ANNUAL REPORT

of TAURON Polska Energia S.A.

for 2025

LETTER FROM THE PRESIDENT OF THE MANAGEMENT BOARD

Dear Shareholders,

As we are reflecting on 2025, the first year of implementing TAURON Group's Strategy, we can say with undisguised satisfaction: #WeDeliver on our commitments. This motto not only captures TAURON Group's operating philosophy and sets it apart on the market, but above all builds its reputation and the trust of the Stakeholders, as evidenced, among other things, by the Company's stock market valuation. The strategy we have adopted is delivering results, as demonstrated by the financial performance achieved in 2025.

2025 brought favorable market conditions, creating a solid foundation for growth. It was a beneficial period for Poland's energy transition, for the capital market and for TAURON as well. Stabilized inflation, economic growth, interest rate cuts and the National Recovery Plan (NRP) funds stimulated investments, while the GDP topped one trillion dollars for the first time, placing Poland among the world's top 20 largest economies. The energy sector entered a new stage of transition - in June 2025, RES generated more electricity than the coal fired sources. The Warsaw Stock Exchange enjoyed a bull market, and the share prices of the energy companies, including TAURON, reached record highs.

The financial results we have delivered are the best evidence of the effectiveness of the first year of the implementation of our Strategy. The Group achieved its highest ever EBITDA of PLN 7.5 billion, posting a 16 percent increase year on year. The key drivers of this growth were the Distribution segment (64 percent), the Generation segment (13 percent) and the Supply and Wholesale Trading segment (9 percent). The net profit for 2025 came in at PLN 3.3 billion, a result nearly six times better than in 2024, attributable, among other things, to the strong EBITDA performance in 2025 and the booking of asset impairment charges in the amount of PLN 1.5 billion in 2024. The Group's financial position is very strong, as confirmed by the low level of the net debt to EBITDA covenant, a key metric for the lenders, and the upgrading of the outlook on the ratings assigned by Fitch from stable to positive.

Ambitious investment projects require a solid capital base. PLN 6.6 billion raised in 2025 for the expansion purposes, including PLN 4.9 billion in the preferential financing from the NRP funds, combined with the funds allocated at the end of 2024, provided an impressive combined pool of money worth nearly PLN 16 billion for the construction and modernization of the distribution grids. This was supplemented by PLN 700 million to support the digital transformation and the construction of the photovoltaic farms and hydrogen production facilities, PLN 450 million in *project finance* for the wind energy projects, and PLN 538 million in grants for the construction of 11 energy storage facilities, enabling us, in the very first year of the implementation of our Strategy, to already secure close to 20 percent (i.e. PLN 18 billion) of the 20 – 30 percent of the preferential source financing announced in the Strategy.

The results achieved are tangibly shoring up the expansion of our RES portfolio, the energy storage segment and the just transition efforts. In 2025, we commissioned 187 MW of installed capacity in wind and photovoltaic farms, delivered TAURON Group's first installation in which a photovoltaic plant shared a grid connection with a wind farm - PV Postomino, and following the commissioning of the photovoltaic farm in Bałków, we topped 1 GW of installed RES capacity. In addition, 15 battery energy storage systems with a total capacity of nearly 560 MW (2 383 MWh) are currently under construction.

Just transition and corporate social responsibility are the values that form our DNA and underpin our ESG strategy. We remember those who built the foundations of our Group. The sites where the conventional hard coal fired power plants are currently operated will be transformed into the modern hubs, while a smart power

grid will cover the south of the country. In 2025, the hard coal fired units at the Jaworzno, Łagisza, Łaziska and Siersza power plants won the supplementary capacity market auction for 2026, enabling their profitable operation for another year and opening the prospect of the continued operation in the subsequent years. In parallel, we are developing a new generation of the peaking gas fired units - we have obtained the grid connection conditions for 1.4 GW of the OCGT units capacity, and for the planned 600 MW unit in Jaworzno we have secured a 15 year capacity contract with a total value of PLN 3.7 billion. In the district heating line of business, we completed the construction of 216 MWt of the gas fired peaking and back up units, constituting an important element of the decarbonization process for this segment, and we commenced the construction of the additional units with a capacity of 30 MWt in gas cogeneration. We are an important element of the national power system security, underpinning the functioning of the economy. Our investment portfolio encompasses a wide array of further projects including, among other things, renewable energy sources, modernization of the distribution grids, transition of the district heating, energy storage, gas fired units and hydrogen production.

Our key growth driver continues to be the distribution segment. In 2025, we allocated PLN 3.8 billion to the investment projects carried out in this line of business, which accounted for nearly 70 percent of the Group's total capital expenditures. These funds were directed, first and foremost, towards the modernization of the grid assets (PLN 1.4 billion), the grid connections of the new customers (PLN 1.6 billion) and the digitization of the infrastructure (PLN 700 million). By the end of last year, the number of the customers connected to the distribution grid had grown by 60 000, to clock in at 6.05 million. Nearly 43 percent of our customers had remote readout meters installed, surpassing the 2025 target set by the energy law by 8 percentage points. Thanks to the eLicznik app, TAURON Dystrybucja's customers were able to monitor their electricity consumption in real time and thus better manage their energy bills. In 2025, 50 percent of the grid connection conditions were issued online, and the customer centric direction we have set will be continued in the years ahead.

The business core of TAURON Group is the group of 6 million customers connected to our distribution grid. Our goal is to become the most customer focused energy company in Poland. In response to the customer expectations, in 2025 we introduced a wide range of products and services - including a new invoice, already available to more than 50 percent of the customers - simplified both in terms of its substantive content as well as its visual layout. An effect of this solution's implementation was a reduction of the customer billing queries by as much as 20 percent. We are the national trail blazers in the introduction of a dynamic distribution tariff, which enables our customers to actively manage their electricity consumption. We are developing remote contact channels, already used by 50 percent of our customers. In the first half of last year, we had launched an electronic document delivery service, reducing paper circulation in the dealings with the external and internal customers, and as a consequence generating savings of PLN 5 million. By the end of 2025, 2.85 million customers had been using the Mój Tauron (My Tauron) ecosystem, which moves the processes to an online format. In addition to the offering based on the tariff approved by the President of the ERO, we have products with price guarantees of up to 9 years, enabling us to provide the full flexibility to our customers. We are introducing modern dynamic and time of use (TOU) based tariffs ("Tanie godziny" - "Cheap Hours"), already used by more than 30 000 of our customers. We are working intensely to reduce the energy bill amounts, with our energy advisor supporting the customers by identifying the most cost effective tariff for them. In 2025, more than 550 000 households had already taken advantage of the advisory services with respect to selecting the most favorable tariff. We are offering comprehensive energy solutions for businesses, tailored to the scale of their operations - starting from the standard fixed term contracts up to the advanced products based on the power exchange quotations. As part of intensifying our support for the development of the zero carbon transport, we commissioned 198 electric vehicle charging stations, which have so far been used by more than 30 000 customers.

We are actively supporting the local content participation in our supply chain. Currently, approximately 70 percent of the value of the purchase orders across the Group, and up to 90 percent in the Distribution segment,

goes to the domestic suppliers and contractors, which translates into a tangible support for the Polish economy and the development of the industry competences. At the same time, we are creating favorable conditions for the local contractors and actively supporting the development of the domestic technologies, including the solutions for RES and the digitization of the grid infrastructure. The important elements of this approach include our investment projects such as the Miejska Górka wind farm, with a capacity of 191 MW. i.e. a project that provides a material stimulus for the development of the local companies participating in the construction, maintenance and supply processes.

We are steadfastly shoring up our growth and creating value for the Shareholders. In 2025, we recorded an impressive, more than twofold increase in TAURON's market capitalization, with the share price reaching successive all time highs throughout the year. A tangible result of the improvement of the company's market position is the inclusion of TAURON shares in the WIG20 stock market index following this year's review of the composition of the stock index portfolios. This is a significant step that reinforces TAURON's position among the largest and most liquid companies listed on the Warsaw Stock Exchange, while also elevating interest in the Group among the world's largest international investors.

We would like to thank you for the trust that you have placed in us and for your support in achieving our strategic objectives. We have a year of intense work behind us, which has yielded excellent results and a series of the new projects. In 2026, we will continue to focus on implementing the projects with a high growth and return on investment potential for the Shareholders, maintaining the balance between the financial performance and the principles of sustainable development, corporate social responsibility and a just transition, while taking care of the security and development of our regions and country.

Respectfully yours,

Grzegorz Lot
President of the Management Board of TAURON Polska Energia S.A.

