).	significant	significant

market		
- high prices of emission allowances (ETS), - reluctance of investors and markets to finance activities related to hard coal and lignite, - growing customer demand for green energy (customers striving to reduce their carbon footprint).	significant	significant
reputation-related		
aversion to black energy, especially that with a significant carbon footprint.	moderate	low

The impact of key aspects of climate-related transition risk has been discussed in earlier chapters of the report and can be found in 5. *Description of the financial and asset situation* , 6. *Management of financial resources* and 7. *Significant factors and development prospects*.

Other scenarios: *Fragmented World*

The complex geopolitical situation, in which it is difficult to assume unanimity among all governments on climate policy, favors the realization of one of the least favorable scenarios: one in which actions to combat climate change, if taken, are inconsistent and generally too late. The approaches of individual governments are divergent, meaning that only some countries or groups of countries are achieving their climate goals. As a result, economies, including those in the EU, that have decided to pursue ambitious climate goals bear the burden of transition risks and the associated costs, only to be forced to cope with physical risks that will materialize anyway. Given the current international situation, this scenario seems most likely.

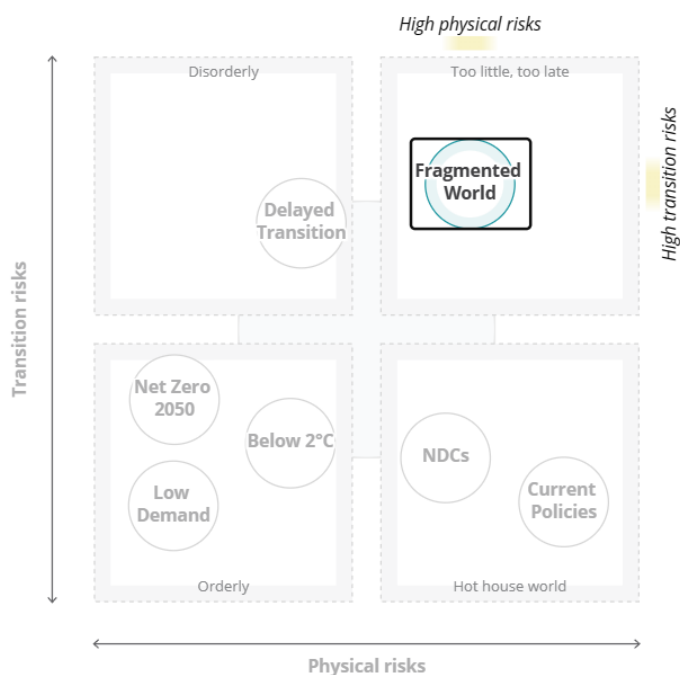
Scenario: **Fragmented World**

It assumes delays and divergence in the implementation of climate policies. This leads to high transition risks in some countries and high global physical risks due to the overall ineffectiveness of the transition to a sustainable economy.

Countries without established net-zero emissions targets are following their current policies, while other countries are only partially achieving their targets (80% of the target). This scenario falls into the *Too Little, Too Late family of scenarios*.

Scenario specifics:

- physical risk: **high**
- transition risk: **high**
- ambitions: 2.3°C
- Policy implementation: delayed, fragmented/divergent
- technological changes: first slow, then fragmented
- CDR technology usage: low/medium
- regional policy volatility: high



Source: *The Network of Central Banks and Supervisors for Greening of the Financial System (NGFS)*

In the case of the ZE PAK SA Group's operations, key transition risks have materialized in practice. Specific regulations and high emissions costs are already a fact. Transformation, i.e., the closure and decommissioning of specific mining and generation facilities, is also a fact. Even if decisions were made to temporarily delay the shutdown of a specific unit, this process appears irreversible. Similarly, some renewable energy investments have already been completed, and others are underway (at various stages) (more in E1-3 and 7. *Important factors and development prospects*).

Some of the new assets (wind farms, photovoltaic farms) in which the ZE PAK SA Group holds a minority stake may be exposed to physical risks, especially acute wind-related risks. This could lead to damage to their components or the need to suspend operations. In turn, the planned power plants will be built with current requirements in mind, including the threats posed by severe weather events, which were not necessarily taken into account during the construction of the facilities being decommissioned. Therefore, the level of risk exposure, despite their similar nature, will actually be lower.

Current environmental risks and management approach

In the case of **mining activities (open-pit lignite mines)** , the basic aspects of the impact on the natural environment are:

- **impact on the ground surface** – open-pit mining of minerals involves the transformation of the ground surface; in place of the originally used land, spatial terrain forms are created (excavation pit, dump) and accompanying infrastructure (conveyors, transport routes, facilities),
- **impact on surface waters** (including reduced flow in streams affected by the mine and increased flow in streams due to the discharge of water from underground and surface drainage of the open pit),
- **impact on groundwater** (formation of the so-called depression cone as a result of drainage of open-pit mines),
- **noise emissions** (basic machines related to overburden extraction and dumping, basic machines for coal mining, coal and overburden conveyors, road transport),
- **the impact of mine facilities on atmospheric air**
 - fugitive dust emissions: technological (mechanical), i.e. related to mechanical mining and transport of raw materials by conveyor belts; climatological, i.e. related to wind erosion of areas devoid of vegetation ,
 - organized emissions of pollutants into the air from the boiler room providing heat for the mine's social facilities ,
- **impact on valuable natural areas** (if the valuable natural area is located in the impact zone),
- **hazards associated with electromagnetic fields** .

In the case of **energy production in conventional coal- and biomass-fired power plants**, the following aspects of environmental impact should be distinguished:

- **emissions of compounds resulting from coal combustion, e.g. CO₂, SO₂, NO_x ,**
- **dust emissions ,**

- **noise generation** (e.g. due to the operation of power unit turbines),
- **generation of waste** (in the process of burning brown coal and cleaning exhaust gases),
- **possible leaks of oil, fuel oil, acids, resulting in local contamination of the soil and water environment**,
- **heating of surface waters** and lakes (due to the use of surface waters of lakes in the cooling process),
- **leaks of ash pulp or supernatant water into the soil and water environment**,
- **industrial wastewater emissions**,
- **emission of electromagnetic fields**,
- **terrorist threat that may result in environmental contamination**.

The various aspects of environmental impact discussed above pose specific risks to both the business and the natural environment. Moreover, the excessively high environmental costs of energy production from lignite combustion, especially in the context of climate change, have influenced the economic policies of the EU and Poland, and subsequently the decision to phase out this activity at the ZE PAK SA Group and transition to more environmentally sustainable technologies.

Additionally, each of the above-mentioned aspects may, in certain situations (e.g., a failure resulting in contamination or excessive emissions), lead to reputational damage, social conflicts, a loss of social acceptance for the operation, legal or financial sanctions, or other decisions that lead to a reduction in profits. Consequently, this may mean, for example, an imbalance in production stability (the need to temporarily shut down a portion of the production facility), a decrease in revenue (reduced production), or an increase in costs (e.g., the need to repair the effects of the failure, but also the need to incur additional fees and penalties).

Therefore, the policy and procedures adopted by the ZE PAK SA Group in relation to the area of mining and conventional energy, as adopted in the ZE PAK SA Group Sustainable Development Strategy for 2024-2028, focus on: ensuring mechanisms and procedures that minimize the risk of anomalies and deviations resulting in excessive impact on the natural environment in the mining or production process, and minimizing atmospheric emissions by optimally shaping the use of existing generation capacities in the ZE PAK SA Group and ensuring minimizing the risk of exceeding the emission limits of gaseous pollutants into the atmosphere

E1-2 – Climate change mitigation and adaptation policies

Strategic management

The ZE PAK SA Group's policy on environmental issues, including climate change, is defined in the ZE PAK SA Group Sustainability Strategy for 2024-2028. The fundamental goal of this strategy is the radical decarbonization of the business model and its transformation towards a sustainable economy. In ESG areas not directly related to climate change, the ZE PAK SA Group's management approach focuses on activities consistent with the logic of striving to improve existing processes, typical of total quality management (TQM), and ensuring at least compliance with legal requirements and environmental expectations.

The Group has consciously decided to gradually reduce coal-fired electricity generation and develop projects in the area of low- and zero-emission energy generation, as well as the production and use of green hydrogen. Primarily, it is worth mentioning:

- a project of a low-emission electricity source in the form of a CCGT unit in Turek at the site of the former Adamów power plant,
- construction of a large-scale PV farm in Przykona,
- acquiring a large wind project and preparing it for the implementation readiness phase,

on further development, in cooperation with Cyfrowy Polsat, of the structure of subsidiaries of the PAK – PCE company, whose activities focus on generating energy from renewable sources and the production and use of green hydrogen. The transformation of the ZE PAK SA Group towards new directions of activity related to low-emission, carbon-neutral energy sources means benefits related primarily to a radical reduction in greenhouse gas emissions from the combustion

of non-renewable fossil fuels and energy production based on renewable sources (wind, solar, biomass ¹⁰⁾ ¹¹⁾. During the transition period of the transformation, given the need to stabilize production, it is assumed that energy will be generated based on non-renewable sources characterized by a significantly lower carbon footprint (natural gas).

Operational management

As with other areas, the foundations of the ZE PAK SA Group's policy and management approach to environmental issues at the operational level are reflected in the provisions of the ZE PAK SA Group's Sustainable Development Strategy for 2024-2028. At the same time, it is important to remember the applicable certified management systems covering environmental issues, which include:

- the process of producing electricity and heat, including all auxiliary processes, identified environmental aspects, threats, and legal and other requirements (ZE PAK SA),
- works in the field of installation, repair and servicing of equipment for the energy sector and industry, construction services for industry, investment management in the energy sector and industry, as well as modernization and maintenance of electrical systems and automation in the energy sector (Przedsiębiorstwo Remontowe PAK SERWIS sp. z o. o.)

and incorporate the environmental policies of selected companies, which are followed by specific procedures that are periodically reviewed and optimized. Their goal, like the goal of the ZE PAK SA Capital Group's Sustainable Development Strategy for 2024-2028, is to ensure a stable and environmentally safe lignite mining process, energy production, and maintenance and modernization work.

At the same time, selected management aspects that fall within the broader scope of environmental management are regulated by internal regulations and directives, such as the Integrated Quality, Safety, and Environmental Management System Manual, which serves as the foundational document in the adopted system, defining the most important elements and areas of operation. These often reflect not only applicable national laws but also specific administrative decisions, permits, and environmental impact reports related to a specific project, facility, or installation.

The Integrated Quality, Safety, and Environmental System Certificate for compliance with the PN-EN ISO 9001:2015, PN-ISO 45001:2018, and PN-EN ISO 14001:2015 standards for electricity production and the organization of electricity, heat, and hydrogen production, implemented within the organization, is a process that constitutes one of the main pillars of its management. The overarching goal of Integrated Management Systems is not only the continuous improvement of the current quality, safety, and environmental impact, meeting legal and customer requirements, but also anticipating customer expectations in the future. An implemented and properly functioning Integrated Quality, Safety, and Environmental Management System, confirmed by a third-party certificate, is designed to significantly impact: improving the organization's image among the public and in business; gaining a competitive advantage; increasing market credibility; increasing the satisfaction of all stakeholders: external and internal customers, owners, the local community, and society at large; implementing TQM principles in the organization – continuous improvement at every job position and meeting employee expectations and ensuring their broadly understood occupational safety.

ZE PAK SA operates a process-based management system. Process identification criteria have been established, encompassing the principles and assumptions used to identify processes. The process descriptions follow a downward, more general approach. The decision regarding the level of detail was based on pragmatic considerations, including ensuring a level of detail that allows for understanding the essence of the process and potential optimization opportunities at a given level of detail. ZE PAK SA has identified and designed key processes that reflect the implemented policy and strategy. Key processes encompass all areas of the company's operations. The core process is "Energy Generation for Customers," and the supporting processes are: "Developing the Capital Group Management System," "Strategy and Trade Processes," "Human Resources Management," "Material Investments," "Logistics Processes," "Financial Services," and "Improving the Integrated Management System for Quality, Safety, and the Environment."

¹⁰⁾Emissions from biomass combustion, while certainly present, do not affect the natural CO₂ balance. If the same biomass were not burned but subjected to putrefaction, it would release significant amounts of carbon dioxide into the atmosphere during decay from the oxidation of the carbon within it. Therefore, biomass combustion is considered climate-neutral, and crucially, it is a renewable fuel.

¹¹⁾In mid-2023, the majority stake in PAK-PCE sp. z o. o., a group of special purpose vehicles responsible for operations in specific renewable energy technologies (including photovoltaic farms, wind farms, biomass energy, hydrogen production, and hydrogen buses), was formally transferred to the Polsat Plus Group. The ZE PAK SA Group still owns nearly half of the company and, given its business expertise, is the entity whose employees will bear a significant burden of operational management of PAK-PCE's assets.

As part of the Integrated Quality, Safety, and Environmental Management System, employees have access to existing procedures, processes, and related current documentation via the ISO – Central Improvement System tab on the internal intranet. The Quality Management Department team oversees and updates applicable documentation. Internal audits are conducted within the company to ensure compliance with applicable standards, including PN-EN ISO 9001:2015, PN-ISO 45001:2018, and PN-EN ISO 14001:2015. Any identified nonconformities are addressed by appropriate corrective actions, which are part of the ongoing process of improving the Integrated Quality, Safety, and Environmental Management System.

Environmental impact reports, or more precisely, the description they contain of the anticipated environmental impacts of a planned project, constitute a binding reference point for managers of individual facilities and installations. This approach is crucial. It is important to realize that environmental impact reports, not universal management systems, address the specific conditions of a given investment, but, unlike many other procedural solutions, are developed through dialogue and open consultation with the surrounding environment. Therefore, solutions that minimize impact on the natural environment are developed with the participation of stakeholders (local government, administration, local communities, environmental organizations). They also take into account the unique characteristics of each site, which is crucial, for example, in the case of open-pit mines, because even if they are located close to each other, the prevailing conditions (e.g., geological, hydrological, location of human settlements) will be, at best, similar, but not identical. Therefore, the approach to environmental management and to limiting the negative impact on the natural environment may also be similar, but not identical.

The starting point for policy and the procedures based on it is the nature of the impact of business activity on the natural environment. This creates specific risks, which are addressed through specific and continually improved procedures and technological solutions. To briefly define the nature of environmental impact, it should be divided into impacts related to mining activities (lignite mining) and energy production ¹².

E1-3 – Actions and resources in relation to climate policy

As regards investments aimed at transforming the business model towards sustainable and low-emission energy, details of the actions undertaken in the last year and the current status of investments in new generation assets are presented in another part of the management report (see: 3.3. *Implementation of the investment program*).

Existing generating facilities, in turn, were modernized and retrofitted with technological solutions primarily aimed at adapting them to increasingly stringent environmental standards. By 2025, only one supercritical unit, Unit 9, with a capacity of 474 MW, was still in operation. Units 1, 2, and 5 at the Pątnów I Power Plant were decommissioned at the end of 2024, but they were modernized well beforehand to meet the stricter emission standards set forth in Directive 2010/75/EU of the European Parliament and of the Council, commonly known as the IED. In 2012, the modernization of Unit 5 (200 MW) was completed, reducing nitrogen oxide (NOx) emissions to below 200 mg/Nm³. In September 2015, the modernization of Unit No. 1 was completed, and in December 2015, Unit No. 2. As a result, the capacity of these two units was increased from 200 to 222 MW, efficiency was increased to 37.5%, and nitrogen oxide (NOx) emissions were reduced to 200 mg/Nm³. Thanks to the modernization of two units at the Pątnów I Power Plant and the earlier construction of a unit at the former Pątnów II Power Plant, on the one hand, the generation efficiency (and therefore fuel efficiency) **in these power plants increased, and on the other, emissions, including the mass of CO₂ per unit of electricity produced, decreased**. In 2025, the company completed a significant project to reduce mercury (Hg) emissions at the last operating coal-fired unit, BB-1345sN. In addition, the Pątnów I Power Plant was equipped with two wet flue gas desulphurisation installations, enabling the operation of the installed units while maintaining the SO₂ emission level below 200 mg/Nm³, as well as with high-efficiency electrostatic precipitators with an achievable efficiency of 99.9%, which, together with the flue gas desulphurisation installations, enabled compliance with the dust emission standard below 20 mg/Nm³ (see: ESRS 2).

This approach also allowed for **a radical reduction in atmospheric emissions of harmful nitrogen and sulfur oxides, particulate matter, and mercury (Hg)**. However, it is important to be aware that the continued tightening of air emission standards aimed at limiting pollutant emissions, as well as the rising fees associated with them, impact the economic efficiency of conventional energy production using fossil fuels.

¹²In order to present the overall nature of the impact and related environmental risks in a coherent manner, it was decided to present various categories of environmental impact in one place, i.e. those relating not only to the ESRS E1 standard, but also to the others.

The ZE PAK SA Group's green transformation strategy, which assumes a shift toward low-emission and carbon-neutral electricity sources, is becoming a reality ¹³. Investments in new, environmentally friendly generation assets are accompanied by the phase-out of lignite-based energy production. This began even before the formal adoption of the strategy document. In recent years, the following have been phased out:

- Adamów Power Plant (600 MW: 5 coal-fired units with a capacity of 120 MW each) – the last unit was shut down on 1 January 2018.
- Pątnów I Power Plant (200 MW: 1 coal-fired unit with a capacity of 200 MW – unit no. “4”) – shutdown at the end of 2019.
- Power Plant (200 MW: 1 coal-fired unit with a capacity of 200 MW – unit no. “3”) – shutdown in mid-2020.
- Pątnów I Power Plant (200 MW: 1 coal-fired unit with a capacity of 200 MW – unit no. “6”) to be shut down at the end of 2020.
- Konin Power Plant (93 MW: 2 turbine sets operating in a collector system with coal-fired boilers) – shutdown in mid-2020.
- Pątnów I Power Plant (222 MW: 1 coal-fired unit with a capacity of 222 MW – unit no. “1”) to be shut down at the end of 2024.
- Pątnów I Power Plant (222 MW: 1 coal-fired unit with a capacity of 222 MW – unit no. “2”) to be shut down at the end of 2024.
- Pątnów I Power Plant (200 MW: 1 coal-fired unit with a capacity of 200 MW – unit no. “5”) to be shut down at the end of 2024.

As a result, over the past few years, ZE PAK SA Capital Group has decommissioned equipment with a capacity of 1,937 MW. In the largest power plant in the Group – Pątnów – one coal-fired unit remains out of the originally available seven units. As a consequence the end of operation of units no. 1-6 (formerly Pątnów I Power Plant) and decommissioning of storage facilities and auxiliary installations, the amount of hazardous substances stored on the premises of the Power Plant, no longer qualifies the plant as a plant with an Increased Risk (ICR) of a serious accident.

The gradual phasing out of coal-fired generation assets means a decline, and ultimately, zero demand for lignite, and the cessation of the Group's own mining operations. Ultimately, the Group's last operating open-pit mine will be closed, and the land will be reclaimed. The lack of demand for coal is also impacting KWB Sieniawa, where ZE PAK continued to make supplementary fuel purchases as recently as 2024 (purchases from KWB Sieniawa ceased in 2025).

Starting in 2027, due to the decommissioning of the Pątnów Power Plant and the planned commissioning of a combined cycle unit, the units' emission intensity indicators will be significantly reduced, by up to 94%. The new installation will reduce emissions by at least 55% throughout its entire operational life. At the same time, in 2025, when Unit 9 of the Pątnów Power Plant was responsible for energy production, as much as 99.78% of production came from lignite combustion and the production of 1 MWh resulted in 1.10336 tons of CO₂ emissions.

In 2025 alone, the construction of the CCGT unit, a key replacement for decommissioned assets, was expected to cost approximately PLN 1 billion. The Group estimates that completing the combined cycle gas and steam unit will cost another PLN 1.5 billion. Meanwhile, the reclamation of post-industrial and post-mining lands in 2025 resulted in expenditures of PLN 17,685,000 (including biological and technical reclamation costs, documentation, and surveying services).

E1-4 – Climate change mitigation and adaptation goals

Operating in the energy sector, the entity adopted greenhouse gas emission reduction targets consistent with the latest scientific findings, aimed at limiting global warming to 1.5°C compared to the pre-industrial level, in accordance with the Paris Agreement. Due to the specific nature of the industry, when establishing targets, it focused on the carbon intensity of energy produced, rather than absolute emissions (it did not establish emission targets based on absolute emissions, but rather on emissions associated with a unit of energy produced).

¹³In mid-2023, the majority stake in PAK-PCE sp. z o. o., a group of special purpose vehicles responsible for operations in specific renewable energy technologies (including photovoltaic farms, wind farms, biomass energy, hydrogen production, and hydrogen buses), was formally transferred to the Polsat Plus Group. The ZE PAK SA Group still owns nearly half of the company and, given its business expertise, is the entity whose employees will bear a significant burden of operational management of PAK-PCE's assets.

In the case of manufacturing operations, it's worth considering the use of decarbonization levers not from the perspective of energy consumption, but from the perspective of energy production. That is, not as a combination of savings in consumption while simultaneously reducing the carbon intensity of energy used, but rather as production capabilities, defined as how much and how low-emission energy the unit can deliver. As previously indicated, the Group expects a radical decline in the carbon intensity of energy produced after the CCGT is launched, and ultimately a rebound in its production levels (given the current decline due to the phase-out of conventional production and the continued high carbon intensity).

The objectives were developed based on internationally recognised methodological frameworks, including:

- **Science Based Targets initiative (SBTi)** – ensuring compliance with the latest IPCC climate scenarios,
- **GHG Protocol** – as a basis for calculating and reporting Scope 1, 2 and 3 emissions,
- **Sectoral decarbonisation pathways for the energy sector** – taking into account the specifics of energy production and distribution, including the transformation towards renewable and low-emission sources.

Climate and strategic scenarios

The targets were based on IPCC climate scenarios, in particular SSP1-1.9, which assumes rapid and deep emission reductions to achieve climate neutrality by the mid-21st century. The following were also taken into account:

- national and EU energy strategies (e.g. Fit for 55, REPowerEU),
- forecasts for the development of renewable energy technologies, energy storage and hydrogen,
- regulatory changes regarding ETS systems and reporting obligations.

Sectoral approach

The targets were set taking into account the sectoral emission reduction scenario for the energy industry, which allows for precise adjustment of the reduction path to the characteristics of the unit's operational activities, including the energy mix, generation efficiency and investment plans in new generation capacity.

Critical Assumptions Regarding Greenhouse Gas Reduction Targets

When establishing greenhouse gas emission reduction targets, the entity considered a number of factors that could influence emissions levels and the potential for future reduction. The analysis was based on energy sector transformation scenarios and forecasts of changes in the market and regulatory environment.

Changes in sales volume and demand structure

The forecasts take into account the potential increase in demand for electricity and heat resulting from:

- electrification of industry and transport,
- development of technologies such as heat pumps, energy storage, hydrogen,
- growing environmental awareness of customers and preferences for clean energy sources.

These changes may lead to an increase in sales volume, but at the same time create opportunities to increase the share of energy from renewable and low-emission sources.

Regulatory factors

Emission reduction targets include:

- tightening emission standards under the EU ETS system,
- implementing the **Fit for 55 legislative package** and the **REPowerEU strategy**,
- reporting obligations arising from the CSRD directive and ESRS standards,
- national regulations supporting the development of renewable energy sources, energy efficiency and decarbonization of heating.

New technologies

The unit assumes the gradual implementation of innovative technologies that will have an impact on emission reduction, including:

- development of photovoltaics, wind farms and energy storage,
- integration of demand management systems and smart grids,
- use of green hydrogen as an energy carrier.

Impact on emissions and reduction

The above factors have been taken into account in emission forecasting models and reduction pathways, which allows for:

- flexible adjustment of goals depending on the pace of sector transformation,
- identification of areas with the greatest reduction potential,
- minimizing the risk of failure to meet goals in the event of changes in the environment.

The following goals and their metrics come from *the ESG Strategy for 2024-2028*, which is discussed in more detail, including in the context of how to work on it, in ESRS 2 SBM-1.

Table 38: ESG Strategy 2024-2028 objectives related to climate change mitigation and adaptation

	2023	2024	2025	2026	2027	2028
Goal 1: Transformation towards zero and low-emission energy.						
scenario for mining and exploitation of coal blocks	Józwin open pit – end of mining	Units 1, 2 and 5 at the Pątnów Power Plant – end of operation	The base case scenario assumes the shutdown of unit 9 at the Pątnów II power plant at the end of the year.	The emission and installed capacity indicators given below will only apply if a decision is made to extend coal operations		-
CO ₂ emissions from energy production per unit of energy (1 MWh)*	1.35	1.30	1.30	1.30	0.47	0.32
installed capacity of low- and zero-emission assets (wind farms + photovoltaics + biomass (including assets of the PAK – PCE group) + gas-steam block)	214.5	337.5	483.9	788.3	1,349.3	1,349.3
*index calculated as the number of purchased EUAs divided by net electricity production, excluding energy from biomass, photovoltaics and wind						
Goal 2: Entering the hydrogen fuel and zero-emission automotive industry.						
(objectives from this area have been omitted because they relate to the activities of the PAK – PCE company, in which ZE PAK SA is a minority shareholder and which is not consolidated in this reporting)						

Construction of the CCGT gas-steam unit in Turek and adaptation to climate change

In 2025, an analysis was carried out of the newly constructed generating unit, the Base-Steam Unit in Turek on the site of the former Adamów power plant, in terms of adapting the new investment to climate risks.

The business activity was assessed for its compliance with the EU Taxonomy. In relation to the climate change mitigation objective, it was assessed in the context of twenty-eight climate-related physical hazards listed in the classification set out in Appendix A to Commission Delegated Regulation (EU) 2021/2139. In the first stage of the climate-related risk assessment, the Company identified the relevant system components for the analyzed activity that enable the operation of the given activity, such as: product/service production sites, transport lines, administrative buildings, critical suppliers, key customers, necessary utilities, employees, and others. System components were compared in terms of their locations that determine exposure to climate-related hazards and in terms of the recorded materialization of physical climate-related risks for a given system element in the past. Based on this information, climate-related hazards that did not impact the activity under review were excluded due to the absence of hazards at the locations where the activity takes place or due to the lack of a causal relationship with the occurrence of harmful effects on the activity under assessment.

According to a report prepared by an external entity, the preliminary analysis of exposure to climate-related risks resulted in a list of risks identified as relevant to the assessed business activity, for the project and each system element. In the second stage of the risk and exposure assessment process, the Company assessed the level of impact and probability of materialization of each relevant risk for the assessed business activity, based on the Company's risk assessment levels. The analysis of identified risks was conducted over two time horizons required by the regulation: a time horizon of up to 10 years and a time horizon of 10 to 30 years. During the analysis process, no risks were assessed as "significant," "critical," or "key." All identified risks were assessed as "low."

E1-5 – Energy consumption and energy mix

The ESRS E1 E1-5 disclosure format describes the situation of a typical manufacturing company, not necessarily an energy producer. Hence, the table has been symbolically adapted to the specific characteristics of an energy company. Furthermore, the disclosures in this chapter (ESRS E1) further provide additional data that will allow interested readers to better understand the ZE PAK SA Group's performance in this area.

Table 39: Energy consumption and energy mix

Energy consumption and energy mix	IU	2024	2025
I. Consumption of energy carriers (energy production)			
1. total energy produced from fossil sources, including:	MWh	2,350,866.40	2,020,403.38
a. fuel consumption from <u>coal</u> and coal products	MWh	1,685,801.21	1,547,225.93
b. fuel consumption from <u>crude oil</u> and petroleum products;	MWh	40,253.65	10,379.71
c. fuel consumption from <u>natural gas</u> ;	MWh	-	-
d. fuel consumption from other fossil sources;	MWh	8.95	-
e. purchased or obtained electricity, heat, steam or cooling from fossil sources;	MWh	624,802.59	435,797.74
2. total energy produced from nuclear sources;	MWh	0	0
3. total energy produced from renewable sources, including:	MWh	3,520.53	2,921.78
a. fuel consumption in the case of renewable sources, including biomass (including industrial and municipal waste of biological origin), biofuels, biogas, hydrogen from renewable sources ⁴¹	MWh	3,520.53	2,921.78
b. purchased or obtained electricity, heat, steam or cooling from renewable sources; and	MWh	0	0
c. consumption of renewable energy produced independently without the use of fuel.	MWh	0	0
Total energy produced (sum 1-3)	MWh	2,354,386.93	2,023,325.15

II. Energy Sales

Sales of electricity (generated by the organization)	MWh	1,429,834.96	1,423,803.05
Sale of electricity (purchased for resale)	MWh	624,802.59	435,797.74
Sales of thermal energy (generated by the organization)	MWh	276,204.72	253,486.39
III. Energy consumption by the organization			
Energy consumption by the organization (I - II)	MWh	23,544.66	89,762.02

Table 40: Energy consumption¹⁴

Energy consumption	IU	2024	2025
total energy consumption / net revenue	MWh / PLN million	10.77	(67.30)

Comment : Based on knowledge of the total energy (electricity, heat) generated by the power units and knowledge of the total energy contained in fuels, the share of each of them in energy production was estimated, i.e., all generated energy (electricity, heat) converted to MWh was divided between fuels (coal, fuel oil, heating oil) based on the energy contained in these fuels, which in practice means a 98.9% share of brown coal (item I.1a) and a 1.1% share of heating oil and fuel oil (item I.1b). Additionally, item (item I.1b) includes the consumption of gasoline and diesel fuel in the portion in which they are crude oil derivatives. The remaining portion, i.e., corresponding to the % share of biocomponents in these fuels, is shown in item I.3a (a 10% biocomponent content was assumed for gasoline and a 7% biocomponent content for diesel fuel). This item, point I.3a, shows all energy from biodiesel used. Because LPG can be obtained from both crude oil and natural gas, energy from this fuel is shown in point I.1d. Item I.1e shows electricity purchased for resale.

The value of net revenues used in the denominator to calculate the energy intensity indicator (E1-5) is fully reconciled with the item "Sales revenues" shown in the Consolidated Financial Statements of the ZE PAK SA Capital Group for the year ended on 31 December 2025.

Table 41: Consumption of key fuels

Energy sources	IU	2024	2025
<i>a. Non-renewable sources / total consumption of key non-renewable fuels</i>			
lignite	Mg	1,904,650	1,741,235
heating oil	Mg	4,060	2,437
fuel oil	Mg	331	0
diesel fuel	Mg	1,888.41	1,399.59
gas	Mg	79.59	79.34
biodiesel	Mg	180.92	282.66
LPG	Mg	0.66	0.00
<i>b. Renewable energy sources (RES) / renewable fuel consumption</i>			
biodiesel	Mg	180.92	

Table 42: Gross electricity and heat production

Energy sources	IU	2024	2025
<i>a. Non-renewable sources</i>			
Electricity production (lignite/fuel oil/fuel oil)	MWh	1,656,400.51	1,584,467.14
	GJ	5,963,041.84	5,704,081.70

¹⁴As indicated in SBM-1, all of the Group's revenues come from activities in the ESRS Power Production and Energy Utilities sector (code: UPE) and this is an activity that has a significant impact on the climate.

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Thermal energy production (lignite/fuel oil/fuel oil)	MWh	48,123.89	7,242.78
	GJ	173,246.00	26,074.00
Total production of electricity and heat	MWh	1,704,524.40	1,591,709.92
	GJ	6,136,287.84	5,730,155.70

Table 43: Sales of electricity and heat (gross)

<i>Energy sources</i>	<i>IU</i>	<i>2024</i>	<i>2025</i>
<i>Renewable sources</i>			
sale of electricity (own)	MWh	1,429,834.96	1 423 803
	GJ	5,147,405.86	5,125,690.98
sale of energy (purchased for resale)	MWh	624,802.59	435,797.74
	GJ	2,249,289.31	1,568,871.86
Sales of thermal energy (own)	MWh	276,204.72	253,486.39
	GJ	994,337.00	912,551.00
Total sales of electricity and heat	MWh	2,330,842.27	2,113,087.18
	GJ	8,391,032.17	7,607,113.83

E1-6 – Scope 1, 2 and 3 gross and total greenhouse gas emissions

The following calculations were based on the "GHG Protocol Corporate Standard" and its technical annexes. The Group used Global Warming Potential (GWP) factors from the IPCC's Fifth Assessment Report from 2013 (so-called AR5) in its emission estimates. The primary sources of conversion factors were the UK Government GHG Conversion Factors for Company Reporting 2025 ("defra") and "Supply Chain Greenhouse Gas Emission Factors v1.3 by NAICS-6" (source: United States Environmental Protection Agency). In individual cases, indicated in the document, other conversion factors were used.

In the following calculations, the Company followed the "GHG Protocol Corporate Standard" and based its reporting boundaries on the operational control principle, i.e., including all emissions from entities over which it exercises operational control in the estimates (the same operational control logic was extended to specific assets over which Group companies exercise (or do not exercise) control). Therefore, the carbon footprint calculation included all entities within the Group, excluding those over which the Group does not exercise operational control or which do not conduct significant operational activities:

- PAK Pątnów 1 sp. z o. o. (no significance – no operational activity),
- PAK Pątnów 2 sp. z o. o. (no significance – no operational activity),
- PAK – Polska Czysta Energia sp. z o. o. (no operational control, indirectly demonstrated in Scope 3, category 15),
- Horset sp. z o. o. (no significance – no operational activity),
- PCE – OZE 5 sp. z o. o. investment project in progress – no production (indirectly reported in scope 3 K2),
- Energia Przykona sp. z o. o. (no significance – no operational activity),
- Neo Energia Przykona X sp. z o. o. (no significance – no operational activity),
- PAK CCGT sp. z o. o. – investment project in progress – no production (indirectly reported in scope 3 K2).
- PAK HOLDCO Bis sp. z o. o. (no materiality – no operating activity).

The vast majority of the carbon footprint shown below is generated in the electricity generation process (approx. 99.7% Scope 1), i.e., the combustion of lignite and, to a much lesser extent, heating oil and mazout, as well as the flue gas denitrification and desulfurization processes that accompany energy generation. Thus, these emissions are directly related to the operations of ZA PAK SA. However, in the coal mining and transport process, KWB Konin uses electricity produced by ZE PAK SA, the carbon footprint of which, as generated within the Group, is reported in Scope 1 and falls within the aforementioned 99.7% (the Group uses its own electricity exclusively). However, it should be noted that intra-organizational energy consumption by the entire Group accounts for approximately 1% of the energy volume it generates. The remaining 0.3% of the Scope 1 footprint is related to the operation of machinery and vehicles (combustion of gasoline, diesel fuel, LPG), i.e., among others, part of the mining equipment.

Table 44: Scope 1, 2 and 3 greenhouse gas emissions and total greenhouse gas emissions

	Information about the past			Intermediate goals and years covered by the goal			
	Base year	2024	2025	2025	2030	2050	Annual target in %/base year
Scope 1 greenhouse gas emissions							
Gross Scope 1 greenhouse gas emissions (t carbon dioxide equivalent)	2024	1,855,742.18*	1,660,142.81**	-	-	-	-
Percentage of Scope 1 greenhouse gas emissions from regulated emissions trading systems (%)	-	99.67%	99.3%	-	-	-	-
Scope 2 greenhouse gas emissions							
Scope 2 (location-based) greenhouse gas emissions (t carbon dioxide equivalent)	-	-	-	-	-	-	-
Scope 2 greenhouse gas emissions (market based) (t carbon dioxide equivalent)	-	-	-	-	-	-	-
Significant Scope 3 greenhouse gas emissions							

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Total indirect (Scope 3) greenhouse gas emissions (t CO ₂ equivalent)	2024	605,099.63	419 217.72	-	-	-	-
1. Purchased goods and services	2024	945.78	690.97	-	-	-	-
[Optional subcategory: Cloud computing and cloud computing services]	-	-	-	-	-	-	-
2 Capital goods	2024	9,260.12	67,258.75	-	-	-	-
3 Fuel and energy activities (not included in scope 1 or 2)	2024	580,107.56	412,306.23	-	-	-	-
4. Upstream Transport and Distribution	2024	7,687.38	2,206.41	-	-	-	-
5. Waste generated during the operation	2024	344.17	164.43	-	-	-	-
6 Business trips	2024	22.49	27.61	-	-	-	-
7. Employees' commute to work	2024	3,251.34	2,934.14	-	-	-	-
8. Higher Tier Leased Assets	-	-	-	-	-	-	-
9. Transport at a lower level	-	-	-	-	-	-	-
10 Processing of sold products	-	-	-	-	-	-	-
11. Use of sold products	-	-	-	-	-	-	-
12 Processing of sold products at the end of their shelf life	-	-	-	-	-	-	-
13. Leased Lower Tier Assets	-	-	-	-	-	-	-
14 Franchises	-	-	-	-	-	-	-
15 Investments	2024	3,480.79	4,629.19	-	-	-	-
Total greenhouse gas emissions	2024	2,460,841.81	2,150,360.54	-	-	-	-
Total greenhouse gas emissions (location-based method) (t carbon dioxide equivalent)	2024	2,460,841.81	2,150,360.54	-	-	-	-
Total greenhouse gas emissions (market-based approach) (t carbon dioxide equivalent)	2024	2,460,841.81	2,150,360.54	-	-	-	-

	IU	2024	2025
Greenhouse gas emission intensity (Scope 1+2)	tons of eCO ₂ / million PLN	0.85	1.24
Greenhouse gas emission intensity (Scope 1+2+3)	tons of eCO ₂ / million PLN	1.13	1.61

* There was a clerical error in the 2024 report, the Scope 1 emission factor was given in kg e CO₂ and should have been given in tonnes e CO₂

** In 2025, Scope 1 also included an indicator for methane emissions from mined coal, reported for the first time for 2025. This change results from Regulation (EU) 2024/1787 of the European Parliament and of the Council on the reduction of methane emissions from the energy sector. At the same time, Article 165 section 1a of the Geological and Mining Law imposes on the President of the State Mining Authority the obligation to monitor these emissions. This obligation did not yet apply in 2024, but it is estimated that after taking it into account, the Scope 1 emission indicator for 2024 would be 1,855,846.32 tonnes of CO₂ equivalent.

Calculation methodology:

The above calculations were guided by the GHG Protocol Corporate Standard, while also defining reporting boundaries based on the operational control principle, i.e., including all emissions from entities over which operational control is exercised in the estimates. The same operational control logic was extended to specific assets over which Group companies exercise (or do not exercise) control. The Group used Global Warming Potential (GWP) factors from the IPCC's Fifth Assessment Report from 2013 (the so-called AR5) in its emission estimates. The departure from the principle of using the latest version, i.e. AR6, was dictated by the desire to maintain consistency in the calculations of CO₂ equivalents (the UK Government GHG Conversion Factors for Company Reporting 2024 ("defra") used in their current version in the calculations are based on AR5, and not AR6 – once the UK Government GHG Conversion

Factors for Company Reporting are switched from AR5 to AR6, the Group will also use the newer version, i.e. AR6, in supplementary calculations in which it directly uses GWP factors).

Regarding the individual ranges and categories of greenhouse gas emissions:

Scope 1: For key **solid fuels used for energy production** (lignite), which constitute the dominant component of the carbon footprint, eCO₂ emissions are determined using a calculation method. This method is the sum of daily emissions calculated as the product of daily fuel consumption, its current calorific value, the emission factor determined by chemical analysis of the fuel, and the oxidation factor. The advantage of this method is its greater accuracy because the calculations take into account the actual parameters of the fuel sourced from the deposits used by ZE PAK SA.

In the case of **liquid fuels used for energy production** (fuel oil, heating oil), the emission factor is not determined based on the results of chemical analysis, but indicators according to KOBiZE guidelines are used. Additionally, emissions related to the use of flue gas desulfurization and denitrification installations are also added to the emissions (also calculated as the consumption of flour and urea solution and the emission factors adopted for them). Emissions from **fuels that are not directly used to produce electricity and heat** (petrol, diesel, LPG) are calculated using the conversion factors from the current version of the UK Government GHG Conversion Factors for Company Reporting (so-called defra). In the case of **biodiesel**, using the approach and conversion factors of the UK Government GHG Conversion Factors for Company Reporting, CO₂ emissions were treated as zero, taking into account only other greenhouse gases that result from the combustion of this fuel.

Scope 2: Regarding indirect emissions, if **electricity was purchased for the organization's needs**, the emission factors published by KOBiZE would be used. However, in 2025, no significant purchases were made in this regard, nor was any heat, cooling, or technical steam purchased from third parties. All purchased electricity was intended for resale on the Polish Power Exchange, and therefore the associated footprint was reported in Scope 3 (Category 3).