SELECTED FINANCIAL DATA	in PLN million		in EUR million	
	2025 period from 01.01.2025 to 31.12.2025	**2024 period from 01.01.2024 to 31.12.2024**	**2025 period from 01.01.2025 to 31.12.2025**	**2024 period from 01.01.2024 to 31.12.2024**
Selected standalone financial data of TAURON Polska Energia S.A.				
Sales revenue	18 795	22 849	4 436	5 309
Operating profit	465	811	110	188
Pre-tax profit	3 351	617	791	143
Net profit	3 307	510	780	118
Other net comprehensive income	(186)	(79)	(43)	(18)
Total comprehensive income	3 121	431	737	100
Profit per share (in PLN/EUR) basic and diluted based on net profit	1.89	0.29	0.45	0.07
Weighted average number of shares (pcs.) (basic and diluted)	1 752 549 394	1 752 549 394	1 752 549 394	1 752 549 394
Net cash flow from operating activities	67	685	16	159
Net cash flow from investing activities	998	2 177	236	506
Net cash flow from financing activities	(1 182)	(3 192)	(280)	(742)
Increase (decrease) in net cash and equivalents	(117)	(330)	(28)	(77)
	As of 31.12.2025	**As of 31.12.2024**	**As of 31.12.2025**	**As of 31.12.2024**
Fixed assets	26 433	26 138	6 254	6 117
Current assets	4 331	2 767	1 025	648
Total assets	30 764	28 905	7 279	6 765
Share capital	8 763	8 763	2 073	2 051
Equity	15 003	11 881	3 550	2 781
Long term liabilities	9 599	10 739	2 271	2 513
Short term liabilities	6 162	6 285	1 458	1 471
Total liabilities	15 761	17 024	3 729	3 984

The above financial data was converted according to the following principles:

- *individual items of the statement of financial position – at the average exchange rate of NBP announced as of December 31, 2025 – PLN/EUR 4.2267 (as of December 31, 2024 – PLN/EUR 4.2730),*
- *individual items of the statement of comprehensive income and the statement of cash flows – at the exchange rate that is an arithmetic mean of the average exchange rates of NBP announced as of the last day of each month of the financial year running from January 1, 2025 to December 31, 2025 – PLN/EUR 4.2372 (for the period from January 1, 2024 to December 31, 2024 – PLN/EUR 4.3042).*

Independent Auditor's report

on the audit of the annual
standalone financial statements
of TAURON Polska Energia S.A.
for 2025

Translation note:

This version of our report is a translation from the original, which was prepared in Polish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Independent Statutory Auditor's Report

To the General Shareholders' Meeting and the Supervisory Board of TAURON Polska Energia S.A.

Report on the audit of separate financial statements

Our opinion

In our opinion section, the annual separate financial statements:

- give a true and fair view of the separate financial position of TAURON Polska Energia S.A. (the "Company") as at 31 December 2025 and the Company's separate financial performance and separate cash flows for the year then ended in accordance with the applicable International Financial Reporting Standards as adopted by the European Union and the adopted accounting policies;
- comply in terms of form and content with the laws applicable to the Company and the Company's articles of association;
- have been prepared on the basis of properly maintained books of accounts in accordance with the provisions of Chapter 2 of the Accounting Act of 29 September 1994 (the "Accounting Act").

Our opinion is consistent with our additional report to the Audit Committee of the Company issued on the date of this report.

What we have audited

We have audited the annual separate financial statements of TAURON Polska Energia S.A. which comprise:

- the separate statement of financial position as at 31 December 2025;
- the separate statement of comprehensive income for the financial year then ended;
- the separate statement of changes in equity for the financial year then ended;
- the separate statement of cash flows for the financial year then ended, and
- material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with the National Standards on Auditing in the wording of the International Standards on Auditing as adopted by the resolutions of the National Council of Statutory Auditors and the resolution of the Council of the Polish Agency for Audit Oversight ("NSA") and pursuant to the act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight (the "Act on Statutory Auditors") and the Regulation (EU) No. 537/2014 of 16 April 2014 on specific requirements regarding the statutory audit of public interest entities and repealing Commission Decision 2005/909/EC (the "EU Regulation"). Our responsibilities under NSA are further described in the Auditor's responsibilities for the audit of the separate financial statements section.

PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt Sp.k., KTW II, Aleja Roździeńskiego 1B, 40-202 Katowice, Poland

PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. with registered office at ul. Polna 11, 00-633 Warsaw, entered into National Court Register by the District Court for the Capital City of Warsaw, XII Commercial Division of the National Court Register under KRS No 0000750050, Tax ID No (NIP) 5260210228.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements of the EU Regulation that are relevant to audits of financial statements of public interest entities, the ethical requirements of the Act on Statutory auditors that are relevant to audits of financial statements in Poland and "the Handbook of the International code of ethics for professional accountants (including International independence standards) (the "Code of ethics") as adopted by resolution of the National Council of Statutory Auditors as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with ethical requirements of the EU Regulation, ethical requirements of the Act on Statutory Auditors and the Code of ethics. During the audit, the key statutory auditor and the audit firm remained independent of the Company in accordance with the independence requirements set out in the Act on Statutory Auditors and in the EU Regulation.

Our audit approach

Overview

Materiality	The overall materiality threshold adopted for our audit was set at PLN 120 million. The benchmark used to determine materiality was 0.5% of total assets. Overall materiality calculated with reference to total assets exceeded the overall materiality level applied in the audit of the consolidated financial statements of the TAURON Polska Energia S.A. Group; therefore, materiality for the audit of the separate financial statements was set at a lower level in the context of the audit of the consolidated financial statements.
Key audit matters	Impairment of shares and loans granted.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the separate financial statements. In particular, we considered where the Company's management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the separate financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which the Company operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the separate financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the separate financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the separate financial statements as a whole, as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit

and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate on the separate financial statements as a whole.

Overall materiality	PLN 120 million
How we determined it	0.5% of total assets, adjusted to reflect the lower materiality level determined in the context of the audit of the consolidated financial statements
Rationale for the materiality benchmark applied	We selected the Company's total assets as the benchmark for determining materiality, as in our view this measure is appropriate for assessing the activities of a holding company. We set materiality at 0.5%, as based on our professional judgement this level falls within an acceptable range of quantitative materiality thresholds. The materiality calculated for the audit of the separate financial statements was adjusted to reflect the lower materiality level determined in the context of the audit of the consolidated financial statements.

We agreed with the Audit Committee of the Company that we would report to them misstatements of the separate financial statements identified during our audit above PLN 6 million, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment of shares and loans granted As at 31 December 2025, the Company held investments in subsidiaries and jointly controlled entities, as well as investments in other entities, with a total gross carrying amount of PLN 26,422 million (Note 20), and loans granted to subsidiaries measured at amortized cost with a total gross carrying amount of PLN 8,537 million (Note 21). The carrying amount of investments in subsidiaries, jointly controlled entities and other entities, together with loans granted to subsidiaries measured at amortized cost, amounted to PLN 25,581 million, representing 83% of the Company's total assets. In accordance with IAS 36 "Impairment of Assets", the Company's Management performs, at the end of each reporting period, an assessment of indicators of impairment and, where such indicators exist, impairment tests are carried out as at the reporting date. In accordance with IFRS 9 "Financial Instruments", the Company's Management also estimates, at the end of each reporting period, expected credit losses in respect of loans granted to subsidiaries measured at amortized cost. In Note 11 to the separate financial statements, "Impairment of financial assets", the Company presented disclosures relating to impairment tests performed on investments in subsidiaries and joint ventures, as well as on intragroup loans. These tests take into account the specific characteristics of individual business segments, including the gradual phase-out of conventional generation units, the modernisation and decarbonisation of heat generation assets, and the development of the renewable energy portfolio, in particular wind farms. The note also discloses the results of the impairment tests, the key assumptions applied in determining value in use, and a sensitivity analysis of the calculations to reasonably possible changes in the main assumptions used in determining the recoverable amounts of shares, equity investments in subsidiaries and intragroup loans. As a result of the impairment tests performed as at 31 December 2025, impairment losses recognised in prior periods on shares in TAURON Ciepło Sp. z o.o. were reversed in the amount of PLN 189 million, and the valuation of the loan granted to TAURON Wytwarzanie Sp. z o.o. was increased by PLN 203 million. The determination of recoverable amounts and the estimation of expected credit losses involve the adoption of a number of assumptions and the exercise of significant judgement by the Company's Management, including assumptions relating to the adopted strategy of the TAURON Polska Energia Capital Group, financial plans and cash flow forecasts for future periods, as well	Our audit procedures included, in particular: • obtaining an understanding of and evaluating the process for identifying indicators of impairment of financial assets; • verifying the mathematical accuracy and methodological consistency (with the involvement of PwC internal valuation specialists) of the discounted cash flow models prepared by the Company's Management for the determination of recoverable amounts, as well as the models used to estimate expected credit losses; • critically assessing the assumptions adopted and estimates made by the Company's Management in determining the recoverable amounts of investments in subsidiaries and expected credit losses on loans granted, including, among others: - the forecast period for future cash flows and the assumed levels of revenues, operating margins and capital expenditures necessary to maintain operations at their current level; - the discount rates applied (based on the weighted average cost of capital); - the terminal growth rate applied beyond the forecast period, where used in the calculation of recoverable amounts; • evaluating the sensitivity analyses performed by Management with respect to the key assumptions that may affect the valuation outcomes; • assessing the appropriateness and completeness of the disclosures related to impairment testing included in the separate financial statements.

as macroeconomic and market assumptions (primarily relating to electricity prices, fuel prices, CO_2 emission allowance prices, support schemes for renewable energy sources and the capacity market). Given the significance of the above balances in the separate financial statements, as well as the sensitivity of the results of the impairment tests and valuations to the assumptions applied, this matter was subject to our enhanced audit procedures and was considered a key audit matter in the audit of the separate financial statements.	