Scope 3: for most categories, appropriate UK Government GHG Conversion Factors for Company Reporting (so-called defra) were used, along with information on their physical fuel consumption (Category 3), waste mass (Category 5), person-kilometers of business travel (Category 6), and the number of employees and distances to work declared in the survey (Category 9). For Category 3, the carbon footprint associated with lignite mining and transport was omitted – it is obtained internally (own mines), and these emissions fall within Scope 1 and 2; For 2024, the transport footprint (in Category 4) was included for coal from the Sieniawa coal mine (www.sieniawa.com) (at the same time, the Sieniawa coal mine did not publish information on its Scope 1 and 2 footprint in terms of raw material extraction); in 2025, the Company did not use supplies from the Sieniawa coal mine. Category 3 also includes the carbon footprint associated with the generation of electricity intended for resale, adopting a conservative assumption as to its size, i.e. it was estimated taking into account the "residual mix" indicator specific to Poland (Association of Issuing Bodies (AIB); 2025). The latter figure is dominant for the entire Scope 3.

In the case of emission estimates for Categories 1 and 2, the Environmentally Extended Input-Output (EEIO) method was used, i.e. internal financial data on purchases and conversion factors for the nearest purchasing categories, derived from "Supply Chain Greenhouse Gas Emission Factors v1.2 by NAICS-6" (source: United States Environmental Protection Agency; average annual USD exchange rate in 2025, calculated as the arithmetic mean of the NBP exchange rates on the last day of each month).

The remaining Scope 3 categories not listed above were deemed to be immaterial or absent from the Group's business model.

The value of net revenues used in the denominator to calculate the greenhouse gas emission intensity indicator (E1-6) is fully reconciled with the item "Sales revenues" reported in the Consolidated Financial Statements of the ZE PAK SA Capital Group for the year ended 31 December 2025.

E1-7 – Greenhouse gas removal and emission reduction projects financed with carbon credits

The ZE PAK SA Group does not implement projects aimed at removing greenhouse gases or reducing greenhouse gas emissions financed with carbon dioxide emission credits (E1-7). It conducts numerous plantings, but these are dictated by reclamation activities and are not considered a targeted project aimed at offsetting the carbon footprint of its operations. Although in 2024 alone, as part of biological reclamation aimed at forestry, approximately 1,263,000 trees and shrubs were planted (see: E4-3), which, once mature, ¹⁵are estimated to absorb 8,209,500.00 kg of CO₂ annually, the ZE PAK Group does not report these figures due to the estimated nature of such estimates, which are subject to significant error, their insignificant contribution compared to the carbon footprint of its operations, and, consequently, the potential for accusations of greenwashing.

As a result, disclosures related to this data point described in E1-7 (ESRS 1 item 34 b) and Appendix E) have been waived.

¹⁵Assuming an annual absorption of 6.5 kg of CO₂ by one tree.

E1-8 – Internal Carbon Pricing

The ZE PAK SA Group does not conduct any activities that would require internal carbon pricing (E1-8). As a result, the related data points described in E1-8 (ESRB 1 item 34 b) and Appendix E) have not been disclosed.

At the same time, in the case of disclosure of E1-9, the ZE PAK SA Group took advantage of the possibility to omit it based on the rules indicated in ESRS 1 Appendix C.

ESRS E2 Pollution

ESRS 2 IRO-1 – Description of processes for identifying and assessing significant impacts, risks and opportunities related to pollution

The information disclosed is included in ESRS 2 IRO-1. The information below is contextual and supplementary. Furthermore, as part of the process of identifying and assessing significant impacts, risks, and opportunities related to the natural environment, including pollution, the Group considers any input and opinions from the local community that may arise throughout the year. This includes ongoing analysis of potential requests or complaints, and information obtained through formalized public consultations conducted as part of new investment processes (including the CCGT unit project).

As indicated in the previous section of the statement (*ESRS E1 Climate change, E1-2 – Policies related to climate change mitigation and adaptation*), the activities carried out related to (a) the continued exploitation of lignite deposits and (b) energy production based on the combustion of fossil fuels (lignite) are associated with the emission of pollutants into the air, water and potentially also into the soil.

, the combustion of lignite and other fossil fuels, despite the use of best available techniques to reduce pollutants, is associated with **atmospheric emissions** of SO₂, NO_x , and **particulate matter (PM)** . Although the operating unit of the Pątnów Power Plant is one of the best and most modern power plants operating in Poland, also in terms of technical solutions for reducing pollution, their emissions result from the combustion of lignite. In the case of open-pit mining, fugitive dust emissions are also significant: technological (mechanical), i.e., related to mechanical excavation and transport of the raw material by conveyor belts; climatological, i.e., related to wind erosion of denuded areas.

Cooling a power plant means **heating the surface waters** of the Konin Lakes complex (due to the use of surface water from the lakes in the cooling process), and the operation of power units carries the risk of failures that can result in **leaks of oil, fuel oil, or acids, and consequently, local contamination of the ground and water environment. Leaks of ash pulp or supernatant water into the ground and water environment** should also be considered . Power plants are also a source of **industrial wastewater** and **electromagnetic field emissions**. **At the same time, power plants strive to manage wastewater internally, avoiding the release of pollutants into the environment.**

Mining operations and power plant operation also generate noise. The acoustic impact of both the Group's mines and power plants is determined by both administrative decisions and environmental regulations. Due to their nature, the mines are located within areas designated as "Mining Areas and Territories," while the power plants are located in areas with more restrictive acoustic protection. Neither mining operations nor the production of electricity and heat at the ZE PAK SA Capital Group cause noise exceedances in the acoustically protected zone closest to the operations. This is confirmed by the results of noise measurements conducted periodically in this area – they are no higher than the acoustic standards applicable at individual production locations.

Theoretically, terrorist threats that may result in environmental contamination cannot be ruled out.

The above-mentioned nature of impact refers to key aspects of the environmental impact of the enterprise.

E2-1 – Pollution Policies

The ZE PAK SA Group's policy on environmental matters is also reflected in the ZE PAK SA Group's Sustainability Strategy for 2024-2028. This, in turn, is presented in considerable detail in the earlier part of the statement (*ESRS 2 General Disclosures; SBM-3 – Material Impacts, Risks and Opportunities and Their Interrelationships with the Strategy and the Business Model*), and in the environmental context, in the part relating to climate change mitigation (*ESRS E1 Climate Change, E1-2 – Policies related to climate change mitigation and adaptation*).

Transforming the business model towards a low- and zero-emission economy, focusing primarily on decarbonization—i.e., primarily reducing CO₂ emissions—will simultaneously lead to reduced emissions of other pollutants. In other words, reducing the combustion of fossil fuels will translate into reduced emissions of SO_x, NO_x, dust, and other substances identified in the kBAT. Similarly, this will also lead to a reduction in the volume of generated waste, other combustion byproducts, and wastewater. Giving up lignite extraction will avoid the impact on the land surface associated with open-pit mining, the impact on surface and groundwater, and the noise and dust associated with coal extraction. At the same time, the Group's plants use substances considered hazardous. Turbine and transformer oils, caustic soda, and hydrochloric acid are used in larger quantities, and their elimination from technological processes is currently impossible. The Group also uses heavy and light fuel oil as fuels.

As already mentioned, in the areas of social and environmental impact not directly related to transformation (i.e., radical decarbonization), the ZE PAK SA Group's management approach focuses on activities consistent with the logic of striving to improve existing processes, typical of total quality management (TQM), and ensuring, at a minimum, compliance with legal requirements and environmental expectations. Therefore, the policies and procedures adopted by the ZE PAK SA Group in relation to mining and conventional energy, as adopted in the new ZE PAK SA Group Sustainable Development Strategy for 2024-2028, focus on: ensuring mechanisms and procedures that minimize the risk of anomalies and deviations resulting in excessive impacts on the natural environment during mining or manufacturing processes, and minimizing atmospheric emissions by optimally utilizing the ZE PAK SA Group's existing generation capacity and minimizing the risk of exceeding gaseous pollutant emissions into the atmosphere.

The Company has adopted and approved an Integrated Quality, Safety, and Environmental Management System Manual, which encompasses quality, safety, and environmental management policies. **The Company's goal is to be a recognized, competitive, and dynamic electricity producer that prioritizes quality, occupational safety, and the natural environment.** Customer satisfaction is essential for the Company's continued success.

The Integrated Management System Policy is implemented by:

- respecting legal regulations, standards and customer requirements,
- identified and documented processes, constantly subjected to efficiency analysis and continuous improvement,
- continuous improvement of occupational health and safety management, prevention of near misses, injuries, accidents, work-related diseases and reduction of occupational health and safety risks,
- improving employee qualifications, consultations and participation of employees or their representatives in activities aimed at environmental protection and improving occupational health and safety,
- preventing accidents and taking actions aimed at reducing the negative impact on the natural environment and economical use of its resources in all areas of the Company's activities.

The Policy is appropriate to the purpose, size, and context of the organization and serves as the basis for establishing and reviewing quality, occupational health, and safety, and environmental objectives. The Company's management is committed to allocating the necessary resources to implement the Integrated Management System Policy and ensures that it is known, understood, implemented by all employees, and available to all stakeholders.

The Company has developed a Major Industrial Accident Prevention Program (MIP) designed to familiarize all employees of the Pątnów Power Plant with the types, nature, and scope of hazards occurring within the power plant, which may arise from the uncontrolled release of solid, liquid, and gaseous substances into the environment, as well as with guidelines for conducting rescue operations in the event of a major accident. The overall goals of the plant operator – the Pątnów Power Plant – in preventing major industrial accidents are to reduce the risk of a major industrial accident and minimize its consequences should one occur. The current program is implemented through a safety management system that ensures a level of protection for people and the environment appropriate to the hazards. This system is part of the overall plant management system (relevant provisions are included in the Quality Manual).

Apart from those disclosed above, the ZE PAK Group has not implemented any other significant solutions addressing the issues covered by this disclosure, but not those listed above. In particular, it has not implemented solutions that would address pollution issues in the upstream and downstream value chain at the level of the Group's daily operations. As indicated in Disclosure SBM-1, the Group relies on limited external supplies for basic raw materials and maintenance services, utilizing both its own resources and its well-developed infrastructure. Furthermore, due to the nature of the value

chain, it is unable to identify and monitor the actual recipients of the generated energy once it has been introduced into the national system.

The situation is somewhat different for PAK CCGT, the Group's largest investment. Individual contractors are subject to rigorous evaluation of their activities, including ESG issues. As part of the environmental impact assessment, the project's emissions were measured, impacts on key environmental components were identified, and mitigation measures were implemented, including limiting emissions to water, air, and soil. The Group will comply with the emission limits established in the environmental permit and integrated permit, as confirmed in the project's compliance report with the EU Taxonomy.

E2-2 – Pollution Actions and Resources

In both mining and energy generation, key environmental impact parameters in the production process are monitored, often continuously. The most important for **air emissions is the continuous emission measurement system (CEMS), which collects data in real time, 24/7**. The system measures concentrations and mass flows of SO₂, NO_x, CO, dust, mercury, and NH₃, allowing for immediate identification of any deviations. These results are archived, verified, and form the basis for reporting to environmental protection authorities (reports generated from the continuous emission monitoring system are sent to the appropriate institutions (e.g., WIOŚ) and based on these reports, data is entered into the KOBiZE system). For other substances and fugitive emissions, periodic measurements are conducted by accredited laboratories. An environmental management system and elements of quality assurance/control programs have also been implemented. Greenhouse gas emissions from fuel combustion at ZEPAK are monitored based on the guidelines contained in the Emission Monitoring Plan, which is an annex to the decision of the Marshal of the Wielkopolska Voivodeship (DSK-III.7225.25.2023 of February 29, 2024, 6. DSK-III.7225.24.2023 of January 29, 2024). Total CO₂ emissions are determined by calculation. Emissions from fuel combustion are typically calculated by multiplying the chemical energy contained in the burned fuels by emission factors and oxidation factors. The chemical energy of a fuel is determined by multiplying the amount of fuel burned by its calorific value. The emission factor for coal is calculated from the total carbon content and its calorific value. Data is archived, analyzed, and reported in accordance with legal requirements. External inspections are conducted by the Provincial Inspectorate for Environmental Protection (WIOŚ) and other environmental supervision authorities, typically once a year or more frequently in the event of exceedances. Measuring devices are regularly maintained and calibrated in accordance with good measurement supervision practices and applicable legal regulations. Reports of potential irregularities are also reviewed. It is worth noting, however, that the environmental constraints imposed on conventional producers are becoming increasingly stringent, and this trend is expected to continue. In this context, the BAT (Best Available Technology) conclusions are worth mentioning; these standards ¹⁶also include limits for chlorine and fluorine compounds and heavy metals, including mercury. Conventional energy producers have risen to the challenge and adapted their installations to the new regulations.

The Pątnów Power Plant, and in particular Unit 9, the last one in operation at the end of 2025, is one of the best and most modern power units operating in Poland – due to its **supercritical design**, which translates into high energy efficiency, as well as the use of modern **environmental technologies**, such as a lime-gypsum flue gas desulfurization system and high-efficiency electrostatic precipitators. The unit was commissioned in 2008 and was then the first new power plant in Poland in 15 years. This also applies to technical solutions for pollution reduction. A significant project completed in 2025 ¹⁷reduced mercury (Hg) emissions in the last coal-fired unit in operation. Pollutant emissions were monitored throughout the year to ensure compliance with applicable emission standards and the requirements of BAT conclusions. Continuous emission monitoring systems were expanded to meet the objectives for monitoring air emissions in

¹⁶Currently, the key document in the field of emissions from industrial installations is Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control), amended by Directive (EU) 2024/1785 of the European Parliament and of the Council of 24 April 2024 amending Directive 2010/75/EU of the European Parliament and of the Council on industrial emissions (integrated pollution prevention and control) and Council Directive 1999/31/EC on the landfill of waste, referred to as the IED.

The aim of the Industrial Emissions Directive is to control and prevent pollution and help channel industrial investment in the way needed to transform Europe into a competitive and climate-neutral economy by 2050.

¹⁷Project "Construction of a complete turnkey facility to reduce mercury emissions to the level of $\leq 7 \mu\text{g}/\text{Nm}^3$ and dust emissions to the level of $\leq 8 \text{ mg}/\text{Nm}^3$ in flue gases from the BB-1345sN boiler of unit no. 9 at the Pątnów II Power Plant"

accordance with kBAT. Supervision was conducted over the correct operation of continuous measurement systems at ZE PAK SA, and procedures, such as QAL3 – quality assurance procedures during the operation of exhaust emission monitoring systems compliant with PN-EN 14181 – were coordinated. Since August 18, 2021, a number of additional emission monitoring obligations have been implemented, including metals and metalloids and an extended fuel quality scope. Supervision was conducted over the correct operation of protective devices reducing air pollutant emissions. The production process was coordinated to ensure compliance with air pollutant emission standards and limits (optimization of the combustion process at the Pątnów II Power Plant). Tasks at ZE PAK SA were implemented within the PRTR (National Pollutant Release and Transfer Register) through measurements and reporting of pollutants. Financial obligations for air pollutant emissions were met as part of the company's operations, including environmental fees and reporting of air pollutant emissions. Implementation of planned technical measures for pollution prevention and control involves the allocation of appropriate financial resources. In 2025, the Group's capital expenditures (CapEx) for environmental projects, including in particular the construction of an activated carbon dosing system for mercury reduction at Unit 9, amounted to PLN 5,670,000. At the same time, operating expenses (OpEx) related to the ongoing maintenance of the desulfurization installation, electrostatic precipitators, and continuous monitoring systems (CEMS) amounted to approximately PLN 31,400,000 during the reporting period.

Due to the impact of pollutant emissions on the immediate environment, air quality monitoring is also conducted in the area affected by the Group's power plants (air pollutant emissions). In 2025, no significant differences were found between the levels of the tested substances and their equivalents measured by the Voivodeship Inspectorate for Environmental Protection stations in Greater Poland.

In terms of emissions of all pollutants, including dust, last year was a positive year for the Group. Integrated permits for ZE PAK Spółka Akcyjna's combustion plants, i.e., Pątnów I Power Plant – Units K1, K2, and K5 (decommissioned at the end of 2024) and Pątnów II Power Plant – Unit K9, were adapted to the requirements of BAT conclusions, taking into account individual derogations from emission limits. The company conducts its production operations in compliance with the emission limits resulting from the IED Directive and the BAT Conclusions. Continuous emission monitoring systems, developed in accordance with BAT 4 requirements, form the basis for verifying compliance with the requirements of Commission Implementing Decision (EU) 2017/1442 regarding air pollutant emissions at ZE PAK SA.

In order to achieve emission levels below permissible levels, the ZE PAK Group uses dedicated emission reduction techniques (BAT), including:

- **For NO_x:** combustion optimization with automatic computer system for combustion efficiency control and emission prevention and combustion process monitoring, air staging and fuel staging, use of low emission burners;
- **For SO₂, HCl, HF:** wet flue gas desulphurisation installation using limestone powder as a sorbent,
- **For dust and metals contained in dust into the air from lignite combustion:** use of electrostatic precipitators, use of wet desulphurisation installations contributing to additional reduction of dust and metals contained in dust,
- **to reduce mercury emissions into the air from lignite combustion :** the use of electrostatic precipitators to clean exhaust gases from mercury deposited on dust particles, the use of a wet desulfurization installation contributing to the additional reduction of oxidized mercury to a leachable form, the use of an additional installation to reduce mercury emissions (activated carbon dosing installation) is planned, which is the subject of this application.

The Integrated Permit (IP) specifies permissible air emissions (BAT-AELs and emission standards). These emission limits apply to the following indicators: SO₂, NO_x, dust, HCl, HF, NH₃, Hg, and CO. The IIP also specifies annual emission limits for these indicators. The IIP also specifies permissible wastewater discharge volumes and their cooling water parameters. The IIP also imposes annual limits on permissible wastewater generation.

In the case of noise, PZ indicates the acoustic power of individual devices, but the condition for meeting noise standards in the environment is to carry out measurements (every 2 years) at the nearest acoustically protected points, i.e. at the border of the nearest residential buildings in the following towns: Kolonia Kamienica, Beniów, Pątnów and Ludwikowo.

The decision does not impose an obligation on the Company to monitor soil quality.

In 2025, emissions in the ZE PAK Group's production facilities did not exceed permissible emission levels.

Table 45: Emission of SO_2 , NO_x and dust into the atmosphere

	2024	2025
SO_2 emissions in the ZE PAK SA Group (thousands of tonnes)	0.38	0.25
SO_2 emissions in the ZE PAK SA Group per production unit (thousand tonnes/TWh)	0.23	0.15
NO_x emissions in the ZE PAK SA Group (thousands of tonnes)	1.31	1.20
NO_x emissions in the ZE PAK SA Group per production unit (thousand tonnes/TWh)	0.79	0.76
Dust emissions in the ZE PAK SA Group (thousands of tons)	0.08	0.01
Dust emissions in the ZE PAK SA Group per production unit (thousand tonnes/TWh)	0.05	0.01

Figure 22: Total emissions of SO_2 , NO_x and dust into the atmosphere (thousands of tonnes)

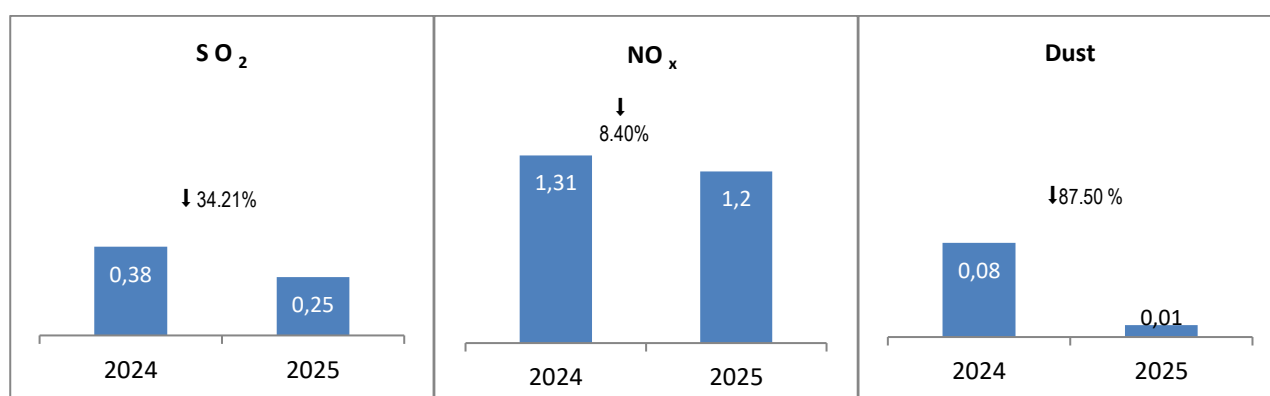
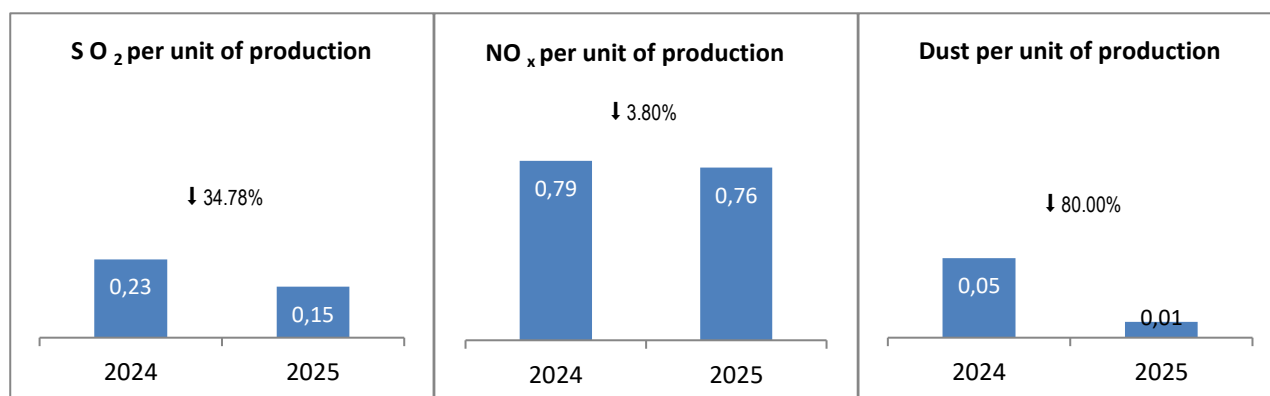


Figure 23: Emission of SO_2 , NO_x and dust into the atmosphere per unit of production (thousand tonnes/TWh)



As part of the requirement to monitor noise emissions into the environment, imposed by integrated permits for ZE PAK SA fuel combustion installations, noise emissions from the Pątnów power plant and the Adamów power plant site in Turek (background) were measured in 2024. The results of the tests did not indicate any exceedances of the permissible values specified in the permits. The remaining installations subject to noise monitoring were not measured; the current results are from 2023.

Inspections

In 2025, the Provincial Inspectorate for Environmental Protection in Poznań, Konin Branch, conducted one planned inspection of the ZE PAK SA Group power plant. The inspection took place from August 19, 2025, to September 2, 2025, and covered the Pątnów Power Plant installation. Its scope included:

- monitoring compliance with environmental protection requirements by operators of installations requiring an integrated permit,
- monitoring compliance with the provisions of the Act of 14 December 2012 on waste, in the scope of fulfilling the obligations of waste management entities (producers, collectors, processors, transporters, waste intermediaries and waste sellers),
- quality control of data provided by installation operators as part of the National Pollutant Release and Transfer Register,
- monitoring compliance with obligations arising from participation in the greenhouse gas emission allowance trading scheme,
- control of sulfur content in heavy fuel oil used in fuel combustion energy installations.

No violations were found during the inspection.

PAK KWB Konin was subject to inspection by:

- District Mining Office in Poznań in the scope of fulfilling obligations related to the reclamation and liquidation of mining excavations.
- Regional Water Management Board in Bydgoszcz regarding compliance with regulations and administrative decisions issued for the Tomisławice open pit mine. A post-inspection order was issued.
- Regional Water Management Board in Poznań, regarding compliance with regulations and an administrative decision issued for groundwater collection from two deep wells in the city of Police. No post-inspection orders were issued.

Major industrial accident prevention programs

In 2025, the Major Industrial Accident Prevention Program (PZPA) at the Pątnów Power Plant was updated, including:

- decommissioning of storage facilities and installation equipment due to the end of operation of units no. 1-6 (formerly Pątnów I Power Plant);
- construction of an activated carbon dosing system for mercury reduction at unit 9 (formerly Pątnów II Power Plant Spółka z o. o.) with an activated carbon storage silo;
- possibility of storing liquefied LNG gas (on the premises leased from ZE PAK SA by Nida Gips sp. z o. o.).

The PZPA report, according to which the current quantities of hazardous substances stored on the premises of the Pątnów Power Plant do not qualify the plant as a Plant with an Increased Risk (ZRR) of a serious accident, was forwarded to the State Fire Service in Konin and the Provincial Inspector for Environmental Protection in Poznań, Konin Branch.

Major industrial accident prevention programs

In January 2024, the notification of the Pątnów ZE PAK SA Power Plant as a facility with an increased risk of a serious industrial accident was updated, taking into account the maximum storage levels of hazardous substances that may be present on the Pątnów Power Plant premises. The notification was forwarded to the State Fire Service in Konin and the Provincial Inspector for Environmental Protection in Poznań, Konin Branch.

E2-3 – Pollution Targets

Currently, the ZE PAK Capital Group Strategy until 2028 does not establish any goals directly related to the prevention and control of water, soil, and air pollution (other than greenhouse gas emissions, which are included in the chapter on ESRS E1). This document only sets a general goal of zero accidents that could result in environmental contamination.

The following goals and their metrics come from *the ESG Strategy for 2024-2028*, which is discussed in more detail, including in the context of how to work on it, in ESRS 2 SBM-1.

Table 46: ESG Strategy 2024-2028 Pollution-Related Goals

Goal 6: Being a good neighbor and member of the local community: limiting the impact of current operational activities on the social and natural environment.						
	2023	2024	2025	2026	2027	2028

number of serious environmental accidents	"zero"	"zero"	"zero"	"zero"	"zero"	"zero"
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At the same time, at the operational level, targets were established relating to daily emission levels

The environmental management systems implemented in the companies, in accordance with the ISO 14001 standard and the EMAS regulation, enable ongoing monitoring and control of the implementation of the policy assumptions and environmental declarations, as well as monitoring the effectiveness of the activities carried out. Where stakeholder participation is required in changes to environmental administrative decisions, including those concerning the setting of emission limit values, public consultations are conducted.

The procedures resulting from the cited internal regulations and relevant legal provisions are cascaded to all levels of the organization.

Nature of the objectives and regulatory context

The Group's air pollution prevention and control objectives are mandatory and stem directly from legal requirements at the national and EU levels. The operation of the Pątnów II Power Plant (BB-1345 boiler) is regulated by integrated permits and requirements arising from EU conclusions on best available techniques (BAT) for large combustion plants.

Measurable targets for air pollution levels

The Group's activities are aimed at meeting emission standards and specific permissible concentrations of substances in waste gases (in practice, actual levels are often significantly lower than the permissible levels). The main emission targets for the primary emission source (EPII emitter) from August 18, 2024 are as follows:

Table 47: Emission targets (BAT-AELs) for lignite combustion (BB-1345 boiler)

Emitted substance	Annual average [mg/Nm ³]*	Daily average / sampling period [mg/Nm ³]*
Sulfur dioxide (SO ₂)	130	205
Nitrogen oxides (NO _x)**	175	220
Dust	8	14
Hydrogen chloride (HCl)	5***	-
Hydrogen fluoride (HF)	3***	-
Mercury (Hg)	0.007	-
Ammonia (NH ₃)	10	-
Carbon monoxide (CO)	140****	-

* Standard conditions: dry gas at 273.15 K, pressure 101.3 kPa, with 6% oxygen content. ** As the sum of nitrogen monoxide and nitrogen dioxide, expressed as nitrogen dioxide. *** Average values from samples obtained during one year, **** Permitted emission not constituting an emission limit value (indicator value).

At the same time, the unit adopted targets in the form of maximum annual pollutant loads into the air from installations covered by the integrated permit, setting annual emission limits that cannot be exceeded:

Table 48: Targets for maximum permissible pollutant emission loads (from 18 August 2024)

Pollution	Annual emission limit [Mg/year]
Sulfur dioxide (SO ₂)	1,352.89
Nitrogen oxides (converted to NO ₂)	1,821.20
Dust	84.69
Hydrogen chloride (HCl)	52.03
Hydrogen fluoride (HF)	31.22
Ammonia (NH ₃)	104.07
Mercury (Hg)	0.073
Carbon monoxide (CO)	1,456.96

For the planned new emission sources related to auxiliary processes (activated carbon silo), a design goal was set in the form of achieving dust removal efficiency that guarantees dust concentration at the outlet at a level not higher than 5 mg/Nm³.

E2-4 – Air, water and soil pollution

Table 49: Air pollutants

Pollutants according to Annex II to Regulation (EC) No 166/2006 of the European Parliament and of the Council	IU	2024	2025
Methane (CH ₄)	kg		
Carbon monoxide (CO)	kg	220,850*	151,319*
Ammonia (NH ₃)	kg	10,929*	1,328*
Nitrogen oxides (NO _x /NO ₂)	kg	1 305,499*	1,197,025.5*
Sulfur oxides (SO _x /SO ₂)	kg	385,054*	245,483.2*
Arsenic and its compounds (as As)	kg	9	9
Cadmium and its compounds (as Cd)	kg	9	9
Chromium and its compounds (as Cr)	kg	857*	402*
Copper and its compounds (as Cu)	kg	53	120
Mercury and its compounds (as Hg)	kg	63*	50*
Nickel and its compounds (as Ni)	kg	617*	444*
Lead and its compounds (as Pb)	kg	58	38
Zinc and its compounds (as Zn)	kg	1,812	465
Chlorine and its inorganic compounds (as HCl)	kg	8,222	1,741
Fluorine and its inorganic compounds (as HF)	kg	2	2
Particulate matter (PM10)	kg	30,853	4,426
Microplastics	kg	-	-
Hydrofluorocarbons HFC-125 (C ₂ H ₅ F ₅)	kg	-	-
Fluorocarbons HFC-134a (C ₂ H ₂ F ₄)	kg	0.9	-
Hydrofluorocarbons HFC-32 (CH ₂ F ₂) (R-32)	kg	-	-
Fluorocarbons (R-407C)	kg	26	5
Fluorocarbons (R-410A)	kg	14	1.5
Other hydrofluorocarbons (HFCs)	kg	13.5	30
Other dusts	kg	-	

*factors for which the applicable threshold value set out in Annex II to Regulation (EC) No 166/2006 is exceeded.

For the only power unit operating in 2025, Unit 9, an integrated emissions monitoring system is in place, encompassing both automatic measurement systems (AMS) and accredited periodic measurements. The measurement methodologies for periodic and continuous measurements are specified in the Integrated Permit, i.e.

No.	Name of the substance	Methodology
1.	Nitrogen oxides	General EN standards ¹⁾
2.	Sulfur dioxide	General standards EN ¹⁾ and EN 14791
3.	Carbon monoxide	General EN standards ¹⁾
4.	Ammonia	General EN standards ¹⁾
5.	Dust	General standards EN ¹⁾ and EN 13284-1 and En 13284-2
6.	Hydrogen chloride	EN 1911
7.	Hydrogen fluoride	Any methodology
8.	Mercury	General EN standards ¹⁾ EN 13211
9.	Metals and metalloids except mercury (As, Cd, Co, Cr, Cu, Mn, Ni, Pb, Sb, Se, Tl, V, Zn)	EN 14385

¹⁾ The general standards for continuous measurements are EN 15267-1, EN 15267-2, EN 15267-3 and EN 14181

1. Continuous Monitoring System (AMS): continuous measurement of pollutant emissions from the fuel combustion source. In accordance with the integrated permit, the Pątnów II Power Plant is equipped with a certified continuous emission monitoring system that measures concentrations of sulfur dioxide (SO₂), nitrogen oxides (NO_x), carbon monoxide (CO), and total dust. This system allows for ongoing verification of compliance with emission standards during various operating states of the unit (startup, normal operation, shutdown).

2. Periodic measurements (Reference measurement methodologies): for substances not subject to continuous monitoring or for calibration and verification purposes, periodic measurements are performed by accredited laboratories (accreditation no. AB 554). This method determines the pollutant load based on emission factor measurement under PCA accreditation, which is used to determine the loads of metal and non-metallic compounds. The methodologies used are consistent with Polish and European standards:

- **Mercury (Hg):** Method according to **PN-EN 13211:2006** (manual method for determining the concentration of total mercury).
- **Hydrogen chloride (HCl):** Method according to **PN-EN 1911:2011** (determination of the concentration of hydrogen chloride in gaseous form).
- **Hydrogen fluoride (HF):** Method according to **ISO 15713:2006** – Air conditioner maintenance balance (sampling and determination of hydrogen fluoride gas content) – this is a method for determining the hydrocarbon fluorine charge based on the loss of refrigerant in an air conditioning device.
- **ETS** – method for determining CO₂ emissions from an installation covered by the emissions trading scheme based on a monitoring methodology approved by the permitting authority.
- **Dust (PM10/PM2.5):** Gravimetric method according to **PN-EN 13284-1:2017-02** (low dust concentrations) and impactor method according to **PN-EN ISO 23210:2010** (PM10 and PM2.5 fractions).
- **Ammonia (NH₃):** Method according to **PN-EN ISO 21877:2020-03**.
- **Heavy metals (As, Cd, Cr, Co, Cu, Mn, Ni, Pb, Sb, Tl, V, Zn):** Method according to **PN-EN 14385:2005**.

The data comes from ZE PAK's internal registers, which are based primarily on continuous or cyclical measurements of individual emissions (all of which concern air emissions only). In 2025, the Group recorded no reportable direct emissions of identified pollutants to soil or water. Regarding discharges to water, the Group strives to fully utilize industrial wastewater in closed systems. Cooling water discharges do not contain chemical pollutant loads exceeding applicable threshold values. As a result, the table presents values for air emissions only.

E2-5 – Potentially hazardous substances and substances of very high concern

Table 50: Substances of Potential Hazard and Substances of Very High Concern

Potentially hazardous substances and substances of very high concern	IU	2024	2025
Potentially hazardous substances			
Hydrogen	Mg	0.46	0.43
Propane butane	Mg	1.91	1.91
Acetylene	Mg	0.64	0.64
Oxygen	Mg	2.10	2.10
Hydrazine (hydrate)	Mg	1.43	0.00
Turbine oil TU 32	Mg	360.01	73.53
Turbine oil TG 33	Mg	6.53	6.53
Transformer oil	Mg	549.90	549.90
Heavy fuel oil S1 (mazut)	Mg	2,884.05	0.00
Other oils (used)	Mg	62.25	62.25
Diesel fuel	Mg	4.12	0.15
Light heating oil	Mg	1,637.07	0.00
Ammonia water	Mg	1.37	1.37

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Biocide	Mg	0.73	0.73
Sodium hypochlorite (NaOCl)	Mg	1.32	1.32
Iron sulfate PIX 112	Mg	0.15	0.00
Sodium hydroxide NaOH *	Mg	139.84	16.11
Hydrochloric acid HCl*	Mg	130.04	59.41
Iron chloride Fe Cl ₃ *	Mg	2.10	2.10
Hydrated lime Ca(OH) ₂ *	Mg	4.05	4.05
Sodium metabisulfite Na ₂ S ₂ O ₅	Mg	1.18	0.00
PAX XL 19F coagulant*	Mg	30.00	30.00
Sodium phosphate dodecahydrate	Mg	13.68	0.00
Substance of Very High Concern			
-	-	-	-

**Hazardous substances not subject to classification, not included in the regulation Journal of Laws 2016.138*

A summary of hazardous substances compared to the threshold values for an increased-risk facility, as specified in the Regulation of the Minister of Development of 29 January 2016 (Journal of Laws of 2016, item 138) regarding the types and quantities of hazardous substances present in a facility, which determine whether the facility is classified as having an increased or high risk of a serious industrial accident. According to the Regulation, the facility, which in 2025 will include only the Pątnów II Power Plant – Unit 9, is not classified as an increased-risk facility, as confirmed by the Pątnów Power Plant Major Industrial Accident Prevention Program.

Due to the specific nature of the Group's business (electricity generation), the potentially hazardous substances listed above are purchased and used exclusively for operational, combustion, and maintenance purposes. The Group does not manufacture or market products or services containing these substances, and therefore they do not leave the Group's facilities as marketable products.

There are no substances of particular concern.

In the case of disclosure **E2-6**, the ZE PAK SA Group took advantage of the possibility to omit it based on the rules indicated in ESRS 1 Appendix C.

ESRS E3 Water and Marine Resources

IRO-1 – Description of processes for identifying and assessing significant impacts, risks and opportunities

The group conducted a single, common process for identifying impacts, risks and opportunities (ESRS 2 IRO-1), and the results of this analysis can be found in ESRS 2 SBM-3.

In this process, with the involvement of representatives from individual Group business units, the impact of operations on water resources was analyzed, identifying key assets and associated water bodies that could be impacted, focusing on those impacts that are significant to the overall picture of the ZE PAK Group. These aspects are described below. As part of the process of identifying and assessing significant impacts, risks, and opportunities related to water resources, the Group considered the perspectives and voices of affected local communities. These consultations took place, among other ways, through open dialogue with local governments (as exemplified by the collaboration on the Teleszyna River project) and through formal public participation procedures accompanying the process of obtaining environmental permits.

As indicated in the previous section of the statement (*ESRS E1 Climate Change, E1-2 – Climate Change Mitigation and Adaptation Policies*), activities related to (a) the ongoing exploitation of lignite deposits and (b) energy production based on the combustion of fossil fuels (lignite) are associated with impacts on water resources in the area where the activities take place. No significant impacts on marine resources have been identified.

Primarily, years of mining activity and the need to pump and drain **groundwater** from the area of open-pit mines have resulted in the creation of so-called depression cone holes. Open-pit mining also impacts **surface waters** (including reduced flow in streams affected by the mine and increased flow in streams due to the discharge of water from underground and surface drainage of the open-pit mine). The gradual phasing out of open-pit mining also means the gradual restoration of natural water conditions, no longer disrupted by artificial drainage of the mining area. Where land reclamation involves water-based reclamation, reservoirs will be created, which will be part of nationwide efforts to promote water retention and counteract the effects of drought. However, during the transition period, restoring natural

water conditions may involve temporary disruptions, resulting from the filling of depression cones with water and the associated reduction in the water volume in some surface watercourses. These will initially be supplied to a limited extent by water pumped from mining areas, ultimately ending up with no supply at all. Nevertheless, as a result of ongoing and planned reclamation work in the coming years, **a number of reservoirs will be created in the region, promoting water retention**. This is particularly important in Greater Poland, an area affected by steppe formation and characterized by severely limited water resources (high levels of water stress).

In turn, during the energy production process, **heat is released into the surface waters** of the Konin Lakes complex. Due to the nature of this impact, this aspect is described in the section on biodiversity (ESRS E4 Biodiversity and Ecosystems).

E3-1 – Policies related to water and marine resources

The ZE PAK SA Group's policy on environmental issues, including water management, is reflected in the ZE PAK SA Group's Sustainability Strategy for 2024-2028. This, in turn, is presented in considerable detail in the earlier part of the statement (*ESRS 2 General Disclosures; SBM-3 – Material Impacts, Risks and Opportunities and Their Interrelationships with the Strategy and the Business Model*), and in the environmental context, in the part relating to climate change mitigation (*ESRS E1 Climate Change, E1-2 – Policies related to climate change mitigation and adaptation*).

Of particular note are the goals adopted in the Sustainable Development Strategy for 2024-2028, which, as part of the goal related to a responsible exit from mining operations, included those related to the **water reclamation of post-mining areas**. These goals concern the filling of subsequent reservoirs created by individual open pit mines. Due to the limited water resources in eastern Wielkopolska and the need for water retention, this activity seems particularly important from the perspective of the natural and social environment. Restoration of natural water conditions, disturbed by years of exploitation, will occur by filling reservoirs created in post-mining areas through water reclamation, filling and disappearing depression cone holes, while simultaneously stabilizing flows in watercourses during the transition period until natural balance is restored. At the beginning of 2025, ZE PAK SA signed a letter of intent concluded under the patronage of the Minister of Climate and Environment, Paulina Hennig-Kloski, concerning cooperation in the implementation of the project entitled: Increasing the retention and flood protection of the middle Warta River by using the potential of post-mining reservoirs in the Biskupia Struga catchment area and adapting the Ślesiński Canal to water transfer.