Responsibility of the Management and Supervisory Board of the Company for the separate financial statements

The Management Board of the Company is responsible for the preparation, based on the properly maintained books of accounts of the annual separate financial statements that give a true and fair view of the Company's financial position and financial performance, in accordance with International Financial Reporting Standards as adopted by the European Union, the adopted accounting policies, the applicable laws and the Company's Articles of Association, and for such internal control as the Company's Management Board determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, the Company's Management Board is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Company's Management Board either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Management Board and members of the Supervisory Board are obliged to ensure that the separate financial statements comply with the requirements specified in the Accounting Act. Members of the Supervisory Board are responsible for overseeing the financial reporting process.

Auditor's responsibility for the audit of the separate financial statements

Our objectives are to obtain reasonable assurance about whether the separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the NSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence economic decisions of users taken on the basis of these separate financial statements.

The scope of the audit does not include an assurance on the Company's future profitability nor the efficiency and effectiveness of conducting its affairs by the Company's Management Board, now or in future.

As part of an audit in accordance with NSA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company's Management Board;
- conclude on the appropriateness of the Company's Management Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee of the Company with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Audit Committee of the Company, we determine those matters that were of most significance in the audit of the separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other information, including the report on operations

Other information comprises:

- the Report of the Management Board on the operations of TAURON Polska Energia S.A. and TAURON Capital Group for 2025 ("the Report on the operations") together with the corporate governance statement and the sustainability statement which are separate parts of the Report on the operations,
- the consolidated report on payments to the public administration,
- other documents included in the Annual Report for the financial year ended 31 December 2025

(together "Other Information").

Other information does not include the separate financial statements and our auditor's report thereon.

Responsibility of the Management and Supervisory Board of the Company

The Management Board of the Company is responsible for the preparation of the Other Information in accordance with the law.

The Company's Management Board and the members of the Supervisory Board are obliged to ensure that the Report on the operations, including its separate parts, and the consolidated report on payments to the public administration comply with the requirements of the Accounting Act.

Statutory auditor's responsibility

Our opinion on the separate financial statements does not cover the Other Information.

In connection with our audit of the separate financial statements, our responsibility under NSA is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the information in the separate financial statements, our knowledge obtained in our audit, or otherwise appears to be materially misstated. If, based on the work performed, we identified a material misstatement in the Other Information, we are obliged to inform about it in our audit report.

In accordance with the requirements of the Act on Statutory Auditors, we are also obliged to issue an opinion on whether the Report on the operations, to the extent not related to sustainability reporting, has been prepared in accordance with the requirements of Article 49 of the Accounting Act and para. 72 of the Regulation of the Minister of Finance dated 6 June 2025 on current and periodical information submitted by issuers of securities and conditions for considering as equivalent the information required under the legislation of a non-Member State ("Regulation on current information") is consistent with information included in separate financial statements and to issue a statement as to whether, in the light of the knowledge about the Company and its environment obtained during the audit, any material misstatements have been identified in the Report on the operations to the extent not related to sustainability reporting, and an indication of what any such material misstatement is.

Moreover, we are obliged to issue an opinion on whether the Company provided the required information in its corporate governance statement.

Statement on the Other information

We declare that, based on the knowledge of the Company and its environment obtained during our audit:

- we have nothing to report regarding identification of material misstatements in the Other information;
- we have not identified any material misstatements in the Report on the operations, to the extent not related to sustainability reporting.

Opinion on the Report on the operations, to the extent not related to sustainability reporting

Based on the work we carried out during our audit, in our opinion, the Report on the operations, to the extent not related to sustainability reporting:

- has been prepared in accordance with the requirements of Article 49 of the Accounting Act and para. 72 of the Regulation on current information;
- is consistent with the information in the separate financial statements.

Opinion on the corporate governance statement

In our opinion, in its corporate governance statement, the Company included information set out in para. 72.7 (5) of the Regulation on current information. In addition, in our opinion, information specified in paragraph 72.7 (5)(c)–(f), (h) and (i) of the said Regulation included in the corporate governance statement are consistent with the applicable provisions of the law and with information included in the separate financial statements.

Report on other legal and regulatory requirements

Opinion on the requirements of Article 44 of the Energy Law

The Management Board of the Company is responsible for preparing regulatory financial information in accordance with the requirements of Article 44 of the act of 10 April 1997 - Energy Law ("Energy Law").

In accordance with Article 44 of the Energy Law, we are obliged to audit regulatory financial information and to issue an opinion required by the Energy Law.

Regulatory financial information has been presented in Note 47 to the separate financial statements. Our audit did not cover an evaluation as to whether the information required to be disclosed under the Energy Law is sufficient to ensure equal treatment of consumers and to eliminate cross-subsidization between segments.

In our opinion, the relevant items of the separate statement of financial position as at 31 December 2025 and statement of comprehensive income for the year then ended prepared separately for each of the operating segments included in the regulatory financial information (explanatory note no. 47) comply, in all material respects, with the requirements referred to in Article 44(2) of the Energy Law, in terms of ensuring the equal treatment of users and elimination of cross-subsidization between segments.

Statement on the provision of non-audit services

To the best of our knowledge and belief, we declare that the non-audit services that we provided to the Company and its controlled entities within the European Union are in accordance with the applicable laws and regulations in Poland and that we have not provided non-audit services that are prohibited under Article 5(1) of the EU regulation and Article 136 of the Act on Statutory Auditors.

The non-audit services which we have provided to the Company and its controlled entities during the period from the beginning of the audited period to the date of issuing this report are disclosed in the Report on the operations.

Appointment

We have been appointed to audit the annual separate financial statements of the Company by the Resolution of the Supervisory Board of the Company of 21 October 2024. The separate financial statements of the Company were audited by us for the first time.

The Key Statutory Auditor responsible for the audit on behalf of PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k., a company entered on the list of audit firms with the number 144., is Borys Malinowski.

Original report is signed in Polish

Borys Malinowski
Key Statutory Auditor
No. in the registry 12798

Katowice, 30 March 2026

TAURON Polska Energia S.A.

Separate financial statements compliant with International Financial Reporting Standards approved by the European Union for the year ended 31 December 2025

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SEPARATE STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended 31 December 2025	Year ended 31 December 2024 *(restated figures)*
Sales revenue	**12**	18 795	22 849
Cost of sales	**13**	(18 144)	(21 865)
Profit on sale		**651**	**984**
Selling and distribution expenses	**13**	(33)	(26)
Administrative expenses	**13**	(152)	(145)
Other operating income and expenses		(1)	(2)
Operating profit		**465**	**811**
Dividend income	**15**	2 547	1 336
Interest income on loans	**15**	501	848
Interest expense on debt	**15**	(715)	(760)
Gain/(loss) on derivative instruments	**15**	(228)	(302)
Revaluation of shares	**15**	182	551
Revaluation of loans	**15**	524	(1 994)
Other finance income and costs	**15**	75	127
Profit before tax		**3 351**	**617**
Income tax expense	**16**	(44)	(107)
Net profit		**3 307**	**510**
Measurement of hedging instruments	**29.4**	(226)	(97)
Income tax expense	**16**	40	18
Other comprehensive income that may be reclassified into profit or loss		**(186)**	**(79)**
Other comprehensive income, net of tax		**(186)**	**(79)**
Total comprehensive income		**3 121**	**431**
Profit per share (in PLN):			
- basic, for net profit	**17**	1.89	0.29
- diluted, for net profit	**17**	1.89	0.29

SEPARATE STATEMENT OF FINANCIAL POSITION

	Note	As at 31 December 2025	As at 31 December 2024
ASSETS			
Non-current assets			
Investment property	**18**	–	18
Right-of-use assets	**19**	5	4
Shares	**20**	17 060	16 085
Loans granted	**21**	9 307	9 888
Derivative instruments	**22**	45	90
Other financial assets	**23**	–	33
Other non-financial assets	**24**	16	17
Deferred tax assets	**25**	–	3
		26 433	**26 138**
Current assets			
Inventories	**26**	44	34
Receivables from buyers	**27**	1 480	1 746
Loans granted	**21**	1 889	521
Derivative instruments	**22**	66	166
Other financial assets	**23**	646	123
Other non-financial assets	**24**	7	5
Cash and cash equivalents	**28**	181	172
Assets classified as held for sale	**18**	18	–
		4 331	**2 767**
TOTAL ASSETS		**30 764**	**28 905**
EQUITY AND LIABILITIES			
Equity			
Issued capital	**29.1**	8 763	8 763
Reserve capital	**29.3**	2 948	2 438
Revaluation reserve from valuation of hedging instruments	**29.4**	(46)	139
Retained earnings/(Accumulated losses)	**29.5**	3 338	541
		15 003	**11 881**
Non-current liabilities			
Debt	**30**	9 488	10 661
Derivative instruments	**22**	91	64
Other financial liabilities	**31**	4	5
Deferred tax liabilities	**25**	1	–
Other provisions, accruals, deferred income and government grants	**35**	15	9
		9 599	**10 739**
Current liabilities			
Debt	**30**	4 229	4 477
Liabilities to suppliers	**32**	791	1 020
Derivative instruments	**22**	261	375
Other financial liabilities	**31**	154	59
Income tax liabilities	**33**	471	16
Other non-financial liabilities	**34**	223	308
Other provisions, accruals, deferred income and government grants	**35**	33	30
		6 162	**6 285**
Total liabilities		**15 761**	**17 024**
TOTAL EQUITY AND LIABILITIES		**30 764**	**28 905**