A plan to improve and restore natural water conditions in post-mining areas

Filling the reservoir after the Lubstów and Głowy open pits	2024-2025
Filling the reservoir after the Roztoka open-pit mine	2024-2025
Filling the reservoir after the Józwin open	pit 2024-20235
Filling the reservoir after the Drzewce open-pit mine	2024-2028
Filling the reservoir after the Adamów open	pit 2024-2029

As a result of the planned work, the reservoir capacity is expected to exceed 900 million m³. After the full restoration of natural water conditions in the Turek and Konin areas is completed, Eastern Wielkopolska will account for approximately 25% of Poland's retention water resources. For comparison, Lake Solina in the Bieszczady Mountains, the largest artificial reservoir in Poland, holds 472 million m³, while Lake Śniardwy, the largest by surface area, holds approximately 660 million m³. This is particularly important given that Eastern Wielkopolska, where the Group's plants are located, is an area of very high water stress and, as a result, very limited water resources. Activities aimed at water reclamation of post-mining areas, creating reservoirs in final excavations such as Władysławów, Kleczew (Kazimierz Północ), and Józwin II B, are underway. They also include monitoring physicochemical parameters of water (including temperature, oxygen, nutrients, and conductivity) to assess their condition and ecological potential (see ESRS E4 for more information). The Group has launched the investment "Transfer of water from the Jeziorsko reservoir on the Warta River through the Miłkowice II pumping station and from the Teleszyna River basin through the Central Teleszyna and Przykona reservoirs to increase groundwater resources in the Adamów Open-pit area." Additionally, in cooperation with local governments (Dobra Commune, Przykona Commune), maintenance work is being carried out on the Teleszyna Górna River, including the removal of blockages and vegetation, which aims to maintain proper water conditions and flow in the stream.

The group monitors changes in water temperature in the Konin Lakes, which historically have increased due to the operation of the power plant's cooling system. As part of efforts to minimize the impact of open-pit drainage on ecosystems (including Natura 2000 sites), long-term monitoring of groundwater and surface water levels in the oxbow lakes and embankments of the Warta River has been conducted.

In addition to the influences related to:

- water retention and filling of reclaimed open pits and
- heat removal to surface waters (Konin Lakes) (see ESRS 4),

The Group did not identify other significant impacts and, consequently, did not address them in its formal documents. In particular, the Group's operations focus on inland waters and do not involve the direct use of marine resources. Furthermore, production processes do not result in any pollution of cooling waters, other than the discharge of heat. Furthermore, the generated wastewater is not discharged into the environment. Therefore, apart from those disclosed above, the ZE PAK Group has not implemented any other significant solutions addressing the issues covered by this disclosure other than those listed above.

Given that the entire Konin Lakes area, where the Group operates, has been classified as an area of high water stress, the Group declares that all of its operating locations located in areas of significant water stress are fully covered by the described environmental policies and Sustainable Development Strategy objectives. At the same time, due to the specific nature of its business model (coal mining and large-scale energy production), the Group's policies do not directly address the eco-design of products and services with water protection in mind, focusing instead on minimizing the impact of operational and technological processes and reclamation activities.

E3-2 – Activities and Resources Related to Water and Marine Resources

Water and sewage management

The plants of the ZE PAK SA Group use water from surface resources primarily:

- in the energy production process
 - in technological processes (mainly for hydrotransport of ash and slag pulp), as well as in small quantities for domestic purposes (see subsection: *Consumption in technological and domestic processes*)
 - for cooling purposes (see subsection: *Use for cooling purposes*)
- In mining operations, a functioning mine, by draining the open pit, pumps out water that has seeped into the area and discharges it into nearby watercourses, which disrupts the original, natural water regime. The cessation of mining operations, including the reclamation of abandoned open pits in the waterway, reverses this process, which, however, if it were to proceed too rapidly, would be extremely harmful to the environment. Therefore, its pace and nature are subject to control (see the subsection: *Mining Operations*).

Consumption in technological and living processes

In the E3-4 disclosure, all water withdrawn from the environment was classified as total consumption. Any water withdrawn from the environment, once used by the power plant, formally does not return to the environment. Wastewater generated after the technological process (demi-, FGD), after the drinking water treatment process (WTP), and domestic sewage are managed within the power plant's internal system for the hydrotransport of ash and slag pulp (this approach, i.e., reusing treated wastewater, reduces the need for additional surface water intake). Water used as a medium for hydrotransport of pulp to the combustion waste disposal site is, in turn, reused in a closed circuit (i.e., after the pulp is discharged to the landfill, which is a reservoir (the so-called Emerald Lake), it is collected and reused for pulp transport). Although formally a closed system, and water does not return to the environment, in practice, losses due to evaporation from the reservoir (landfill) must be replenished. Hence, additional water consumption is reported annually. Nevertheless, from an environmental perspective, water evaporation is environmentally neutral (i.e., it does not pose any pollution-related risks). In 2024, 1,636,803 m³ of water was drawn from the environment to ultimately replenish the pulp hydrotransport system. Of this volume, 613,235 m³ was water initially used for other purposes and then, after treatment, was transferred to the hydro-ash removal system.

Use for refrigeration purposes

By far the largest amounts of water are those taken into the cooling system (in 2025 it was: 0 m³ (Pątnów I – unit shut down at the end of 2024) and 278,755,205 m³/year (Pątnów II Unit 9)). This system is open, and the taken water, after cooling the devices, returns to the environment in an unchanged quantity and state (apart from the increased temperature). This activity does not cause quantitative water losses in the environment.

From a formal perspective, the condenser cooling system at the Pątnów and Konin Power Plants is an open system. However, this is not typical of many industrial facilities, where cooling is achieved using river waters that absorb excess heat. This solution can be viewed as a closed loop, incorporating natural reservoirs and connecting them with a system of

canals. This system allows, in the event of a drop in the water table, water in this specific system to be replenished via a canal from the Warta River. As a result, the relatively constant water level in the lakes allows for more efficient operation of the power plant during the summer months, something that power plants located on rivers cannot afford. Consequently, ZE PAK SA power plants are better prepared for the threats posed by global warming, such as prolonged droughts, which, in the case of ZE PAK SA, given the production levels in recent years, do not necessarily require significant reductions in production. This loop combines natural reservoirs with man-made solutions. However, it constitutes a somewhat closed system, operating essentially independently of other reservoirs and natural streams, without affecting their functioning. This is an engineering solution unparalleled in Europe and the world.

The system connects five natural lakes in Konin, which, as a single lake complex, serve as a source of cooling water and a receiver and cooling point for heated discharge water. The Pątnów Power Plant draws cooling water from Lake Gośławskie and Lake Pątnowskie. The Konin Power Plant draws cooling water from Lake Pątnowskie. The water, heated in condensers, is discharged into discharge channels, which distribute it to all the lakes in the cooling circuit. The cooling system consists of the interconnected lakes: Gośławskie, Pątnowskie, Licheńskie, Wąsowskie, Mikorzyńskie, and Ślesieńskie, as well as channels, pumping stations, culverts, and siphons. The cooling circuit shared by the Pątnów and Konin Power Plants is called the long-distance circuit (the long-distance circuit holds approximately 87,188,000 m³ of water). The exception is Lake Gośławskie, which cools water only from the Pątnów Power Plant and is called a close circulation (the amount of water in the close circulation is approximately 21,500,000 m³).

The long-distance cooling circuit operates during periods of higher air and water temperatures (summer), as follows: heated cooling water drawn by the Central Pumping Station from Lake Gośławskie, cooled by the Pątnów Power Plant, is partially discharged back to Lake Gośławskie via three overflows, while the remaining water flows further through the canal and joins the Konin Power Plant's discharge water. These interconnected canals distribute water to Lake Pątnowskie and Lakes Mikorzyńskie and Licheńskie. From Lake Licheńskie, the "Piotrkowice" pumping station pumps water through canals to Lake Ślesieńskie. During summer periods with low rainfall (so-called "dry summers"), water shortages in the lakes may occur. These shortages can be supplemented from the Warta River by pumping stations in Morzysławie and Pątnów via the Warta-Gopło Canal.

The system, created in the 20th century, has had a significant impact on the biology of these lakes, primarily by contributing to an increase in average water temperature. Therefore, this aspect of the impact is described in the report's section on biodiversity, rather than water management.

For technological reasons, it is not only not rational, nor environmentally sound, to introduce solutions that would limit the intake and discharge of cooling water (such hypothetical actions could even lead to overheating of the unit and its damage, and from the environmental point of view, reducing the flow would result in a higher temperature of the discharged water, which would not only violate the provisions of environmental permits, but would also be dangerous to the ecosystem).

Mining activities

Years of mining activity and the need to pump and drain groundwater from the area around open-pit mines have resulted in the creation of so-called depression cone-holes. Open-pit mining also impacts surface waters (including reduced flow in streams affected by the mine and increased flow in streams due to the discharge of water from underground and surface drainage from the open-pit mine). The gradual phasing out of open-pit mining also means the gradual restoration of natural water conditions, no longer disrupted by artificial drainage of the mining area. Where land reclamation involves water-related reclamation, reservoirs will be created, contributing to nationwide efforts to promote water retention and counteract the effects of drought. However, during the transition period, restoring natural water conditions may involve temporary disruptions, resulting from the filling of depression cone-holes with water and the associated reduction in the water volume in some surface watercourses. These will initially be supplied with limited water from pumped water from the mining areas, ultimately eliminating the need to supply them at all. (Excessively rapid filling of the cone-hole and the excavation itself may cause a drop in groundwater levels and disrupt the stability of surface waters.) However, as a result of ongoing and planned reclamation work in the coming years, a number of reservoirs will be created in the region, promoting water retention. This is particularly important in Greater Poland, an area affected by steppe formation and characterized by severely limited water resources (high levels of water stress). In the longer term, the reconstruction of water conditions as a result of ongoing water reclamation will translate into the restoration of water resources in lakes, natural streams and wetlands, improving the condition of forest resources and hydrological conditions.

Other

Hydrogen production, planned for several years and scheduled to launch in late 2024 by PAK-PCE, **of which the ZE PAK SA Group is a minority shareholder (an activity not included in consolidation)**, requires water, and hydrogen is to be produced through electrolysis. Naturally, the hydrogen combustion process will re-generate water,

which will then re-enter the natural cycle. However, this water will not necessarily be released into the environment in the region where it is collected.

Wastewater generated by power plants is treated in on-site treatment plants and, once parameters meet applicable regulations, discharged to receiving waters. However, for many years, power plants have been taking steps to prevent lake water pollution by utilizing wastewater in their internal systems. Thus, wastewater from flue gas treatment plants, oily wastewater from industrial floor cleaning, and filter backwash wastewater from drinking water treatment plants are used to produce ash and slag pulp, eliminating the need to use lake water as a transport medium. Furthermore, no chemical pollutants are released into the lakes. Furthermore, wastewater from the modern water demineralization plant is used in the flue gas desulfurization system for the production of lime milk. Thanks to the comprehensive modernization of the wastewater disposal system at Pątnów Power Plant, all wastewater (including domestic and industrial wastewater) has been managed internally, contributing to the complete cessation of pollutant emissions into surface waters.

Water stress analysis

According to *the Aquaduct™ Water Risk Atlas*¹⁸ published by the World Resources Institute (WRI), the entire Konin lakes area, where the ZE PAK SA Group's mining and manufacturing operations are conducted, is an area where so-called "water stress"¹⁹ has been identified as "high," and the overall water risk²⁰ as "medium-high." However, the risk of physical water availability, which contributes to the overall water risk and includes water stress, has been assessed for this area as "extremely high." This requires very serious, economical and rational use of limited resources and special care to avoid their contamination. This is also a priority for the reclamation of open-pit mines for water, which will allow for the retention of over 800 million cubic meters of water in a region with very limited reserves.

Current activities to protect and ensure water resources

To mitigate the risks of water shortages in areas affected by the depression cone, the Group continued key hydrological investments in 2025. A significant undertaking is the "Water Transfer from the Jeziorsko Reservoir on the Warta River via the Miłkowice II Pumping Station and from the Teleszyna River Basin via the Central Teleszyna and Przykona Reservoir," aimed at replenishing groundwater in the area of the reclaimed Adamów open-pit mine and restoring the region's water resources.

To support local water conditions, the subsidiary PAK CCGT, in cooperation with local governments (Dobra and Przykona Communes), is implementing a conservation program for the Teleszyna Górna River. Work scheduled for 2025 includes manual and mechanical cleaning of the riverbed of silt and vegetation rooting in the riverbed, removal of blockages and vegetation (mowing), infrastructure repairs (culverts), and installation of check valves to ensure free water flow and protect against flooding. Funding of approximately PLN 1.05 million (for Przykona and Dobra Communes) has been allocated for these projects. These activities aim to restore proper water conditions in the river area, which in the past has experienced periodic flow disruptions due to mining activities (drainage of the Koźmin open pit). The scope of construction work includes, among other things, shaping a new bed of the Teleszyny stream over a length of 97.0 m, demolition of existing hydrotechnical structures and culverts and construction of a feeder from the Przykona reservoir to the Adamów Pośredni reservoir.

The Group continued advanced reclamation efforts, creating new aquatic ecosystems in the final excavations. The greatest achievement was achieving the expected filling level, resulting in the creation of **the Kleczew Reservoir** (Kazimierz Północ Open Pit), with an area of 522 hectares and a depth of up to 62 meters (totaling 143 million m³ of water). Importantly, this reservoir currently exhibits parameters similar to those of a pure mesotrophic lake (high transparency, complete thermal stratification). In parallel, filling of other reservoirs is underway:

Table 51: PAK KWB Konin – Reservoirs in the Konin area (as of January 16, 2026)

Parameter	Roztoka	Bilczew	spars	Tomisławice	Lubstów	Kleczew	Joźwin	Honorata
Target capacity [million m³]	1.5	4.6	39	55	137	143	240	83

¹⁸ <https://www.wri.org/applications/aqueduct/water-risk-atlas>

¹⁹ Water stress measures the ratio of total water withdrawal to available renewable surface and groundwater sources.

²⁰ Overall Water Risk measures all water-related risks by aggregating all selected indicators from the categories of physical quantity, quality, regulatory and reputational risk. Higher values indicate greater water-related risk.

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Filling [%]	9%	100%	62%	0%	109%	100%	20%	100%
Missing volume [million m³]	1.38	0	15	55	(11.7)*	0	192.7	0

*For the Lubstów reservoir there is an excess of water of 11.7 million m³.

Table 52: PAK KWB Konin – Reservoirs in the Turek area (as of January 16, 2026)

Parameter	Janiszewski	Kozmin	Final Koźmin	Adamów final	heads	Adamów intermediate	Władysławów
Target capacity [million m³]	4.05	7.57	35.5	94	20.1	22	17.3
Filling [%]	100%	100%	100%	25%	100%	34%	106%
Missing volume [million m³]	0	0	0	70.4	0	14.6	(1)**

**For the Władysławów reservoir there is an excess of water of 1 million m³.

Ultimately, the reservoirs in the Konin region are to hold 703.1 million m³ (currently they are 62% full, i.e. 439.0 million m³ filled, and still 264.1 million m³ short of full capacity). In turn, the reservoirs in the Turek-Konin region are to hold 200.5 million m³ (currently they are 58% full, i.e. 115.5 million m³ filled, and still 85 million m³ short of full capacity).

Importantly, the largest **reservoir, Józwin**, which has already reached a surface area of over 227 hectares, despite its early development stage (water turbidity, initial trophic phase), demonstrates the potential for rapid formation of organism communities characteristic of lowland lakes. In the case of **Władysławów Reservoir**, the water reclamation process has brought hydrodynamic stabilization. The groundwater level around the reservoir has risen above the water table, ensuring its natural recharge and maintaining hydrological balance.

The effectiveness of these actions is verified through comprehensive monitoring. Monitoring of water level and temperature in newly constructed reservoirs is conducted several times a day, and the readings are made available by the Group on a dedicated portal. This allows for ongoing analysis of water level behavior in the reservoirs (depending on factors related to both the ongoing work and the impact of natural factors). The Group has also been monitoring the levels of natural lakes in the region for years, potentially affected by its activities ²¹. The time series for some of them date back to the 1990s, and in some cases even to the 1960s. Furthermore, once a month, the ZE PAK Group laboratory analyzes basic physicochemical parameters (e.g., oxygen content (thermo-oxygen profiles), conductivity, pH, and nutrients (nitrogen, phosphorus) to assess reservoir trophy). In the case of the Konin Lakes, water level and temperature are also monitored. Physicochemical parameter tests are also conducted quarterly. ²²

²¹These are the following natural water reservoirs: Niedziegiel Lake (Skorzęcin), Głodowskie Lake, Koziegłowy Lake, Skulska Wieś Lake, Skulskie Lake, Ostrowite-Jarotki Lake, Budziszawskie Lake (Anastazewo), Budziszawskie Lake (Tręby), Suszewskie Lake, Ostrowskie Lake, Ostrowskie Lake (Przyjezierze), Kownacko-Wójcińskie Lake, Wójcińskie Lake (Wójcin Letn.), Wilczyńskie Lake, Głuszyńskie Lake, Zakrzewek Lake, Świeskie Lake, Czarny Bród Lake, Czartowo Lake, Gopło Lake, Lubstówek Lake, Oczko Mniszki, Oczko Łuszczewo, Roztoka Lake, Kosewskie Lake, Szkliniec Lake, Stępa Lake.

²²Water monitoring covers a wide range of physicochemical indicators, and the tested parameters can be divided into the following groups: physical and organoleptic indicators (water temperature (and, additionally, air temperature), pH (acidity or alkalinity of water), electrical conductivity (an indicator of the overall mineralization of water), sample appearance (visual assessment, e.g. clear, slightly opalescent), color (tested at selected points), oxygen conditions and organic pollutants (dissolved oxygen, BOD5 (biochemical oxygen demand) (an indicator of biodegradable organic pollutants), COD-Cr (chemical oxygen demand) (an indicator of the overall content of organic pollutants (present in the reports for the Drzewce, Józwin, Kleczew, Lubstów reservoirs)), permanganate index (oxidizability)), salinity, suspended solids and mineral components. Tests of ions and solids (total suspended solids, dissolved substances, chlorides and sulfates (the main anions affecting the salinity), alkalinity (total and mineral), general hardness (total calcium and magnesium content), main cations (calcium, magnesium, sodium, potassium), nutrients (nitrogen and phosphorus compounds) (analysis of nutrients promoting eutrophication: total nitrogen, ammonium nitrogen, nitrate nitrogen, nitrite nitrogen and Kjeldahl nitrogen, total phosphorus and phosphates (phosphate phosphate)), metals: the range of metals tested varies depending on the measurement point (as a standard, iron and manganese are tested at all points, in the case of Lake Gosławskie,

In addition to cyclical activities, reservoirs, especially those created as part of reclamation projects, are the subject of additional research. This includes research commissioned by the ZE PAK Group, as well as research conducted in collaboration with the Group by academic institutions and local non-governmental organizations. In 2025, a series of additional studies were conducted, which led to the development of:

" *Expertise of the natural, hydrometeorological, morphological and hydrogeological conditions of the Władysławów reservoir* " (Poznań University of Life Sciences (Editorial work: prof. dr hab. inż. Agnieszka Ławniczak-Malińska, dr hab. inż. Michał Kozłowski, dr hab. inż. Janusz Golski). The status of water reclamation of the Władysławów final excavation for the year 2025 was analyzed. The key finding is the fact that after turning off the artificial water supply from the well in March 2022, the water level in the reservoir decreased by approx. 1.5 meters and then began to stabilize at the elevation of approx. 99.5 m above sea level. Piezometer observations indicate that the groundwater table around the reservoir (from the east and south) rose above the water table in the basin, which means that the reservoir has started to be supplied by groundwater and is striving for equilibrium. Hydrodynamic. In terms of water quality, the reservoir was assessed as satisfactory. It is characterized by high transparency, low chlorophyll a concentration, and low levels of nitrate and ammonium nitrogen. The only unfavorable parameter indicating a risk of eutrophication is the periodically high concentration of total phosphorus (hypertrophy in 2023), which, however, shows a decreasing trend in 2024. Oxygen conditions are very good – hypolimnion oxygenation during the summer stagnation period was approximately 10 mg O₂/l. The report also analyzed the water quality in the adjacent stream (ditch), which could potentially feed the reservoir. Extremely high concentrations of nutrients (phosphates), high BOD₅, and bacteriological contamination were found there, which disqualifies these waters as a source of supply due to the threat to the reservoir's water quality.

" *Expertise entitled: Carrying out hydrobiological tests of the Kleczew reservoir, the Roztoka reservoir and the flooded final excavation of the Józwin II B open pit in 2024* " (Poznań University of Life Sciences (Editorial work: prof. dr hab. inż. Agnieszka Ławniczak-Malińska, dr hab. inż. Michał Kozłowski, dr hab. inż. Janusz Golski). The study compares the results of analyses of the condition of three reservoirs in 2024 and in relation to physicochemical aspects (water quality). The Kleczew reservoir (the largest and deepest, assessed as the cleanest ("a natural lake in the stage of early mesotrophy"). It is distinguished by high transparency (on average 5.29 m), full thermal stratification in summer (epilimnion, metalimnion, hypolimnion) and low trophy. However, oxygen deficits were noted at bottom at the peak of summer stagnation and high phosphate concentrations (up to 1.71 mg PO₄/l), which is unusual for such a clean water body), Józwin IIB Reservoir (it is in the filling phase; the water is characterized by turbidity (Secchi disc visibility 1.0–3.1 m) resulting from the flooding process; in the summer, full thermal stratification was not developed (mixing by wind), but complete deoxygenation of layers below 8 meters was observed; the chlorophyll level is low), Roztoka Reservoir (the smallest and oldest (created in 2003); it has the character of a eutrophic lake – it is shallow, the water is mixed (no stratification), and the concentrations of nutrients are higher than in the other reservoirs; it is characterized by the lowest transparency and the highest biological productivity). Generally, in all reservoirs, a high abundance of nutrients (mainly phosphorus) was found, exceeding the standards for good ecological status, which, however, is the specificity of reservoirs. A similar study is also being prepared based on research from 2025, but its results were not yet available at the time of preparing this report.

Assessment of the water quality of the Konińskie Lakes (authors: Dr. Tomasz Mieszczankin, M.Sc. Eng. Piotr Leperowski, M.Sc. Eng. Gustaw Gazda-Szypulski (PROTE Technologies for the Environment sp. z o.o.), i.e. lakes included in the cooling circuit of the power plant. The analysis covered the Konińskie Lakes (Gosławskie, Pątnowskie, Licheńskie, Ślesieńskie, Wąsowsko-Mikorzyńskie). In the context of the physicochemical aspect. It focused on the problem of a systematic increase in water temperature over the years (the result of cooling water discharge and climate change) ²³and a high level of eutrophication (most of the lakes do not meet the criteria for good ecological or chemical status; oxygen deficits in the bottom layers, increased electrolytic conductivity and the presence of priority substances such as heavy metals and benzo(a)pyrene were recorded). The main threats were indicated as sewage management (leaky septic tanks, insufficient efficiency of domestic sewage treatment plants), fishing (throwing large amounts of bait, stocking the reservoir with cyprinid species, risk of supplying water with nutrients through uneaten, residual feed, release of large amounts of nutrients during water drainage/pond cleaning), agriculture (surface runoff and infiltration of nutrients from artificial fertilizers unused by crops), tourism (point discharges of sewage from vessels, disturbance of bottom sediments, transformation of the shoreline with removal of aquatic vegetation), alien species (the presence of alien species of fauna

monitoring is extended to include heavy metals and specific elements (marked as parameters from the integrated permit), such as zinc, strontium, nickel, total chromium, copper, lead).

²³Since the turn of the century, the lake temperature has stabilized at a new, higher level, despite a significant decline in electricity production in recent years (and therefore also a reduction in water consumption in the cooling circuit). This is likely a result of climate change, as suggested by, among other things, the comparison with the temperature increase at Lake Gopło.

and flora, including invasive ones, may lead to disturbances in the ecosystem balance). In light of these threats, the cooling circuit of the power plant, causing an increase in temperatures in lake waters, may lead to acceleration of eutrophication processes.

Actions taken to reconstruction of water resources in the area of Powidz Landscape Park

Actions were taken pursuant to the letter of intent signed in 2022 regarding cooperation in the implementation of the project entitled: Increasing the retention and flood protection of the middle Warta River by using the potential of post-mining reservoirs in the Biskupia Struga catchment area and adapting the Ślesiński Canal to water transfer.

Due to the termination of mining operations at the Józwin IIB open pit, in order to fill the post-mining excavation after the open pit (reclamation of the excavation in the water direction), PAK Kopalnia Węgla Brunatnego Konin SA obtained the Decision of the Director of the Regional Water Management Board of Polish Waters in Poznań, reference number PO.RUZ.4210.20.2024.PK.8, dated April 25, 2024, granting a water-law permit for special use of water for business purposes in the scope of discharge of unpolluted waters from the deep drainage of the Józwin IIB mining plant to the final excavation of the Józwin Oblast, valid until February 6, 2034.

At the same time, efforts have been made to obtain a water permit to transfer water from the Warta River and Lake Gosławskie to the Kleczew and Józwin reservoirs. This will shorten the filling period of the Józwin final reservoir from the initially planned 33 years to approximately 10 years (assuming pumping at a rate of approximately 1.3 m³/s for 180 days a year, amounting to approximately 20 million m³ of water per year). This will support the natural renewal of groundwater in these reservoirs. Ultimately, the transferred water will contribute to the recovery of water resources in the lakes of the Powidz Landscape Park.

In order to perform the transfer:

- In April 2023, an Information Card for the project entitled "Use of resources from the top of the Ślesiński Canal and the Warta River to supply post-mining reservoirs in the Biskupia Struga catchment area" was prepared.
- On April 24, 2023, PAK Kopalnia Węgla Brunatnego Konin SA submitted an application to the Mayor of the Kazimierz Biskupi Commune for issuing a decision on the environmental conditions for the implementation of the above-mentioned project.
- On January 12, 2024, the Mayor of the Kazimierz Biskupi Commune issued a decision, reference number OŚR.6220.7.2023, in which he stated that there was no need to perform an environmental impact assessment for the planned project and specified the conditions for the implementation of the project entitled "Use of the resources of the Ślesiński Canal and the Warta River to supply post-mining reservoirs in the Biskupia Struga river basin." (He appealed against the decision in Poznań and, in accordance with the decision of the Regional Appeal Court in Konin, stated that the case needed to be reconsidered by the body issuing the decision.
- On February 25, 2025, the Mayor of the Kazimierz Biskupi Commune issued a decision, file reference number OŚR.6220.7.2023, stating the obligation to conduct an environmental impact assessment for the above-mentioned project and defined the scope of the environmental impact report for the project.
- By resolution of 25 February 2025, file reference OŚR.6220.7.2023, the Mayor of the Kazimierz Biskupi Commune suspended the proceedings regarding the issuance of a decision on environmental conditions for the project in question until the environmental report is submitted.
- On December 3, 2025, PAK Kopalnia Węgla Brunatnego Konin SA requested the resumption of the suspended proceedings, file reference OŚR.6220.7.2023, conducted by the Mayor of the Kazimierz Biskupi Commune, and to treat the submitted documentation as a response to the resolution of the Mayor of the Kazimierz Biskupi Commune of February 25, 2025, file reference OŚR.6220.7.2023.

The actions taken by ZE PAK SA aimed at transferring water were in line with the provisions of the Letter of Intent signed on November 8, 2022 by ZE PAK SA, PGW Wody Polskie, local governments and the Forest District in Miradź, aimed at restoring water resources in lakes, natural streams and wetlands of the Powidz Landscape Park ("PPK") by using the resources of the summit of the Ślesiński Canal and the Warta River to supply post-mining reservoirs in the Struga Biskupia catchment area.

In the letter, the Parties declared that they would cooperate in implementing the project entitled "Increasing retention and flood protection of the middle Warta River by utilizing the potential of post-mining reservoirs in the Biskupia Struga River Basin and adapting the Ślesiński Canal to water transfer," under which actions will be taken to contribute to the faster restoration of water conditions in the area of the Powidz Landscape Park, i.e. directing usable water from the Warta River using the existing ZE PAK SA infrastructure to the Kazimierz Północ and Józwin IIB open-pit reservoirs in order to accelerate the restoration of aquifers, which will consequently translate into an increase in water levels in the lakes belonging to the Powidz Landscape Park. The water transfer system to the above-mentioned The reservoirs will also be used to increase retention in eastern Greater Poland and as part of ongoing flood protection efforts, directing some of the floodwaters from the Warta River through the Warta-Gopło Canal to emerging reservoirs. The project was to be implemented after securing funding from the Just Transition Fund, with 70% of the funds coming from the Just Transition Fund, and the remainder from contributions from local governments, Polish Waters, and ZE PAK SA.

Unfortunately, the project was blocked by Polish Waters, which rejected most of the key points from the project in 2024.

On January 7, 2025, a working meeting was held at the Marshal's Office of the Wielkopolska Voivodeship in Poznań, dedicated to the impact of water deficits and the restoration of water resources in the lakes of the Powidz Landscape Park and adjacent areas, with the participation of all interested parties. The meeting was hosted by Jacek Bogusławski, member of the Wielkopolska Voivodeship Board. Among the guests were: Paulina Hennig-Kłoska, Minister of Climate and Environment, Joanna Kopczyńska, President of the State Water Management Company Wody Polskie and Piotr Otawski, General Director for Environmental Protection, Maciej Sytek, Plenipotentiary of the Voivodeship Board for the Restructuring of Eastern Wielkopolska and President of the Regional Development Agency in Konin, as well as the directors of the Regional Water Management Boards in Poznań and Bydgoszcz and the heads of poviats, commune heads and mayors of the communes belonging to the Powidz Landscape Park Association, chaired by Jakub Gwit, the Mayor of Powidz.

During the meeting, aware that the lakes of the Powidz Landscape Park are drying up and need to be saved, the most urgent and realistic tasks arising from the letter of intent regarding the project's implementation signed in November 2022 were reviewed. All signatories of the 2022 letter of intent confirmed the need to amend the letter, revise the project list, and prepare a new division of tasks and a preliminary cost estimate.

In January 2025, a Letter of Intent was prepared in a version assuming the implementation of the task without PGW Wody Polskie, under the patronage of the Minister of Climate and Environment Paulina Hennig-Kłoska and the Minister of Infrastructure Dariusz Klimczak.

On April 22, 2025, a letter of intent was signed regarding the restoration of the water resources of the lakes of the Powidz Landscape Park (transferring water from the Warta River to former mine workings in Eastern Greater Poland). Its signatories are the Powidz Landscape Park Association, established by local governments, ZE PAK, and the State Forests. In the letter, local government officials requested the efficient processing of the necessary permits and approvals for the project and requested the adoption of a special retention act.

The project is based on the expert opinion " Analysis of the possibility of supplying the lakes of the Powidz Landscape Park with water resources of the Warta River and the summit of the Ślesiński Canal ," prepared in 2020 at the request of the Wielkopolska Regional Government by: prof. dr hab. Jan Przybyłek, prof. dr hab. Maciej Gąbka, mgr inż. Witold Kamiński and mgr inż. Roman Wileński.

The project is to be financed 70% from European Union funds and the Just Transition Fund. Local governments, the State Forests, and ZE PAK SA (formerly Zespół Elektrowni "Pątnów-Adamów-Konin") will contribute.

In November 2025, the Powidz, Ostrowite, and Wilczyn municipal councils adopted resolutions calling for action to improve water resources in the lakes of the Powidz Landscape Park. The letters were addressed to the Prime Minister, the Minister of Climate and Environment, the Minister of Infrastructure, the President of the Polish Water Management Authority (PGW Wody Polskie), and members of parliament from the region.

Lake monitoring

Issues related to water monitoring are described in the section on biodiversity (see: *ESRS E4 Biodiversity and ecosystems*).

E3-3 – Water and Marine Resources Objectives

The following goals and their metrics come from *the ESG Strategy for 2024-2028*, which is discussed in more detail, including in the context of how to work on it, in ESRS 2 SBM-1.

Completion of post-mining land reclamation – carrying out demolition and reclamation works in mining areas and returning post-mining areas to use, depending on the nature of the reclamation (e.g. water, agricultural, forestry).

Restoring natural water conditions, disturbed by years of exploitation, by filling water reservoirs created in post-mining areas during the reclamation process towards water, filling and disappearing depression cone holes, while stabilizing flows in watercourses during the transitional period until the natural balance is regained.

Table 53: ESG Strategy Goals for 2024-2028 related to water and marine resources

Goal 3: Responsible exit from the mining industry (lignite) while respecting the social and natural environment.					
Improvement and restoration of natural water conditions in post-mining areas*			Technical reclamation of post-mining areas*		
Filling the reservoir after the Lubstów and Głowy open pits	2024-2025		Submitting applications for the reclamation of post-mining areas	2024-2025	
Filling the reservoir after the Roztoka open pit	2024-2025		Completion of technical reclamation – 419 ha	2026	
Filling the reservoir after the Józwin open pit	2024-2028		Completion of technical reclamation – 510 ha	2027	
Filling the reservoir after the Drzewce open-pit mine	2024-2028		Completion of technical reclamation – 672 ha	2028	
Filling the reservoir after the Adamów open pit	2024-2028				
* by the end of 2028, it is planned to achieve a capacity of over 800 million m ³ in water reservoirs in the Konin-Turek region			* by the end of 2028, technical reclamation will have been completed in an area of 1,602 ha		

The goals outlined above, related to a responsible exit from the mining industry, the reclamation of post-mining areas, and the restoration of water conditions, are largely indirect, mandated by specific regulations and administrative decisions. At the same time, assigning them strategic priority and providing a specific framework constitutes the Group's voluntary commitment, as reflected in the ESG Strategy.

E3-4 – Water consumption

Table 54: Water consumption

Location	IU	2024		2025	
		total	including areas of high or very high water stress (>80%)**	total	including high-risk areas or very high water stress (>80%)**
Water demand (water intake)					
underground water	m ³	265 870	265 870	264 210	264 210
surface water (from lakes, rivers, etc.)	m ³	1 370 933*	1 370 933*	1 043 825*	1 043 825*
municipal or municipal waterworks	m ³	0	0	0	0
total water demand	m ³	1 636 803	1 636 803	1 308 035	1 308 035
Water disposal (sewage management)					
underground water	m ³	0	0	0	0
surface water (lakes, rivers, etc.)	m ³	0	0	0	0
municipal or municipal sewage treatment plants	m ³	0	0	0	0
total volume of discharged water	m ³	0	0	0	0

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Water consumption					
total water consumption	m ³	1 636 803**	1 636 803**	1 308 035**	1 308 035**
total amount of water and wastewater recycled and reused	m ³	613235**	613235**	389 769**	389 769**
total amount of water stored	m ³	0	0	0	0

* The table does not include water drawn into the open cooling system in the amount of 0 m³ (Pątnów I – unit shut down at the end of 2024) and 278,755,205 m³/year (Pątnów II Unit 9), because the drawn water, after cooling the devices, returns to the environment in an unchanged quantity and state (apart from the increased temperature) – therefore, there are no quantitative losses of water in the environment. Similarly, for 2024, water drawn into the open cooling system in the amount of 285,928,665 m³ (Pątnów I) and 250,913,049 m³ (Unit 9) was not included, total: 536,841,714 m³/year

** The table shows total water consumption, as it is not returned to the environment. However, wastewater generated during the technological process (demi-, FGD), the drinking water treatment process (WTP), and domestic sewage are managed within the power plant's internal system for hydrotransportation of ash and slag pulp to the combustion waste disposal site. This wastewater utilization eliminates the need for additional surface water intake as a medium for hydrotransportation of pulp. Of the total water intake, 613,235 m³ of wastewater was generated and sent to hydro-ash removal.

Table 55: Water absorption (m³ / PLN million)

Location	IU	2024		2025	
		total	including areas of high or very high water stress (>80%)**	total	including areas of high or very high water stress (>80%)**
water intensity (total water consumption / net income)	m ³ / PLN million	749.02	749.02	980.66	980.66
water intensity (total water consumption / net income)	m ³ / million EUR	3,223.93	3,223.93	4,144.96	4,144.96

Comment: For ZE PAK SA, surface water includes the total water withdrawn for this purpose. This is non-returnable withdrawal. The summary does not include the amount of water withdrawn for cooling purposes, which is entirely released into the environment in unchanged quantity and composition. Groundwater for ZE PAK SA is the total water withdrawn by the power plant. For mines, groundwater withdrawal includes water withdrawn from the plant's intakes for social, living, and fire-fighting purposes.

The quantitative data presented in the above tables regarding water demand (absorption), discharge and water consumption are based on direct measurements and do not constitute estimated values.

In the case of disclosure E3-5, the ZE PAK SA Group took advantage of the possibility to omit it based on the rules indicated in ESRS 1 Appendix C.

ESRS E4 Biodiversity and Ecosystems

E4-1 – Biodiversity and ecosystem transformation plan and integration of biodiversity and ecosystems into strategy and business model

The ZE PAK SA Group has not formally adopted a transformation plan for biodiversity and ecosystems. However, at the Sustainable Development Strategy level for 2024-2028, it has established:

- goals related to the reclamation of post-mining and post-industrial areas, among which significant areas are being reclaimed for water and forest purposes,
- a goal emphasizing zero tolerance for the occurrence of contamination in business activities resulting from environmental accidents, i.e. events that may have an extremely destructive impact on areas of particular natural value.

This means paying special attention to restoring the natural habitats of the areas where Group companies have operated for years. At the same time, the individual processes of integrated environmental management systems are focused on

reducing the risk of environmental accidents, and if they do occur, initiating a chain of actions that will significantly mitigate their impact.

Actions undertaken are implemented based on legally binding administrative decisions, including integrated permits. The issuance process may require environmental analyses, compensatory measures, and environmental monitoring, including species monitoring. Strictly adhering to requirements that are tailored to the specific needs of each investment or facility, the Group has not yet decided to develop additional, overarching plans regarding its impact on ecosystems. However, key parameters related to biodiversity, the results of potential environmental analyses, and the timeframe for the actions to be undertaken are determined at the level of specific decisions.

The Group did not conduct a comprehensive analysis of the resilience of its business model with respect to biodiversity and ecosystems, meaning it did not conduct an analysis covering the entirety of its operations. However, all investments implemented in previous years with a potentially significant environmental impact (e.g., those related to new open pit mines) were preceded by appropriate analyses, and this process was directly linked to obtaining the required environmental permits. This process involved stakeholder representatives (e.g., representatives of affected communities, environmental organizations), established compensatory measures, and established the necessary environmental monitoring and its timeframe.

Currently, the Group's most important and largest investment is the ongoing construction of the PAK CCGT. The analysis conducted for the Environmental Impact Report for the analyzed PAK CCGT project did not reveal any significant impact of the construction, decommissioning, and operation phases of the new installation on the interactions between individual environmental components. The project is located outside protected areas, in an area that has been heavily anthropogenically transformed (the site of the former, decommissioned Adamów Power Plant). The nearest Natura 2000 site, the Central Warta Valley Special Bird Protection Area PLB300002, is approximately 10.5 km away. The investment's vicinity includes transformed land, farmland, forests, streams, and reservoirs. During the operation phase, the PAK CCGT will significantly utilize local water resources – this impact has been analyzed, and appropriate mitigation measures have been implemented. For the operation of the combined cycle unit, water from the Kielbaska River will be used to prepare demineralized and decarbonized water. In the event of low water flows in the Kielbaska and Teleszyn rivers, water will be pumped from the Jeziorsko reservoir on the Warta River. A two-chamber retention reservoir, or stormwater and meltwater reservoirs, as well as a two-chamber reservoir or industrial wastewater reservoirs are planned. Additionally, to mitigate the impact on water quality, a mitigating measure will be the maximum use of industrial wastewater and stormwater in a closed system.

At the same time, due to its characteristics, PAK CCGT does not use to a significant extent materials that may originate from areas at risk of biodiversity loss.

SBM-3 – Significant impacts, risks and opportunities and their interrelationships with the strategy and business model

Impact of activities on the immediate natural environment

If a valuable natural area were to be located within **the impact zone of a mining plant or power plant**, its impact on the ecosystems in that area would be negative. Hence, considerable care is taken to analyze the potential impact of such operations on the surrounding area, especially on areas characterized by high natural value.

Historical and ongoing mining activities, by their very nature, have significant, long-term, yet temporary (and reversible), negative impacts in the form of land degradation and landscape transformation in the licensed areas. At the same time, it has been determined that the Group's operations do not directly threaten the survival of endangered species in the region. On the contrary, the post-mining areas currently undergoing water and forest reclamation are becoming new, favorable habitats and refuges for many rare bird species listed on the Polish Red List of Birds.