SEPARATE STATEMENT OF CHANGES IN EQUITY

	Note	Issued capital	Reserve capital	Revaluation reserve on valuation of hedging instruments	Retained earnings/ (Accumulated losses)	Total
As at 1 January 2024		**8 763**	**3 076**	**218**	**(607)**	**11 450**
Coverage of losses from previous years		–	(638)	–	638	**–**
Transactions with shareholders		**–**	**(638)**	**–**	**638**	**–**
Net loss		–	–	–	510	**510**
Other comprehensive income		–	–	(79)	–	**(79)**
Total comprehensive income		**–**	**–**	**(79)**	**510**	**431**
As at 31 December 2024		**8 763**	**2 438**	**139**	**541**	**11 881**
Prior year profit' distribution	**29.3**	–	510	–	(510)	**–**
Transactions with shareholders		**–**	**510**	**–**	**(510)**	**–**
Net profit		–	–	–	3 307	**3 307**
Other comprehensive income		–	–	(186)	–	**(186)**
Total comprehensive income		**–**	**–**	**(186)**	**3 307**	**3 121**
Settlement of the effective part of the security for assets		**–**	**–**	1	**–**	**1**
As at 31 December 2025		**8 763**	**2 948**	**(46)**	**3 338**	**15 003**

SEPARATE STATEMENT OF CASH FLOWS

	Note	Year ended 31 December 2025	Year ended 31 December 2024
Cash flows from operating activities			
Profit (loss) before tax		**3 351**	**617**
Depreciation and amortization		11	11
Interest and dividends		(2 326)	(1 409)
Revaluation of shares		(182)	(551)
Valuation of loans		(524)	1 994
Valuation of derivatives		(178)	(304)
Exchange differences		(30)	(65)
Other adjustments of profit before tax		3	(7)
Change in working capital	**36.1**	(17)	416
Income tax paid		(41)	(17)
Net cash from operating activities		**67**	**685**
Cash flows from investing activities			
Acquisition of shares in a subsidiary		(754)	(9)
Buyout of non-controlling shareholders of a subsidiary		(37)	–
Loans granted	**36.2**	(5 492)	(1 184)
Increase in receivables under the cash pool agreement		(40)	–
Purchase of other shares		(3)	(4)
Other		(2)	(3)
Total payments		**(6 328)**	**(1 200)**
Dividends received	**36.2**	2 579	1 336
Interest received from loans granted		457	916
Repayment of loans granted	**36.2**	4 282	327
Decrease receivables due to cash pool agreement		–	798
Sale of financial assets		8	–
Total proceeds		**7 326**	**3 377**
Net cash used in investing activities		**998**	**2 177**
Cash flows from financing activities			
Repayment of loans and borrowings	**36.3**	(3 330)	(9 061)
Interest paid	**36.3**	(725)	(783)
Redemption of debt securities	**36.3**	(1 750)	(982)
Commission paid		(18)	(20)
Repayment of lease liabilities		(9)	(10)
Total payments		**(5 832)**	**(10 856)**
Proceeds from contracted loans and borrowings	**36.3**	3 859	6 870
Increase liabilities due to cash pool agreement		726	793
Proceeds from the refund of interest on bonds		65	–
Other		–	1
Total proceeds		**4 650**	**7 664**
Net cash from financing activities		**(1 182)**	**(3 192)**
Net increase/(decrease) in cash and cash equivalents		**(117)**	**(330)**
Net foreign exchange difference		–	–
Cash at the beginning of the period	**28**	**133**	**(287)**
change of judgment regarding cash pool transaction		**–**	**750**
Cash at the beginning of the period (after change od judgment)		**133**	**463**
Cash at the end of the period, of which:	**28**	**16**	**133**
restricted cash	**28**	102	81

INFORMATION ON TAURON POLSKA ENERGIA S.A. AND BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

1. General Information on TAURON Polska Energia S.A.

These financial Separate statements have been prepared by TAURON Polska Energia Spółka Akcyjna (the "Company") with shares publicly traded. The Company was established by a Notarial Deed on 6 December 2006 under the name Energetyka Południe S.A. The change of its name to TAURON Polska Energia S.A. was registered by the District Court on 16 November 2007.

Basic information about the Company

Name	TAURON Polska Energia S.A.
Headquarters	Poland, Katowice, ul. Piotra Ściegiennego 3. After the balance sheet date, as of 16 March 2026, the Company's headquarters changed to: 40-202 Katowice, Aleja Walentego Rożdzieńskiego 1B
Registration	District Court for Katowice-Wschód, 8th Commercial Department of the National Court Register
National Court Register	271562
Statistical number, Regon	240524697
Tax identification number, NIP	9542583988
Core business activity	• Activities of head offices and holding operations, except for financial holdings PKD 70.10.Z • Sales of electricity PKD 35.14.Z • Sales of gaseous fuels in a network system PKD 35.23.Z

TAURON Polska Energia S.A. is the parent company of the TAURON Polska Energia S.A. Capital Group. ("The Group, TAURON Group").

The Company has prepared the separate financial statements covering the year ended 31 December 2025 and including comparative figures for the year ended 31 December 2024. These separate financial statements were approved for publication by the Management Board on 30 March 2026.

The Company has also prepared consolidated financial statements for the year ended 31 December 2025, approved for publication by the Management Board on 30 March 2026.

Composition of the Management Board

As at 1 January 2025, the composition of the Management Board was as follows:

- Grzegorz Lot – President of the Management Board,
- Piotr Gołębiowski – Vice President of the Management Board,
- Michał Orłowski – Vice-President of the Management Board,
- Krzysztof Surma – Vice President of the Management Board.

On 17 December 2025, the Supervisory Board of the Company adopted a resolution dismissing Mr Piotr Gołębiowski from the Management Board of the Company and from his position as Vice President of the Management Board, with effect from 17 December 2025. On the same day, the Supervisory Board adopted a resolution on delegating a Member of the Supervisory Board, Mr Krzysztof Zawadzki, to temporarily perform the duties of a Member of the Management Board of the Company, assigning him the duties of Vice President of the Management Board for Trade from 1 January 2026 for a period not exceeding three months from the date of the assignment.

After the balance sheet date, on 24 March 2026, the Company's Supervisory Board appointed, as of 25 March 2026, Mr. Krzysztof Zawadzki to the Company's Management Board and entrusted him with the function of Vice President of the Management Board for Trade.

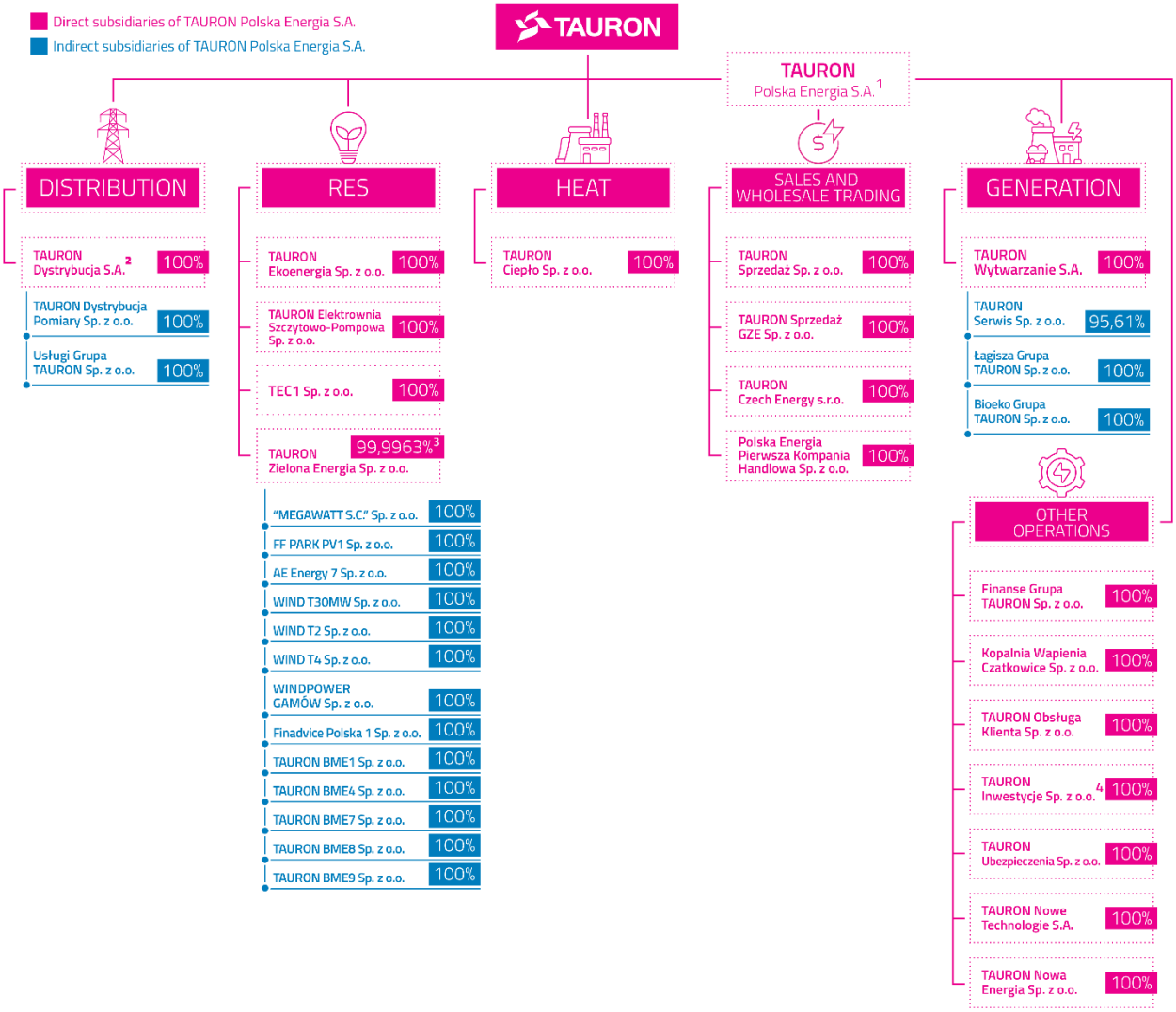
As at the date of approval of these separate financial statements for publication, the Management Board consisted of:

- Grzegorz Lot – President of the Management Board,
- Michał Orłowski – Vice President of the Management Board,
- Krzysztof Surma – Vice President of the Management Board,
- Krzysztof Zawadzki – Vice President of the Management Board.

2. Shares in related parties and joint ventures

2.1. TAURON Group

As at 31 December 2025, TAURON Polska Energia S.A. held, directly and indirectly, shares in the following key subsidiaries, assigned for the purposes of the consolidated financial statements to the competent operating segments:



[1] TAURON Polska Energia S.A. is included in the Sales and Wholesale segment.
[2] From 15 May 2025, the Company exercises 100% of the rights attached to the shares of TAURON Dystrybucja S.A. at the General Meeting.
[3] TEC1 Sp. z o.o. holds 0.0037% of shares in the share capital of TAURON Zielona Energia Sp. z o.o.
[4] As of 5 February 2026, TAURON Inwestycje Sp. z o.o. changed its name to TAURON H2 Sp. z o.o.

Demerger of TAURON Inwestycje Sp. z o.o. (currently: TAURON H2 Sp. z o.o.)

On 1 April 2025, the demerger of TAURON Inwestycje Sp. z o.o. was registered, through the separation of an organised part of the enterprise related to activities in conventional sources to TAURON Ciepło Sp. z o.o. On 1 July 2025, the demerger of TAURON Inwestycje Sp. z o.o. was registered, through the separation of an organised part of the enterprise related to energy generation in renewable sources to TAURON Zielona Energia Sp. z o.o. Following the demerger, TAURON Inwestycje Sp. z o.o. is engaged in activities related to the production of green hydrogen.

Repurchase of shares in TAURON Dystrybucja S.A.

On 16 April 2025 the Extraordinary General Meeting of TAURON Dystrybucja S.A. adopted the resolution concerning the mandatory repurchase of shares of TAURON Dystrybucja S.A. held by shareholders representing no more than 5% of the share capital by the majority shareholder, i.e. TAURON Polska Energia S.A. On 15 May 2025, TAURON Polska Energia S.A. made a payment to the account of TAURON Dystrybucja S.A. of the entire amount for the repurchase of TAURON Dystrybucja S.A. shares from minority shareholders in the amount of PLN 37 million, accordingly, as of 15 May 2025 the Company exercises 100% of the rights from TAURON Dystrybucja S.A. shares.

Cancellation of the merger of TAURON Zielona Energia Sp. z o.o. with limited partnerships

On 1 July 2024, the merger of TAURON Zielona Energia sp. z o.o. (the acquiring company) with 10 limited partnerships (the acquired companies) for which TAURON Zielona Energia Sp. z o.o. was the limited partner and TEC1 Sp. z o.o. was the general partner, was registered in the National Court Register. On 4 February 2025, the Regional Court in Katowice, in a verdict issued, declared invalidity of the resolution of the Extraordinary Meeting of Shareholders of TAURON Zielona Energia Sp. z o.o. on the merger of the acquiring company, TAURON Zielona Energia Sp. z o.o. with the acquired companies, registered on 1 July 2024 in the National Court Register, and burdened, in the opinion of the Company and the entities participating in the merger, with an error in the share exchange ratio.

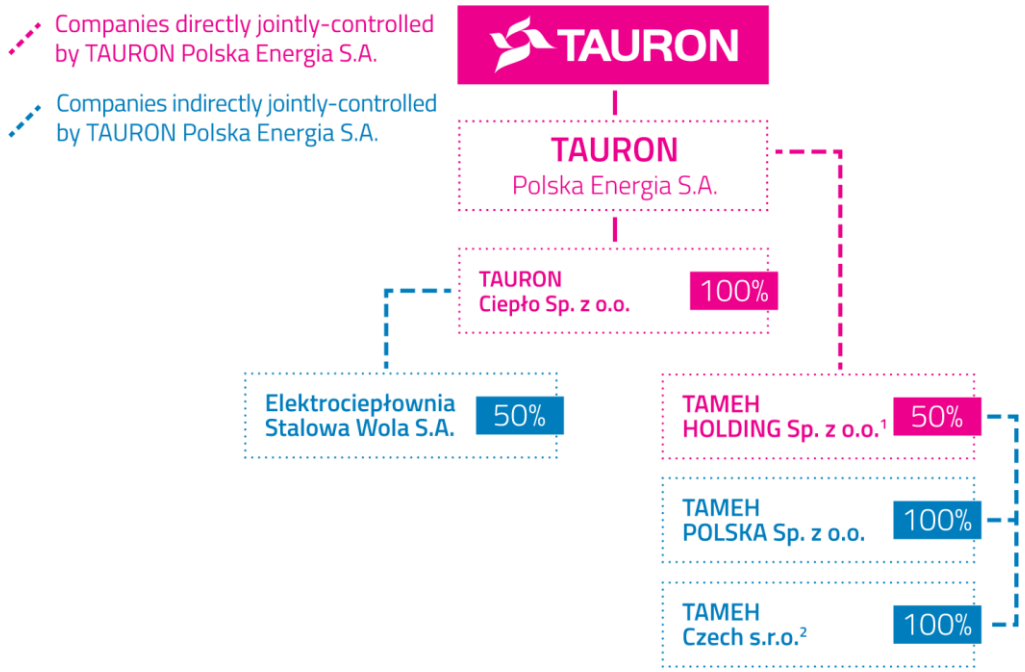
The above judgment was the basis for the deletion by the District Court Katowice Wschód, 8th Commercial Division of the National Court Register, on 21 March 2025, of the entry of 1 July 2024 in the National Court Register concerning the merger of TAURON Zielona Energia Sp. z o.o. with the acquired companies with retroactive effect (ex tunc), as performed on the basis of an invalid legal action.

On 12 November 2025, the Extraordinary Meeting of Shareholders of the company TAURON Zielona Energia Sp. z o.o. adopted the resolution concerning the merger of TAURON Zielona Energia Sp. z o.o. (the acquiring company) with 10 limited partnerships (the acquired companies). On 1 December 2025, the Regional Court in Katowice registered the above-mentioned merger. Following the acquisition, the Company holds 99.9963% of the share capital of TAURON Zielona Energia Sp. z o.o., with the remainder (0.0037%) held by TEC1 Sp. z o.o.

As at 31 December 2025, the share of TAURON Polska Energia S.A. in the capital and in the governing body of the remaining key subsidiaries has not changed since 31 December 2024.

2.2. Joint ventures

As at 31 December 2025, TAURON Polska Energia S.A. held direct and indirect interest in the following key jointly-controlled companies in the Heat segment:



[1] Ownership of the shares is subject to the arbitration proceedings referred to in Note 40 of these separate financial statements.
[2] On 9 August 2024, TAMEH Czech s.r.o. was declared bankrupt by liquidation which translated into the loss of joint control over the above company on that date within the meaning of IFRS.

3. Statement of compliance

These separate financial statements have been prepared in compliance with the requirements of the International Financial Reporting Standards ("IFRS") approved by the European Union ("EU").