Several important natural areas are within the significant impact range of the ZE PAK SA Group's plants, both open pits and power plants. Among them, the eastern part of the "Adamów-Koźmin" mining area is designated as a Natura 2000 – Central Warta Valley special bird protection area (area code: PLB300002). The same area is within the impact range of the Drzewce open pit drainage system. Part of Field A of the Drzewce open pit is located within a Natura 2000 site, while the remaining part and Field B impact this area. The "Nadgoplański Park Tysiąclecia" (Nadgoplański Park Tysiąclecia) Landscape Park and reserve are located 7-12 km west of the Tomisławice open pit. The Goplańsko-Kujawski protected landscape area and the "Jezioro Głuszyńskie" protected landscape area are also located in the Tomisławice open pit area. In turn, near the Pątnów Power Plant, 2.5 km to the west, there is a Special Area of Habitat Protection – "Puszcza Bieniszewska" PLH300011. Within the range of the Pątnów Power Plant, at a distance of approx. 6-8 km to the south of the power plant, there is also the border of the Special Area of Bird Protection – "Dolina Środkowej Warty" – PLB300002 and the Special Area of Habitat Protection – "Ostoja Nadwarciańska" – PLH300009.

Of key importance to the natural environment, especially the aquatic environment, is the direct impact of the Group's activities, including the implementation of reclamation projects, on the stability of water conditions in the region. PAK KWB Konin SA monitored the aquatic environment for both active open pit mines and those where mining has ceased. Daily water level observations were conducted at water gauge stations. The distances and catchment areas in the water gauge profiles are presented according to the current state at IMWM-PIB as of November 1, 2014 (based on the 2010 Hydrographic Division Map of Poland – MPHP – prepared at a scale of 1:50,000). Periodic water level observations were conducted in conjunction with flow rate measurements at water gauges. Flow measurements are performed periodically by IMWM-PIB, with the aim of determining the water level-discharge relationship, which, based on water gauge observations, enables the determination of daily and characteristic flows. At the Tomisławice open pit, monitoring of breeding birds in the Nadgoplańska Refuge, as well as monitoring of natural habitats and plant species, was conducted. As part of the corrective measures, meadows in the Nadgoplańska Refuge were mowed to restore, preserve, or improve habitats containing protected plant species and to create favorable conditions for birds and insects.

Special Area of Conservation PLH300011 "Puszcza Bieniszewska"

This dense forest complex is located on the western edge of the Konin urban-industrial agglomeration. Nearly the entire area is covered by well-preserved oak-hornbeam and riparian forests, with small areas occupied by acidophilous and luminous oak forests. Among these are three eutrophic reservoirs, along whose banks vast expanses of eutrophic reed beds and moss fens develop. The forest communities are well-preserved and highly diverse. They include remarkably well-preserved, fertile deciduous forests of various types, particularly valuable as a gene reservoir in a landscape subject to intense, large-scale human impact (nearby are extensive external and internal waste dumps of a lignite mine, currently being reclaimed).

A total of eight habitat types from Annex I of the Habitats Directive have been identified here. It is a valuable floristic refuge. Of note is the presence of a stable population of the Loesel's Liparis (*Liparis loeseli*), a species from Annex II of the Habitats Directive (one animal species from this annex has also been observed here). Furthermore, at least 12 other species rare on a national or regional scale occur here. Numerous species protected under Polish law also form rich populations.

Threats include: air pollution – the immediate vicinity of open-pit mines, power plant ash settling ponds, and the heated waters of Lake Gosiławickie; changes in groundwater levels; changes in land use. The majority of the area is located within four nature reserves: Bieniszew (144.1 ha; 1996), Sokółki (240 ha; 1996), Pustelnik (100.25 ha; 1997), and Mielno (93.65 ha; 1957). The entire area is within the Powidzko-Bienieszewski Protected Landscape Area (20,480 ha).

Special Protection Area for Birds PLB300002 "Middle Warta Valley"

The area encompasses the Warta River valley between the villages of Babin (near Uniejów) and Dębno nad Wartą (near Nowe Miasto nad Wartą). The valley ranges in width from 500 m to approximately 5 km, is filled with alluvial soils and sands, with only small areas of shallow peat occurring in drainless depressions. The valley area is diversely transformed and subject to various land use patterns.

In the Kola Basin, the river is embanked on both sides, with floodplains (meadows and pastures, local riparian forests, and riverside willows) located in the inter-embankment zone and at the mouths of the Prosna and Kiełbaska rivers. Within the Konińsko-Pyzdry Valley, the valley has retained a more natural character.

Its western part is not embanked and is subject to periodic flooding. This area is occupied by a mosaic of extensively used meadows and pastures, riparian woodlands, and reed-covered oxbow lakes. The western part of the area (west of the Prosna River mouth) is occupied by a large complex of floodplains, resembling natural, old ash-elm riparian forests and low oak-hornbeam forests. Significant fragments of these have been preserved as a protected reserve. The construction of the Jeziorsko reservoir on the Warta River altered the natural hydrological rhythm of the Warta River, resulting in various habitat changes. The area contains a bird sanctuary of European rank, E36 (Middle Warta Valley).

There are at least 42 bird species listed in the Annex and the Birds Directive, and 18 species listed in the Polish Red Data Book (PRD). The area is a very important refuge for wetland birds, especially during the breeding season. During the breeding season, the area is inhabited by more than 10% of the national population of the whiskered tern (PCK), more than 2% of the national populations of the following bird species: garganey, greylag goose, redshank, shoveler, little tern (PCK), white-winged tern (PCK), black tern, black-tailed godwit and at least 1% of the national population

of the following bird species: ruff (PCK), bittern (PCK), Montagu's harrier, marsh harrier, middle spotted woodpecker, spotted crane, bluethroat (PCK), common sandpiper, teal, lapwing, grey heron, hoopoe, rosefinch, gadwall, Eurasian curlew (PCK), ringed plover (PCK) and black-necked godwit; the following reach relatively high numbers: hen harrier (PCK), teal, corn crane, snipe, ortolan bunny, night heron (PCK), kingfisher and tawny pipit; the very rare pintail (PCK) probably nests there; in addition, hoopoe, rosefinch, kestrel, and penduline tit occur in numbers exceeding 1% of the national population, and quail in numbers approx. 1% of the national population. During the autumn migration period, there are great egrets (up to 23 individuals), wigeons (up to 1,500 individuals), cranes (up to 250 individuals), and mixed flocks of geese (over 5,000 individuals). During the spring migration, tooting ruffs numbering up to 1,200 individuals can be seen. The following forms of protection are available: Landscape Parks: Nadwarciański (13428.0 ha), Żerkowsko-Czeszewski (15640.0 ha), Protected Landscape Area: Pyzdry (until 1995 30000) (16572.0 ha), Uniejowski (18000.0 ha), Goplański-Kujawy, Nadwarciański, Powidzko-Bieniszewski, Szwajcaria Żerkowska, Złotogórski

Threats include reduced snowmelt flows and unpredictable flooding following heavy summer rains from June to August. The change in hydrological regime leads to limited meadow and pasture management, and consequently, to the expansion of shrub and tree vegetation into open areas. The change in water conditions also negatively impacts the health of riparian forests in the western part of the area.

Special Area of Conservation PLH300009 "Ostoja Nadwarciańska"

The refuge is located in the eastern part of Greater Poland and encompasses a section of the Middle Warta River Valley. The Warta flows latitudinally in the Warsaw-Berlin Proglacial Valley, formed during the last glacial period.

The Warta River floodplain reaches over 4 km in width in places and is characterized by a high diversity of vegetation, creating favorable habitats for many animal species, particularly birds. The contemporary valley floor was formed primarily by the accumulative and erosive activity of river waters (primarily the Warta, and to a lesser extent the Prosna and Czarna Struga). The terrain abounds in various fluvial features: riverbed embankments, a floodplain with various types of oxbow lakes, a dune terrace, and dune hills. The Warta River waters are characterized by a thaw-rain regime, with a specific rhythm of high and low flows that determines the environmental conditions of the entire valley. The flood zone still covers most of the refuge, creating periodic floodplains of up to several thousand hectares. These floodplains form primarily in spring, during the thaw period, and also occur irregularly in summer. Originally, such floods shaped the natural conditions throughout the valley.

Currently, they are modified by the relatively narrow embankment of most of the valley, as well as the operation of the large "Jeziorsko" reservoir since the 1980s. The vegetation is highly varied; it has retained mainly a semi-natural and natural, dynamic character. Fragments of the *Salicetum albo-fragilis* riparian forests, which are disappearing across Europe, are sporadic, while phytocoenoses of the riverside willow *Salicetum triandro-viminalis* are common, successively associated with them. In small areas, primarily on the valley's outskirts, there remain *Ribo nigri*-*Alnetum* alder forests and the accompanying *Fraxino-Alnetum* ash-alder forests, as well as riverside forms of *Ficario-Ulmetum campestris typicum* riparian forests (currently spontaneously expanding their local range). For several hundred years, the largest areas have been occupied by wet meadows and pastures (*Molinietalia*) and reed beds of the *Phragmitetea* class, especially *Glycerietum maximae* and *Caricetum gracilis*. In the oxbow lakes, well-developed communities of aquatic plants of the *Lemnetea* and *Potametea* classes are present. Sandy dunes are covered with *Koelerio-Corynephoretea* grasslands and pine stands. Interesting transitional peat bogs also occur in the drainless depressions within the dune terrace.

The vast majority of the area is dominated by extensive meadow and pasture farming (including the traditional grazing of geese in these areas), with the participation of forestry. Arable fields are concentrated in elevated areas and on the valley edge, where moderate agricultural settlements have developed. Some areas, especially in the Warta River basin, are essentially subject to fluvial processes shaping the natural vegetation. The refuge boasts a rich amphibian fauna (13 of the 18 species found in Poland have been identified here). Other groups of organisms are less well known, but interesting species of fungi, bryophytes, mollusks, mayflies, leeches, bats, and fish are found here.

The high value of this area is determined by the relatively low level of anthropogenic transformation, as natural and semi-natural ecosystems dominate here. The refuge's international environmental value has been confirmed by its inclusion in the CORINE biotopes and ECONET – Poland programs. The middle Warta Valley also meets the criteria for areas important for the protection of wetland biotopes under the Ramier Convention. The area is also of significant importance for bird conservation.

Landscape Park and Reserve "Nadgoplański Park Tysiąclecia" (NPT)

The park is located 7-12 km west of the Tomisławice opencast mine. Within its boundaries, a large area is covered by water – 2,130 ha, including Lake Gopło – 2,050 ha. Protected plants include the yellow water lily and the white water lily. Around the lake, a natural meadow system has been preserved – from wetlands to freshwater meadows and pastures. Birds are the most numerous and interesting in the NPT area. Lake Gopło is the most populated site of the greylag goose in Poland, a breeding ground for bitterns, marsh harriers, lapwings, and black-tailed godwits, and a wintering ground for black storks, red-throated divers, herring gulls, plovers, and, most recently, white-tailed eagles. New species include the purple heron, common rosefinch, little ringed plover, ruff, little grebe, and the tern. In the southern part of the "Nadgoplański Park Tysiąclecia" nature reserve and landscape park, along the Warta-Gopło Canal, in the area of Sompolno, Wierzbinka, and Zaryń, the "Goplańsko-Kujawski" Protected Landscape Area was established. Within this area, protected areas include forests with valuable trees, wetlands, and peat bogs with marsh and meadow vegetation, often of organic origin. Within the "Goplańsko-Kujawski" Protected Landscape Area is the "Kawęczynskie Brzęki" forest reserve. Within the reserve, an oak-hornbeam forest with wild service tree is protected. The "Goplańsko-Kujawski" Protected Landscape Area connects in its eastern part with the "Jezioro Głuszyńskie" Protected Landscape Area. The forests (Orle Forest) and meadow-marsh complexes are valuable.

Unique, semi-natural cooling system

From a formal perspective, the condenser cooling system at the Pątnów and Konin Power Plants (whose assets are part of the Polsat Plus Group) is an open system. However, this is not typical of many industrial facilities, where cooling is achieved by using the waters of flowing rivers, which absorb excess heat. The solution used at the ZE PAK SA power plant can be viewed as a closed circuit, incorporating natural reservoirs and connecting them with a system of canals. This system allows, in the event of a drop in the water level, water in this specific system to be replenished via a canal from the Warta River. As a result, the relatively constant water levels in the lakes allow for efficient operation of the power plant during the summer months, a challenge that cannot be afforded by power plants located on rivers, which must reduce power output during periods of severe drought (low water levels). ZE PAK SA power plants are therefore better prepared for the threats posed by global warming, such as prolonged droughts. Given the production levels of recent years, this doesn't necessarily mean significant reductions in production at ZE PAK SA. This is a system that integrates natural reservoirs and man-made solutions. However, it is, in a sense, a closed system, operating essentially independently of other reservoirs and natural streams, without affecting their operation. This is an engineering solution unparalleled in Europe and the world.

The system connects five natural Konin lakes, which, as a single lake complex, serve as a source of cooling water and a receiver and cooling point for heated discharge water. The Pątnów Power Plant draws cooling water from Lake Gosławskie and Lake Pątnowskie. The Konin Power Plant, which is not consolidated within the Group, draws cooling water from Lake Pątnowskie. The water, heated in condensers, is discharged into discharge channels, which distribute it to all the lakes in the cooling circuit. The cooling system consists of the interconnected lakes: Gosławskie, Pątnowskie, Licheńskie, Wąsowskie, Mikorzyńskie, and Ślesieńskie, as well as channels, pumping stations, culverts, and siphons. The cooling circuit shared by the Pątnów and Konin Power Plants is called the long-distance circuit (the long-distance circuit holds approximately 87,188,000 m³ of water). The exception is Lake Gosławskie, which cools water only from the Pątnów Power Plant and is called a close circulation (the amount of water in the close circulation is approximately 21,500,000 m³).

The long-distance cooling circuit operates during periods of higher air and water temperatures (summer), as follows: heated cooling water drawn by the Central Pumping Station from Lake Gosławskie, cooled by the Pątnów Power Plant, is partially discharged back to Lake Gosławskie via three overflows, while the remaining water flows further through the canal and joins the Konin Power Plant's discharge water. These interconnected canals distribute water to Lake Pątnowskie and Lakes Mikorzyńskie and Licheńskie. From Lake Licheńskie, the "Piotrkowice" pumping station pumps water through canals to Lake Ślesieńskie. During summer periods with low rainfall (so-called "dry summers"), water shortages in the lakes may occur. These shortages can be supplemented from the Warta River by pumping stations in Morzysławie and Pątnów via the Warta-Gopło Canal.

Established in the 20th century, the system, primarily by contributing to an increase in the average water temperature in the lakes, has significantly influenced the biology of these lakes. Energy production at the power plants has contributed to the development of an aquatic ecosystem unique to the warm and well-aerated Konin lakes. The release of aerated and warm water with a strictly controlled temperature has for years supported the development of fish farming, including breeding and stocking. This system is further utilized by fish farms across the country. The fish farms operating in the vicinity of the power plants, technologically integrated with the cooling system, together with the system, constitute a unique sturgeon farming system in Poland, and even in Europe.

Unfortunately, the unique ecosystem of the Konin lakes, including the intensive fishing industry, creates conditions conducive to colonization by alien, often invasive species. As many as 41 species alien to the region have been recorded, along with at least 58 cryptogamous species—those clearly neither native nor alien—and their expansion or invasion could and may be due to both natural and anthropogenic factors. Chordates, mollusks, and flatworms dominated the studied species. At the same time, the lake ichthyofauna was enriched by 12 alien fish species. The circumstances of colonization of the lake system were determined for 58% of the species. Most of these originate from the Ponto-Caspian and Asian regions. Species originating from North America, Africa, and South America were also recorded, as well as a few from Australia, Oceania, and Central America. Some have reached Poland for commercial purposes (aquaculture, aquariums). Others were introduced to the lakes intentionally, such as Asian herbivorous fish: grass carp, silver carp, and bighead carp – to help limit the spread of *spiralis spiralis* (a grass popular in aquariums). A significant number of species inhabited the lakes as "stowaways," accidentally released into the environment, for example, from aquaculture and aquarium hobbyists. Some also originated from so-called "plantings," such as the hybrid water lily.

A separate group of alien fish species found in Konin lakes includes "escapees" from fish farming facilities. The occurrence of sturgeon, rainbow trout, tilapia, and golden crucian carp was associated with unintentional introductions. Most of these species do not breed in heated lakes. Their impact on the environment and the already poor native ichthyofauna of the lakes is also unknown. Fish inhabiting the lakes are currently under strong pressure from anglers and fish-eating birds that gather in the Konin lakes.

New and planned activities and biodiversity

In the case of the PAK-PCE Group's investments currently under construction, in which ZE PAK SA is a minority shareholder, exposure to environmental risks will be significantly lower, but it will also be completely different in nature. For example, in the case of photovoltaic farms, during their operation phase, the primary concern is landscape disruption, and the areas of such farms are often used for agricultural purposes. The ZE PAK SA Group is keenly considering projects that allow for the use of farm land, for example, for grazing animals. In the case of wind energy, in addition to significant landscape disruption, it's worth noting the threat turbines may pose to birds and bats.

New types of activity should not pose such a significant burden on the social environment as lignite mines do today. The photovoltaic farm, although it occupies a large area, was located on reclaimed former mining land, so its construction did not involve the exclusion of land from agricultural production, land acquisition, or the relocation of residents. There are no significant population centers in its immediate vicinity. Moreover, the impact of the photovoltaic farm, beyond the spatial transformation, is limited.

IRO-1 – Description of processes for identifying and assessing significant impacts, risks and opportunities related to biodiversity and ecosystems

The ZE PAK Group conducted a single, collaborative process to identify impacts, risks, and opportunities. This process is described in ESRS 2 IRO-1, and the results of this analysis can be found in ESRS 2 SBM-3.

This included, among other things, identifying and assessing the impact on biodiversity and ecosystems in the Group's own locations and the dependence of the Group's operations on ecosystems (e.g., impacts on the Konin Lake ecosystem, or disruptions to the flow and levels of local watercourses). Impact assessments along the value chain were less extensive, due to the failure to identify such impacts in the supply chain and the inability to identify them downstream. Dialogue with local communities, where appropriate, was also considered. With the involvement of representatives from individual units, analyses of the operations' impact on biodiversity were conducted, including the identification of key assets that could impact biodiversity, including areas of high natural value. At a later stage of the analysis, those impact aspects deemed insignificant to the Group's overall picture were discarded. No significant systemic biodiversity-related risks were identified. At the same time, detailed analyses, including physical and transition risks, were identified during the environmental impact assessment phase of the Group's investments. For the same reason, at this stage the Group did not conduct additional consultations with local communities in areas that were considered significant in the analysis, based on knowledge of their possible concerns and expectations from previous socio-environmental impact assessment processes.

Due to the specific impact on individual ecosystems, the ZE PAK SA Group collaborates closely with administrative bodies issuing environmental decisions. These decisions take into account risks and also specify the required management approach (e.g., monitoring or environmental compensation).

E4-2 – Biodiversity and Ecosystem Policies

The Group does not have a separate biodiversity management policy; these issues are covered by the general environmental policy contained in the Integrated Management System Policy (see E2-1), which focuses on preventing accidents and taking actions to reduce negative impacts on the natural environment, use its resources sparingly, and

increase efficiency and improvement. The ZE PAK SA Group's management approach focuses on limiting the negative impact of its operations on the natural environment, particularly in situations where such operations could negatively impact areas of high natural value and their ecosystems. This involves monitoring key environmental parameters, including strict adherence to the provisions of standards and guidelines for environmental decisions, which reflect the specific impacts of both the specific facility and its natural environment. Therefore, the ZE PAK SA Group conducts environmental monitoring, compensatory measures, and reclamation in accordance with the recommendations of administrative bodies and entities whose opinions were taken into account during the proceedings preceding the issuance of environmental decisions.

While in previous decades, the progressive exploitation of lignite resources resulted in land acquisition and exclusion from agricultural and forestry production, which consequently led to a reduction in the area of arable fields and meadows, as well as deforestation, the opposite process can now be observed. As part of the administrative decisions issued, the ZE PAK Group is restoring former mining and post-industrial lands through reclamation for forest, agricultural, or water purposes. At the same time, no new open-pit mines are being built, and the exploitation of coal deposits owned by PAK KWB Konin continues.

Due to its integrated business model, in which the primary fuel (lignite) is extracted internally for energy production, the supply chain for this key raw material is fully internal, ensuring its complete traceability. Therefore, the Group does not require the implementation of additional anti-deforestation policies for external suppliers of key raw materials. Furthermore, the social consequences of impacts on biodiversity and ecosystems (e.g., the impact of open-pit mine drainage on local agricultural crops) are managed on an ongoing basis through a policy of open dialogue with local communities and the payment of appropriate statutory compensation.

Apart from those disclosed above, the ZE PAK Group has not implemented any other significant solutions addressing the issues covered by this disclosure that are not listed above. In particular, it has not developed and adopted a separate Biodiversity and Ecosystem Protection Policy.

E4-3 – Activities and Resources Related to Biodiversity and Ecosystems

All of the Group's environmental activities are implemented in accordance with the mitigation hierarchy. The goal is to first avoid negative impacts (e.g., through appropriate planning and implementation), then minimize them, and ultimately restore damaged ecosystems through comprehensive remediation. In 2025, the Group implemented environmental compensation measures resulting from administrative decisions, but did not acquire market-based compensation units (so-called voluntary biodiversity offsets), and therefore did not incur any direct financial costs related to this, which would be subject to separate disclosure.

Impact of activities on the immediate natural environment

In mining, most key actions aimed at preventing, reducing, or compensating negative environmental impacts are initially planned at the stage of environmental analysis and the preparation of the environmental impact report. In addition to technical and engineering solutions (appropriate shaping of the spoil heap, planning solutions to minimize the effects of disruptions to water conditions resulting from open pit drainage, etc.), impact standards are strictly defined for specific environmental aspects, and environmental monitoring is conducted throughout the multi-year life cycle of the open pit mine, along with monitoring of water levels in wells, streams, and reservoirs, the quantity and quality of water discharged into receiving bodies (water and soil), the extent of the depression cone, dust emissions, noise levels, etc.

Last year the mine carried out:

- quantitative and qualitative monitoring of groundwater and surface water,
- environmental monitoring, with particular emphasis on naturally valuable areas,
- technical and biological reclamation.

In 2025, monitoring of breeding birds was carried out - the prepared report contains the results collected during the 2024 breeding season as part of ornithological monitoring in the Natura 2000 special bird protection area "Ostoja Nadgoplańska" (PLB040004) and in the vicinity of the planned "Tomisławice" lignite opencast mine, carried out in accordance with the agreement concluded with PAK KWB "Konin" in Kleczew.

The research was carried out based on the method specified in *the Report on the impact of the Tomisławice District on the environment* (consolidated text) and in the study by BRAUZE (2008).

Monitoring of breeding birds was carried out on six sample areas, which were squares with sides of 1 km and an area of 1 km², marked with letters A to F.

In 2024, a total of **105 species of breeding birds** were recorded in all surveyed areas, 27 of which were found in each square. These were: **Pheasant** *Phasianus colchicus* , **Great Tit** *Parus major* , **Whitethroat** *Sylvia communis* , **Warbler** *Sylvia borin* , **Red-backed Shrike** *Lanius collurio* , **Wood Pigeon** *Columba palumbus* , **Blackcap** *Sylvia atricapilla* , **Blackbird** *Turdus merula* , **Cuckoo** *Cuculus canorus* , **Marsh Warbler** *Acrocephalus palustris* , **Blue Tit** *Cyanistes caeruleus* , **Grey Flycatcher** *Muscicapa striata* , **Garden Creeper** *Certhia brachydactyla* , **Warbler** *Phylloscopus trochilus* , **Cowslip** *Phylloscopus collybita* , **Bunting** *Emberiza calandra* , **Robin** *Erithacus rubecula* , **Skylark** *Alauda arvensis* , **Jay** *Garrulus glandarius* , **Wren** *Troglodytes troglodytes* , **goldfinch** *Carduelis carduelis* , **starling** *Sturnus vulgaris* , **songbird** *Turdus philomelos* , **yellowhammer** *Emberiza citrinella* , **golden oriole** *Oriolus oriolus* , **warbler** *Hippolais icterina* and **chaffinch** *Fringilla coelebs* .

Bird species richness in individual squares ranged from **51** (square A) to **77** species (square B).

In 2025, monitoring of natural habitats and plant species from the Lake Gopło area was also conducted, conducted in connection with lignite mining from the Tomisławice deposit. The main part of the report contains the results of monitoring several Natura 2000 natural habitats and more than a dozen valuable plant species, monitored across a total of 24 permanent sites. The second part of the report summarizes the results of monitoring the metapopulation of three valuable plant species, relocated from the Tomisławice Open-pit Mine to alternative sites.

The monitoring covers the Special Area of Conservation Jezioro Gopło PLH040007 in the European Natura 2000 network, designated on the basis of the Habitats Directive.

The monitoring is carried out in accordance with the recommendations contained in the " *Report on the impact of the Tomisławice open-pit mine on the environment* " and in the " *Decision on the environmental conditions of consent to the implementation of the project* ".

The aim of the monitoring is to periodically assess the state of conservation of important natural habitats and the populations of selected valuable plant species that occur in the area of potential impact of the Tomisławice open pit.

The ZE PAK SA Group conducted reclamation work aimed at restoring the utility or natural value of areas degraded and devastated by mining and industrial operations. In areas where mining operations have ceased, technical and biological reclamation is being carried out for aquatic, forestry, agricultural, recreational, and other purposes. For example, in 2025, technical reclamation was carried out on approximately 268 hectares, and biological reclamation on approximately 3,122 hectares. In 2025, approximately 840,000 trees and shrubs were planted as part of biological reclamation for forestry purposes.

On the lands formerly occupied by the PAK KWB Adamów mine, biological reclamation was underway on the slopes of the final excavations and on internal spoil heaps. At the Adamów, Koźmin, and Władysławów open pits, work was underway to fill the excavations with water, and work was underway to maintain the slopes of these reservoirs, including the slopes of the Władysławów Reservoir.

Decisions were obtained to declare the reclamation completed in the agricultural direction on the internal dump of the Adamów open-pit mine on an area of 10.5750 ha.

In the area of the PAK KWB Konin mine (in the Konin and Koło counties), technical reclamation work was carried out on the internal spoil heaps of the Józwin and Tomisławice open pits. Technical reclamation also involved shaping and profiling the slopes of the final excavation of the Józwin II B open pit.

Biological reclamation, along with biological reinforcement of the reclaimed areas, was carried out for water, agricultural, forestry, and recreational purposes. Decisions were obtained to complete agricultural reclamation on the Józwin II A, Józwin II B, and Kazimierz Północ open pits, covering a total area of 55.5251 ha, and for other purposes – a road covering an area of 2.4307 ha, and for forestry on the Drzewce – Pole A open pit, covering an area of 18.6310 ha. Flooding of the Lubstów reservoir was completed, and decisions were obtained to complete water reclamation on an area of 22.9356 ha and for other purposes – sodding and afforestation covering an area of 47.0001 ha. The proceedings of the District Office in Konin are underway to recognise the reclamation as completed in the water direction (application submitted in 2023) of part of the reservoir after the Kazimierz Północ open-pit mine for an area of 102.8519 ha.

At the same time, appeal proceedings are underway: in the Supreme Administrative Court in Warsaw on the appeal of the Kleczew commune against the decision to terminate the reclamation in the water direction of the flooded part of the Kleczew reservoir in the Kazimierz Północ open-pit excavation with an area of 242.1941 ha, and in the Regional Administrative Court in Poznań on the appeal of the PAK KWB Konin regarding the recognition of the reclamation of the flooded part of the Kleczew reservoir with an area of 165.3419 ha.

Since 2023, the process of flooding the final workings of the Drzewce and Józwin II B open pits, where lignite mining has ceased, has been underway. Biological reclamation is underway for forestry purposes at the Drzewce open pit – Bilczew Field, Field A and Field B, the Tomisławice open pit – external and internal spoil heaps, the Józwin II B open

pit and the Kleczew reservoir slope, and for agricultural, recreational, and other uses at the Józwin II A open pit, the Józwin II B open pit, and the Kazimierz Północ Mining Facility.

Monitoring of the Konin Lakes system

Anthropogenic activity has contributed to the development of an aquatic ecosystem unique to the heated Konin lakes (Gosławskie, Pątnowskie, Ślesieńskie, Licheńskie, Wąsowsko-Mikorzyńskie), which is continuously monitored by ZE PAK SA. The following parameters are variable:

- the amount of water circulating in the circuit,
- discharge water temperature,
- water levels in lakes,
- use of lakes for cooling ("close" circulation only or "far" circulation).

All parameters mentioned above are subject to continuous monitoring. Systematic monitoring of thermal conditions in the lakes and cooling channels of the Pątnów Power Plant is conducted by ZE PAK SA under the terms specified in the integrated permit. This monitoring includes:

- surface water temperature measurements at 24 points important for lake protection and cooling system operation; measurements are carried out at least once a month (during the cold season) and much more frequently (even daily) in the summer (depending on the air temperature),
- continuous, automatic measurement of water temperature at intakes from Pątnowskie and Gosławskie lakes,
- continuous, automatic measurement of water temperature at power plant discharges.

A network of control and measurement benchmarks is installed on all cooling system facilities. Water levels and flows are measured to ensure the proper functioning of the entire cooling circuit. This is achieved through, among other things, water gauges installed on the intake and discharge channels and in the lakes. Fluctuations in water levels in the lakes depend on a number of factors, primarily natural ones. In turn, the suitability of water for cooling the operating units depends on its quantity and temperature. Physical and chemical water monitoring is also conducted monthly in all lakes and channels comprising the cooling circuit.

Monitoring of reservoirs created as part of the reclamation of post-mining areas

As mentioned in Disclosure 3-2, water reservoirs created as part of the reclamation are the subject of additional ad hoc research. In 2025, a series of additional studies were conducted, which led to the development of:

- "Expertise of natural, hydrometeorological, morphological and hydrogeological conditions of the Władysławów reservoir" (Poznań University of Life Sciences (Editorial work: prof. dr hab. inż. Agnieszka Ławniczak-Malińska, dr hab. inż. Michał Kozłowski, dr hab. inż. Janusz Golski). The status of water reclamation of the Władysławów final excavation for 2025 was analyzed. The report confirms the progressing secondary succession and restitution of natural values of the post-mining area. Macrophytes: zonal distribution of vegetation was found (covering approx. 10% of the reservoir surface); there are valuable underwater meadows, including a sea lake association (*Najadetum marinae*) dominated by *Najas marina* (Red List species – NT status) and chara meadows (*Charetum contrariae*, *Nitellopsidetum obtusae*), which prove with good ecological potential; the presence of a partially protected species – the obtuse water lily (*Nitellopsis obtusa*) – was also noted. Phytoplankton: the community is diatom-green algae, typical of mesotrophic waters. No blooms were observed during the study period, and algal biomass was low. Zooplankton: dominated by rotifers, indicators for mesotrophic waters (*Keratella cochlearis*, *Kellicottia longispina*), while in the deeper layers (hypolimnion) there are oxygen conditions favorable for the development of fauna.
- "Expertise entitled: Carrying out hydrobiological tests of the Kleczew reservoir, the Roztoka reservoir and the flooded final excavation of the Józwin II B open pit in 2024" (Poznań University of Life Sciences (Editorial work: prof. dr hab. inż. Agnieszka Ławniczak-Malińska, dr hab. inż. Michał Kozłowski, dr hab. inż. Janusz Golski). The study compares the results of analyses of the condition of three reservoirs in 2024 and in relation to physicochemical aspects (water quality). The Kleczew reservoir (characterized by the highest species richness: there are extensive charophyte meadows (Natura 2000 natural habitat – code 3140), formed by the brittle charophyte, the opposite charophyte and the common charophyte (*Chara rudis* – an endangered species). *The macrozoobenthos* is diverse, with the presence of bivalves from the family *Dreissenidae*, which filter the water; the ichthyofauna is diverse, with perch and roach dominating, although the invasive silver crucian carp is also present). Józwin IIB Reservoir (is in the filling phase; and the ecosystem is in the forming phase; the benthic fauna is poor (mainly dipterans and gammarids); among the fish (7 species), the presence of the protected

weatherfish (*Misgurnus fossilis*) has been recorded, but resistant species such as the silver crucian carp and tench predominate; vegetation is only just emerging (reed, pondweeds)), Roztoka Reservoir (the lowest biodiversity and strong eutrophication; vegetation dominated by rushes (reed, cattail); the ichthyofauna is dominated by a stunted population of the invasive silver crucian carp, which indicates an imbalance in the ecosystem). A similar study is also being prepared based on research from 2025, but its results were not yet available at the time of preparing this report.

- Assessment of the water quality of the Konin Lakes (authors: Dr. Tomasz Mieszczankin, M.Sc. Eng. Piotr Leperowski, M.Sc. Eng. Gustaw Gazda-Szypulski (PROTE Technologies for the Environment sp. z o. o.), i.e. lakes included in the power plant cooling circuit. The analysis indicates threats to biodiversity resulting from anthropopression. The presence of alien species of fauna and flora, indicated in previous studies, was confirmed as a significant threat leading to disturbances in the ecosystem balance. Changed thermal conditions (heating of water) and eutrophication affect the acceleration of biological processes, which may lead to oxygen deficits that threaten aquatic organisms).

(the results of the above-mentioned tests relating to water quality are discussed in disclosure E3-2)

Other (development of biodiversity in the area of post-industrial and post-mining areas)

The end of mining operations and the filling of open pits (including some reaching their target levels and hydrological balance) are already visible in some natural lakes. Improvements have been noted in Lake Głodowski, located in the Bieniszew Forest. As hydrological balance is restored, marshes and wetlands, which had been disappearing as a result of previously observed water level declines, are returning.

At the same time, in the case of another area, the Koźmin open pit (Turku region), long-term monitoring (2011–2021) did not reveal any progressive lowering of the groundwater table in the soil profiles of the studied Natura 2000 site that could be directly attributed to the operation of the Koźmin open pit. The observed water level fluctuations were seasonal and resulted mainly from variability in meteorological conditions (precipitation, temperature) and water levels in the Warta River. In the area immediately adjacent to the Warta River (oxbow lakes, embankment areas), water conditions were considered close to natural, dependent on infiltration from the river and precipitation. No permanent soil drying was observed. In the strip of land distant from the Warta River (the area between the Janów and Dąbrowa sites), a clear impact of mining drainage (Koźmin, Janiszew, Głowy open pits) was observed. This resulted in the complete disappearance of flow in the Teleszyna River along a section of approximately 9 km during the years of operation. The situation improved (return of flows) only after the end of operation and the decommissioning of the drainage barriers around 2019. The impact of the Jeziorsko Reservoir on the Warta River's hydrological regime is also crucial, which directly translates into the rehydration of oxbow lakes and wetlands in the studied Natura 2000 site. Over the 10-year period, no significant negative changes were observed in the structure of plant communities that would indicate habitat degradation. The oxbow lakes maintained their character, hosting aquatic communities (classes Lemnetaea, Potametea with white waterlily) and reed beds (Phragmitetea, Magnocaricion). Fresh and moist meadows (Molinio-Arrhenatheretea) dominate the flatlands (alluvial soils). In recent years, due to higher rainfall and the end of open-pit mining, an increase in moisture was even noted, which favored biodiversity (the emergence of hydrophilic species, e.g., spotted orchid and marsh marigold). Stable development of willow riparian forests and alder (*Salicetea albae*) thickets was observed. The soil cover consists of alluvial soils (true and brown) with a varied grain size, from sand to clay and silt, often layered. These soils were not degraded by mining activities during the study period. The activities of the ZE PAK Group (Koźmin open pit) proved to have a spatially limited impact on water conditions in the study area (primarily the drying out of the Teleszyna River and local ditches). The most valuable Natura 2000 areas in the Warta Valley (oxbow lakes, wet meadows) retained their value thanks to the water supply from the Warta River and meteorological conditions, and were not degraded by the mine's depression cone.

Also noteworthy is the collaboration established with the Turków Local Group of the Polish Society for the Protection of Birds (OTOP), a group of experts and ornithology enthusiasts. They have inventoried bird species observed in the ZE PAK Group's post-mining reservoirs in the Brudzew commune and their immediate surroundings between 2023 and 2026 (as of February 6, 2026). Post-mining areas undergoing reclamation are quickly being repopulated and have become a bird sanctuary with a high species richness. 182 bird species (taxa) have been recorded, including 101 breeding species. Thirty-six species listed in the Birds Directive (Natura 2000) and 36 listed in the Polish Red List have been identified. Among the species found here are the following: Bittern, Little Bittern, Bluethroat, Bearded Reedling (breeding), and rare migratory and wintering species (e.g., Greater Scaup, Velvet Scoter, Black-throated Diver). The area has become a key wintering site for geese (over 20,000 individuals) and migratory pochards (>800 individuals) and lapwings. Great Crested Grebes (>20 pairs) nest in colonies on former mine sites. As for the 36 species listed on the Polish Red List of Birds

(CLPP), including 12 breeding species, in the Brudzewo post-mining area there are: waterfowl and anseriformes (Whooper Swan (*Cygnus cygnus*), Barnacle Goose (*Branta leucopsis*), Red-crested Pochard (*Netta rufina*), Ferruginous Duck (*Aythya nyroca*), Common Pochard (*Aythya ferina*), Tufted Duck (*Aythya fuligula*), Garganey (*Spatula querquedula*), Northern Shoveler (*Spatula clypeata*), Eurasian Widgeon (*Mareca penelope*), Northern Pintail (*Anas acuta*)), grebes and other waterfowl (Red-necked Grebe (*Podiceps grisegena*), Black-necked Goose (*Podiceps nigricollis*), Bittern (*Botaurus stellaris*)), waders (plovers, snipes, gulls and terns) (Oystercatcher (*Haematopus ostralegus*), Ringed Plover (*Charadrius hiaticula*), Lapwing (*Vanellus vanellus*), Eurasian Curlew (*Numenius arquata*), Black-tailed Godwit (*Limosa limosa*), Common Snipe (*Gallinago gallinago*), Wood Sandpiper (*Tringa glareola*), Common Redshank (*Tringa totanus*), Ruff (*Calidris pugnax*), Little Tern (*Sternula albifrons*), White-winged Tern (*Chlidonias leucopterus*), Black Tern (*Chlidonias niger*), Mediterranean Gull (*Ichthyaetus melanocephalus*), Common Gull (*Larus canus*)), birds of prey and owls (Short-eared Owl (*Asio flammeus*), Hen Harrier (*Circus cyaneus*), Montagu's Harrier (*Circus pygargus*), White-tailed Eagle (*Haliaeetus albicilla*), Peregrine Falcon (*Falco peregrinus*)), such terrestrial (gallinaceous, pigeons and passerines) (Quail (*Coturnix coturnix*), Turtle Dove (*Streptopelia turtur*), Rook (*Corvus frugilegus*), Redwing (*Turdus iliacus*), Whinchat (*Saxicola rubetra*), Tawny Pipit (*Anthus campestris*)). It is worth adding that many of these species also appear in Annex 1 of the Birds Directive (e.g. Ferruginous Duck, Great Bittern, Harriers, White-tailed Eagle, Terns), which highlights the high natural value of post-mining areas in the Brudzewo area.

E4-4 – Biodiversity and ecosystem objectives

The following goals and their metrics come from *the ESG Strategy for 2024-2028*, which is discussed in more detail, including in the context of how to work on it, in ESRS 2 SBM-1.

Table 56: ESG Strategy 2024-2028 Diversity and Ecosystem Goals

	2023	2024	2025	2026	2027	2028
Goal 6: Being a good neighbor and member of the local community: limiting the impact of current operational activities on the social and natural environment.						
number of serious environmental accidents	"zero"	"zero"	"zero"	"zero"	"zero"	"zero"

The presented goal of zero major environmental accidents is a voluntary, operational goal of the Group, focused on prevention and full compliance with environmental law. This goal is not based on specific and measurable ecological thresholds for individual species, and as such, has no direct, explicit link to the Kunming/Montreal Global Biodiversity Framework or the EU Biodiversity Strategy 2030. Instead, it stems from an ongoing, systemic approach to minimizing the local risk of incidents.

E4-5 – Impact metrics related to changes in biodiversity and ecosystems

Table 57: Summary of the size of areas where technical reclamation has been carried out and biological reclamation and sowing are still being carried out, as well as areas for which a decision on the proper completion of reclamation has been obtained (hectares)

	2024	2025
Technical reclamation	142	268
Biological reclamation (in progress)	3,435	3 122
Biological reclamation (completed)	169.50	568.30

Table 58: Share of land for which decisions on completion of reclamation were obtained in relation to land excluded from agricultural and forestry production in mines (%)

	Total since 2006	2024	2025
Land excluded from agricultural and forestry production subject to reclamation (ha)	3,315.46	19.74	16.94

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Lands for which decisions on completion of reclamation were obtained (ha)	4,258.62	169.50	568.30
<i>The share of land for which decisions on the completion of reclamation were obtained in relation to land excluded from agricultural and forest production in mines (%)</i>	<i>128%</i>	<i>859%</i>	<i>3 355%</i>

Table 59: Reclamation efficiency indicator in a given year: % share of lands that obtained decisions on completion of reclamation in total land excluded from agricultural and forestry production.

	2024	2025
Estimated total area of land excluded from agricultural and forestry production subject to reclamation (ha)	3,970	3 420
Lands for which decisions on completion of reclamation were obtained (ha)	169.50	568.30
Reclamation efficiency index (%)	4.3%	16.6%

Table 60: Plantings

	2024	2025
Number of trees planted (pcs.)	1,263,000	840,000

In the case of disclosure **E4-6**, the ZE PAK SA Group took advantage of the possibility to omit it based on the rules indicated in ESRS 1 Appendix C.

ESRS E5 Resource Use and the Circular Economy

IRO-1 – Description of processes for identifying and assessing significant impacts, risks and opportunities related to resource use and the circular economy

The ZE PAK Group conducted a single, collaborative process to identify impacts, risks, and opportunities. This process is described in ESRS 2 IRO-1. The results of this analysis can be found in ESRS 2 SBM-3. At the same time, the Group did not conduct additional consultations with local communities during the analysis phase, relying on existing knowledge of their potential concerns and expectations.

In this process, with the involvement of representatives from individual business units, the company conducted an impact analysis of its operations, reviewing its resources and activities to determine the actual and potential impacts, risks, and opportunities in the context of utilizing natural resources within its own operations and in the upstream and downstream value chain. Apart from the demand for fossil fuels, primarily lignite and, in the medium term, primarily natural gas, limestone is used in the combustion process (flue gas desulfurization). At the same time, due to the construction of the combined cycle unit, recent years have been characterized by the need to acquire construction materials (including structural steel, concrete, etc.). The possibilities of acquiring renewable raw materials as input resources are severely limited in this context (although fuels are not formally covered by this disclosure, it is worth mentioning that the combined cycle unit will be designed to burn a portion of biomethane).

From the perspective of the scale of impact on the environment, resources removed are more important than resources introduced. The energy generation process produces by-products such as fly ash, ash-slag mixtures, and gypsum. All of these can find economic applications, reducing the need to extract alternative minerals and aggregates from primary natural resources. (The resulting by-products are managed by external entities. Fly ash is used in the production processes of road binders: TEFRA, HYDRATECH and BAUWEG, used in civil engineering, among others, for the production of main and auxiliary bases, separating layers in the construction of roads, railway tracks, etc. Ash-slag mixtures, in turn, are used for the production of construction ceramics (clay products, including ceramic blocks, ceramic roof tiles, bricks and clinker boards). Gypsum is used for the production of construction products such as plasterboards and gypsum

plasters. This solution is valuable from the economic point of view, as ash and gypsum, previously having the status of waste, are returned to the economic cycle and used as secondary raw materials for the production of building materials. The best example of this is the full use of gypsum from flue gas desulphurization, mainly for the production of plasterboards. Ash that cannot be introduced into the economic cycle is recorded as waste and are disposed of by storage at landfills belonging to the ZE PAK SA Capital Group. At the same time, the liquidation of some assets (e.g., demolition work on the site of the Adamów Mine and Adamów Power Plant) results in the generation of significant amounts of construction waste, including, in addition to concrete rubble, metal scrap.

E5-1 – Resource Use and Circular Economy Policies

The ZE PAK SA Group's policy on environmental issues, including water management, is reflected in the ZE PAK SA Group's Sustainable Development Strategy for 2024-2028, and described in detail in its Goal 5: Striving for a Circular Economy (CE). The ZE PAK SA Group's management approach assumes optimizing processes and the daily operations they shape in a way that will reduce the volume of waste generated. At the same time, the Group is aware of its very limited impact on the volume of some of these wastes, such as the mass of combustion waste generated from lignite combustion, or the mass of gypsum, the mass of which is a result of the efficiency of flue gas desulfurization and the amount of sulfur oxides whose emissions into the atmosphere have been successfully contained. Similarly, the mass of waste generated during the demolition of buildings excluded from production, or more precisely, the materials that were extracted and sorted as a result of this work, is a measure of the effectiveness of procedures aimed at the recovery of economically valuable raw materials.

Unable to significantly reduce the mass of primary by-product streams associated with lignite-fired energy production, the Group strives to utilize them economically to the greatest extent possible. Even if they are formally considered waste, they are often valuable raw materials for companies in other industries and sectors. Gypsum, generated in the flue gas desulfurization process, has been used commercially for years. Primarily in the production of gypsum products (plasterboard) and by cement plants, it is also used to some extent in mushroom cultivation.

The Group strives to recover all valuable raw materials from mining and manufacturing infrastructure facilities that are being decommissioned and decommissioned (e.g., ferrous and non-ferrous scrap, concrete rubble). It is also worth mentioning the use of excess heat, which, as a byproduct of energy production, is used to heat water in fish farms and their fish hatcheries. (See Objective 3 of the ZE PAK SA Group's Sustainable Development Strategy for 2024-2028.)

Appropriate internal documents also define the principles for responsible handling of other waste, including that currently unsuitable for economic reuse. All waste is collected by entities with appropriate permits, and the management process is documented. This ensures that even waste that cannot be recycled will not pose an excessive threat to the environment.

Due to the nature of its operations, the Group has limited opportunities to utilize renewable or sustainably sourced raw materials. Its strategy is focused on replacing lignite-fired generation assets with gas-fired assets. However, gas is generally a non-renewable fuel, and the availability of alternative biogas is limited (nevertheless, the Group has prepared scenarios for CCGT operation based on co-firing hydrogen with biomethane up to 30%, or burning biomethane exclusively). The Group is a minority shareholder in the Konin Power Plant, which was also originally lignite-fired but has been converted to a biomass power plant, using biomass from forests and agricultural sources (fruit chips), all of which is certified biomass.

Apart from those disclosed above, the ZE PAK Group has not implemented any other significant solutions relating to the matters covered by this disclosure and not listed above.

E5-2 – Activities and resources related to resource use and the circular economy

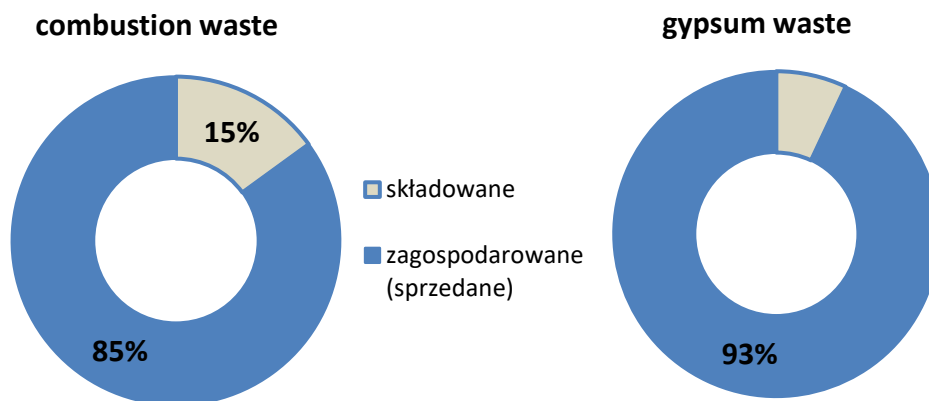
Based on its administrative decisions and agreements, the Group ensured the proper management of waste generated in the course of its operations. In 2025, the Group generated a total of 262,693.63 Mg of waste, including 551.293 Mg of hazardous waste, and in 2024, 500,678.96 Mg of waste, including 467.8 Mg of hazardous waste. The generated waste was transferred to companies with appropriate permits for waste collection, processing, i.e., recovery, or disposal (except for gypsum waste, ash and slag mixtures, and fly ash from company boiler rooms, which are by-products and were sold for use in hardening land surfaces and constructing subgrades for internal roads and squares).

In 2025, the Group continued its efforts to commercialize (sell) as much of its by-products as possible. Based on the decision obtained from the Marshal of the Wielkopolska Voivodeship on February 15, 2023, regarding the fulfillment of the conditions for recognizing fly ash, ash-slag mixture, and gypsum as by-products, ZE PAK SA is producing products such as mixtures for road bases and road binders, as well as gypsum products and plasterboard. In 2025, approximately 136,000 tons of by-product derived from fly ash and approximately 10,000 tons of by-product from calcium-based flue gas desulfurization methods were produced, most of which were sold. In 2024, approximately 122,000 tons of by-product derived from fly ash and approximately 47,000 tons of by-product from calcium-based flue gas desulfurization methods

were produced, which were sold. The remaining amount of approximately 25,000 tons of waste from the ash and slag mixture was stored in landfills owned by the Company.

The by-products produced by ZE PAK SA meet environmental protection requirements and do not pose a threat to human life and health, which has been confirmed by tests on physicochemical, toxicological and ecotoxicological properties, performed for the purposes of substance registration in accordance with the requirements of the REACH regulation.

Chart 14: Percentage share of the utilization of by-products produced in the Company in 2025



At waste landfills managed by ZE PAK SA in 2025, monitoring of groundwater, surface water, and supernatant water quality was conducted at the frequency specified in integrated permits and landfill operating instructions, i.e., quarterly. Currently, ZE PAK SA has four landfills, and all of them were in operation in 2025, i.e., at:

- Pątnów open pit solid waste landfill (neutral waste landfill),
- the Western open pit combustion waste landfill with the evaporator, the so-called Eastern open pit, and the solid waste landfill (landfill for waste other than hazardous and neutral),
- the northern combustion waste landfill, the Pątnów open pit (landfill for waste other than hazardous and neutral waste),
- combustion waste landfill – Gosławice open pit with Linowiec vaporizer (landfill for waste other than hazardous and neutral).

Monitoring was conducted within the primary and supplementary monitoring networks. Groundwater quality monitoring is conducted in a network of piezometric boreholes located adjacent to the landfills. The quality of groundwater tested in piezometric boreholes and deep wells in 2025 ranged from class I to V. The supernatant waters found in the landfills (used for hydraulic transport of combustion waste) were characterized by high mineralization, high electrolytic conductivity, high pH, and total hardness. Furthermore, as part of the landfill monitoring, annual assessments of slope stability and settlement rates are also conducted. Most of the monitored slopes examined in 2025 were found to be stable. ZE PAK SA also conducts ongoing reclamation of unused sections of the landfills.

At **PAK Górnictwo sp. z o. o.**, due to its operations, administrative decisions regarding waste generation are crucial. This primarily concerns waste generated in the service and repair and maintenance workshops, the conveyor belt regeneration hall, the electric locomotive repair hall, and the water bottling plant.

The activities described above are of a continuous nature, i.e. they will be implemented as long as the Group conducts specific business activities.

E5-3 – Resource use and circular economy goals

Recognizing that the key principles of a circular economy are **minimizing waste and resource consumption** through the application of the "3R" hierarchy: **reduce**, reuse, recycle, where reduction is the priority and recycling is the last option, the Group (in accordance with its Sustainable Development Strategy for 2024-2028) sets goals aimed at

continuous improvement in increasing the rate of recycling of the primary by-product streams that accompany energy generation from lignite (discharged resources) into the economic cycle. Due to the negligible nature of the resources introduced in operational activities, no targets have been set for these resources.

The company identifies and monitors ecological thresholds related to key aspects of its operations, including greenhouse gas emissions, consumption of natural resources and impact on local ecosystems.

- **Optimal management of flue gas desulphurisation by-products (gypsum)** – use of the raw material by companies outside the ZE PAK Group, i.e. in mushroom farming, for the production of gypsum products, plasterboards and by cement plants.
- **Optimal management of by-products (fly ash)** – use of the raw material by companies outside the ZE PAK Group, i.e. for the production of mixtures for road bases and road binders.
- **Optimal management of by-products (ash-slag mixtures)** – use of the raw material by companies outside the ZE PAK Group, i.e. for the production of construction ceramics (clay products, including ceramic blocks, ceramic roof tiles, bricks and clinker slabs).
- **Recovery of raw materials from the demolition of industrial facilities** – striving to recover all valuable raw materials from mining and manufacturing infrastructure facilities that are decommissioned and intended for liquidation (e.g. ferrous and non-ferrous metal scrap, concrete rubble).
- **Responsible handling of other waste** – proper management of waste that is currently not suitable for reuse in the economy.

The by-products mentioned above are not further processed by the ZE PAK Group and are used as raw materials by companies outside the Group.

Table 61: ESG Strategy objectives for 2024-2028 related to resource use and circular economy

Goal 5: Strive for a circular economy.					
	2024	2025	2026	2027	2028
degree of economic use of the by-product (gypsum)	~100%	~100%	~100%	~100%	~100%
degree of economic use of the by-product (ashes)	≥100% of the previous period's level	≥100% of the previous period's level	≥100% of the previous period's level	≥100% of the previous period's level	≥100% of the previous period's level
degree of economic use of raw material from demolition*	~100%	~100%	~100%	~100%	~100%

**there are no regulations imposing a minimum percentage of utilization of demolition materials.*

The Group's targets presented above are voluntary. In line with the waste hierarchy, these targets primarily address the levels of "other recovery processes" (e.g., use of ash in construction) and "preparation for reuse." In establishing these targets, the Group relied not on scientifically defined ecological thresholds and allocations, but on an analysis of the construction materials market's absorption capacity and internal technological capabilities for optimizing the separation of by-products.

E5-4 – Resources Entered

In the case of disclosure of **E5-4** due to the fact that the ZE PAK Group obtains fuel raw materials and not tangible products, the ZE PAK SA Group exercised the option of omitting it due to lack of financial materiality (ESRB 1 item 34).

E5-5 – Resources Drained

The data presented in the tables below were obtained from the waste registration system maintained within the Waste Database (BDO). They include all waste generated within ZE PAK organizational units and waste transferred to external

entities for recovery or disposal. The data was collected in accordance with applicable national waste management regulations and internal classification and reporting principles. Each waste stream was assigned a specific waste code, consistent with the waste catalog, and classified as hazardous or non-hazardous. The values represent the mass of waste expressed in tonnes and indicate the management process used, i.e., recovery, recycling, disposal, or landfill.

Table 62: Waste management methods

Waste management methods	IU	2024	2025
non-hazardous waste by management method			
mass of non-hazardous waste for which <u>disposal was avoided</u> , including	Mg	43,320.54	19,442.16
preparation for reuse	Mg	0	0
recycling	Mg	320.54	319.68
other recovery processes	Mg	43,000.00	19,122.48
the mass of non-hazardous waste <u>sent for disposal</u> , including	Mg	40,189.42	26,525.27
combustion	Mg	0	0
storage	Mg	40 125.40	25,785.02
other disposal processes	Mg	64.02	740.25
hazardous waste by management method			
mass of hazardous waste for which <u>disposal was avoided</u> , including	Mg	52.96	53.83
preparation for reuse	Mg	0	0
recycling	Mg	52.96	53.83
other recovery processes	Mg	0	0
the mass of hazardous waste <u>sent for disposal</u> , including	Mg	7.64	34.71
combustion	Mg		
storage	Mg	7.64	7.44
other disposal processes	Mg	0	0
total mass of non-recycled waste	Mg	83,197.06	45,682.45
Total % of non-recycled waste	Mg	99.55%	99.19%
Total waste mass	Mg	83,570.56	46,055.96

Table 63: Types of waste

Types of waste	IU	2024	2025
non-hazardous waste			
10 01 02 Coal fly ash	Mg	9,120.00	-
10 01 05 Solid waste from calcium-based flue gas desulphurization processes	Mg	-	809.90
10 01 07 Products from calcium-based flue gas desulphurisation methods discharged as sludge	Mg	45,918.30	16,635.10
10 01 80 Ash-slag mixtures from wet discharge of combustion waste in 10 01 14	Mg	26,279.40	27,354.88
12 01 01 Wastes from turning and filing of iron and its alloys	Mg	37.40	13.20
12 01 21 Used grinding materials other than those mentioned in 12 01 20	Mg	0.70	0.01
15 02 03 Absorbents, filter materials, wiping fabrics (e.g. rags, cloths) and protective clothing other than those mentioned in 15 02 02	Mg	6.20	4.10
16 01 03 Used tires	Mg	18.93	4.21
16 01 17 Ferrous metals	Mg	857.36	200.60

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16 01 18 Non-ferrous metals	Mg	6.95	0.01
16 01 19 Plastics	Mg	4.76	5.03
16 02 14 Used equipment other than that mentioned in 16 02 09 to 16 02 13	Mg	35.44	46.78
16 06 04 Alkaline batteries (excluding 16 06 03)	Mg	0.09	0.13
16 06 05 Other batteries and accumulators	Mg	0.17	-0.00
17 01 01 Concrete waste and concrete rubble from demolitions and renovations	Mg	149.38	187.44
17 01 03 Waste of other ceramic materials and equipment	Mg	3.12	48.78
17 01 07 Mixed waste of concrete, brick rubble, ceramic waste and equipment other than those mentioned in 17 01 06	Mg	757.50	451.45
17 02 01 Wood	Mg	40.55	27.68
17 02 02 Glass	Mg	8.78	0.02
17 02 03 Plastics	Mg	1.34	1.15
17 04 01 Copper, bronze, brass	Mg	0.54	0.04
17 04 02 Aluminum	Mg	0.27	0.13
17 04 05 Iron and steel	Mg	594.63	469.49
17 04 07 Metal mixtures	Mg	0.16	0.22
17 04 11 Cables other than those mentioned in 17 04 10	Mg	137.90	9.42
17 06 04 Insulation materials other than those mentioned in 17 06 01 and 17 06 03	Mg	26.89	5.32
19 08 01 Screenings	Mg	1.10	0.00
19 08 05 Stabilized municipal sewage sludge	Mg	-	10.00
19 12 04 Plastics and rubber	Mg	19.18	15.23
Total non-hazardous waste	Mg	84,027.04	46,300.32
Hazardous waste			
08 03 17 Waste printing toner containing hazardous substances	Mg	0.37	0.21
09 01 01 Aqueous developer and activator solutions	Mg	-	0.34
09 01 04 Fixative solutions	Mg	-	0.36
13 02 05 Mineral engine, gear and lubricating oils free of chlorinated organic compounds	Mg	18.73	36.20
13 02 08 - Other engine, gear and lubricating oils	Mg	44.56	15.63
13 03 07 - Mineral oils and liquids used as electrical insulators and heat transfer fluids, not containing halogenated organic compounds	Mg	0.99	2.00
13 07 01 - Heating oil and diesel oil	Mg	5.42	0.00
15 01 10 - Packaging containing residues of hazardous substances or contaminated with them (e.g. plant protection products of toxicity class I and II - very toxic and toxic)	Mg	3.25	2.53
15 01 11 - Metal packaging containing dangerous porous structural reinforcements (e.g. asbestos), including empty pressure containers	Mg	0.05	0.01
15 02 02 - Sorbents, filter materials (including oil filters not specified in other groups), wiping fabrics (e.g. rags, cloths) and protective clothing contaminated with hazardous substances (e.g. PCBs)	Mg	2.78	2.14
16 02 11 - Used equipment containing freons, HCFCs, HFCs	Mg	0.06	0.02
16 02 13 - Discarded equipment containing hazardous components (1) other than those mentioned in 16 02 09 to 16 02 12	Mg	9.72	24.19
16 02 14 Used equipment other than that mentioned in 16 02 09 to 16 02 13	Mg	4,536.24	0.00
16 05 04 Gases in containers (including halons) containing dangerous substances	Mg	0.01	0.10
16 05 06 - Laboratory and analytical chemicals (e.g. chemical reagents) containing dangerous substances, including mixtures of laboratory and analytical chemicals	Mg	0.01	0.14
17 02 04 - Wood, glass and plastic waste containing or contaminated with hazardous substances (e.g. wooden railway sleepers)	Mg	333.68	-

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16 01 07 - Oil filters	Mg	0.92	1.54
16 06 01 - Lead batteries and accumulators	Mg	1.66	3.15
Total hazardous waste	Mg	4,958.45	88.55
Total waste		88,985.49	46,388.87

In accordance with the requirement of ESRS E5 point 39, the Group declares that due to the specific nature of its technological processes based on conventional energy sources, it did not produce any radioactive waste in 2025.

Given that the ZE PAK Group's primary and sole product is energy, it cannot be considered tangible products or their packaging. Therefore, the disclosures relating to products and their packaging have been omitted as irrelevant to the Group's business and, consequently, immaterial (ESRB 1 item 34b).

In the case of disclosure **E5-6**, the ZE PAK SA Group took advantage of the possibility to omit it based on the rules indicated in ESRS 1 Appendix C.

11.3. Information on social issues

ESRS S1 Own employee resources

SBM-2 – Interests and opinions of interested parties

Providing human resources and their restructuring

ZE PAK SA Group companies, in the context of the relatively small local labor market, are perceived as stable and trustworthy employers. At the same time, however, as a result of the broadly understood transformation of the EU economy towards sustainable development, the Group has been fundamentally reshaping its business model, gradually phasing out lignite mining and energy production from this fuel for several years. This translates into **a restructuring of employment within the Group**, involving a reduction in overall employment, but also the elimination of certain job categories.

At the same time, the mining and energy sectors are those in which the market has traditionally had **a strong position. Trade unions have membership, representing a significant portion of the workforce**. Obviously, beyond current issues related to working conditions, restructuring-related issues are of concern to trade unions and most frequently arise in discussions between the ZE PAK SA Group management and the social partners. Dialogue between the Management Board and the social partners is constructive and focuses on the pace of downsizing, the nature of the layoffs, and their terms.

An aspect that is extremely important from the point of view of those working in the mining and energy sector is occupational health and safety (OHS) and striving to reduce the risk of occupational diseases and accidents at work.

Respect for human rights

Issues directly related to respect for human rights, as commonly understood, rarely arise directly in dialogue between employers and employees. However, both the Management Board and employee representatives are aware that this is not so much a consequence of the topic's insignificance, but rather of the lack of incidents involving disrespect. If such violations were to occur, the problem would likely escalate. Therefore, the ZE PAK SA Group is committed to ensuring formal and procedural solutions that will support the protection of human rights and the rapid and effective prevention of potential violations that may arise in the future.

SBM-3 – Significant impacts, risks and opportunities and their interrelationships with the strategy and business model

Phasing out lignite mining and restructuring employment

The long-standing restructuring process meant that most vacancies were filled through internal recruitment (in other words, the employment of individuals working at the ZE PAK SA Group was protected by transfers between individual departments, plants, and companies). The long-term focus on recruiting individuals already employed at ZE PAK SA Group companies means **a low level of risk related to limited supply in the labor market (and the so-called "employee market")**. The lack of a significant influx of young workers is causing the average age of employees to rise. The aging of the workforce, in turn, translates into an increase in the number of retirees. While previously perceived as a drawback, in the era of the ZE PAK SA Group's transformation, it offers the opportunity for a less painful transition. The phasing out of lignite mining and conventional energy production based on burning this fuel will mean **the gradual elimination of jobs in both the mining industry and the power plants themselves**. The phase-out of production at some plants is already underway. Suffice it to mention the decommissioned Adamów Power Plant and its associated mine. In 2022, coal mining ceased at the Drzewca open pit at PAK Kopalnia Węgla Brunatnego Konin SA, while in 2023, coal mining ceased at the Józwin open pit at the aforementioned company. At the end of 2024, generating units no. 1, 2, and 5 at the Pątnów Power Plant were shut down. Where possible, employees have been, are, and will be transferred, for example, to other open pits, but this will not be possible for all employees. To some extent, the social costs of phase-out will be mitigated by employees reaching retirement age and entering retirement, particularly through mining or bridge pensions. **ZE PAK SA actively participated in the development of protective programs for power engineers and miners, particularly energy and mining leave, which significantly mitigate the effects of reduced electricity production from lignite**. In December 2024, the first ZE PAK SA Group employees benefited from the social benefits provided by the Act of August 17, 2023, on Social Benefits for Employees of the Power and Lignite Sectors. The job cuts will be phased in over time, which will also mitigate social costs, but this will not be entirely offset by retirement. In 2025, approximately 130 employees took so-called energy or mining leave four years before becoming eligible for retirement. The so-called "Safety Act" also allows for one-time severance payments to employees who do not meet the conditions for social leave. A one-

time severance payment is equal to 12 times the employee's monthly salary. In 2025, approximately 70 employees received such severance payments. ZE PAK SA, as a partner in the "Road to Employment after Coal" program, is actively supporting employees who will lose their jobs as a result of the energy transition. The program is dedicated to both former and current employees of the ZE PAK Capital Group, as well as their families. It allows employees to receive support for both starting a business and finding employment with a new employer. Participants can benefit from subsidies for salary costs, new workplace equipment and training, start-up costs, and the ongoing costs of maintaining the company. The maximum subsidy per participant is PLN 150,000. Importantly, employees can access benefits under the "Shield of Employment Act" and participate in the "Road to Employment after Coal" program. This unquestionable support for laid-off employees has been secured thanks to the active efforts of ZE PAK SA and the trade unions.

Health and Safety

Another dimension of employee-related risk is **occupational health and safety risk**. This risk is strongly influenced by the hazards associated with the strenuous workload at a specific job position. All occupational health and safety management activities focus on eliminating or reducing these hazards, minimizing the consequences of accidents, if they occur, and the occurrence of occupational diseases, based on an occupational risk assessment.

Extraction

Typical hazards associated with open-pit lignite mining can be divided into natural hazards and traumatic hazards. The latter, potentially related to the operation of machinery, especially its rotating components, although potentially dangerous, are rare thanks to occupational health and safety measures and employee awareness. In recent years, if accidents have occurred, they have been minor: dislocations, sprains, and occasionally fractures. Natural hazards can be divided into landslides (slope collapse), methane (gas leaks in drainage wells), fire, and water (related to precipitation, proximity to natural reservoirs and watercourses, or watercourses within the mine).

Conventional manufacturing

As in any other area, the level of hazards depends on the specifics of the job. However, in manufacturing, **noise is a significant harmful factor to which employees may be exposed at high levels**. This was the last harmful factor to occur in the work environment above permissible hygiene standards. This factor was eliminated in 2023 as a result of organizational measures that limited the time spent in hazardous areas.

Dust is another potentially harmful factor in the work environment. Dust levels are managed on an ongoing basis by removing dust from equipment, installations, and structural elements of buildings, and by maintaining the full functionality of coal conveyor belt seals to prevent hazards arising from exceeding dust limits.

Another group of hazards are hazardous factors whose impact on the worker can lead to injury or death. These include particularly hazardous work and work that poses a particular risk to human life or health. The most significant factors in this group include high temperature, high pressure, electrical current, explosive atmospheres, and moving machine parts. Work that poses a particular risk to employee life or health requires the legislator to maintain a strictly defined organizational structure, a characteristic element of which is the issuance of written instructions. This also specifies the minimum requirements for what the written instructions must contain and the manner and type of activities that must be recorded.

Factors related to the arduousness of work include insufficient lighting, working at night and energy expenditure.

At ZE PAK SA, there are also factors and work processes that pose a particular threat to health or life. These include chemical, carcinogenic, reprotoxic, and biological factors. With respect to chemical factors, the hazard identification and occupational risk assessment revealed the use of chemical factors belonging to the hazard group of corrosive agents, as well as irritant and sensitizing agents. Managers of organizational units have lists of hazardous chemical substances used and safety data sheets for these substances. Employees confirm in writing that they have read the safety data sheets and occupational risk assessments. Hazard identification and occupational risk assessment have also been conducted for carcinogenic and reprotoxic factors. Managers of organizational units have lists of substances or mixtures used with carcinogenic and reprotoxic effects, as well as safety data sheets for these substances. Employees confirm in writing that they have read the safety data sheets and occupational risk assessments. Employees working in contact with biological factors are employed whose duties include chemical analyses of biomass (contact with fungi) and the operation of sewage treatment plants and chemical analyses of domestic sewage (contact with pathogens occurring in domestic sewage and sewage sludge).

Service

Annual analyses indicate that the most common cause of accidents in service work is employee misconduct, i.e., failure to exercise **due care and concentration**. In turn, the most common cause of near-miss incidents is primarily the **failure to conduct a risk assessment before commencing a task**. The primary factors posing a risk to employee health and life related to the work environment include: **working at height, optical radiation (UV and IR), and dust containing crystalline silica**. A factor associated with work-related strenuousness is **forced body positioning**.

Support activities – Maintenance and service

The primary harmful factors in the work environment are **noise, vibration, dust**, and, to a lesser extent, **chemical agents**. **Night work** is a factor associated with nuisance. Measurement results and records are kept at the Occupational Health and Safety Office. Based on the studies of factors in the work environment, organizational and technical programs are developed to reduce exposure to their negative impact.

New business areas

New areas of activity will pose different workplace hazards than those currently encountered. In the case of larger-scale investments in photovoltaic and wind farms, For example, there is a risk of electric shock, but the level of hazard is incomparably lower than in some positions in lignite mining or conventional energy production, due to the maintenance-free technologies involved in their operation. Another new area, currently in the advanced investment phase, is energy generation from natural gas. This is a new area of activity for ZE PAK SA, and workplace hazards will be subject to detailed analysis based on experience gained from existing gas turbine power plants. It can be assumed that human exposure to workplace hazards will be lower than currently. The risks associated with strenuous work in these positions will also certainly be lower than today.

Respect for human rights

Generally speaking, threats related to the violation of human rights can be divided into those related to the collective of employees and company authorities, i.e. those related to the restriction of the freedom of association or strike, and risks related to the violation of individual rights (e.g. an employee, by a supervisor, co-worker or other person).

A hypothetical lack of respect for human rights, including, for example, the right to organize and strike, would not only constitute a violation of national law (and consequently, sanctions), but could also lead to unnecessary **risk of escalation of conflicts between employers and employees**. Despite existing differences of opinion, manifested, for example, in collective disputes, the management of the ZE PAK SA Group appreciates the role of trade unions, and both sides have developed a culture of mutual dialogue over the years. Theoretically, because such a risk should be considered small, an escalation of disputes, coupled with a lack of dialogue, could lead to strikes and threaten production stability. Despite disputes and differing assessments of the situation (e.g., in terms of short- and long-term approaches), both trade unions and management maintain a constructive attitude and are aware of the economic consequences of a potential disruption in energy supply stability. Such consequences could affect not only the Group but also the country's energy system.

Regarding the risk of disrespect for individual rights, such cases could not only expose the ZE PAK SA Group to litigation and the need to pay compensation, but above all, they pose a real **threat to the organizational culture, work atmosphere, and thus its effectiveness**. They also involve **the risk of losing valuable employees** or, through discrimination, preventing them from fully realizing their potential (e.g., promoting individuals with lower competencies while simultaneously hindering the advancement of those discriminated against).

Any cases of disrespect for human rights in the ZE PAK SA Group also entail a measurable **reputational risk**, which in turn, if such phenomena escalate, may result in a loss of social consent for such actions.

S1-1 – Policies related to own employee resources

Current employee risks and management approach

In terms of human resources management, the ZE PAK SA Group has formal solutions in place that define the relationship between the employer and employees, as defined by Polish law. These include work regulations stemming from the Labor Code, Company Collective Bargaining Agreements (CBAs) stemming from the Labor Code, Social Benefit Fund regulations stemming from the Act on Company Social Benefit Funds, and remuneration regulations for entities not covered by the provisions of the Company Collective Bargaining Agreements. Employee Councils operate in companies that meet the statutory criteria. Trade unions also operate within the ZE PAK SA Group companies. The ZE PAK SA Management Board and the management boards of other companies inform and consult with employee representatives on matters specified by law. The principles of cooperation between Trade Unions and the Company's Management Board are defined in Chapter 10 of the Company Collective Bargaining Agreement.

In 2025, the Human Resources Management Plan (HRMP) for ZE PAK SA was adopted, aiming to ensure compliance with Polish law, international labor standards, and respect for human rights. A key element of HRMP is the HR Policy, which establishes solid employee-management relations, promotes equal treatment and non-discrimination—regardless of gender, age, disability, or other grounds—and implements diversity management principles. The company is committed to adhering to the Code of Ethics, the Human Rights Policy, the Diversity and Equality Policy, the Anti-Mobbing Policy, the Anti-Corruption Policy, and the Respect and Dignity at Work Policy. In terms of employment, ZE PAK opposes forced labor and the exploitation of child labor, guaranteeing that every employee accepts employment voluntarily, without recruitment fees or the requirement to surrender identification documents. The company provides written employment contracts prior to employment, clearly defining employment conditions, including salary, working hours, and benefits, and respects employees' right to organize in employee organizations. In the area of wages and benefits, ZE PAK adheres to the minimum wage and guarantees equal pay for work of equal value for women and men. The company is committed to maintaining a safe work environment, providing occupational health and safety training at its own expense, and promptly investigating accidents. The Human Resources Management Department is responsible for managing HR processes, coordinating recruitment, maintaining personnel files, calculating salaries, and supporting training processes. The personnel management plan includes the resourcing process, systematic training (mandatory, developmental, and specialized), and a discretionary reward system for achievements that impact the company's performance. To ensure transparency and the ability to report irregularities, the organization has a Grievance Mechanism, available to all. The Internal Audit Department is responsible for its operation, ensuring that complaints are handled without fear of discrimination or retaliation. According to the Plan, all HR processes are monitored, and the HR Management Plan itself is updated annually. These documents are published on both the internal intranet site and the publicly accessible ZE PAK website.

At the same time, in addition to formalized solutions resulting from specific legal provisions or adopted voluntarily (e.g., recruitment procedures), ongoing operations are based on a range of solutions and customary procedures that, in the management's opinion, do not require rigid formalization, while ensuring effective and efficient management consistent with legal and social norms. Group companies comply with labor law regulations and require appropriate employee conduct, both in relationships between employees and between employees and their supervisors.

The Company Collective Bargaining Agreements in force at ZE PAK SA Group companies during the reporting period contain the principles of employment and remuneration. PAK Górnictwo sp. z o.o. has a Remuneration Regulations in place, which regulate the issues described above. The regulations of the Company Social Benefits Fund, in turn, define the principles of using and financing social and housing activities for employees and their family members. The provisions of these documents are implemented by management, although collective disputes also occur within the Group, which are resolved based on applicable law. During the reporting period, there were seven collective disputes: three at ZE PAK SA, two at PAK Serwis sp. z o.o., and one each at PAK Kopalnia Węgla Brunatnego Konin SA and PAK Górnictwo sp. z o.o. The collective disputes at ZE PAK SA and PAK Serwis sp. z o.o. concern salary increases and the reinstatement of provisions from the terminated collective agreement. In recent collective disputes at ZE PAK SA and PAK Serwis sp. z o.o., mediation with the participation of an external mediator has been completed, and discrepancy reports have been signed. At PAK Kopalnia Węgla Brunatnego Konin SA, the dispute concerns wage increases and the cessation of company restructuring and employee layoffs. In this dispute, mediation with the participation of an external mediator has also been completed, and a discrepancy report has been signed. At PAK Górnictwo sp. z o.o., the collective dispute concerns wage increases and the unions' willingness to conclude a collective agreement. The collective dispute has now completed, the discrepancy report has been signed, and the unions held a referendum among employees on whether they intend to go on strike. The unions received a mandate to conduct a strike, but they did not go on strike. The Collective Bargaining Agreement for ZE PAK SA employees, signed on October 19, 2021, entered into force on January 1, 2022. At the same time, the Collective Bargaining Agreement for employees of PAK Serwis sp. z o.o. came into force.

The fundamental aspects related to people management were also defined several years ago in the Social Responsibility Strategy of the ZE PAK SA Capital Group for 2017-2020. In terms of operational management, they have been maintained to this day, including those reflected in the new Sustainable Development Strategy of the ZE PAK SA Group for 2024-2028, although taking into account the requirements related to transformation (see: ESRS 2 SBM-1), the pillars of which include:

- **Employment opportunities for employees in the lignite mining and energy production sectors.** Offering employees previously employed in the production sector who have not yet earned retirement benefits or mining or energy leave assistance in finding employment within the ZEPAK or Polsat Group companies or outside of them, in enterprises in the region, including professional retraining under the "Road to Employment after Coal" program.
- **Decent remuneration levels.** Maintaining average remuneration at an attractive level compared to the average in the municipalities where the ZE PAK SA Group operates.

- **Dialogue with the social sector.** Dialogue between company management and trade union representatives to discuss current issues and long-term challenges. Mitigating the risk of escalating disputes.
- **Effective occupational health and safety training.** Regular employee training in occupational health and safety principles, with particular emphasis on practical aspects related to the risks associated with performing work in specific positions within the ZE PAK SA Group. Building awareness of risks and the need to avoid routine, recklessness, or failure to use personal protective equipment.
- **Safety analysis.** Recording and analyzing accidents and near misses.
- **Collective and individual protective equipment.** Guaranteeing a budget for the purchase of necessary and highest-level personal and collective protective equipment.
- **Consultation with employees or their representatives.** Ensuring the opportunity for consultation on all activities related to occupational health and safety.

Health and Safety

As with the previous areas, the most important directions of action in the context of occupational health and safety management were originally defined in the Social Responsibility Strategy of the ZE PAK SA Capital Group for 2017-2020. They remain relevant and are also reflected in the new Sustainable Development Strategy of the ZE PAK SA Group for 2024-2028.

At the same time, it is important to remember about the applicable certified management systems (ISO) covering safety management issues related to:

- the electricity and heat production process, including all auxiliary processes, identified environmental aspects, occupational risk assessment based on identified hazards related to work arduousness and legal and other requirements (ZE PAK SA – compliant with PN-ISO 45001:2018 in the occupational health and safety dimension),
- works in the field of repairs and servicing of power equipment, construction services for industry, investment management in the energy sector and industry, as well as modernization and maintenance of electrical and automation systems in the energy sector (Przedsiębiorstwo Remontowego PAK SERWIS sp. z o. o. – compliant with the occupational health and safety dimension in accordance with PN-ISO 45001:2018).

Their goal, similar to the goal of the sustainable development strategy, is to minimize accident rates, with particular emphasis on eliminating serious and fatal incidents and occupational diseases by implementing organizational and technical measures aimed at eliminating or reducing employee exposure to harmful factors in the work environment, such as noise and dust, to levels consistent with the standard. A procedure for periodically assessing compliance with relevant legal requirements in the field of occupational health and safety has been implemented as part of the Integrated Quality, Safety, and Environmental Management System. Information is published in the ISO-Central Improvement System at ZE PAK SA and is updated on an ongoing basis. At the same time, selected management aspects, which fall within the broader scope of safety management, are regulated by internal regulations, instructions, orders, and official orders. These encompass a set of documents, procedures, and control mechanisms that support compliance with external regulations and minimize operational, reputational, and legal risks, such as internal policies and procedures, internal control systems, organizational structures, documentation and reporting, as well as training and communication.

Extraction

The mining area is the only one of the three main areas where a certified management system compliant with PN-ISO 45001:2018 has not been implemented. Occupational health and safety management is based on the President's Orders and the Mine Operations Manager's Orders. These Orders cover all areas that pose potential threats to the proper and safe performance of employees' duties. Examples of issues regulated by these Orders include: occupational hazards related to the work performed, a list of tasks requiring specific psychophysical predispositions, safe operation of equipment, medical assistance, periodic and follow-up medical examinations, and many others.

Conventional manufacturing

In the manufacturing area at ZE PAK SA, as previously mentioned, occupational health and safety management is carried out within the Integrated Quality, Safety, and Environmental Management System based on Occupational Health and Safety Management System procedures compliant with the PN-ISO 45001:2018 standard, hereinafter referred to as the "OHS Management System." At the same time, occupational health and safety activities are regulated by the directives of the President of the Management Board and the official instructions of the Vice President in charge of the production division, which address broader aspects but also encompass occupational health and safety issues.

The key documents defining the procedures for the safe operation of power equipment include, in particular, the Instructions for the Operation of Power Equipment, the Instructions for the organization of safe work on power equipment at ZE PAK SA and the official orders of the Vice-President in charge of the production department and the Power Plant Director, as well as the procedures of the Occupational Health and Safety Management System in accordance with the PN-ISO 45001 standard, which in particular include documenting the occupational risk assessment based on the PN-N-18002 standard.

Based on the identification of hazards at work stations, the employer assesses and documents occupational risks associated with the work performed and implements necessary preventive measures to reduce this risk. A documented occupational risk assessment is a tool that allows managers to optimally and effectively utilize technical and organizational measures to eliminate or minimize the level of risk associated with hazards that may lead to occupational accidents or occupational diseases. If the organizational and technical protective measures used are insufficient, this assessment determines the necessary personal protective equipment. The procedure for conducting the risk assessment and templates for the documents used are defined by the procedures of the Integrated Quality, Safety, and Environmental Management System, available on the internal IT network. Employees are informed about occupational risks and the principles of protection against hazards each time they are updated. Furthermore, as part of the implementation of occupational health and safety training programs, knowledge of work-related hazards and methods of protection against these hazards is updated and supplemented.