The IFRS comprise standards and interpretations approved by the International Accounting Standards Board ("IASB") as well as the International Financial Reporting Interpretations Committee.

4. Going concern

These separate financial statements have been prepared with the assumption of continuation of activities by the Company as a going concern in the foreseeable future, i.e. in the period not shorter than one year following the balance sheet day. As at the date of approval of these separate financial statements for publication, no circumstances had been identified which would indicate a risk to the Company's ability to continue as a going concern.

The Company identifies and actively manages liquidity risk, understood as the possibility of losing or limiting the capacity to settle current expenses. Despite the existence of an excess of current liabilities over current assets (the so-called negative working capital), the Company has full capacity to settle its liabilities when they fall due. As at the balance sheet day the Company has available guaranteed lending facilities of PLN 6 190 million, which are described in more detail in Note 38.2 of these separate financial statements. The Company manages its liquidity in a conscious manner and uses available funding when specific liquidity needs arise, thereby optimising the cost of fund raising.

In the area of liquidity, financing and securing the continuity of operating activities, the Management Board, having analysed the financial position of the Company does not identify any risk to the continuity of operations as a going concern in the foreseeable future, i.e. within a period not shorter than 1 year from the balance sheet day.

5. Functional currency and presentation currency

Polish zloty is the functional currency of the Company and the presentation currency of these separate financial statements. These separate financial statements are presented in Polish zloty ("PLN") while all figures are provided in PLN million ("PLN million"), unless indicated otherwise.

6. Accounting principles (policy) and material values based on professional judgement and estimates

The significant accounting principles are presented in individual notes to these separate financial statements.

When applying the accounting policy, the professional judgement of the management, along with accounting estimates, have been of key importance, affecting the figures disclosed in these financial statements and in the additional explanatory notes. The assumptions underlying these estimates are based on the Management Board's best knowledge of current and future actions and events in individual areas. In the period covered by these separate financial statements, no significant changes occurred in the estimates or estimation methods applied, which could affect the current or future periods, other than those described hereinafter in these separate financial statements.

Climate issues are an integral component of the models used in the estimation process, in particular with regard to the impairment tests carried out on shares in subsidiaries and the valuation of loans to subsidiaries and joint ventures. The impact of climate issues on these separate financial statements is presented in Note 9.

The uncertainty in estimates carries the risk of significant adjustment to the carrying amounts of assets and liabilities. Items of the financial statements that involve a significant risk of material adjustment to the carrying amounts of assets and liabilities, information on the estimates and judgements made by management, including the key assumptions made and sensitivity analyses for changes in these assumptions are described in the individual notes to these separate financial statements.

The most significant estimates are presented in the table below.

Item	Main elements subject to estimates and judgement	Impact of key estimates on the separate financial statements in the year ended 31 December 2025
Shares **Note 11, 20**	• Assessment of impairment premises • Assumptions of impairment tests • Measurement to fair value	• As a result of the impairment tests carried out as at the balance sheet date of shares, a partial reversal of impairment losses on shares in TAURON Ciepło Sp. z o.o. was carried out, which increased the Company's financial income by the amount of PLN 189 million.
Originated loans **Note 21**	• Classification of loans in categories under IFRS 9 *Financial Instruments* • Estimate of expected credit losses of loans measured at amortised cost • Measured to fair value of loans classified as measured at a fair value • Assessment of the preferential nature of the loans granted • Classification of loans as long-term or short-term	• Change in the measurement of loans granted increased the Company's financial income in 2025 in the amount of PLN 524 million. • Loans granted to the subsidiary TAURON Dystrybucja S.A. from the National Recovery and Resilience Plan (NRRP) funds in the amount of PLN 1 659 million were assessed as preferential.
Financial derivatives **Note 22**	• Measurement to fair value • Judgement on the applicability of the exemption from the requirements of IFRS 9 *Financial Instruments* for instruments entered into to hedge own needs	• Change in the measurement and execution of derivative financial instruments in 2025 affected the charge to the Company's finance costs in the amount of PLN 228 million.
Debt liabilities **Note 30**	• Assessment of the preferential nature of the loan • Measurement of the carrying amount of preferential borrowings and loans • Classification of the liability as long-term or short-term	• The NRP funding received in the amount of PLN 1 659 million was assessed as preferential funding. • At the date of receipt, the preferential funding was measured at a fair value of PLN 628 million.

Additionally, the Company applies significant estimates as regards the contingent liabilities recognised, in particular as regards litigation the Company is a party to (Note 40).

7. Standards published and amendments to accounting standards which have not entered into force yet

The Company did not choose earlier application of any standards or amendments to standards, which were published but have not entered into force by 31 December 2025.

- **Standards and amendments to standards issued by the International Accounting Standards Board which have been endorsed by the European Union but have not yet entered into force**

Standard	Date of entry into force in the EU *(annual periods starting on or after that date)*
Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures – Contracts Referencing Nature-dependent Electricity*	1 January 2026
Amendments to IFRS 9 *Financial* Instruments and IFRS 7 *Financial Instruments: Disclosures – Amendments to the Classification and Measurement of Financial Instruments*	1 January 2026
Amendments to various standards, Annual Improvements to IFRS (IFRS 1 *First-time Adoption of International Financial Reporting Standards;* IFRS 7 *Financial Instruments: Disclosures;* IFRS 9 *Financial Instruments;* IFRS 10 *Consolidated Financial* Statements*;* IAS 7 *Statement of Cash Flows*)	1 January 2026
IFRS 18 *Presentation and Disclosure in Financial Statements*	1 January 2027

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 *Presentation and Disclosure in Financial Statements* ("IFRS 18") will replace the current IAS 1 *Presentation of Financial Statements*. The main requirements introduced by IFRS 18 relate to:

- change in the structure of the statement of comprehensive income. IFRS 18 requires the classification of items of income and expenses within the statement of comprehensive income into five categories, in particular the newly introduced operating, investing and financing categories. At the same time, IFRS 18 requires the mandatory presentation of new subtotals in the statement of comprehensive income, allowing the presentation of the result by category of activity, i.e. operating result, including income and expenses classified in operating activities, and result before financing and taxation, including operating result and income and expenses classified in investing activities;
- making disclosures of management-defined performance measures (MPMs), defining an MPM as a sub-item constituting the difference between revenue and expenses that an entity uses in communications published outside the financial statements and used to communicate to users of the financial statements management's view of certain aspects of the entity's operations as a whole; and
- principles of aggregation and disaggregation of information in the financial statements, in particular specifying that the aggregation of assets, liabilities income, expenses and cash flows to items should be based on common characteristics and disaggregation based on characteristics that are not common.

The Company continues its work and analysis to assess the impact of IFRS 18 on its separate financial statements and the accounting policies applied by the Company. In particular, the work comprises the assignment of individual revenue and expense headings to categories of activity under IFRS 18, the development of a new format for the statement of comprehensive income and statement of cash flows tailored to the Company's specific circumstances, the development of a new format for the notes tailored to the requirements of IFRS 18, and the analysis of the information presented publicly by the Company with a view to identifying and defining MPM targets. Bearing in mind that the Company is the parent company of the TAURON Group, with significant capital exposure in the form of shares, stocks and loans granted to subsidiaries, the ongoing work includes analyses with a view to identifying, within the Company's operations, the so-called special core activity as defined in IFRS 18 in the form of investment in assets. For entities with the specific principal activity of investing in assets, IFRS 18 requires certain income (in particular dividends) and expenses to be classified in the operating category, which in entities without such activities would be recognised in the investing or financing category.

On the basis of the work carried out to date, the Company identifies that some of the income and expenses classified prior to the effective date of IFRS 18 as income and expenses from financing activities may ultimately be classified as operating activities, in particular items related to interest and exchange rate differences arising from activities related to the sale of products and services.

Amendments to other standards

Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures concerning Contracts Referencing Nature-dependent Electricity* clarify and simplify the use of the exemption from the fair value measurement for power purchase agreements dependent on natural factors ('"PPA"). In particular, it was clarified, that an entity is entitled to use the exemption from fair value measurement relating to contracts entered into for own use if the entity has been and expects to be a net purchaser of electricity over the term of the contract, i.e. if it buys enough electricity to offset any sales of unused energy. At the same time, the above-mentioned amendments extended the disclosure obligations to renewable energy agreements. Based on the analyses conducted to date, the Company, as a party to PPAs, assesses that the foregoing changes will not have a significant impact on the accounting principles applied to date with regard to the recognition of the effects of the concluded agreements and, at the same time, may translate into the need to make additional disclosures in the separate financial statements with regard to the aforementioned agreements.

Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments: Disclosures - Amendments to the Classification and Measurement of Financial Instruments*, in particular, clarify the recognition and derecognition dates for certain financial assets and liabilities, add guidance for assessing whether a financial asset meets the criteria for the SPPI test (Solely Payments of Principal and Interest), and expand and update disclosure obligations for instruments whose contractual terms may change cash flows and equity instruments measured at fair value through other comprehensive income. On the basis of the analyses carried out to date, the Company assesses that the above changes will not have a material impact on the accounting policies applied to date.