Service

In the renovation segment (PAK Serwis sp. z o. o.), occupational risk assessments cover all workstations, both stationary and part-time. Occupational risk assessments are conducted every three years and whenever changes in workstations are reported or an accident occurs. The Occupational Health and Safety Office maintains lists of all workstations subject to occupational risk assessments.

A last-minute risk analysis (LMRA) is also conducted. Before commencing a task, employees identify potential hazards at the workplace using the LMRA card. Tasks and areas of operation associated with significant hazards are identified. For each significant hazard, a procedure for handling and monitoring is established to ensure compliance with legal and other occupational health and safety requirements.

The following procedures are of particular importance from the point of view of ongoing occupational health and safety management:

- "Training in occupational health and safety and environmental protection",
- "Identification of hazards and assessment of occupational risk",
- "Monitoring occupational health and safety and the environment",
- "Serious failures",
- "Organizing work with significant hazards",
- "Investigation of accidents and occupational diseases."

Support activities – Maintenance and service

PAK Górnictwo sp. z o. o. provides maintenance and repair services for PAK KWB Konin SA. The work involves reclamation of open-pit areas. As part of the capital group, the company collects waste and then hands it over to authorized entities. The company employs approximately 800 employees, a significant portion of whom work in the Mine Operations Department. The Occupational Health and Safety Service conducts post-accident investigations into every workplace accident that occurs within the company's operating areas. For each workplace accident, a post-accident report is prepared, which familiarizes employees with the circumstances of the accident and identifies the contributing factors. Information about the accidents is also forwarded to the services of ZE PAK SA and PAK KWB Konin SA. Analyses of the causes of accidents, described in each case in the report on the circumstances and causes of workplace accidents, indicate that the most common cause of accidents is employee misconduct, i.e., failure to exercise due care and focus on the work being performed. Occupational risk assessments have been prepared for all positions in accordance with the Polish Standard PN-N-18002 on a five-point scale. Measurements of harmful factors in the work environment are conducted on an ongoing basis, based on the instructions for supervising the measurement of factors in the work environment.

Respect for human rights

When analysing issues related to respect for human rights, taking into account the Universal Declaration of Human Rights of 10 December 1948, adopted by the UN, the International Covenant on Civil and Political Rights and the International

Covenant on Economic, Social and Cultural Rights, the ZE PAK SA Group has distinguished rights the respect for which may be of particular importance in the case of large industrial enterprises such as the ZE PAK SA Group, i.e.:

- **recognition of the existence of inalienable rights and the dignity of the individual regardless of any differences dividing people** (*Art. 1 and Art. 2*) in the context of interpersonal relations and the prohibition of any form of discrimination
- **the right to life, liberty and security of one's person** (*Article 3*) in the context of, among others, ensuring a high level of occupational health and safety (see: "Occupational Health and Safety")
- **prohibition of humiliation** (*Art. 4*) in the context of the risk of mobbing
- **the right to ownership** (*Art. 17*) in the context of purchasing land from third parties (see: "Real estate purchase")
- **the right to social security** (*Art. 22*)
- **the right to equal pay for equal work and the right to join trade unions** (*Art. 23*)
- **the right to leave and rest** (*Art. 24*)

In terms of individual respect and ensuring respect (*Article 1*), which means respect for diversity and a simultaneous lack of acceptance of any form of discrimination (*Article 2*) or mobbing (*Article 4*), in addition to respecting and enforcing legal regulations that guarantee such respect (e.g., the Labor Code), ZE PAK SA has adopted a Code of Ethics, which is available to all employees on the company's internal website. It not only guarantees the above-mentioned individual rights but also serves as a tool for resolving potential conflicts. It includes a mechanism for resolving concerns and reporting suspected behaviors that may violate the Code of Ethics. It is worth noting that the Code of Ethics also condemns other behaviors that violate human rights, such as child labor, forced labor, and slavery.

At the same time, internal regulations at the ZE PAK SA Group guarantee respect for the right to social security (*Article 22*) and the right to leave and rest (*Article 24*). The Group scrupulously complies with its obligations related to the payment of social security contributions (ZUS) and records accrued leave days (*Article 24*). It also actively supports employee recreation and activities (e.g., by subsidizing vacations and offering sports passes). These issues are formally regulated in the regulations of the Company Social Benefits Fund (ZFŚS).

The ZE PAK SA Group also ensures procedural solutions for fair remuneration, i.e., equal pay for equal work regardless of non-substantive differences between employees (*Article 23*). Monitoring of wage levels and potential gender-based differences has also been initiated. Nevertheless, it is important to be aware of the strong dominance of men in mining professions and positions in the energy sector. As a result, the ZE PAK SA Group employs a relatively small percentage of women, and, moreover, they dominate in certain areas (finance, human resources).

As mentioned earlier, ZE PAK SA Group companies that meet statutory criteria have Workers' Councils, elected based on applicable regulations. A number of trade unions also operate under the Trade Union Act. The Management Boards of Group Companies inform and consult with employee representatives (Workers' Councils, trade unions) on matters specified in the law. In the opinion of management, freedom of association in trade unions and related rights are guaranteed (*Article 23*).

It should be emphasized that a suspected violation of any human rights, including those not listed here, can and should be reported using the mechanisms provided for in the Code of Ethics. Additionally, in 2023, the Company developed a Grievance Mechanism, which introduces uniform internal rules for reporting violations of law in the workplace, i.e., within the Company. It defines (i) an internal procedure for filing complaints related to violations of law; (ii) a procedure for taking follow-up action; (iii) a procedure for protecting the whistleblower; (iv) an internal procedure for documenting received complaints; and (v) a procedure for handling complaints of gender-based violence and harassment (GBVH). In 2025, the Group decided to strengthen its internal regulations relating to broadly understood human rights to emphasize their importance and the rejection of attempted violations. **The Human Rights Policy**, adopted at the end of 2025, constitutes a set of principles aimed at ensuring that the company's operations are conducted with full respect for internationally recognized human rights. This policy covers a wide range of issues, such as employee rights, occupational health and safety, diversity protection, and the elimination of forced and child labor. It emphasizes opposing all forms of violence, harassment, bullying, and hate speech in the workplace. The document details management responsibilities for implementing these policies, reporting procedures with whistleblower protection, and the consequences of non-compliance, drawing on national regulations and international standards such as the UN and ILO guidelines.

The Respect and Dignity at Work Policy, also adopted in 2025, aims to ensure a safe, fair, and professional work environment—one free from abusive behavior, including all forms of harassment and abuse. This policy defines harassment, bullying, mobbing, and sexual harassment, providing examples of unacceptable verbal, nonverbal, and physical behavior. It also describes the negative impact of these behaviors on health and work performance, and explains the procedure for reporting violations in accordance with the internal Grievance Mechanism. Furthermore, the document

clarifies the roles and responsibilities of the Management Board and employees in implementing and complying with the policy, with an emphasis on confidentiality and non-retaliation against those reporting them.

Another related document adopted in 2025 is **the Workplace Diversity and Equality Policy**, which is aligned with the protection of fundamental human rights and represents a commitment to promoting an inclusive culture and an environment free from discrimination. It explicitly prohibits discrimination based on gender, age, disability, race, color, religion, nationality, political beliefs, union membership, ethnic origin, or sexual orientation. This policy covers a broad scope of application, applying to all employees, from candidates to consultants, and encompasses aspects such as recruitment, employment conditions, and professional development. The document details the principles of preventing discrimination and victimization, emphasizing the right of everyone to a workplace free from harassment. It also outlines the responsibility of the Board and management for implementing and monitoring the policy and outlines procedures for handling violations, including grievance procedures and disciplinary action. This policy aims to ensure fair treatment and appreciation of differences among employees, making equal opportunities an integral part of management.

an Anti-Mobbing Policy in 2025, defining principles for counteracting mobbing within the organization. The policy defines mobbing as persistent and prolonged harassment or intimidation of an employee, aimed at humiliating, ridiculing, or isolating them. The primary goal is to create a work environment free from mobbing and other forms of violence, and the employer is committed to this goal. The document establishes personnel management standards to prevent mobbing and specifies that non-compliance with the policy may result in sanctions under Labor Law. Furthermore, it outlines principles for responding to mobbing incidents, encouraging informal resolutions and enabling written complaints in accordance with the Employee Grievance Mechanism. The entire policy is monitored and audited.

In 2025, the Company adopted **an Anti-Corruption Policy**, which outlines principles designed to prevent corruption, conflicts of interest, and other unethical practices. This document reflects the Company's commitment to building an organizational culture based on integrity, responsibility, and respect for the law. The Policy's goal is to ensure compliance with applicable law and international ethical standards, counteract all forms of corruption, including bribery, nepotism, abuse of position, and conflicts of interest, build an organizational culture based on integrity, transparency, and accountability, protect the company's reputation and the trust of stakeholders, customers, business partners, and the public, and establish rules of conduct for employees and associates in situations that may pose a risk of corruption.

The above-mentioned policies are published both on the internal intranet site and on the publicly accessible ZE PAK website.

All of the above policies have also been implemented in companies belonging to the ZE PAK SA Capital Group.

S1-2 – Procedures for cooperation with own employee resources and employee representatives on matters of influence

Dialogue with the social side

can be a source of risk in the labor sector, **especially if they drag on**. Therefore, dialogue with employee representatives allows for the identification of potential sources of problems and, on the other hand, provides an opportunity for a reliable and comprehensive presentation of the constraints within which ZE PAK SA Group companies operate. **In the era of energy transformation, trade unions are extremely constructive and active, supporting initiatives close to the ZE PAK SA Group itself, which are part of the so-called just transition.** This concept refers to a method of transitioning away from fossil fuels that does not place an excessive burden on communities associated with, for example, mining regions. Eastern Greater Poland is one such region. At the same time, the ZE PAK SA Group has actively participated in the work of the so-called "Coal Platform," an EU-level structure designed to develop a framework for financial and organizational support programs for regions associated with coal mining in Europe. Shared goals facilitate cooperation. Although there are still areas where managers and representatives of the social side have different opinions, it is worth noting the above-mentioned constructive cooperation.

As indicated in ESRS 2 SBM-2, the President of the Management Board is responsible for dialogue with the social side, while the operational unit responsible for communication with the employee side is the Director of the Human Resources Management Department and his subordinate employees.

Apart from those disclosed above, the ZE PAK Group has not implemented any other significant solutions relating to the matters covered by this disclosure and not listed above.

S1-3 – Processes for correcting the effects of negative impacts and channels for reporting concerns through own employee resources

Employees can identify and raise issues of importance to them through their representatives, i.e., trade unions representing their interests and operating within ZE PAK SA Group companies. Part of their participation in management is the presence of works councils, which constitute the employee representation body. As a result, employees, through their representatives, are consulted on decisions important to the ZE PAK SA Group, including those related to the current and projected economic situation of the company, anticipated employment changes, and departments that may result in significant changes to work organization or employment principles.

Regardless of the above-described path for reporting problematic issues and the platform for dialogue jointly created by the Group's management and trade unions, employees can, and indeed should, report issues of concern to them using the channels provided for in the Code of Ethics and the Grievance Mechanism. This is both to address any employee concerns and to report any observed irregularities. It is important to note that the company has implemented procedures for reporting irregularities, including anonymous reporting, as well as whistleblower protection mechanisms, as stipulated in the applicable legal regulations.

The effectiveness of employee collaboration processes and existing channels for reporting concerns is assessed by the Director of the Human Resources Management Department and the Management Board. This assessment is based on an analysis of the number, nature, and time taken to resolve submitted concerns, as well as the effectiveness of concluded agreements. At the same time, no employee surveys are conducted to assess collaboration processes or reporting channels.

Communication channels and procedures related to reporting violations and whistleblower protection, including the procedure for handling complaints of gender-based violence and harassment (GBVH), are covered in G1-1.

S1-4 – Taking action on significant impacts on own employee resources and applying approaches to manage significant risks and exploit significant opportunities related to own employee resources and the effectiveness of these actions

Phasing out lignite mining and restructuring employment

In 2022, at the initiative of the Management Board, with the participation of the Trade Unions, discussions were held with the Regional Development Agency in Konin and the Marshal's Office in Poznań to further refine the regional just transition program. Representatives of the Trade Unions and the Company's Management Board had the opportunity to present their ideas at the European Commission headquarters in Brussels. This work will continue until funding is secured to support projects in the Eastern Wielkopolska region.

In 2022, the Trade Unions, with the significant support of the Company's Management Board, held talks with representatives of the Polish Government regarding the introduction of protective programs for employees in the lignite mining and lignite-based energy sectors. At the initiative of the Trade Unions operating within the ZE PAK SA Group, a social legislative initiative committee was established to collect signatures for a draft law on social security for employees in the lignite mining and lignite-based energy sectors. The Company's Management Board supported this initiative from the outset and assisted in the development of the draft law. In December 2022, an agreement was signed and the legislative process began for the implementation of energy and miners' leave, as well as severance payments for individuals scheduled for layoff due to the transition away from lignite-based electricity production. During this work, ZE PAK SA had numerous opportunities to provide opinions on the draft bill and accompanying regulations at various stages (prior to official public consultations on the bill, inter-ministerial consultations, etc.). As a result, ZE PAK SA's social partners, with the employer's support, secured participation in the proposed entitlements for state-owned companies, allowing employees to receive mining or energy leave (paid at 80% of their salary) four years before retirement, as well as one-time severance payments (12 times the monthly salary) for those not eligible for leave. The bill was passed by the Sejm of the Republic of Poland on July 13, 2023, and entered into force on September 14, 2023. Employees of the ZE PAK SA Capital Group became the first beneficiaries of the bill in December 2024.

Health and Safety

Extraction

In accordance with the adopted annual plan for improving occupational health and safety conditions, last year continued implementation of activities aimed at improving occupational health and safety conditions in the mining area at PAK KWB Konin SA. Due to the planned phase-out of energy production from lignite and the end of mining operations, all investments and organic purchases were necessary to ensure the proper operation of the plant and occupational safety. These actions were intended to guarantee the provision of individual and collective protective equipment.

Conventional manufacturing

Annual analyses indicate that over the years, renovations, subsequent modernizations, and, above all, the decommissioning of old and the construction of new equipment and installations, including generating units (in 2023, a contract was signed for the construction of a 600 MWe gas-fired unit in Turek on the site of the former Adamów Power Plant), in addition to improving generation efficiency and reducing negative environmental impact, undoubtedly contribute to improving employee working conditions. Technical occupational safety is also improved by eliminating or reducing risks to employee life and health.

Another significant factor in eliminating or reducing workplace hazards for employees is the new areas of activity of the ZE PAK SA Capital Group. Large-scale investments are being made in photovoltaic and wind farms. ZE PAK SA employees (including occupational health and safety personnel) are actively involved in every stage of the investment, under agreements signed with the Capital Group companies, from reviewing designs, through supervising the work and the companies performing it, to acceptance and commissioning. After commissioning, based on the aforementioned agreements (Shared Services Center), selected specialists continue to supervise these devices and installations. Due to the maintenance-free technologies associated with the operation of photovoltaic and wind farms, the level of hazards is incomparably lower than in some positions in the conventional energy sector.

Thanks to the effectiveness of the implemented corrective and preventive measures and proper work organization, exceedances of the maximum permissible concentrations of harmful factors in the work environment, such as noise, were eliminated. In previous years, exceedances were caused by components such as boilers, turbines, pumps, fans, conveyors, drive gears, engines, clutches, etc. Systematic reduction of the number of people exposed to this harmful factor through organizational and technical measures in 2023 brought the desired result. Thanks to the effectiveness of the implemented corrective measures and proper work organization, exceedances of the maximum permissible concentrations of harmful factors in the work environment, such as dust, were eliminated.

The number of people exposed to work-related nuisances related to insufficient lighting and night-time employment is being systematically reduced (switching off the worn-out generating equipment of units 3, 4, 6 in 2020 and 2021, and units 1, 2 and 5 at the end of 2024, ongoing repairs and maintenance of the lighting installation).

Regarding chemical factors, the hazard identification and occupational risk assessment revealed the use of chemical agents belonging to the hazard group of corrosive agents, irritants, and sensitizers. Managers of organizational units have lists of hazardous chemicals used and the safety data sheets for these substances. Employees confirm in writing that they have read the safety data sheets and the occupational risk assessment. The Occupational Health and Safety Service prepares the legally required registers and data, which it forwards to the relevant provincial state sanitary inspector and the relevant district labor inspector, as well as to the primary occupational health service unit for preventive health care purposes. Based on the occupational risk assessment, the presence of biological agents belonging to hazard group 2 was identified: agents that can cause disease in humans, may be dangerous to employees, but their spread within the population is unlikely. Effective preventative or treatment methods are usually available for these agents. Employees occupationally exposed to biological agents were offered available vaccinations against these threats. Vaccinations, to which most employees consented, are administered as part of preventive healthcare.

The Occupational Health and Safety Service conducted systematic inspections of workstations and compliance with OHS regulations and principles, and participated in a review of working conditions as part of the OHS Committee at ZE PAK SA. Following the review of working conditions conducted in 2025, corrective actions are being taken to improve working conditions and increase occupational health and safety. After receiving the review reports, the unit directors issued appropriate official orders specifying deadlines and responsible individuals. In addition to the OHS Committee's activities, employees and their representatives (employees acting as Social Labor Inspectors) also participated in the planning, implementation, and evaluation of actions aimed at improving the technical condition of energy equipment and installations and occupational health and safety conditions at workplaces. This is accomplished by commissioning energy equipment and installations for overhauls and ongoing repairs, supervising these processes, and participating in the evaluation of completed work through official acceptances and commissioning of energy equipment and installations following repairs and renovations. Another element of the occupational health and safety management system is employee participation in investment planning through their participation in the Investment Documentation Assessment Committee and in developing and negotiating tender specifications (SIWZs) with potential contractors. For example, discussions with the contractor for the construction of a power plant in Turek, which would generate electricity from natural gas, are noteworthy. Employees and their representatives also actively participated in the work of committees and teams appointed to select suppliers of work clothing, footwear, and personal protective equipment, as well as to select a provider of occupational health services. Occupational Health and Safety staff participated in the work of the Fire, Technical, and Explosion Protection Committee at ZE PAK SA Power Plants. As part of this committee's work in 2022, 2023, and 2024, approximately 100 employees of ZE PAK SA and PAK – PCE BiW were trained in the implementation of employer obligations under the Regulation of the Minister of Economy of July 8, 2010, regarding minimum requirements for

occupational health and safety related to the potential occurrence of an explosive atmosphere in the workplace. The training was conducted by the National Labor Inspectorate (PIP) in Konin. Furthermore, once a year, at the initiative of the Trade Unions, training is organized for the Occupational Health and Safety Committee and individuals participating in consultations at the ZE PAK SA Capital Group. The training is conducted by PIP inspectors. The training aims to update knowledge through lectures and address issues of concern to the staff through workshops.

Service

As part of post-accident prevention, employees are familiarized with the circumstances of accidents and identified contributing causes. Additional training is provided, and information about accidents is forwarded to ZE PAK SA services (in cases where a cause related to power equipment is identified). Occupational health and safety (OHS) penalties are sometimes imposed on supervisors found to have failed to comply with OHS regulations in connection with an accident. OHS Office staff conduct inspections to ensure compliance with OHS regulations and rules, which, in most cases, result in the issuance of a non-compliance card and requests for disciplinary penalties. Recommendations, most often concerning disorder at workstations and the poor technical condition of work equipment, are recorded in memos or reports prepared after inspections. Supervisors (senior foremen and managers) are also responsible for performing workstation inspections, documenting these with checklists. In recent years, the OHS Office has placed significant emphasis on inspecting personal protective equipment and equipment used for work, including its technical condition and the validity of periodic inspections of machinery and equipment.

In 2025, PAK Serwis, with occupational health and safety in mind, achieved its established occupational health and safety goals: the walls and ceiling in the break room in the Mechanical Workshop at the Konin Power Plant were painted, and another defibrillator was purchased. The company already has five defibrillators located in public areas. Improved safety goggles were purchased for employees performing grinding work. This is being continued based on current needs. Investments improving occupational health and safety included the purchase of a three-arm bearing puller and a ring cutter-beveler, which eliminate the need for hand-held power tools.

Support activities – Maintenance and service

Occupational Health and Safety Office staff conduct ongoing inspections to ensure compliance with occupational health and safety regulations and principles. A report is prepared for each inspection. Post-inspection recommendations are implemented by management. Working conditions are also reviewed based on official orders. Recommendations from such reviews are submitted to the company's Management Board. Recommendations that do not require financial resources are implemented immediately, while the decision to implement review conclusions that require financial resources is made by the company's Management Board. Internal legal documents, such as regulations and instructions regarding organizational arrangements, are also prepared on an ongoing basis. These regulations directly or indirectly relate to occupational health and safety and ergonomics, i.e., those that impact safe and hygienic working conditions within the company. Instructions are also prepared and updated regarding the performance of work and the operation of machinery, equipment, and tools, as well as procedures for handling chemicals and their mixtures, and hazardous materials, along with hazards that may arise during the work process and ways to avoid or mitigate their effects.

S1-5 – Objectives for managing significant negative impacts, increasing positive impacts and managing significant risks and opportunities

We implement our sustainable development strategy based on ESG standards, including the social aspects defined in the ESRS standards. Our activities focus on minimizing negative impacts and enhancing positive outcomes in relationships with employees, local communities, suppliers, and value chain partners, as well as in the area of human rights. As part of our adopted strategy, we implement goals related to reducing risks related to occupational safety, ensuring equal opportunities and diversity, supporting the development of local communities, and promoting human rights. Managing the risks and opportunities arising from energy transition, regulatory changes, and technological innovation is an integral element of our strategy, enabling us to build long-term value for stakeholders and ensuring compliance with legal requirements and best market practices.

In accordance with the ZE PAK SA Group Sustainable Development Strategy for 2024-2028, it sets itself the following goals:

Table 64: ESG Strategy Objectives for 2024-2028 regarding the management of material IROs

Goal 4: Being a responsible employer in the region.						
	2023	2024	2025	2026	2027	2028

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employment level (in persons)	2,623	2,464	2,326	2 208*	1 387*	1 112
average salary in the ZE PAK SA Group / average salary announced by the Central Statistical Office for the Konin subregion	≥100%	≥100%	≥100%	≥100%	≥100%	≥100%
number of days of plant downtime due to strike action	0	0	0	0	0	0
accident frequency rate	<100% of previous year's value	<100% value from last year	<100% value from last year	<100% value from last year	<100% value from last year	<100% value from last year
<i>* only in the event of extension of coal operations</i>						
Goal 7: Ensuring a high-quality management system and its continuous improvement, taking into account social and environmental aspects in the decision-making process.						
the number of significant penalties or sanctions related to the violation of social, environmental and human rights interests, or confirmed corrupt, anti-market and monopolistic practices related to the activities of the ZE PAK SA Group	"zero"	"zero"	"zero"	"zero"	"zero"	"zero"

Employees were not involved in the development of the Sustainable Development Strategy, and therefore in determining the shape of the above goals. At the same time, the scope of reporting, especially disclosures potentially relevant to employees, is consulted with them annually (including the above-mentioned goals). No employee questions or concerns have been raised in our collaboration to date.

S1-6 – Characteristics of the unit's employees

As part of ESRS S1 -6 , ZE PAK presents a full picture of employment characteristics, taking into account both the demographic structure, types of contracts and staff dynamics, as well as the reporting methodology and the context influencing changes in employee resources.

This disclosure supports the assessment of the Group's impact on its employees and provides a starting point for reporting on diversity, safety, remuneration and social dialogue indicators.

In accordance with the standard, the ZE PAK Group presents employee profiles to provide a comprehensive context for other disclosures regarding employment, working conditions, diversity, safety, and development. This disclosure reflects the scale, structure, and dynamics of employment, enabling understanding of the impact of HR practices and identifying key trends and changes in the Group's employment structure.

Employment at the ZE PAK Group includes employees in various forms, reflecting the nature of the Group's activities – from energy operations, through maintenance, to infrastructure and specialist work.

The presented structure enables the analysis of employment stability and resource flexibility in the context of the Group's energy transformation.

The turnover rate is an important element of human capital analysis, as it influences the stability of a company's competencies, business continuity and HR costs.

The number of employees and its changes result from, among others:

- ZE PAK energy transformation,
- restructuring processes,

- implementation of new investment projects,

The vast majority of employment is made up of employees working under permanent contracts (2,083 people), while 49 employees worked on temporary contracts.

During the reporting period, 340 employees left the unit, resulting in a turnover rate of 15.95%.

Data is provided per headcount and reflects the number at the end of the reporting period. The disclosed number of employees also includes individuals who, as part of the mining sector transformation, are on so-called mining or energy leave – these individuals formally remain employees, although they do not perform work, and the Group does not incur any costs related to their salaries (in 2025, there were approximately 130 such individuals).

Table 65: Employees by gender (at year-end)

	2024	2025
women	269	255
men	2150	1,877
total	2419	2 132

Table 66: Employees by employment type

	2024			2025		
Type of employment	Women	Men	Sum	Women	Men	Sum
indefinite period	255	2099	2354	243	1,840	2,083
fixed term	14	53	67	12	37	49
for a trial period	0	0	0	0	0	0
as a replacement	0	0	0	0	0	0
Sum	269	2150	2419	255	1,877	2 132

Comment: Employment in the Capital Group concerns one region – Poland

Table 67: Employees by working time

	2024					
By working time	Women	Men	Sum	Women	Men	Sum
full-time	263	2135	2398	247	1,858	2 105
part-time	6	15	21	8	19	27
employees who are not guaranteed working hours	0	0	0	0	0	0
Sum	269	2150	2419	255	1,877	2 132

Table 68: Employee Departures

	2024			2025		
By age	Women	Men	Sum	Women	Men	Sum
Sum	26	220	246	32	308	340
% fluctuation rate	9.67%	10.23%	10.17%	12.55%	16.41%	15.95%

Table 69: Net income per employee

	2024	2025
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Net income (PLN) / employee	903,372.05	625 625.70
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The value of net revenues used in the denominator to calculate the indicator is fully reconciled with the item "Sales revenues" disclosed in the Consolidated Financial Statements of the ZE PAK SA Capital Group for the year ended on 31 December 2025.

S1-7 – Characteristics of non-employees who constitute the entity's own employees

Table 70: Non-employee contributors

Type of work	2024			2025		
	Women	Men	Sum	Women	Men	Sum
based on self-employment (B2B)	5	40	45	6	26	32
based on civil law contracts	27	93	120	25	84	109
based on management contracts	0	0	0	0	0	0
employees of an external employment agency (outsourcing)	0	0	0	0	0	0
Sum	32	134	166	31	110	141

The table above presents the characteristics of individuals who are not employees of the entity, but are considered its own employees according to the ESRS S1 definition. The data includes individuals performing work under civil law contracts, business-to-business contracts, and outsourcing contracts, which do not constitute an employment relationship but are significant from the perspective of the entity's impact on employment conditions and human rights.

S1-8 – Scope of collective bargaining and social dialogue

The following indicators show the percentage of an entity's employees covered by collective bargaining agreements, which are formal agreements between the employer and employee representatives (trade unions, works councils) regulating employment conditions, wages, working hours, social benefits, and other aspects of the employment relationship. The indicators also show the percentage of an entity's employees covered by formal employee representation, such as trade unions, works councils, works committees, or other forms of representation. This representation allows employees to participate in decision-making processes regarding working conditions, wages, occupational health and safety, and other aspects of employment.

Table 71: Collective labor agreements

	2024	2025
Percentage (%) of employees covered by collective bargaining agreements*	69.99%	56.47%
Percentage (%) of employed workers with employee representation**	44.85%	41.14%

* employees covered by a collective bargaining agreement (UZP)

**members of trade unions

S1-9 – Diversity Indicators

Table 72: Management Board and Supervisory Board by gender and age

	2024			2025		
	Women	Men	Sum	Women	Men	Sum
Management						
under 30 years old	0	0	0	0	0	0
30 - 50 years old	1	3	4	1	4	5
over 50 years old	1	10	11	2	8	10

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Sum	2	13	15	3	12	15
Supervisory Board						
under 30 years old	0	0	0	0	0	0
30 - 50 years old	2	4	6	2	7	9
over 50 years old	0	9	9	0	6	6
Sum	2	13	15	2	13	15
Management (%)						
under 30 years old	0%	0%	0%	0%	0%	0%
30 - 50 years old	50%	23%	27%	33%	33%	33%
over 50 years old	50%	77%	73%	67%	67%	67%
Sum	100%	100%	100%	100%	100%	100%
Supervisory Board (%)						
under 30 years old	0%	0%	0%	0%	0%	0%
30 - 50 years old	100%	31%	40%	100%	54%	60%
over 50 years old	0%	69%	60%	0%	46%	40%
Sum	100%	100%	100%	100%	100%	100%

Table 73: Management staff (levels N-1, N-2)

	2024			2025		
	Women	Men	Sum	Women	Men	Sum
under 30 years old	0	0	0	0	0	0
30 - 50 years old	11	25	36	8	19	27
over 50 years old	11	46	57	11	50	61
Sum	22	71	93	19	69	88
shares %						
under 30 years old	0%	0%	0%	0%	0%	0%
30 - 50 years old	50%	35%	39%	42%	28%	31%
over 50 years old	50%	65%	61%	53%	72%	69%
Sum	100%	100%	100%	100%	100%	100%

Table 74: Total employees by gender and age

	2024			2025		
	Women	Men	Sum	Women	Men	Sum
under 30 years old	6	72	78	6	57	63
30 - 50 years old	132	913	1045	127	635	762
over 50 years old	131	1167	1298	122	1 185	1,307
Sum	269	2152	2421	255	1,877	2 132
shares %						
under 30 years old	2%	3%	3%	2%	3%	3%
30 - 50 years old	49%	42%	43%	50%	34%	36%
over 50 years old	49%	54%	54%	48%	63%	61%
Sum	100%	100%	100%	100%	100%	100%

S1-10 – Adequate wages

Table 75: Adequate remuneration

Appropriate remuneration	2024	2025
Lowest salary in the organization*	4,300	4,666
Minimum wage in the country	4,300	4,666
The ratio of the lowest wage to the minimum wage	1/1	1/1
Percentage of employees paid below the minimum wage	0	0

*The minimum wage is calculated for the lowest pay grade, excluding trainees and apprentices. It is based on the basic salary plus any fixed allowances that are guaranteed to all employees.

S1-11 – Social protection

Table 76: Social protection

	2024	2025
Percentage (%) of employees covered by social protection	100%	100%

Comment: under public programs or benefits offered by the entity – protection against loss of income caused by any of the following serious life events: illness, unemployment beginning while the employee is working there, accident at work and acquired disability, parental leave, retirement.

S1-12 – People with disabilities

Table 77: People with disabilities

	2024			2025		
	Women	Men	Sum	Women	Men	Sum
Employees with a recognized disability	9	25	34	12	20	32
Percentage (%) of employees with a recognized disability	3.35%	1.16%	1.40%	4.71%	1.07%	1.50%

S1-13 – Training and skills development indicators

Table 78: Training and Development

	2024			2025		
	Women	Men	Sum	Women	Men	Sum
Percentage (%) of employees who participated in regular performance and career development reviews	-	-	-	-	-	-
Average number of training hours per employee - Mandatory occupational health and safety training	5.05	7.39	7.10	3.79	7.57	7.14
Average number of training hours per employee - Other training	7.07	2.91	3.41	5.42	3.75	3.94

S1-14 – Occupational health and safety indicators

Table 79: Rates of injuries, occupational diseases, lost days and absenteeism and the number of fatal accidents

Health and safety indicators	2024	2025
Percentage (%) of employees covered by the occupational health and safety management system	54%	57%
Total number of accidents at work, including:	22	18

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Number of fatal accidents	0	0
Number of serious accidents	1	1
Number of minor accidents	21	17
Total number of people injured in accidents	22	18
Accident Rate (IR)	7.8	8.3
Total number of days of incapacity for work due to accidents at work	1,613	885
Accident Severity Index	73.32	49.17
Occupational Disease Reporting Rate (ODR)	0	0
Absenteeism Rate (AR)	372.11	243.47

The above data concerns the scope of the OHS management system covering its own workforce. These indicators demonstrate the effectiveness of this system in preventing occupational accidents, occupational diseases, and other health hazards. Their purpose is to enable assessment of the quality, scope, and effectiveness of the organization's occupational health and safety activities.

Key trends in occupational health and safety include **digital technologies and automation**, which aid in training and simulation, and **increased cybersecurity**, as systems become increasingly integrated and vulnerable to cyberattacks. Equally important from the Group's perspective is **the continuous improvement of employee skills**, **emphasizing the importance of awareness of threats**, both those caused by the Group's operations and those related to **cybersecurity and cyberattacks**, to which we have recently become increasingly vulnerable as a strategic company, **the analysis and prevention of accidents** (including potential incidents), and **the adaptation of procedures to the dynamically changing environment** (e.g., new energy technologies).

S1-15 – Work-life balance indicators

As part of the requirement, ZE PAK provides information regarding the scope of employees' entitlements to family-related leave and the extent to which they are taken. The purpose of this disclosure is to ensure understanding of the extent to which Group employees can benefit from work-life balance measures and whether the use of such entitlements is equal for women and men.

The disclosed indicators are an important element of ZE PAK's approach to human capital management because:

- reflect the level of support for employees in combining work and family responsibilities,
- enable the assessment of the practical availability of family-friendly solutions,
- support the analysis of ZE PAK's organizational culture in terms of equality and inclusiveness,
- are one of the key measures of the quality of the working environment and employee well-being.

In the context of energy transformation and structural changes within the Group, flexibility and support in the area of life -balance are particularly important for maintaining team stability and strengthening employee retention.

This description reflects both regulatory requirements and ZE PAK's commitment to building a friendly, supportive and inclusive work environment.

Table 80: Leave for family reasons (maternity, paternity, fatherhood, parental, care, parenting)

	2024			2025		
	Women	Men	Sum	Women	Men	Sum
Percentage (%) of employees entitled to family leave in a given year*	22.85%	16.1%	16.8%	23.40%	11.82%	13.16%
Percentage (%) of employees who took family leave in a given year (compared to those eligible)	100%	100%	100%	100%	100%	100%

*applies to persons whose entitlement the employer has been informed about

S1-16 – Wage indicators (wage gap and total compensation)

Table 81: Pay Gap and Total Compensation

	2024	2025
Ratio of basic pay between women and men (pay gap*) (men's pay = 100%)	+1.3%	-4.97%
Ratio of the total annual compensation of the highest paid person to the median total annual compensation in the company (excluding the highest paid person)	5.56	42.87

*gender pay gap, defined as the difference in the average pay level between female and male employees, expressed as a percentage of the average pay level of male employees

The gender pay gap of -4.97% indicates that the average salary of women in the Group is slightly higher than that of men. This relationship stems directly from the specific nature of the mining and energy industries. Blue-collar and technical positions are heavily dominated by men, while the relatively small group of employed women predominantly holds higher-skilled and higher-paid clerical, human resources, financial, and specialist positions. In 2025, the salary gap and total remuneration index calculations also included management board members. It was assumed that in the case of employment contracts and paid services provided to the Group (outside of an employment relationship), the calculation would include all income earned by the individual, regardless of whether they were based on an employment relationship or not. At the same time, this calculation omitted people on mining and energy leave, because the Group does not bear the costs of their remuneration, which is covered from public funds (formally, such employees would have to be reported with zero remuneration, which would distort the image of both the pay gap and the total remuneration index).

S1-17 – Incidents, complaints and serious impacts on human rights

Table 82: Incidents and complaints of human rights violations among employees

	2024	2025
information on identified cases of discrimination, including harassment:		
number of cases of discrimination, including harassment, reported during the reporting period	0	1
the number of other complaints submitted through the reporting channels by individuals from the entity's own workforce and, where applicable, to national contact points for the OECD Guidelines for Multinational Enterprises (excluding those indicated above)	0	0
number of confirmed cases of discrimination, including harassment	0	1
Total amount of fines, penalties and compensation in connection with the incidents that occurred	0	0
information on identified cases of serious incidents concerning respect for other human rights:		
the number of serious incidents concerning respect for human rights related to the entity's workforce during the reporting period	0	0
Total amount of fines, penalties and compensation in connection with the incidents that occurred	0	0

Other indicators

Table 83: Key indicators in the area of respect for human rights

	2024	2025
Union density coefficient	44.85%	41.14%
Number of disputes in which trade unions invoke the provisions of the Act on the Resolution of Collective Disputes	5	
Number of work days lost due to strike action	0	0
Number of serious incidents concerning respect for human rights	0	0

ESRS S2 Employees in the Value Chain

The ZE PAK SA Group's operations are characterized by the integration of a significant portion of the value chain, with the business model encompassing the initial stages of its creation. This solution results in a limited number of employees in the value chain, including the supply chain. Consequently, employee-related aspects of the supply chain were deemed irrelevant to the ZE PAK SA Group's image and were consequently omitted.

This doesn't mean, however, that the ZE PAK SA Group doesn't use the services of suppliers and subcontractors. In addition to significant asset investments (e.g., the construction of a gas power plant commissioned by the ZE PAK SA Group), subcontractors perform, among other things, a number of service projects,

In 2025, the **ESG Partner Declaration document was adopted**, containing a set of commitments regarding compliance with ethics, preventing corruption, respecting human rights and meeting the social and environmental criteria that the Company expects from the Partner as part of responsible cooperation.

Additionally, the Group companies maintain lists of qualified suppliers who are assessed not only in terms of the quality and timeliness of the services offered, but also in terms of compliance with occupational health and safety and environmental protection regulations.

The table below, prepared on the basis of monthly reports of the General Contractor of the project of construction of a gas and steam unit in Turek on the site of the former Adamów power plant (CCGT), presents data on accidents involving external entities working on the site of the plant belonging to the ZE PAK Group.

Table 84: Key injury indicators and the number of accidents involving external employees working on the Company's premises

Health and safety indicators	2024	2025
Percentage (%) of employees covered by the occupational health and safety management system	100%	100%
Total number of accidents at work, including:	0	0
Number of fatal accidents	0	0
Number of serious accidents	0	0
Number of minor accidents	0	0
Total number of people injured in accidents	0	0

ESRS S3 Affected Communities

SBM-2 – Interests and Opinions of Stakeholders

Expectations and concerns related to the ZE PAK SA Group's operations are strongly influenced by whether they relate to the overall societal impact or the impact on local communities adjacent to the Group's facilities. In the former case, the Group is expected to primarily ensure stable energy supplies, i.e., ensure energy security, and also reduce its impact on the environment, particularly on the climate.

Regarding local communities, over the years, the attention of the local community and the Group has focused on avoiding and limiting impacts on neighboring areas, i.e., counteracting the nuisances associated with mining and manufacturing operations (see: SBM-3 – Significant Impacts, Risks, and Opportunities and Their Interrelationships with the Strategy and Business Model). The gradual phasing out of lignite mining and conventional energy production based on this fuel eliminates the existing nuisances associated with the daily operations of the plants, in turn engaging residents' attention, for example, on land reclamation. Due to the position of the largest employer in the region, residents who are also employees of the Group's companies or collaborating enterprises have a vital interest in the Group's future in terms of current and future employment. Hence, numerous questions related to ongoing and planned investments arise. These issues are crucial for household budgets, which are directly or indirectly linked to employment at the Group or its collaborating entities. Similarly, the future of the Group, including the multi-million investments in new generation sources mentioned above, are crucial for local governments and the budgets of the municipalities in which the ZE PAK SA Group is present.

SBM-3 – Significant impacts, risks and opportunities and their interrelationships with the strategy and business model

The impact of the ZE PAK SA Group on its surroundings is multidimensional:

- **Social Impact.** From a societal perspective, the ZE PAK SA Group is a significant energy supplier to the Polish economy and society. However, the Group's primary customers are not end users; the Group sells the vast majority of its energy on the wholesale exchange market. Therefore, the ZE PAK SA Group aims to ensure a stable supply of electricity at a competitive price.
- **Local communities adjacent to ZE PAK SA.** The ZE PAK SA Group has a much broader impact on its surroundings from the perspective of the local community, understood as the community living in the immediate vicinity of the Group's facilities, where electricity and heat production, as well as lignite mining, takes place. The exploitation of lignite deposits and energy production have a significant impact on the natural environment (see the section: Environmental Issues), and consequently, on the social environment as well.