Amendments to various standards Annual Improvements to IFRS are clarifying and explanatory in nature and will not have a material impact on the accounting policies applied so far.

- **Standards and amendments to standards issued by the International Accounting Standards Board which have not been endorsed by the European Union and have not entered into force yet**

Standard	Date of entry into force by standard, not approved by the EU (annual periods starting on or after that date)
IFRS 14 *Regulatory Deferral Accounts*	1 January 2016*
Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* as amended	the date of entry into force of the amendments has been postponed
IFRS 19 *Subsidiaries without Public Accountability: Disclosures* and amendments to IFRS 19 *Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency*	1 January 2027

** The European Commission decided to refrain from launching the process of endorsement of this interim standard for use in the territory of the EU until the publication of the final version of IFRS 14 Regulatory Deferral Accounts.*

The dates of entry into force are the dates resulting from the content of the standards promulgated by the International Accounting Standards Board. The application dates of the standards in the European Union may differ from the application dates implied by the content of the standards and are announced at the time of the approval for application by the European Union.

IFRS 14 *Regulatory Deferral Accounts*

The International Accounting Standards Board is working on the standard aimed to determine a model for the accounting treatment of assets and liabilities associated with regulated activities. The new standard, if issued, will replace IFRS 14 *Regulatory Deferral Accounts*. According to the draft standard, the standard is intended to apply to entities that are party to a contract specifying regulated rates that the entity charges to its customers for goods and services provided, and when part of the total consideration for goods and services provided in a given period is charged to customers through regulated rates in another period (so-called time differences arise). As at the date of approval of these separate financial statements for publication, the final version of the standard has not been issued. The International Accounting Standards Board plans to publish the new IFRS 14 *Regulatory Deferral Accounts* in the second quarter of 2026. The Company assesses that the entry into force of the regulated activities standard, as the Company has no such activities, will have no impact on the Company's separate financial statements.

Other standards and amendments to standards

IFRS 19 *Subsidiaries without Public Accountability: Disclosures* applies to group subsidiaries that do not have public accountability and have a parent company that prepares consolidated financial statements available for public use that comply with IFRS. IFRS 19 *Subsidiaries without Public Accountability: Disclosures* provides such entities with the opportunity to reduce the disclosure requirements of IFRS. Based on the analyses of IFRS 19 *Subsidiaries without Public Accountability: Disclosures* has no impact on the separate financial statements of the Company which, due to its status as a public company, will not apply this standard.

The amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency* clarify the criteria for assessing when a currency is no longer considered to be convertible due to the level of inflation and specify the presentation and disclosures in the event of non-convertibility. Based on the analyses performed to date, the Company assesses that the amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency* will have no impact on the Company's separate financial statements.

Due to the deferral of the effective date of the amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* , the Company will assess the impact of the final amendments to the above standards on the Company's accounting policies once the effective date of the amendments has been determined.

8. Changes in accounting policies applied and presentation as well as restatement of comparable data

Changes in the applied accounting principles and presentation

The accounting principles (policy) adopted for the preparation of these separate financial statements are consistent with those used for the preparation of the annual separate financial statements of TAURON Polska Energia S.A. for the year ended 31 December 2024, except for the amendments to the accounting policy described below regarding hedging instruments subject to hedge accounting. Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability*, which entered into force on 1 January 2025, did not affect the Company's accounting policy. In addition, the Company changed the method of presenting the result on derivative instruments in the separate statement of comprehensive income, described below.

Change in the accounting policy in the scope of hedging instruments subject to hedge accounting

On 1 October 2025, the Company changed its accounting policy regarding the recognition of hedging instruments covered by hedge accounting. Until the amendment date, i.e. in the comparable period and in the 9-month period ended 30 September 2025, the Company continued to apply the accounting for hedging instruments covered by hedge accounting in accordance with IAS 39 *Financial Instruments: Recognition and Measurement*. From 1 October 2025, upon the commencement of hedge accounting for FX forward transactions hedging currency risk for EUR purchases of CO_2 emission allowances, the Company applies the accounting rules for hedging instruments subject to hedge accounting in accordance with IFRS 9 *Financial Instruments*. The change in the accounting policy to the above extent is a prospective change and does not require a restatement of comparable data.

Change in the method of presenting the result on derivative instruments in the separate statement of comprehensive income

Starting from the interim condensed separate financial statements for the six-month period ended 30 June 2025, the Company decided to change the presentation of the result on derivative instruments in the separate statement of comprehensive income. Before the change, the Company presented the result on derivative instruments under the item Other financial income and costs. After the change, the Company presents the result on derivative instruments in the separate statement of comprehensive income as a separate item. In the Company's opinion, the changed presentation allows for a more clear presentation of the level and characteristics of the financial revenues and costs generated by the Company in the separate statement of comprehensive income.

	Year ended 31 December 2024 *(approved figures)*	Change of presentation of gain/(loss) on derivative instruments	Year ended 31 December 2024 *(restated figures)*
Profit on sale	**984**	**–**	**984**
Operating profit	**811**	**–**	**811**
Gain/(loss) on derivative instruments	–	(302)	(302)
Other finance income and costs	(175)	302	127
Profit before tax	**617**	**–**	**617**
Net profit	**510**	**–**	**510**

9. Climate change and its impact on the financial statements and the accounting principles applied

Risks and opportunities associated with climate change and the energy transition process

Progressing climate changes, the continuing energy transition process and the resulting changes in the business and regulatory environment have a significant impact on the operations of TAURON Polska Energia S.A. and TAURON Group. TAURON Group is one of the largest energy companies in Poland. Recognising the bidirectional impact, i.e. the impact of the Group's activities on the environment, climate change and the surrounding area, and the impact of climate change and the surrounding area on the Group's activities, managing the risks and opportunities associated with this impact is an important element of strategic management, with sustainable development goals forming an integral part of the Group's strategy.

The Company identifies the following risks related to climate change:

- physical risks resulting from the physical effects of climate change, in particular in the form of extreme weather events;
- risks related to the energy transition, including in particular regulatory and legal, technological, market, image, social and financing risks.

TAURON Group operates in a sector significantly affected by the regulatory environment. In particular, activities aimed at combating climate change translate into a changing legal environment of the Group, including EU and national legislation gradually increasing environmental protection requirements imposed on enterprises and introducing limitations for fossil fuels. The above changes translate into an increase in operating costs, particularly in the area of electricity and heat generation from conventional sources.

The transition to a low-carbon and climate-resilient economy requires significant investment. The transition to new technologies and the replacement of existing products and services with lower-emission alternatives will require significant investment.

Climate change issues also have an increasing impact on the ability of entities to raise funding for their activities and the types of funding offered by financial institutions as well as their terms and conditions linked to energy transition goals, or the availability of support, among others, in the form of grants or preferential loans. Climate issues also affect the ability to attract new customers and investors. Customer attitudes and expectations are changing, which is reflected in the products and services offered by the Company and the Group, in particular by offering products from renewable or zero-carbon generation sources.

The occurrence of extreme weather events such as hydrological droughts, heat waves, floods and hurricanes has a negative impact on the ability to generate revenue and economic benefits from the Group's assets, particularly in the Distribution and Renewable Energy Sources segment.

However, the ongoing energy transition process also provides new opportunities, including the development of new products oriented to changing customer demand, new technologies contribute to cost efficiency, investment in Group assets increases resilience to weather events, preventing potential losses in the event of their occurrence. The above changes should consequently have a positive impact on the image of the Group and the electricity sector as a whole.

The issues identified above may affect the balance sheet valuation of the Company's shareholdings and loans to subsidiaries. TAURON Polska Energia S.A., as the parent company of TAURON Group, holding shares in subsidiaries in the electricity sector, including companies engaged in the generation of electricity from conventional sources, and providing financing to these companies, is exposed to risks and is a beneficiary of emerging opportunities related to changes in the Company's environment as a consequence of climate change and the efforts made to counteract these changes.

Implementation of the TAURON Group's Strategy in the context of climate issues

In 2024, the *Strategy of TAURON Group for 2025-2035* was adopted by the Company Management Board. The strategy responds to the challenges resulting from the current and projected situation in the market and the electricity sector, in particular related to the transformation of the power industry and new solutions supporting this transformation. The Group's strategy aims to counteract the risks, but also to take advantage of the opportunities associated with climate change. The Group's business priorities identified in the Strategy mainly address the challenges of the Group's transformation aimed to address climate change and include, in particular: profitable capacity growth in RES and energy storage, decarbonisation and increasing heat efficiency as well as a fair transition of conventional power generation. As part of the above priorities, the Group plans to increase its installed RES capacity and energy storage to 3.4 GW in 2030 and 6.1 GW in 2035. At the same time, the Group plans to move away from the use of coal for heat generation and to decommission coal-fired units by 2030 (with the exception of the 910 MW unit in Jaworzno) in order to achieve climate neutrality in 2040.