The impact of the transformation of the ZE PAK SA Group on the social environment and future risks

The transformation of the ZE PAK SA Group towards a sustainable economy will involve a change in the nature of its social impact. Primarily, it will contribute to the reduction and gradual elimination of the individual risk categories mentioned above. Abandoning the exploitation of lignite deposits from new open pits, the concessions for which the Group has sought mining, means no further development of new areas and no impact, among other things, on surface waters in their vicinity. Back in December 2020, the ZE PAK SA Management Board confirmed the withdrawal from investments aimed at implementing projects involving the extraction of lignite and associated minerals from the Piaski, Dęby Szlacheckie, and Ościsłowo deposits. Simultaneously, as energy production from lignite is phased out, mining from currently exploited deposits will be phased out, their gradual decommissioning, and the lands occupied by them will be reclaimed. This means the ultimate elimination of public nuisances related to noise and dust from mines and coal transport. Natural water conditions will also be gradually restored, no longer disturbed by artificial drainage of mining areas. Importantly, where land reclamation involves water-based reclamation, reservoirs will be created, which will be part of nationwide water retention efforts. However, it is important to be aware that during the transitional period, restoring natural water conditions may involve temporary disruptions, resulting from the filling of depression cone holes with water and the associated reduction in the volume of water in some surface watercourses, which will no longer be supplied by water pumped from mining areas.

New types of activities should not pose such a significant burden on the social environment as lignite open-pit mines do today. Although the PAK CCGT construction project has exceeded 70% progress, it has not encountered resistance from the local community (local communities have the opportunity to submit their comments to the general contractor). PAK CCGT's generating assets are located on the site of a former coal-fired unit owned by the Group, which meant there were no resettlements or land acquisitions for the project. These areas are also industrially transformed, meaning the project's implementation has no significant impact on the cultural heritage of the area or its surroundings. To mitigate potential nuisances and threats to the public, temporary fencing of the construction site, back-up facilities, storage yards, and pre-assembly areas was installed during the construction phase, along with strict access control (including CCTV). Regular cleaning/washing of external access roads was implemented. A pressure washer has been installed on the construction site to minimize contamination of external roads leading to the site. 20 km/h speed limit signs have been placed on the access road to the construction site. Work between 10:00 PM and 6:00 AM must be limited to those that do not exceed the noise limit.

Thus, the nature of the nuisances related to the functioning of the ZE PAK SA Group will change as the transformation progresses, but in general the nuisances will be less and less, and thus the level of social risk will be lower.

Current social risks and management approach

Current sources of social risk, taking into account the negative impact on the natural environment, but also on society, are primarily **threats and nuisances that are a source of social risk**, related to:

- **impact on the ground surface** (open-pit mining of minerals involves the transformation of the ground surface; in place of the originally used land, spatial terrain forms are created (excavation, dumping ground) and the accompanying infrastructure (conveyors, transport routes, facilities),
- **impact on surface waters** (including reduced flow in streams affected by the mine and increased flow in streams due to the discharge of water from underground and surface drainage of the open pit),
- **impact on groundwater** (formation of the so-called depression cone as a result of drainage of the open-pit mine),

- **noise emissions** (basic machines related to overburden extraction and dumping, basic machines for coal mining, coal and overburden conveyors, road transport),
- **the impact of mine facilities on atmospheric air** (dust emissions: technological (mechanical), i.e. related to mechanical mining and transport of raw materials by conveyor belts; climatological, i.e. related to wind erosion of areas devoid of vegetation; organized emissions of pollutants into the air from the boiler room providing heat for the mine's social facilities),
- **impact on naturally valuable areas** (if the naturally valuable area is located in the impact zone),
- **hazards associated with electromagnetic fields**.

Business risks that may negatively impact the results and development of the ZE PAK SA Group and are related to the area of social impact stem directly from the nature of this impact (e.g., the aforementioned hydrological imbalance or noise). They constitute both a nuisance and can also be a source of material losses for third parties. This can lead to disputes with the community and a loss of community support for current and future investments, including so-called social consent. On the one hand, this can lead to an increase in complaints from the public to administrative bodies, initiation of proceedings against the company, and, if the allegations are confirmed, legal and financial sanctions. Ineffective dialogue, for example, regarding compensation or land acquisition, can also lead to civil lawsuits for damages. A particular threat is the loss of public trust and a negative reputation of the plant as an unreliable investor, which can significantly impede obtaining further permits (e.g., in the case of using existing infrastructure to implement investments in the field of renewable energy sources). This, in turn, may translate into greater risk associated with a new investment and less favorable attitudes from investors and lenders, and consequently, difficulties in obtaining capital.

It's worth mentioning here that **plant employees are recruited from local communities**. Consequently, these groups are not separate, and any potential animosity with the local community, for example, related to nuisance, will indirectly impact the organizational culture and work atmosphere, and vice versa: any significant events between employer and employees can and do result in specific consequences for relations with the local community. The same individual can play multiple roles: an employee, a resident of the local community adjacent to the plant, who is exposed to nuisances related to noise, for example, or a property owner seeking compensation or a buyout.

Other indirect impacts on the local economic and social environment: local fish farms and heat production

The Konin energy basin boasts a unique cooling system based on an open water circuit. The collective name "Konin Lakes" encompasses Lakes Goślawskie, Pątnowskie, Wąsowsko-Mikorzyńskie, Licheńskie, and Ślesieńskie, which are incorporated into the cooling systems of the Pątnów and Konin power plants. All lakes are connected by a system of canals with a total length of approximately 26 km, forming a closed circuit in which water flow is regulated by culverts and pumping stations. This water participates in energy transformations, which take place, among other things, in the steam turbine condenser. This condenser acts as a cooler, dissipating the heat not converted by the turbine into work to nearby lakes. This has, of course, impacted their ecosystems, but also made these reservoirs particularly valuable for fishing and fish farming. The increased water temperature and high flow in the canals and lakes led to the location of fish ponds within the cooling system. The fish farms operating here are not only the largest producers of sturgeon fish in Poland (Siberian sturgeon, Russian sturgeon, sterlet), but also other fish species such as European catfish, rainbow trout, grass carp, silver carp, catfish, carp, and ornamental fish. By utilizing waters with elevated temperatures for the breeding, rearing, and rearing of warm-water fish, they are a significant producer of fry on the domestic market. Cooperation with the ZE PAK SA Group ensures that warm water flows directly through the ponds, ensuring optimal conditions for the development of fry and adult fish. One of the farms even draws water for breeding from the Konin Power Plant's pre-cooling reservoir, and production is closely dependent on the conditions provided by the power plant, including water temperature, purity, and so on. Therefore, there is constant communication and information flow between the fish farms and the power plants. Along with being one of the largest fish farms in Poland, this area is renowned among anglers. Support for this type of economic activity, like any other form of social involvement, allows for partial compensation to the social environment for the inconvenience related to the operational activities of the ZE PAK SA Group.

The move away from lignite and the phasing out of lignite-fired units will not have negative consequences for fish farms in the region. The heat, crucial for fish farms, comes from the plant in Konin, which burns exclusively biomass. At the same time, the ZE PAK SA Group currently holds only a minority stake in its capital ²⁴.

²⁴As a result of the resale of assets in mid-2023, the entity controlling the Konin Power Plant is the Polsat Plus Group.

S3-1 – Policies related to affected communities

The ZE PAK SA Group's policy regarding social issues is defined in the ZE PAK SA Group's Sustainable Development Strategy for 2024-2028 and is generally consistent with the approach adopted in the earlier ZE PAK SA Capital Group's Social Responsibility Strategy for 2017-2020. This approach is also reflected in other internal regulations. It is also, in strictly defined cases, arbitrarily specified in administrative decisions permitting mining and manufacturing operations at ZE PAK SA Group facilities, depending on the specific nature of the facility. However, the Group always strives to develop optimal solutions in this regard based, among other things, on public consultations and in compliance with applicable law.

The ZE PAK SA Group's management approach to social issues is determined by the nature of the Group companies' impact on their environment. In particular, where the impact is or may be negative and may involve specific burdens on people, the management approach aims to eliminate, reduce, or compensate for these burdens, and consequently, limit the ZE PAK SA Group's exposure to risk (also understood as reputational or image risk).

The ZE PAK Group's management approach towards local communities is consistent with internationally recognized standards, particularly the UN Guiding Principles on Business and Human Rights (standards regarding indigenous peoples are less relevant to the Group's operations). This is reflected in its commitment to identifying and minimizing negative impacts and engaging in good faith dialogue. This approach was reflected in land acquisition procedures, when they were still in place. These were conducted in a manner that focused on voluntary acquisitions, implemented on an individualized basis, including an understanding of the emotional attachments of residents to their properties. Similarly, the Group's approach assumes a thorough assessment and remediation of mining damage. Settlements are reached, and potential litigation, especially those that would challenge the value of the Group's proposed compensation, is rare. The management approach also aims to operationally mitigate other ongoing nuisances, such as noise and dust from open pit mines. The Group also strives to compensate for the nuisances it cannot eliminate or reduce through social engagement with the community in which it operates. This commitment, not only to its relationships with its surroundings but also to its unique local cultural heritage, is demonstrated by, among other things, its long-standing financial support for Poland's only hermitage – the Congregation of Camaldolese Hermits in Bieniszew. Furthermore, due to its geographically limited operations to the Republic of Poland, the Group's operations do not impact the territories, rights, or cultures of indigenous peoples. Consequently, its policies do not contain specific provisions in this regard. The Group also declares that in 2025, its operations will not have recorded any incidents of non-compliance with the UN Guiding Principles on Business and Human Rights or the OECD Guidelines for Multinational Enterprises with respect to affected local communities.

At the operational management level, the ZE PAK SA Group focuses primarily on ensuring ongoing safety for the natural environment, and consequently, for society, while simultaneously ensuring production continuity and stability. This approach was originally defined in the Social Responsibility Strategy for 2017-2020, and as mentioned, it remains relevant at the operational management level and is also reflected in the new ZE PAK SA Group Sustainability Strategy for 2024-2028. This includes:

- **Mining damage.** Reliable and timely estimation of mining damage, its repair, or compensation for losses incurred by private individuals and local government units through an amicable settlement.
- **Dialogue with local entrepreneurs directly or indirectly associated with the work of the ZE PAK SA Group.** Openness to dialogue with local entrepreneurs who either cooperate with the ZE PAK SA Group (subcontractors, suppliers) or are otherwise associated with the ZE PAK SA Group (e.g., fishing companies). Responding to their signals, understanding their expectations, and allaying any concerns.
- **Local social involvement.** Openness to dialogue with local communities: both representatives of local administration and local leaders. Focusing social involvement on local communities and their problems, particularly those within the sphere of influence of ZEPAK plants and for whom the activities of the ZE PAK SA Group are associated with a nuisance.

It assumes the provision of effective mechanisms to minimize the risk of anomalies and deviations, resulting in excessive impact on the environment during mining or manufacturing processes. This approach is typical of quality management systems, which assumes continuous process improvement and optimization of applied solutions. It is also characteristic of typical risk management, i.e., striving to eliminate threats and, if elimination is impossible, to subsequently reduce and ultimately compensate for them.

The ZE PAK SA Group assumes that implementing this approach, which minimizes negative impacts on the environment, also translates into stable plant operation, uninterrupted by disruptions in mining or production caused by social factors. These aspects are also addressed by policies accompanying management systems and internal regulations ensuring compliance with the law and administrative permits related to specific production facilities and installations.

The management approach and, consequently, the actions implemented directly or indirectly address the risks associated with losing the goodwill of the local community, thus contributing to the prevention of incidents that could disrupt the stable operation of mining and manufacturing plants. The aspects of impact on the natural environment, which simultaneously constitute a source of potential nuisance for local communities, are described in more detail later in the report (see: Environmental Issues). They constitute an element of environmental management, which has parallel consequences for local communities. The approach to these aspects is also described in other internal regulations and administrative decisions governing environmental matters. This description is limited to characterizing the ZE PAK SA Group's approach to those aspects that directly affect people. However, all of them focus on activities aimed at monitoring and mitigating negative impacts.

S3-2 – Collaboration Processes for Impacts with Affected Communities

The ZE PAK SA Group, by its very nature a company deeply and long-term embedded in the local community, is committed to cooperation and dialogue with its representatives. These are most often local government officials, elected by residents and representing their interests. Of course, the frequency and subject matter of these contacts depend on the issues arising at a given time. Most often, they contact the management of ZE PAK SA Group companies or the directors of individual organizational units, but also the ZE PAK SA Press Office (depending on the topic).

A good example of cooperation in this area is the joint search for solutions to halt the process of lowering the water table of natural lakes in the region, which is directly related to the filling of open-pit mines whose exploitation has been discontinued. The drainage of the lakes in the Powidz Landscape Park could be hindered by pumping water from the Warta River through the Ślesiński Canal to Lake Goślawskie, and then towards the Kleczew Reservoir and the excavation site of the Józwin IIB open-pit mine. The construction of the transfer canal is the most important investment in the PLN 120 million project. Despite a letter of intent signed three years ago by ZE PAK SA, Polish Waters, the Miradz Forest District, and local governments, it turned out that following personnel changes at Polish Waters, key investments in the project were deleted. According to local government officials, in recent years the water level in Lake Wilczyńskie has dropped by 6 meters, in Lake Ostrowskie by 4.6 meters, in Lake Powidzkie by 1 meter, and in Lake Budziszawskie by 4

meters. This, in turn, means not only huge environmental costs, but also economic costs, especially when it comes to tourism.

Currently, thanks to the cooperation of local government officials who are members of the Powidz Landscape Park Association and have taken on the burden of leading the project through regular meetings, in January 2025 there is an opportunity to adopt a new, effective solution that will help stop the decline in lake levels in the region.

ZE PAK provides communities affected by its operations with access to transparent and easily accessible channels for reporting concerns, complaints, and signals regarding potential negative impacts – the Grievance Mechanism is available on the ZE PAK website. Specifically, the Group provides:

- mail address -for submitting comments regarding the impact of ZE PAK's activities on the social and environmental environment;
- a contact form on the website enabling the submission of inquiries, complaints and signals regarding operational activities;
- direct contact with company representatives during public consultations, information meetings and dialogue with local stakeholders;

These channels operate in a confidential, accessible, transparent manner, ensuring the protection of the reporting person, and each reported case is registered, analysed and subject to an appropriate clarification procedure, in accordance with the principles of responsible social dialogue.

(more about the problem of lowering lake levels in ESRS E4 E4-3)

S3-3 – Processes for remediation of negative impacts and channels for reporting problems by affected communities

At the Group level, community representatives, most often local government authorities, contact the management of ZE PAK SA Group companies or the directors of individual organizational units. This depends largely on the nature of the problem. Therefore, there is no single formal mechanism for tracking and monitoring reports submitted in this manner. At the same time, however, the ZE PAK SA Group strives to resolve them through dialogue (see S3-2). For individual concerns, the optimal solution is direct contact with ZE PAK SA or another company within the ZE PAK SA Group. Depending on the nature of the issue, the complaint will be redirected to the appropriate organizational unit.

Although the ZE PAK Group has not introduced separate channels dedicated to local communities, in specific situations, their representatives may use other existing channels, including those provided for in the Code of Ethics (e.g., via email: etyka@zepak.com.pl) or the Grievance Mechanism. The latter has a very broad application, meaning it can be used by anyone who has received information about a violation of the law in connection with the ZE PAK Group's activities and covers issues of both public procurement and environmental protection (see G1-1). In these channels, the steps involved in ensuring a thorough analysis of the matter and its broad monitoring are much more formalized. In accordance with the procedures supporting the Grievance Mechanism, the Group guarantees full confidentiality of reports and absolute protection of representatives of affected communities from any retaliatory actions. In 2025, the Group did not conduct formal analyses to assess the level of community awareness and trust in existing contact channels. There are currently no plans to conduct social research in this area.

The situation is somewhat different for the construction of a combined cycle gas turbine (CCGT) unit, which, as a large investment, may raise concerns or questions from local communities. A Stakeholder Engagement Plan (SEP) has been developed for the CCGT project, which stipulates that the company's management team bears overall responsibility for community engagement. The Single Point of Contact (SPC) will be responsible for community relations, collaborating with the design team during the construction phase, with the support of the Construction Director. During the operations phase, the asset management team will be responsible for contacts.

Responsibilities of the Contact Point:

- acting as a liaison between the community/stakeholders and the Company; being present in the local community and engaging with community members to monitor feedback, respond to community comments ,

provide updates on Project activities and ensure communication with community members and vulnerable groups;

- managing the day-to-day implementation of the SEP and the grievance mechanism and managing the grievance process; planning stakeholder engagement activities and ensuring their proper implementation by the Company and contract employees;
- responsibility for ensuring the dissemination of the grievance mechanism, communication, monitoring and reporting; responsibility for verifying contractors' compliance with their grievance management obligations;
- active participation in identifying community needs;
- prepares reports on the implementation of stakeholder engagement checks and updates the SEP accordingly.

The SPC contact details, including those assigned to the SPC, are available to contractors, local communities and residents of the area to ensure that any complaints relating to the environmental, social and health and safety aspects of a given project can be easily forwarded to the Company.

S3-4 – Taking action to address significant impacts on affected communities and applying approaches to manage significant risks and opportunities related to these communities and their effectiveness

Real estate purchase

The lignite deposits in the Group's operating area have their own specific characteristics and richness. The company has not mined a single deposit, but over the years has been forced to open successive open pits. Consequently, reclamation of previously mined open pits is underway simultaneously, along with the mining of the only currently operating open pit – Tomisławice.

Real estate purchases are being carried out in areas intended for mining, as well as in areas directly adjacent to the mining area. These are most often agricultural lands, but they can also include buildings and structures associated with the mining area. Impact assessments, i.e., whether a given property adjacent to the open pit will be subject to purchase, are always determined on a case-by-case basis. An individual approach is justified because emotional factors related to a given location often play a significant role in such matters. The Group's intention is to conduct the described processes in a way that minimizes negative emotions, as this can impact subsequent similar projects. These are always difficult situations, especially since the properties often hold more than just financial value for their owners; they are often farms inherited by subsequent generations. However, limiting, and ultimately halting, energy production from lignite will result in a slowdown and ultimately a halt to further land purchases. Currently, real estate acquisitions are being conducted on a limited scale and concern land within the Konin Mine, particularly the last operating Tomisławice Open Pit. This is due to the cessation of mining operations due to the depletion of deposits from the Józwin and Drzewce Open Pits. Land acquisitions from the Tomisławice Open Pit are based on the options defined by the concession, which is valid until 2030.

Mining damage

Mining damage can be divided into direct and indirect. Direct damage is typically related to mining operations and the advancement of mining fronts. It includes the reconstruction and construction of new roads, power lines, water supply networks, and other technical infrastructure, as well as the repair of roads used by mine transport, and in special cases, the relocation of sacred cultural sites, such as chapels, churches, and cemeteries. In 2025, companies in the Group's mining segment paid PLN 2,857,000 for direct damages, while in 2024, the figure was PLN 8,544.76 thousand. It is worth noting that in each case, compensation for indirect damages was paid through a settlement or agreement. In addition to direct damages, indirect damages also occur, related to the dewatering of deposits, which contributes to lower groundwater levels in areas adjacent to mines. In turn, the discharge of open-pit water into watercourses can lead, for example, to rising groundwater levels. Lowering groundwater levels can result in partial degradation of soil productivity, tree wilting, periodic drying of farm wells and ponds, damage to buildings, impact on the performance of deep intake wells, and more. Furthermore, the discharge of open-pit drainage water through surface streams can cause periodic flooding of adjacent areas.

To minimize this damage, systematic maintenance of these streams is being conducted, either through own funds or through financial participation in maintenance costs. For indirect damages, companies in the Group's mining segment paid PLN 769.4 thousand in 2025, compared to PLN 1,463.44 thousand in 2024. Due to the nature of indirect damages, financial compensation is usually one-time. The ZE PAK SA Group strives to compensate for adverse impacts by paying appropriate compensation to affected parties in justified cases. Owners of land covered by compensation receive written notifications proposing the amount of compensation due related to the mine's impact. If accepted, an out-of-court

settlement is signed with the owner, with a waiver of claims after compensation is paid. Compensation is paid based on previously concluded settlements or agreements. Only a few mining damage cases are subject to adjudication by common courts. In 2025, there was one judgment ruling concerning indirect damages (at the end of 2025, eight cases were pending in court – this represents the balance for previous years plus new ones). The low share of compensation paid based on court judgments demonstrates the Company's conciliatory approach, which prefers to agree on potential compensation amounts through negotiations, seeking an agreement with the other party.

Other nuisances, including periodic nuisances

Coal mining, its transportation, and related work can be a source of nuisance in the form of dust and noise. Due to the location of mining plants, i.e., operating at a significant distance from population centers due to prior property acquisition, these nuisances are limited. Furthermore, the method of work, including the moistening of slopes during droughts, helps reduce the risk of dust generation.

In the case of other periodic nuisances, such as increased noise associated with renovation or modernization work at production facilities (such work necessitates purging the boiler system with very high-pressure air to remove even the smallest particles from the system, which could cause damage, which is quite noisy), the ZE PAK SA Group generally informs the local community about such nuisances through the media. Information is distributed, for example, to local offices and media outlets. A similar approach is taken with other nuisances (e.g., road traffic disruptions related to the transport of oversized equipment, increased dust or condensation from chimneys, etc.). As a result, these issues do not raise any controversy, and the plant can count on the understanding of local residents. As part of its educational activities aimed at the external community, the corporate communications department within ZE PAK SA also prepares press articles explaining the principles of lignite open-pit mining and post-mining land reclamation. As mentioned, employees of ZE PAK SA Group companies often live in the immediate vicinity of the plants. Therefore, although we're talking about communication outside the organization, proper internal communication can also play a significant role, with employees themselves acting as ambassadors for the ZE PAK SA Group. Internal communication can also play an equally crucial role in communication activities in the situations mentioned above. Internal communication with employees is conducted primarily through the intranet, emails, and articles published on social media (Facebook, Twitter).

Social involvement

Since its inception, the ZE PAK SA Group has pledged its support for local initiatives. The Group's goal is to support the local community through social engagement, to compensate them, where possible, for the impacts associated with the operation of its plants, where they cannot be eliminated or reduced.

Through social engagement activities, the company focuses on building public awareness of important social, ecological, and cultural issues. By participating in social events, it promotes social integration and fosters interpersonal bonds.

Aware of its impact on the environment, the company is actively engaged in sustainable development activities, striving for energy transformation and supporting the local community in this regard as well.

"The Path to Employment After Coal"

The "Road to Employment After Coal" program, which aims to support employees of the energy and mining sectors in the process of professional transformation, is currently a key project implemented by the ZE PAK SA Group. The "Road to Employment After Coal" program enables residents of Eastern Greater Poland to find new employment, establish a social cooperative or run a business.

The program was created for individuals whose jobs are at risk due to the region's coal phaseout, and for their families. The program was initiated by trade unions from the ZE PAK SA Capital Group and the ZE PAK SA Management Board. The program is financed from European funds under the European Funds for Wielkopolska for 2021-2027.

The program includes a number of initiatives such as:

- vocational training and courses
- consulting and coaching support
- cooperation with local employers and labor market institutions

This project aligns with the region's just transition strategy and highlights the social responsibility of ZE PAK SA. Through this initiative, the company actively supports its employees and residents of Eastern Greater Poland in adapting to new economic conditions.

Detailed information about the project is available on a dedicated website: <https://pracapoweglu.pl/>

Sports initiatives

For many years, the ZE PAK SA Group has also been involved in social initiatives related to sports, recognizing their importance for the development of the local community and the promotion of a healthy lifestyle. As every year, the Company provided support to the organizers of regular sports events (VII gRUNt race in the Bieniszewska Forest, Runners' Club "Aktywni Konin" Run for the Miner's Lamp) and sailing regattas (Sailing Regatta for the Cup of the President of ZE PAK SA).

The company is also committed to the development of young athletes. In 2025, financial support was provided to the son of an employee, who has been practicing tennis for years and has achieved success on the national stage, enabling him to participate in a specialized training camp.

Health Support Initiatives

In 2025, the ZE PAK Group, being aware of the impact of its activities on the social environment and guided by the principle of responsibility for the significant effects of its actions, took the initiative to support the Stiftung zur Erforschung der Vaskulären Demenz Foundation (Vascular Dementia Research Foundation) based in Munich.

The Foundation's activities focus on research into stroke and vascular dementia, conducted within the medical research institute at the University of Munich Medical Center. The institute operates in cooperation with the Medical Center of the Ludwig-Maximilians-Universität Munich (LMU) and the Free State of Bavaria.

Being aware of the important role played by blood donors and how important it is to build permanent resources in blood banks – which save human lives every day – the ZE PAK SA Group has been supporting the activities of the "Inter-Enterprise Club of Honorary Blood Donors of the Polish Red Cross" for years.

Konin is home to the Provincial Hospital with a pediatric ward. Thanks to the support of the ZE PAK SA Group, the artistic agency Prekursor Artystyczny organized a campaign that made the hospital's stay more enjoyable for the youngest patients. In July, the **"Small Theatre for Great Patients – Holidays in the Hospital"** campaign was held, which involved donating gift sets to the pediatric ward for hospitalized children.

Cultural initiatives

The Group is fully aware of the importance of promoting cultural initiatives taking place in its areas of operation, which is why it is eager to participate in the organisation of such events.

One of the most important cultural events in Konin for over 40 years, the 45th International Children's Song and Dance Festival in Konin, also took place with the financial support of the ZE PAK SA Group. In 2025, the jurors evaluated 144 dance performances and 111 vocal performances, with nearly 2,500 participants performing on stage. As the jurors of the dance and vocal competitions emphasized, the level of the Festival participants is so high that each year they find it increasingly difficult to make their choices.

Conference partnerships and educational activities

The group is an active partner in conferences and social events focusing on topics related to environmental protection, social equality, and technological innovation. It supports knowledge exchange, building networks among scientists, entrepreneurs, and practitioners, and inspiring action for positive social change.

On April 25, 2025, ZE PAK SA once again celebrated Occupational Safety and Health Day. This event was part of a nationwide initiative of the International Labor Organization and aimed to disseminate and consolidate knowledge of regulations and principles concerning occupational safety in its broadest sense.

The speakers included representatives of state institutions and services responsible for security control and education, including:

- National Labor Inspectorate in Konin,
- District Sanitary and Epidemiological Station,
- District Mining Office,
- Office of Technical Inspection,
- State Fire Service.

Each institution presented its activities, responsibilities, and best practices in occupational health and safety. During the event, participants witnessed a demonstration of extinguishing an oil fire and evacuating a worker from a basket. The

meeting concluded with a discussion of the safety status at ZE PAK SA Capital Group companies, prepared by the occupational health and safety services.

In 2025, ZE PAK actively engaged in initiatives supporting the development of sustainable energy and the region's transformation. The company joined the "Atom dla Konin" initiative, which aims to provide a reliable presentation of the development potential of nuclear energy in the region and create a forum for discussion about its future during the energy transition. An organizational team has been established for the project, consisting of:

- Marshal of the Wielkopolska Voivodeship – Marek Woźniak
- MP Tomasz Piotr Nowak
- The Mayor of Konin – Piotr Korytkowski
- Starosta of Konin – Katarzyna Fryza
- President of the Management Board of ZE PAK – Andrzej Janiszowski
- Rector of ANS in Konin – Artur Zimny
- President of the Agricultural Market Agency in Konin – Maciej Sytek

The task of the headquarters is to conduct information and promotional activities related to the implementation of the project, which is of great importance for the future of Konin and Greater Poland.

On November 12, 2025, the Academy of Applied Sciences in Konin hosted a conference entitled "Atom in Konin," attended by representatives of the government, local governments, science, and the energy sector. The meeting focused on the development of nuclear energy in Poland and Konin's role as one of the main locations for Poland's second nuclear power plant.

Other

A short distance from the ZE PAK SA Group's facilities, in the Kazimierz Biskupi commune, one of the two active Camaldolese hermitages and the only strictly contemplative male hermit order in Poland operates: the Congregation of Camaldolese Hermits of Góra Koronna – Hermitage of Five Martyrs in Bieniszew. For many years, the order has been supported by the ZE PAK SA Group. As every year, the company has made a donation to the monks.

PAK KWB Konin SA, part of the ZE PAK SA Group and engaged in lignite mining, also conducted similar activities. The company traditionally supports local communities and residents of municipalities adjacent to the Group's plants. In 2025, the Kazimierz Biskupi Commune received 1,000 tons of fertile soil, including loading. The Wierzbinek Commune received two donations: 300 cubic meters of soil, including loading and transport, and 1,500 cubic meters of fertile soil. The Osiek Mały Commune received 60 cubic meters of sand, including loading and transport. The Kleczew Commune and Town received 600 tons of sand, including loading, and the Town of Sompolno received 1,000 tons of sand, including loading. The Municipal Sports and Recreation Center in Konin received a similar donation of 500 cubic meters of sand, including loading.

The "Górnik" Family Allotment Garden Association in Turek received 60 meters of old drill pipes with loading, and the Sanctuary of Our Lady of Licheń in Licheń received an erratic boulder with loading, transport, and unloading. The Volunteer Fire Department in Licheń Stary received 50 meters of used fabric-and-rubber conveyor belt with loading. The District Museum in Konin received a donation of a historic entrance gate to the Kazimierz open-pit mine, along with its renovation, loading, and transport.

The mine has long supported local cultural and social initiatives and municipal celebrations. In 2025, it provided financial support to the Association of Generations of the Opencast Mining Equipment Factory for the organization of a May Day celebration under the slogan "Creators of the Konin Voivodeship." The Osiek Mały commune received funding for the organization of a municipal harvest festival. The Society for Civic Initiatives in Konin received similar support – the company provided Christmas and New Year's gifts to the residents of the Socio-Therapeutic Community Center. The mine also supported organizations of current and former company employees: the Senior Circle of the Association of Mining Engineers and Technicians received funding for its 30th anniversary celebrations, and the Inter-Enterprise Mining Club of the Polish Red Cross (PCK) received a donation to organize an anniversary meeting to celebrate the Club's 55th anniversary. The company also provided financial support to the family of a deceased employee.

Another opportunity to engage in social activities is the miners' holiday, St. Barbara's Day. As in previous years, the company sponsored a nationwide sporting event. The Konin Sailing Club received a monetary donation to purchase prizes for the winners of the 31st Winter St. Barbara's Day Regatta and a donation of yacht launching services. The Konin Concert Orchestra Foundation received funding for the organization of a gala concert for St. Barbara's Day. A donation was made to the Roman Catholic Parish of the Blessed Virgin Mary in Konin to organize a religious ceremony to mark Miner's Day.

The Association of Disabled Children and Youth in Sulęcín also received a donation for its statutory activities – the Barbórka KWB Sieniawa Foundation. Similar support was provided to the Wrocław Children's Hospice Foundation for its statutory activities – the Barbórka Poltegor Project.

Particularly in the case of impacts identified at the beginning of the disclosure that negatively impact residents and disrupt the lives of local residents (e.g., the need to purchase land, mining damage, and other nuisances), the method for monitoring the effectiveness of undertaken actions depends on the nature of the impact. Property acquisition matters are handled on an individual basis by the Real Estate Department. Another unit monitors matters related to mining damage, including its repair and the payment of appropriate compensation. Monitoring of excessive emissions will also vary depending on whether dust or noise is involved (see E2-2, E4-3).

Incidents of human rights violations

The Group declares that no serious human rights issues or incidents were identified or reported in the 2025 reporting period with respect to affected communities living in the vicinity of the Group's facilities.

S3-5 – Objectives relating to managing significant negative impacts, increasing positive impacts and managing significant risks and opportunities – to the extent related to counteracting

The ZE PAK Group sets goals to responsibly manage the impact of its operations on local communities and minimize risks that may affect residents of areas where energy, reclamation, and investment operations are conducted. These goals primarily include limiting potential negative environmental and social impacts, strengthening transparent dialogue, and building lasting, trust-based relationships with local stakeholders.

The key goals of the ZE PAK Group in this area include:

- ensuring ongoing, transparent dialogue with communities, including regular consultations on planned operational, investment and rehabilitation activities;
- minimizing environmental and operational impacts, in particular in terms of noise, emissions, reclamation of post-mining areas and water and -sewage management;
- early identification of social risks and systematic monitoring of reported comments in order to be able to react before the risks develop into real negative impacts;
- implementing mitigating actions, including responding quickly to community reports, analysing the causes of problems and implementing measures to prevent similar situations in the future;
- supporting local development, including through cooperation with local governments, social organizations and other entities important for the regions in which the ZE PAK Group operates;
- ensuring accessible channels for communicating concerns and complaints and continuously improving the effectiveness of response and remediation systems.

These goals support the ZE PAK Group's commitment to conducting business in accordance with the principles of responsible business, respect for community rights, and international standards, including the UN Guiding Principles on Business and Human Rights.

In accordance with the ZE PAK SA Group Sustainable Development Strategy for 2024-2028, it sets itself the following goals:

Table 85: Goals of the ESG Strategy for 2024-2028

Goal 6: Being a good neighbor and member of the local community: limiting the impact of current operational activities on the social and natural environment.						
number of serious environmental accidents	"zero"	"zero"	"zero"	"zero"	"zero"	"zero"
number of serious social conflicts	"zero"	"zero"	"zero"	"zero"	"zero"	"zero"

The goals presented above for zero social conflicts and environmental incidents were established as part of the internal planning process for the sustainable development strategy. Although the affected communities did not participate directly

in the formal process of defining these indicators, these goals constitute a direct response to years of dialogue with the social community and to the historically identified demands and expectations of local residents and local governments. At the same time, the goals indicated above related to the pursuit of eliminating environmental incidents and conflicts with communities are general in nature. For example, at the level of environmental impact management within the PN-EN ISO 14001:2015 standard, operational goals are established, the monitoring and implementation of optimization measures for which are fundamental assumptions of the environmental management system.

ESRS S4 Consumers and End Users

The ZE PAK SA Group does not sell energy directly to individuals. As a result, this area was deemed insignificant in the double-significance analysis for a fair view of the ZE PAK SA Group.

Of course, by introducing electricity into the National Power System, it indirectly impacts the stability of energy supplies to millions of Polish households and, in this sense, shares in the responsibility for the country's energy security. (This aspect is identified in *ESRS S3 Affected Communities, SBM-3 – Significant Impacts, Risks, and Opportunities, and Their Interrelationships with the Strategy and Business Model*). The ZE PAK SA Group, a minority shareholder, holds shares in the Konin Power Plant through PAK – PCE sp. z o.o., which supplies heat to Konin. However, the Konin Power Plant does not sell heat to individuals, but only to the company responsible for the city's thermal energy production.

As a result of this business model, i.e., by not operating at the final stages of value creation in the value chain, the ZE PAK SA Group does not reach consumers and end users. It has no direct impact on their service, including the quality of marketing communications addressed to them or the protection of their privacy.

11.4. Corporate Governance Information

ESRS G1 Business Conduct

GOV-1 – The role of administrative, supervisory and management bodies

Both the Management Board and the Supervisory Board play a key role in establishing effective oversight and control mechanisms aimed at mitigating the risks associated with unethical behavior, including corrupt behavior. Regardless of the implementation of specific procedural solutions, the Management Board and Supervisory Board, in accordance with the audit regulations, not only approve the audit plan but may also report any ad hoc needs in this regard. Audit results are reported to the Company's Management Board. Information from internal audit activities is also analyzed by the Audit Committee.

(for more information, see also: 9.4. *Description of the main features of the internal control and risk management systems used in the process of preparing financial statements and consolidated financial statements*)

IRO-1 – Description of processes for identifying and assessing significant impacts, risks and opportunities

Counteracting irregularities, including corruption

Given the scale of planned and often already implemented investments aimed at transforming the ZE PAK SA Group into a clean energy supplier, exposure to potential corruption threats will increase in the coming years. At the same time, it is worth noting that, at the operational level, the current business model, relative to the scale of business operations, carries a relatively low risk of corruption. Unlike many other electricity producers, the ZE PAK SA Group has previously based its operations on a highly integrated business model, meaning energy production was primarily based on its own raw material resources and was also supplemented by supplies from external suppliers. Currently, the Company only mines the Tomisławice cover. The deposit mined by the Company's mine has a certain resource content. The ability to achieve the target electricity production level depends on the mining capacity and the quality of the coal mined in the currently mined Tomisławice deposit. In many cases, service work is also performed by entities within the ZE PAK SA Group. As a result, purchases of external products and services are minimized, which in turn contributes to risk mitigation, though it certainly doesn't eliminate it. The risk of corruption will increase, as noted above, with the implementation of investments and the growing importance of non-lignite fuel suppliers in the case of new generation assets (e.g., natural gas).

G1-1 – Business Policies and Corporate Culture

Counteracting irregularities, including corruption

One of the goals of the ZE PAK SA Capital Group's Social Responsibility Strategy for 2017-2020 was to ensure a management system that incorporates **solutions related to counteracting corruption and other unacceptable unethical phenomena**. Preventing them is also an important goal of the new ZE PAK SA Group Sustainable Development Strategy for 2024-2028. Exposure to such threats depends, among other things, on the scale of investments and orders, the effectiveness of the control system, and the lack of social acceptance of undesirable behavior in the organizational culture. The risk of corrupt behavior accompanies every enterprise, and cases of corrupt decision-making by corrupt employees lead to, among other things, suboptimal choices in purchasing processes, both in terms of price inflating, as well as, for example, poor quality of products or services, late delivery or performance of services, or a corrupt employee's consent to other, inappropriate behavior by a contractor (e.g., violation of regulations, failure to perform warranty repairs, etc.). Of course, corruption and bribery can take a number of other forms and may also involve employees of an organization giving benefits to officials for issuing a favorable decision, etc. Consequently, for the organization, this may mean threats related to unjustified cost increases, as well as, for example, huge image losses.

In 2017, ZE PAK SA, and in 2020, the other Group companies, adopted a Code of Ethics, which also served as an anti-corruption policy. In November 2025, the Company adopted **an Anti-Corruption Policy**, which outlines principles designed to prevent corruption, conflicts of interest, and other unethical practices. This document reflects the Company's commitment to building an organizational culture based on integrity, responsibility, and respect for the law. The Policy's goal is to ensure compliance with applicable law and international ethical standards, counteract all forms of corruption, including bribery, nepotism, abuse of position, and conflicts of interest, build an organizational culture based on integrity, transparency, and accountability, protect the company's reputation and the trust of stakeholders, customers, business partners, and the public, and establish rules of conduct for employees and associates in situations that may pose a risk of corruption. Every employee at ZE PAK SA Group, if they suspect they have witnessed unethical behavior, including corruption, has not only the option but also the obligation to report it using the mechanisms provided for in the Code of

Ethics and the violation reporting procedure implemented at ZE PAK SA, which is defined in the Grievance Mechanism. To do so, they can contact their supervisor or the person designated by the Management Board as the Ethics Ombudsman, or they can submit an anonymous report to the email addresses designated for such reports, as specified in the aforementioned Code of Ethics and Procedure. Such a report is analyzed, and the employee who provided the information, even if it is not confirmed but was provided in good faith, will not face any consequences and will be protected from any retaliatory actions. The Grievance Mechanism adopted in 2023 at the Company introduces uniform internal rules for reporting violations of law in the workplace and provides protection for the reporting person.

Based on a risk assessment, the Group identified the functions and areas of its operations most vulnerable to corruption and bribery. These primarily include positions related to purchasing processes and supplier selection (supply), individuals responsible for managing investment processes (including the construction of new renewable energy and CCGT assets), and employees responsible for contacts with public administration bodies and obtaining environmental permits or concessions.

Protection of whistleblowers

In connection with Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons reporting breaches of Union law, ZE PAK SA and companies from its capital group employing over 250 people (PAK KWB "Konin", PAK Górnictwo sp. z o. o. and PAK Serwis sp. z o. o.) have adopted the "Regulations on reporting breaches of law". The adopted regulations specify:

- internal procedure for reporting violations of law,
- follow-up procedure ,
- procedure for protecting the whistleblower,
- internal procedure for documenting received complaints,
- Gender-Based Violence and Harassment (GBVH) Complaint Procedure.

In 2024, a Grievance Mechanism was implemented, which was consulted with trade unions operating within the Group. Complaints about violations of the law can be submitted: (i) in person to an employee of the Internal Audit Department of ZE PAK SA; (ii) anonymously by letter to the address of the Internal Audit Department of ZE PAK SA; (iii) by email to: etyka@zepak.com.pl; or (iv) using the complaint form on the employer's website. The Company ensures that all complaints are taken seriously and consistently investigated in an impartial, confidential, and transparent manner. There will be no retaliation or discrimination against those who file complaints, and that complaints will be handled confidentially.

A violation of the law, as defined in the Mechanism and the Regulations, is an act or omission that is unlawful or seeks to circumvent the law, in areas such as public procurement, financial services and markets, prevention of money laundering and terrorist financing, environmental protection, protection of privacy and personal data, security of networks and information systems, and corporate taxation. The Grievance Mechanism also clearly emphasizes that a violation of the law includes violations of the principles established by the International Standards on Protection from Harm, Violence, and Abuse, including gender discrimination and all forms of violence, harassment (mental and physical), intimidation, exploitation, and gender-based harassment (GBVH). The Group declares a zero-tolerance policy towards such behavior.

These mechanisms have a broad scope, applying to any individual who has received information about a violation of the law in connection with the activities of the ZE PAK Group. This includes employees (even after termination of employment), job applicants, individuals performing work on a basis other than an employment relationship (including civil law contracts), entrepreneurs, shareholders, partners, members of a legal entity's governing body, as well as interns, volunteers, and individuals performing work under the supervision of contractors, subcontractors, or suppliers.

The ZE PAK SA Internal Audit Department is authorized to receive complaints about violations of law. Complaints may be submitted through confidential channels, including in person to an employee of the Internal Audit Department, by mail to the Audit Department's address (which may be anonymous, in accordance with the Mechanism), by email, or via a form on the employer's website. Reports may be submitted in writing or orally. In the case of an oral report, the Audit Department employee prepares a note that should be signed by the reporting party. As part of the procedure specified for the capital market, anonymous notifications may be sent to the President of the Management Board, Chairman of the Supervisory Board, or Chairman of the Audit Committee, also via email.

The Head of Internal Audit or an authorized employee is required to provide the Reporting Party with initial feedback on the receipt and registration of the complaint within seven days of its receipt. Complaints are recorded in the Internal Reports Register. Once the information contained in the complaint is substantiated, investigations are undertaken, conducted with due diligence and confidentiality. In the case of GBVH, the Head of Internal Audit assigns a trained employee to prioritize the safety and support needs of affected individuals, providing assistance in obtaining psychological support, medical assistance, and legal advice.

The Internal Audit Department reports the results of its audits to the President of the Management Board or the Chairman of the Supervisory Board. It also prepares post-audit recommendations aimed at eliminating irregularities and proposes remedial measures and possible remedies. If a violation of the law is identified, disciplinary measures may be applied, and if there is reasonable suspicion of a crime, the appropriate law enforcement authorities are notified. The reporting party receives feedback on the findings and actions taken within one month, which in particularly complex cases may be extended to three months from the date of acknowledgment of receipt of the complaint. The Audit Department also prepares periodic annual reports for the Audit Committee and the Management Board, including the number of complaints, their categories, follow-up actions, and trends.

The condition for obtaining protection is acting in good faith, meaning having reasonable grounds to believe that the information about violations is true at the time of reporting. Reporters and individuals assisting in the investigation are protected from, among other things, defamation or infringement proceedings, and any form of harassment is prohibited. Any retaliatory action (retaliatory) against the Reporter, such as termination of employment, reduction in salary, suspension from promotion, transfer to a lower position, suspension from duties, or imposition of a disciplinary measure, is prohibited. The threat or attempt to use such measures is also considered unfavorable treatment. The personal data of the Reporter and other individuals involved is confidential and not subject to disclosure unless with their express consent.

The regulations are generally available on the ZE PAK SA website.

Internal audit

The internal control system, "ZE PAK SA Internal Audit Regulations," establishes the principles for the organization and operation of internal audit, which ensures a systematic and methodical approach to assessing and improving the effectiveness of risk management, control, and organizational management processes. These include examining and evaluating the activities of organizational units and companies within the ZE PAK SA Group in terms of: efficiency, legality, expediency, reliability, and transparency of documentation (processes). The purpose of audit activities is to uncover untapped economic reserves, detect irregularities and abuses in the operations of organizational units, determine the causes and effects of identified irregularities and the individuals responsible for them, and develop post-audit conclusions and recommendations. Irregularities and abuses also include any activities that may constitute bribery and corruption.

The internal control system includes: self-monitoring of work performance, functional control, and institutional control (implemented by the internal audit unit). As part of institutional control, the internal control unit verifies the organization's operations as a whole, responding to needs reported by the Management Board and Supervisory Board in accordance with the control regulations (including assessing the coordination of activities between work stations and organizational units, evaluating the system for creating and circulating documentation and information, etc.), with a frequency depending on the identified risk areas and the level of risk significance, as well as the role of control in reducing it. In this context, the internal control unit's activities complement basic control and ongoing supervision and are intended to reveal weaknesses or gaps in the organization and operation of the internal control system. Inspections are planned (in accordance with the annual plan approved by the Management Board), ad hoc (at the request of the Management Board or Supervisory Board), and verification.

All areas, including purchasing, are subject to internal audit staff inspections, including for potential corruption. Inspections may be scheduled or ad hoc. Internal audit staff have access to all information and reports necessary to perform audit activities reliably and objectively. Auditors are also obligated to keep the audit director informed on an ongoing basis about the audit process and any difficulties encountered during the audit. The audit director presents an assessment of the audit objective to the Management Board or Supervisory Board. Auditors are authorized to: enter and access all facilities and premises of the audited entity; inspect all recording and documentation equipment, as well as plans, reports, minutes, memos, official correspondence, and all other documents and materials related to the audited entity's activities; periodically assist in all activities related to the audited entity's activities; request explanations and information (oral and written) from the manager and other employees of the audited entity related to the subject of the audit; Requesting the head of the audited entity to conduct a partial or complete inventory of specific assets within a specified timeframe and commissioning appropriate calculations, preparation of lists, analytical summaries, extracts, copies, extracts, etc.; receiving statements from employees and other persons on matters related to the audited entity's operations; determining actual conditions through measurements, situational sketches, photographs and recordings, etc.; taking necessary actions to secure evidence and property if irregularities are identified; requesting the audit manager to appoint experts and experts if there is a justified need for an expert opinion; requesting the head of the audited entity to provide all resources necessary for the efficient conduct of the audit and the effective implementation of conclusions arising from the audit findings; performing audit activities at a time selected by the auditor and expanding the audit topic in justified cases without obtaining additional consent from the auditor. The head of the audited entity is obligated to provide the auditor with appropriate working conditions and provide all technical assistance necessary for the efficient conduct of the audit.

If the audit identifies circumstances that pose a threat to human health or life, or circumstances that result in property losses due to mismanagement, negligence, waste, or an act constituting a crime, the auditor submits a written request to the head of the audited entity, who is obligated to immediately take appropriate measures to eliminate these phenomena. The auditor immediately notifies the audit manager and secures documents and items constituting evidence of the mismanagement or crime. After receiving a legal opinion, the audit manager then decides to notify law enforcement authorities.

Apart from those disclosed above, the ZE PAK Group has not implemented any other significant solutions relating to the matters covered by this disclosure and not listed above.

G1-2 – Supplier Relationship Management

The purchasing procedures in place at ZE PAK SA Group companies, as described in their management systems, also govern supplier selection. In the manufacturing area, ZE PAK SA has implemented an Integrated Management System, which, in Sector 5.3 "Supporting Product/Service Implementation," includes two procedures: 5.3-01 "Purchases" and 5.3-02 "Identification and Traceability." The basic requirement for supplier selection is that they be specialized suppliers who meet agreed-upon technical and commercial conditions and guarantee 100% delivery reliability. Furthermore, suppliers whose products directly impact the quality of electricity and heat are qualified based on ongoing cooperation with suppliers, supply monitoring, and periodic assessment, including through audits and updates to the list of qualified suppliers. The management system also introduces "Supplier Assessment Sheets." In addition to obvious factors such as supply quality, price levels and stability, and payment terms, it also considers factors such as timeliness and suppliers' certified management systems.

ZE PAK SA is responsible for purchasing electricity generation and mining for PAK KWB Konin SA. The purchasing process itself is defined by ZE PAK SA's Supplier Selection Regulations. This process is supported by an electronic purchasing platform, which eliminates certain risks, for example, preventing the review of submitted bids before the deadline. This eliminates the risk of a dishonest employee providing information about competing bids to a supplier who is still developing an offer. It's worth noting that the purchasing process utilizes an electronic auction platform, which, conducted in real time, limits the possibility of unethical communication with potential suppliers. Furthermore, employees are unable to observe the auction process, i.e., the bids submitted by individual bidders, until the auction closes. They can only review these bids after the auction process is complete.

PAK Górnictwo sp. z o.o. and PAK Serwis sp. z o.o. make purchases for the service area based on their own regulations, which are similar in terms of the process itself. They utilize the same tools, including the same electronic purchasing platform. The purchasing process is generally initiated by a substantive unit that reports a specific purchasing need. After obtaining appropriate approvals justifying the future purchase, a committee is appointed to define the purchasing criteria. The committee then evaluates the collected offers and selects a recommended supplier. Negotiations are then conducted. The finally accepted offer is submitted for implementation. Important to the transparency of the process is that information about planned purchases (i.e., requests for proposals and tenders) is published both on the electronic purchasing platform and on the website, and the purchases themselves typically take the form of open tenders.

In 2025, the **ESG Partner Declaration document was adopted**, containing a set of commitments regarding compliance with ethics, preventing corruption, respecting human rights and meeting the social and environmental criteria that the Company expects from the Partner as part of responsible cooperation.

Additionally, the Group companies maintain lists of qualified suppliers who are assessed not only in terms of the quality and timeliness of the services offered, but also in terms of compliance with occupational health and safety and environmental protection regulations.

The Group companies did not implement separate policies related to preventing late payments, considering the statutory solutions to be sufficient and shaping contractual provisions and then business practice so as to comply with the provisions of the Act on Counteracting Excessive Delays in Commercial Transactions.

G1-3 – Preventing and detecting corruption and bribery

Table 86: Anti-corruption training

	2025	2024
Percentage (%) of people in risk-prone roles covered by training programmes	0	0

Comment: During the reporting period, the Company did not conduct training programs dedicated to functions exposed to risk, and risks were managed using other tools (procedures, supervision, controls).

In November 2025, the Company adopted an **Anti-Corruption Policy**, which outlines principles designed to prevent corruption, conflicts of interest, and other unethical practices. This document reflects the Company's commitment to building an organizational culture based on integrity, responsibility, and respect for the law. The Policy's goal is to ensure compliance with applicable law and international ethical standards, counteract all forms of corruption, including bribery, nepotism, abuse of position, and conflicts of interest, build an organizational culture based on integrity, transparency, and accountability, protect the company's reputation and the trust of stakeholders, customers, business partners, and the public, and establish codes of conduct for employees and associates in situations that may pose a risk of corruption. Because the new Anti-Corruption Policy was not formalized and adopted until November 2025, it was not possible to initiate employee training before the end of the year.

Counteracting corruption and corrupt behavior is achieved through preventative measures, detection, and appropriate response to identified irregularities. At the same time, the design of the anti-corruption system and its proper functioning are systematically reviewed and modified as needed.

As part of the preventive measures applied, the Company considers the following to be particularly important:

- delegating people with appropriate experience and a sense of responsibility to selected tasks in areas exposed to the risk of corruption,
- applying the "glass walls" principle in all aspects of the activities carried out, i.e. maintaining transparency of activities and the decision-making process appropriate for a given type of activity,
- applying the "many eyes" principle in all aspects of the activities carried out, i.e. complementing employees in the decision-making process.

In the process of detecting corruption and corrupt behavior, the Company considers the following to be particularly important:

- organizing an effective system for reporting suspected corruption or corrupt behavior,
- effective protection of those reporting suspicions of corruption or corrupt behavior,

recognizing and responding to so-called red flags, i.e. symptoms of behavior and events that should constitute a warning of a possible threat to the ethical functioning of the organization.

The Company has appointed an Ethics Ombudsman to resolve any doubts related to the application of the Anti-Corruption Policy and to perform selected duties related to ensuring the proper functioning of the anti-corruption system.

The Internal Audit Department employees inform the President of the Management Board or the Chairman of the Supervisory Board of ZE PAK SA about the results of the audit activities carried out and prepare post-audit recommendations aimed at eliminating the identified irregularities, as well as proposals for remedial measures and possible compensation in the event of the complaint being justified, which will be included in the Register of Internal Reports.

The policy is available on both the Company's internal and external websites, allowing external stakeholders access. Group employees declare on special forms that they have read its content. Additionally, in 2025, the **ESG Partner Declaration was adopted**, containing a set of commitments regarding compliance with ethics, corruption prevention, respect for human rights, and meeting the social and environmental criteria the Company expects from Partners as part of responsible collaboration.

G1-4 – Confirmed incident involving corruption or bribery

Table 87: Anti-corruption

	2024	2025
Number of convictions for violations of anti-corruption and anti-bribery laws	0	0
Amount of fines for violations of anti-corruption and anti-bribery laws	0	0
Number of confirmed incidents related to corruption or bribery;	0	0

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Number of confirmed incidents where unit employees were dismissed or punished due to corruption or bribery incidents	0	0
Number of confirmed incidents involving business partner contracts that were terminated or not renewed due to corruption or bribery violations	0	0
Number of court cases regarding corrupt practices initiated against the organization during the reporting period	0	0

In 2025, no confirmed incidents of corruption or bribery were recorded at the ZE PAK SA Group. Consequently, during the reporting period, no convictions were issued, and no fines were imposed on any Group entity for violating anti-corruption laws. No public corruption-related lawsuits were identified against any entity or employee. Internal control processes, audits, and reporting channels did not reveal any violations of applicable ethics rules, the Anti-Corruption Policy, or the Code of Conduct.

No remedial action required. The company maintains and develops an anti-corruption system, including regular monitoring of sensitive processes.

G1-5 – Political Influence and Lobbying Activities

The ZE PAK SA Group does not finance or provide in-kind donations to political parties or other non-partisan social organizations engaged in similar activities. When supporting social initiatives, it also highlights any potential connections between a project or beneficiary and political activity at both the national and local levels. The Group conducts its communications transparently, taking a position only on matters that are related to or may impact its activities.

The Group does not conduct independent or centralized lobbying activities within the meaning of EU regulations and is not listed in the EU Transparency Register or equivalent national registers. A natural dialogue with the regulatory environment is conducted in full transparency, primarily through membership in industry organizations and chambers. The main issues on which the Group presented its position in 2025 concerned shaping a fair legal framework for the region's energy transition and the development of renewable energy sources. Furthermore, the Company declares that in 2025, no individuals were appointed to the Group's management or supervisory bodies who held comparable positions in public administration, including regulatory bodies, within the two years preceding this appointment.

Table 88: Support for political organizations

	2024	2025
the total value of financial and in-kind donations made to political organizations	0	0

G1-6 – Payment Practices

Table 89: Settlement of obligations

	2024	2025
Average time it takes to settle an invoice from the date the contractual or statutory payment deadline begins to be calculated (in days)	30.53	30.53
Number of pending court proceedings related to late payments	0	0

Group companies have a contractual payment term of 30 days. The average time it takes to settle invoices was 30.53 days, meaning the average delay in settling liabilities is 0.53 days.

In the case of the second indicator, there were no court cases related to late payments in the Group.

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	ESRS S4	<i>Consumers and end users</i>	228
4. Information related to governance	ESRS G1	<i>Business Conduct</i>	229

IRO-2 – ESRS Disclosure Requirements Covered by an Entity's Sustainability Statement

Table 90: ESRS disclosure requirements covered by an entity's sustainability statement

Disclosure requirement and related data point	Reference to the Financial Services Sustainability Disclosure Regulation (SFDR)	Reference to the third pillar	Reference to the Benchmark Regulation	Reference to the European Climate Law	Reference to the statement
ESRS 2 GOV-1 Gender diversity of management board members, point 21 (d)	Indicator No. 13 in Table 1 in Annex I		Annex II to Commission Delegated Regulation (EU) 2020/1816		GOV-1 / S1-9
ESRS 2 GOV-1 Percentage of independent board members item 21(e)			Annex II to Delegated Regulation (EU) 2020/1816		GOV-1
ESRS 2 GOV-4 Due Diligence Statement pt. 30	Indicator No. 10 in Table 3 in Annex I				GOV-4
ESRS 2 SBM-1 Participation in activities related to fossil fuel activities point 40(d)(i)	Indicator No. 4 in Table 1 in Annex I	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Table 1 and Table 2	Annex II to Delegated Regulation (EU) 2020/1816		SBM-1
ESRS 2 SBM-1 Participation in activities related to the production of chemicals point 40(d)(ii)	Indicator No. 9 in Table 2 in Annex I		Annex II to Delegated Regulation (EU) 2020/1816		SBM-1
ESRS 2 SBM-1 Participation in controversial weapons activities point 40 (d) (iii)	Indicator No. 14 in Table 1 in Annex I		Article 12(1) of Regulation (EU) 2020/1818, Annex II of Regulation (EU) 2020/1816		SBM-1
ESRS 2 SBM-1 Participation in activities related to tobacco growing and production, point 40 (d) (iv)			Article 12(1) of Regulation (EU) 2020/1818, Annex II of Regulation (EU) 2020/1816		SBM-1
ESRS E1-1 Transition plan to achieve climate neutrality by 2050, point 14				Article 2(1) of Regulation (EU) 2021/1119	E1-1
ESRS E1-1 Entities excluded from the scope of		Article 449a of Regulation (EU) No 575/2013;	Article 12(1)(d) to (g) and Article 12(2) of Delegated		E1-1

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Paris-aligned benchmarks paragraph 16(g)		Commission Implementing Regulation (EU) 2022/2453, Model 1	Regulation (EU) 2020/1818		
ESRS E1-4 Greenhouse gas emission reduction targets point 34	Indicator No. 4 in Table 2 in Annex I	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 3	Article 6 of Delegated Regulation (EU) 2020/1818		E1-4
ESRS E1-5 Fossil energy consumption disaggregated by source, point 38	Indicator No. 5 in Table 1 and Indicator No. 5 in Table 2 in Annex I				E1-5
ESRS E1-5 Energy consumption and energy mix point 37	Indicator No. 5 in Table 1 in Annex I				E1-5
ESRS E1-5 Energy intensity related to activities undertaken in sectors with significant climate impacts, points 40–43	Indicator No. 6 in Table 1 in Annex I				E1-5
ESRS E1-6 Scope 1, 2, 3 gross and total greenhouse gas emissions point 44	Indicators 1 and 2 in Table 1 in Annex I	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 1	Articles 5(1), 6 and 8(1) of Delegated Regulation (EU) 2020/1818		E1-6
ESRS E1-6 Gross greenhouse gas emission intensity points 53–55	Indicator No. 3 in Table 1 in Annex I	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Model 3	Article 8(1) of Delegated Regulation (EU) 2020/1818		E1-6
ESRS E1-7 Greenhouse gas removals and carbon dioxide emission units point 56				Article 2(1) of Regulation (EU) 2021/1119	Insignificant (ESRS 1 point 34b)
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Annex II to Regulation (EU) 2020/1818, Annex II to Regulation (EU) 2020/1816		Omitted (ESRS 1 Appendix C)
ESRS E1-9 Disaggregation of monetary amounts by acute and prolonged physical risk paragraph 66(a)		Article 449a of Regulation (EU) No 575/2013; points 46 and 47 of Commission Implementing Regulation (EU) 2022/2453; model 5			Omitted (ESRS 1 Appendix C)

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ESRS E1-9 Location of significant assets with material physical risk paragraph 66(c)		Article 449a of Regulation (EU) No 575/2013; points 46 and 47 of Commission Implementing Regulation (EU) 2022/2453; model 5			Omitted (ESRS 1 Appendix C)
ESRS E1-9 Breakdown of the book value of real estate by energy efficiency classes, point 67(c)		Article 449a of Regulation (EU) No 575/2013; point 34 of Commission Implementing Regulation (EU) 2022/2453; model 2			Omitted (ESRS 1 Appendix C)
ESRS E1-9 Portfolio exposure to climate-related opportunities paragraph 69			Annex II to Delegated Regulation (EU) 2020/1818		Omitted (ESRS 1 Appendix C)
ESRS E2-4 Quantity of each pollutant listed in Annex II to the E-PRTR Regulation emitted into air, water and soil, point 28	Indicator No. 8 in Table 1, indicators No. 1, 2 and 3 in Table 2 in Annex I				E2-4
ESRS E3-1 Water and marine resources point 9	Indicator No. 7 in Table 2 in Annex I				E3-1
ESRS E3-1 Special Policy Item 13	Indicator No. 8 in Table 2 in Annex I				E3-1
ESRS E3-1 Sustainable practices in the area of seas and oceans paragraph 14	Indicator No. 12 in Table 2 in Annex I				Irrelevant
ESRS E3-4 Total water recycled and reused point 28(c)	Indicator No. 6.2 in Table 2 in Annex I				E3-4
ESRS E3-4 Total water consumption in m ³ for net income from own operations point 29	Indicator No. 6.1 in Table 2 in Annex I				E3-4
ESRS 2 SBM-3-E4 point 16(a)(i) (<i>impact on sensitive areas</i>)	Indicator No. 7 in Table 1 in Annex I				SBM-3
ESRS 2 SBM-3-E4 point 16 letter b) (<i>land degradation</i>)	Indicator No. 10 in Table 2 in Annex I				SBM-3
ESRS 2 SBM-3-E4 point 16(c) (<i>impact on endangered species</i>)	Indicator No. 14 in Table 2 in Annex I				SBM-3

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ESRS E4-2 Sustainable land/agricultural practices or policies paragraph 24(b)	Indicator No. 11 in Table 2 in Annex I				Irrelevant
ESRS E4-2 Sustainable ocean/sea practices or policies paragraph 24(c)	Indicator No. 12 in Table 2 in Annex I				Irrelevant
ESRS E4-2 Policies to combat deforestation paragraph 24(d)	Indicator No. 15 in Table 2 in Annex I				Irrelevant
ESRS E5-5 Non-recyclable waste point 37(d)	Indicator No. 13 in Table 2 in Annex I				E5-5
ESRS E5-5 Hazardous waste and radioactive waste, point 39	Indicator No. 9 in Table 1 in Annex I				E5-5
ESRS 2 SBM-3-S1 Risk of occurrence of forced labor, point 14, letter f)	Indicator No. 13 in Table 3 in Annex I				Irrelevant
ESRS 2 SBM-3-S1 Risk of child labour, point 14, letter g)	Indicator No. 12 in Table 3 in Annex I				Irrelevant
ESRS S1-1 Policy commitments regarding respect for human rights paragraph 20	Indicator No. 11 in Table 1, indicator No. 9 in Table 3 in Annex I				S1-1
ESRS S1-1 Due diligence strategies for matters covered by ILO Fundamental Conventions 1-8, paragraph 21			Annex II to Delegated Regulation (EU) 2020/1816		S1-1
ESRS S1-1 Procedures and measures to prevent trafficking in human beings, paragraph 22	Indicator No. 11 in Table 3 in Annex I				S1-1 / Irrelevant
ESRS S1-1 Policy or management system for the prevention of occupational accidents point 23	Indicator No. 1 in Table 3 in Annex I				S1-1
ESRS S1-3 Grievance Mechanisms paragraph 32(c)	Indicator No. 5 in Table 3 in Annex I				S1-3

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ESRS S1-14 Number of work-related deaths and number and rate of work-related accidents item 88 (b) and (c)	Indicator No. 2 in Table 3 in Annex I		Annex II to Delegated Regulation (EU) 2020/1816		S1-14
ESRS S1-14 Number of days lost due to injuries, accidents, fatalities or illness point 88(e)	Indicator No. 3 in Table 3 in Annex I				S1-14
ESRS S1-16 Unadjusted gender pay gap paragraph 97(a)	Indicator No. 12 in Table 1 in Annex I		Annex II to Delegated Regulation (EU) 2020/1816		S1-16
ESRS S1-16 Excessive level of CEO remuneration paragraph 97(b)	Indicator No. 8 in Table 3 in Annex I				S1-16
ESRS S1-17 Cases of discrimination paragraph 103(a)	Indicator No. 7 in Table 3 in Annex I				S1-17
ESRS S1-17 Non-compliance with the UN Guiding Principles on Business and Human Rights and OECD Guidelines paragraph 104(a)	Indicator No. 10 in Table 1, indicator No. 14 in Table 3 in Annex I		Annex II to Regulation (EU) 2020/1816, Article 12(1) of Regulation (EU) 2020/1818		S1-17
ESRS 2 SBM-3-S2 Significant risk of child labour or forced labour in the value chain, point 11(b)	Indicators no. 12 and 13 in Table 3 in Annex I				Irrelevant
ESRS S2-1 Policy commitments regarding respect for human rights paragraph 17	Indicator No. 11 in Table 1, indicator No. 9 in Table 3 in Annex I				Irrelevant
ESRS S2-1 Policies related to people performing work in the value chain point 18	Indicators No. 4 and 11 in Table 3 in Annex I				Irrelevant
ESRS S2-1 Failure to comply with the UN Guiding Principles on Business and Human Rights and OECD Guidelines paragraph 19	Indicator No. 10 in Table 1 in Annex I		Annex II to Regulation (EU) 2020/1816, Article 12(1) of Regulation (EU) 2020/1818		Irrelevant

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ESRS S2-1 Due diligence strategies for matters covered by ILO Fundamental Conventions 1-8, paragraph 19			Annex II to Delegated Regulation (EU) 2020/1816		Irrelevant
ESRS S2-4 Human rights issues and incidents related to the upstream and downstream value chain para. 36	Indicator No. 14 in Table 3 in Annex I				Irrelevant
ESRS S3-1 Policy Commitments on Respect for Human Rights, paragraph 16	Indicator No. 11 in Table 1, indicator No. 9 in Table 3 in Annex I				S3-1
ESRS S3-1 Failure to comply with the UN Guiding Principles on Business and Human Rights, ILO principles or OECD Guidelines paragraph 17	Indicator No. 10 in Table 1 in Annex I		Annex II to Regulation (EU) 2020/1816, Article 12(1) of Regulation (EU) 2020/1818		S3-1
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator No. 14 in Table 3 in Annex I				S3-4
ESRS S4-1 Consumer and End-User Policy Section 16	Indicator No. 11 in Table 1, indicator No. 9 in Table 3 in Annex I				Irrelevant
ESRS S4-1 Failure to comply with the UN Guiding Principles on Business and Human Rights and OECD Guidelines paragraph 17	Indicator No. 10 in Table 1 in Annex I		Annex II to Regulation (EU) 2020/1816, Article 12(1) of Regulation (EU) 2020/1818		Irrelevant
ESRS S4-4 Issues and incidents concerning respect for human rights paragraph 35	Indicator No. 14 in Table 3 in Annex I				Irrelevant
ESRS G1-1 United Nations Convention against Corruption paragraph 10(b)	Indicator No. 15 in Table 3 in Annex I				G1-1
ESRS G1-1 Whistleblower Protection, point 10(d)	Indicator No. 6 in Table 3 in Annex I				G1-1

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ESRS G1-4 Fines for violations of anti-corruption and anti-bribery laws section 24(a)	Indicator No. 17 in Table 3 in Annex I		Annex II to Delegated Regulation (EU) 2020/1816		G1-4
ESRS G1-4 Anti-Corruption and Bribery Standards, paragraph 24(b)	Indicator No. 16 in Table 3 in Annex I				G1-4 / G1-1

12. OTHER INFORMATION

12.1. Significant court proceedings

ZE PAK SA and the companies consolidated within the Group were not a party to any proceedings pending before a court, arbitration body or public administration body in 2024, the single or total value of which would exceed 10% of the equity of ZE PAK SA, except as described below.

Proceedings regarding the environmental decision issued to PAK KWB Konin SA regarding the lignite deposit in Tomisławice

PAK KWB Konin SA was a party to administrative proceedings concerning an environmental decision related to the lignite deposit in Tomisławice. On August 7, 2007, the mayor of the Wierzbinek commune issued an environmental decision regarding the lignite open pit mine. On December 5, 2008, this decision was appealed by nine individuals supported by the Greenpeace Foundation due to an alleged flagrant violation of the law. On March 25, 2009, the Local Government Appeal Board refused to overturn the environmental decision. The plaintiffs filed a motion for reconsideration. On May 4, 2009, after reconsidering the case, the Local Government Appeal Board upheld its earlier ruling. The plaintiffs once again appealed the environmental decision. On May 5, 2010, the Poznań Provincial Administrative Court ruled that the environmental decision granting the concession for lignite mining from the Tomisławice deposit was in flagrant violation of the law. PAK KWB Konin SA and the Local Government Appeal Board filed an appeal against this ruling. On March 21, 2012, the Supreme Administrative Court overturned the appealed ruling of the Poznań Provincial Administrative Court and remanded the case for reconsideration. On November 6, 2012, the Provincial Administrative Court in Poznań announced a judgment overturning the decision of the Local Government Appeal Board of March 25, 2009, refusing to invalidate the environmental decision issued on August 7, 2007, by the Mayor of Wierzbinek Commune, related to the operation of the Tomisławice lignite open pit mine by PAK KWB Konin SA. On January 7, 2013, PAK KWB Konin SA filed a cassation appeal against the judgment.

Following a hearing on 7 October 2014, the Supreme Administrative Court dismissed the cassation appeal of PAK KWB Konin SA against the judgment of the Provincial Administrative Court in Poznań of 6 November 2012, annulling the decision of the Local Government Appeal Board in Konin of 25 March 2009, refusing to declare invalid the environmental decision issued on 7 August 2007 by the Mayor of Wierzbinek Commune related to the exploitation of the Tomisławice lignite open-pit mine.

The dismissal of PAK KWB Konin SA's cassation appeal meant that the judgment of the Provincial Administrative Court in Poznań of November 6, 2012, became final and binding, and the case regarding the invalidation of the environmental decision returned to the Local Government Appeal Board. On January 18, 2019, the Local Government Appeal Board in Konin issued a decision refusing to invalidate the environmental decision issued on August 7, 2007, by the Mayor of Wierzbinek Commune, related to the operation of the Tomisławice lignite open-pit mine.

On June 19, 2020, the Company was informed that the Provincial Administrative Court in Poznań issued a judgment in closed session dismissing the complaint against the decision of the Local Government Appeal Board in Konin regarding the refusal to declare invalid the environmental decision issued on August 7, 2007 by the Mayor of Wierzbinek Commune related to the operation of the Tomisławice lignite open pit mine.

The judgment of the Provincial Administrative Court in Poznań, dated June 18, 2020, meant that the environmental decision issued on August 7, 2007 by the Mayor of Wierzbinek Commune remains legally valid.

against the judgment of the Provincial Administrative Court in Poznań of June 18, 2020. On October 26, 2020, PAK KWB Konin SA filed a response to the cassation appeal, requesting its dismissal.

By its judgment of June 25, 2024, the Supreme Administrative Court, after a hearing, dismissed the cassation appeal of the Greenpeace Polska Foundation and one natural person against the judgment of the Provincial Administrative Court in Poznań of June 18, 2020, which dismissed the appeal against the decision of the Local Government Appeal Board in Konin of September 27, 2019, refusing to annul the final decision of the Mayor of Wierzbinek Commune of August 7, 2007, determining the environmental conditions for the consent for the implementation by PAK Kopalnia Węgla Brunatnego Konin SA of a project consisting in the extraction of lignite from the Tomisławice deposit, within the boundaries of the Wierzbinek Commune.

In the oral justifications of the decision, the Supreme Administrative Court stated that the material collected in this case, which had been conducted for over a dozen years, did not indicate in any way that a gross violation of the law had occurred when issuing the above-mentioned environmental decision, and therefore there were no grounds to declare the decision of the Mayor of Wierzbinek Commune of 7 August 2007 invalid.

The judgment of the Supreme Administrative Court favorable to the Company is final and binding upon its issuance.

Proceedings regarding formal decisions related to the construction of the CCGT unit in Turek

Decision on environmental conditions

By decision of August 7, 2023, the Mayor of Turek, at the request of PAK CCGT sp. z o.o., established environmental conditions for the project entitled "Construction of a 600 MW CCGT Unit together with associated infrastructure on the premises of the Adamów Power Plant" (DUŚ). By decision of August 8, 2023, the Mayor granted DUŚ – pursuant to Article 108 § 1 of the Act of June 14, 1960 – the Code of Administrative Procedure (Journal of Laws of 2023, item 775, as amended) – immediate enforceability, indicating that "The implementation of this investment is of particular importance for ensuring Poland's energy security, preventing losses to the national economy that could arise in situations of power shortages, as well as the important public interest of ensuring a stable electricity supply to households." On August 28, 2023, the Society for Earth (TnZ) filed an appeal against the decision. On September 14, 2023, TnZ supplemented the appeal by providing arguments that, in its opinion, demonstrate the lack of legal basis for issuing the decision.

On September 4, 2023, TnZ filed an appeal against the DUŚ, attaching a study on the planned project's impact on surface waters. During the appeal process, TnZ filed further submissions, attaching additional studies.

By letter dated October 9, 2023, the Local Government Appeal Board in Konin called on PAK CCGT sp. z o.o. to provide explanations by responding to the claims of the complaint, the appeal of TnZ, as well as the submitted studies.

By letter dated November 6, 2023, PAK CCGT sp. z o.o. requested to change the deadline for presenting its position in the case to February 9, 2024, indicating that the company had commissioned an expert opinion relating to the allegations contained both in the letters and studies submitted by TnZ.

In a letter addressed to the Local Government Appeal Board in Konin dated November 21, 2023, PAK CCGT sp. z o.o. presented its position on the complaint, in particular referring to the allegations raised by TnZ.

By the resolution of 4 December 2023, the Local Government Appeal Board in Konin, after considering the appeal of the TnZ against the resolution of the Mayor of Turek of 8 August 2023, which granted immediate enforceability to the environmental decision of 7 August 2023, decided to uphold the appealed resolution of the authority and instance.

By announcement of 9 February 2024, the Local Government Appeal Board in Konin informed that due to the complex nature of the case as well as the need to analyze extensive evidence, the case would not be resolved within the statutory deadline and set a new deadline for resolving the case by 19 April 2024.

By the announcement of 21 February 2024, the Local Government Appeal Board in Konin informed the parties to the proceedings of their right to express their views on the evidence and materials collected and the demands submitted within 7 days from the date of receipt of the notification.

By letter dated 6 March 2024, the Local Government Appeal Board in Konin requested confirmation of the actions taken by the Party to date.

In a letter addressed to the Local Government Appeal Board in Konin dated 18 March 2024, PAK CCGT sp. z o.o. provided a response in which it confirmed the actions taken by the Party to date.

On May 9, 2024, PAK CCGT sp. z o.o. received a notification from the Local Government Appeal Board in Konin about the possibility of familiarizing itself with the evidence collected in the case in the appeal proceedings against the environmental decision of August 7, 2023 for the project involving the construction of a CCGT unit with accompanying infrastructure in Turek on the site of the former Adamów Power Plant.

By decision of 27 June 2024, the Local Government Appeal Board in Konin upheld the appealed environmental decision issued by the Mayor of Turek on 7 August 2023. The extensive justification for the decision indicates that the report submitted by the Company, along with subsequent supplements, is complete and consistent, and the information contained therein allows for a full assessment of the project's environmental impact.

On July 29, 2024, the Society for the Environment with its registered office in Oświęcim filed a complaint with the Provincial Administrative Court in Poznań against the decision of the National Administrative Court in Konin of June

27, 2024. On August 27, 2024, the National Administrative Court in Konin responded to the Provincial Administrative Court in Poznań against the complaint of TnZ, in which it requested that the complaint be dismissed.

On November 27, 2024, the Provincial Administrative Court in Poznań issued a judgment regarding the environmental decision for the CCGT unit. This judgment is favorable to the Company, dismissing the appeal filed by the Society for Earth. In its justification, the Court emphasized that the appellate body not only exercised its review function over the appealed decision of the first-instance body but, above all, considered the case on its merits, in accordance with the principle of two-instance proceedings. This decision was based on an analysis of the findings resulting from the procedural material collected during the explanatory proceedings conducted by the first-instance body and supplemented by the Board, as well as the appellate body's own in-depth findings and considerations, taking into account all the evidence and the parties' positions expressed during the appeal proceedings.

On February 24, 2025, the Society for the Environment filed a cassation appeal to the Supreme Administrative Court in Warsaw against the judgment of the Provincial Administrative Court in Poznań of November 27, 2024, file reference IV SA/Po 676/24, in the case of the complaint of the Society for the Environment with its registered office in Oświęcim against the decision of the Local Government Appeal Board in Konin of June 27, 2024, file reference no. SKO-ZP-4160/193/2023, regarding environmental conditions.

On March 11, 2025, PAK CCGT sp. z o. o. filed a response to the Supreme Administrative Court in Warsaw to the cassation appeal filed by the Society for the Land with its registered office in Oświęcim against the judgment of the Provincial Administrative Court in Poznań of November 27, 2024, file reference IV SA/Po 676/24, and requested that the cassation appeal be dismissed and that a hearing be held.

Proceedings brought by Piotr Żak

On November 6, 2024, Piotr Żak brought an action against the Company seeking to establish the non-existence, invalidate, or repeal the resolutions adopted by the Extraordinary General Meeting of ZE PAK SA on October 7, 2024 regarding: (i) changes in the number of members of the Company's Supervisory Board (Resolution No. 3); (ii) removal of a member of the Company's Supervisory Board, Mr. Tobiasz Solorz (Resolution No. 5); (iii) removal of a member of the Company's Supervisory Board, Mr. Piotr Żak. The content of the aforementioned resolutions was published by the Company in Current Report No. 20/2024 dated October 8, 2024. On December 31, 2024, the Company filed a response to the lawsuit, requesting dismissal of the lawsuit in its entirety. On February 3, 2025, Piotr Żak filed a response to ZE PAK SA's response to the lawsuit. On March 18, 2025, ZE PAK SA submitted a preparatory letter in response to the plaintiff's letter of February 3, 2025.

In July 2025, the Company received information regarding (i) the withdrawal in its entirety of the lawsuit regarding the resolutions adopted by the Extraordinary General Meeting on October 7, 2024, filed by the Proxies of Mr. Piotr Żak in the District Court in Poznań, 9th Commercial Division, without waiving the claims covered by the lawsuit, and (ii) a motion to discontinue these proceedings.

12.2. Significant achievements in research and development

The ZE PAK SA Group has developed an autonomous power supply system for a single-family home. The project involved developing a concept and technically selecting equipment for a self-sufficient, autonomous system for supplying electricity, heat, and domestic hot water to low-energy and passive single-family homes, based on their own renewable energy sources, using hydrogen as both storage and energy carrier. Based on the design, a container-based model of a single-family home was built and tested, which was presented at the Poznań International Fair (MTP) in 2025 (NetZero Energy trade fair).

12.3. Information on the selection of an audit firm to audit the annual consolidated financial statements and the sustainable development report

According to the Supervisory Board's statement, the audit firm to audit the annual consolidated financial statements and the sustainability report was selected in accordance with applicable regulations, including those governing the selection and procedure for selecting the audit firm. The audit firm and the members of the audit team meet the requirements for preparing an impartial and independent audit report on the annual consolidated financial statements and the sustainability report in accordance with applicable regulations, professional standards, and principles of professional ethics. Applicable regulations regarding the rotation of the audit firm and the key statutory auditor, as well as mandatory cooling-off periods,

are complied with. The company has a policy for the selection of an audit firm and a policy for the provision of additional non-audit services to the issuer by an audit firm, an entity affiliated with the audit firm, or a member of its network, including services conditionally exempt from the prohibition on audit firm provision.

12.4. Information on the audit of the financial statements and the sustainability report

The audit firm auditing the financial statements and consolidated financial statements is PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt sp.k. The agreement regarding the audit of the Company's financial statements and the Group's consolidated financial statements, including the verification of the consolidated statements' XBRL tags in accordance with ESEF requirements, was concluded in September 2025 and covers the audit of financial statements prepared for the years 2025-2027.

The audit firm attesting the sustainability report is Grant Thornton Polska Prosta spółka akcyjna. The agreement to provide limited assurance on the sustainability reporting was signed in September 2024 and covers the audit of the sustainability report for 2024 and 2025.

Information on the remuneration of audit firms is presented in point 36 of the Group's consolidated financial statements for 2025.

12.5. Financial forecasts

The Capital Group has not published financial forecasts for 2025 and will not present a forecast for 2026.

Any other information required to be disclosed by law and not disclosed in this management report does not apply to the Group.

Konin, April 28, 2026

SIGNATURES:

Piotr Żak,
President of the Management Board

.....

Zygmunt Artwik
Vice President of the Management Board

.....

Bartłomiej Drywa
Vice President of the Management Board

.....

Andrzej Janiszowski
Vice President of the Management Board

.....

Maciej Koński
Vice President of the Management Board

.....

Maciej Nietopiel
Vice President of the Management Board

.....

Katarzyna Sobierajska
Vice President of the Management Board

.....