Impact of climate issues on the financial statements of TAURON Polska Energia S.A., including values based on professional judgement and estimates recognised in the financial statements

The climate issues affect the estimates and assumptions adopted in the Company's estimation process and the professional judgement of the management, consequently translating into the figures reported in these separate financial statements. The climate issues represent an integral component of the models used in the estimation process and the assumptions made about the future. Most significantly, climate issues translate into the area of valuation of the Company's exposure to subsidiaries, through the estimates and judgements adopted as part of the impairment tests carried out on financial assets.

The Company believes that climate issues had the most significant impact on the separate financial statements for the year ended 31 December 2025 in the following scope.

Issue	Description of impact
 Impact of climate protection and climate change issues on the impairment tests performed on shares and the measurement of loans granted **Note 11**	**Assumptions adopted in the tests, including the impact of regulatory issues** The Company took into account, as part of the assumptions underlying the estimation of future cash flows in the impairment tests performed, current as well as planned regulatory changes aimed at achieving the climate targets set by the European Union, including in particular the updated draft of the National Energy and Climate Plan (NECP) published in 2025 until 2030 with a perspective until 2040, assuming the base scenario adopted for the calculation of price paths (WEM "with existing measures" - with current activities) reduction of greenhouse gas emissions from the energy sector at the level of approximately 43% in 2030 and 61% in 2040 compared to 1990. In addition, the assumptions take into account the long-term directions of climate policy, including the EU target of reducing net greenhouse gas emissions by 90% by 2040, the "REPowerEU" package, the reform of the EU ETS allowance trading market and the reform of the market stability reserve included in the "FIT for 55" package, Directive (EU) 2023/2413 of the European Parliament and of the Council on the promotion of energy from renewable sources, assuming a gradual increase in the share of renewable energy in the European Union in the heating and cooling sector by 2030 and Directive (EU) 2023/1791 of the European Parliament and of the Council on energy efficiency, obliging Member States to achieve certain levels of savings in energy consumption by 2030. The effect, among others, the regulatory changes described are the ongoing transformation of the energy mix in Poland. It includes, in particular, a dynamic increase in the share of renewable energy sources and - playing an important balancing role - natural gas-fired generating units. Further increase in gas capacity, secured, among others, the results of last year's capacity market auctions, combined with the simultaneous withdrawal and decline in production from conventional coal sources, is a key factor shaping market energy prices. The changes in regulations aimed at climate protection and the resulting changes in the structure of electricity generation, included in the test assumptions, translated in particular into the levels of electricity prices, CO_2 emission allowances and fuels estimated by the Company, as well as on the assumptions made regarding the volumes and structure of energy production by the Group's generating units in the long term, affecting the level of the recoverable value of its exposure to TAURON Wytwarzanie S.A., TAURON Ciepło Sp. z o.o. TAURON Ekoenergia Sp. z o.o. and TAURON Zielona Energia Sp. z o.o. **Verification of periods of economic usefulness taking into account the TAURON Group Strategy** The assumptions regarding the economic useful lives of assets adopted as of 31 December 2025 are in line with the assumptions included in the TAURON Group Strategy regarding the departure from energy generation from conventional sources and the Group's achievement of full climate neutrality by 2040. It was assumed that the coal-fired generating units would operate no longer than until 2030, with the exception of the 910 MW unit in Jaworzno, which was assumed to operate until 2040. The planned economic useful lives of generating units in the Generation segment have been updated in relation to the assumptions adopted in the impairment tests prepared as at 31 December 2024. At the Jaworzno II Power Plant, the operation of unit 1 (Biomass) was shortened by three years until 2025, and the operation of unit 2 and 3 was extended by one and three years, respectively, until June 2028. In the case of 200MW class units, the analysis was carried out taking into account the operating horizon of the Derogation Capacity Market (until 2028), assuming support at a level guaranteeing further, economically justified operation. In the remaining power plants, the operating periods have not changed. For all generating plants in the Heat segment, the operating period is assumed to be until 2054, with the assumption that the operation of units using coal fuel will end by 2029. In the RES segment, as at 31 December 2025, the operating period for generating units was assumed to be: • CGU Hydroelectric power plants - the useful life has been extended until 2080 compared to tests as at 31 December 2024; • CGU Wind and photovoltaic power plants until 2057. In the RES segment, existing support systems were taken into account (the certificate of origin system, the auction system, the FIT/FIP feed-in tariff system, the guarantee of origin system), of which the certificate of origin system is the most important. The economic useful lives of the Group's assets, as one of the assumptions adopted in impairment tests, affect the level of the recoverable amount of exposure to subsidiaries. **Decarbonisation of the heat industry** Moreover, there was a significant impact on the impairment tests carried out as at the balance sheet date regarding the Company's exposure in TAURON Ciepło Sp. z o. o. the process of decarbonization and transformation of the heating sector in the Group had started in accordance with the strategy. Assumptions regarding decarbonisation influenced the inclusion in the forecasts of a gradual change in the fuel used by operating generating units from coal to gas or biomass and the adoption of the assumption of complete replacement of coal assets with low-emission assets by 2030 at the latest. At the same time, the projections assume a cogeneration bonus (in accordance with the Act of 14 December 2018 on the promotion of electricity from high-efficiency cogeneration), which is a subsidy to the electricity produced, fed into the network and sold from high-efficiency cogeneration for producers planning to operate new or significantly modernized installations.

Impairment tests for shares in subsidiaries conducted as at 31 December 2025 indicated the reversal of the write-down of shares in TAURON Ciepło Sp. z o.o. in the amount of PLN 189 million. The reversal of write-offs results primarily from a significant reduction in the discount rate, a higher heat transfer tariff, and the inclusion in the forecasts of flows from the operation of cogeneration engines and the gas boiler room at the heating plant in Zawiercie as part of the initiated energy transformation process.

The assumptions in the scope of impairment testing, including those relating to climate issues and the results of the tests performed, are described in detail in Note 11 of these separate financial statements.

Implementation of investment in the RES Area and change in the mix of generation sources

Notes 2 and 21.1

Wind and photovoltaic farms

The TAURON Group's subsidiaries implement investment projects aimed at increasing the capacity generated from Renewable Energy Sources. In the year ended 31 December 2025, the following photovoltaic farms were commissioned by the Group companies:

- Bałków with a capacity of 54 MW (as part of TAURON Zielona Energia Sp. z o.o.),
- Postomino with a capacity of 90 MW (as part of AE Energy 7 Sp. z o.o.).

Moreover, in the year ended 31 December 2025, companies of the Group implemented the construction of the following wind farms:

- Nowa Brzeźnica with a capacity of 19.6 MW (as part of Wind T4 sp. z o.o.),
- Sieradz with a capacity of 23.8 MW (as part of Wind T2 Sp. z o.o.),
- Miejska Górka with a capacity of 190 MW (as part of Finadvice Polska 1 Sp. z o.o.).

By the date of approval for publication of these separate financial statements, the Nowa Brzeźnica and Sieradz wind farms had been put into operation. The planned commissioning of the Miejska Górka wind farm is scheduled for 2027. After the balance sheet date, a decision was made to implement the Ogrodzieniec Hybrid Installation with a capacity of 85 MW (including the construction of the Ogrodzieniec photovoltaic farm with a capacity of 85 MW and the construction of an energy storage facility with a capacity of 55 MW) and the Mysłowice photovoltaic farm with a capacity of 55 MW.

Additionally, TAURON Group companies are also developing a portfolio of their own projects.

Energy storage

TAURON Group companies are also developing energy storage projects. In the year ended 31 December 2025, TAURON BME4 Sp. z o.o., TAURON BME9 Sp. z o.o. and FF Park PV1 Sp. z o.o. implemented projects related to the construction of energy storage facilities with a total capacity of 24.4 MW. Projects implemented by TAURON BME4 Sp. z o.o. by the date of approval for publication of these separate financial statements have been put into operation, the remaining ones are also scheduled for commissioning in 2026.

By the date of approval for publication of these separate financial statements, further BME projects of the Group companies with a total capacity of approx. 542 MW had reached the implementation stage. Additionally, a portfolio of own projects is also being developed

Rożnów II Pumped Storage Power Plant

As part of the company TAURON Elektrownia Szczytowo-Pompowa Sp. z o.o. the planning stage for the construction of a pumped-storage power plant, which is to serve as a large-scale energy storage facility in the vicinity of the Rożnów Hydroelectric Power Plant, is continued. The power plant is to achieve a power of approximately 700 MW and an energy capacity of 3 GWh.

Company's share as a parent company in financing investments

The investment projects described above are, in principle, carried out by subsidiaries of TAURON Polska Energia S.A., which provides them with financing in the form of loans for the implementation of these investments as the parent company. In the year ended 31 December 2025, the Company granted loans with a total nominal value of PLN 1 093 million to companies in the Renewable Energy Sources segment for investment projects involving the construction of wind and photovoltaic farms. At the same time, companies of the Group also benefit from available sources of national and EU funding.

Funding for the purpose of investment aimed at mitigating the negative impact of the Group's activities on climate

Note 30

Investment projects to mitigate the negative impact of the Group's activities on climate are, in principle, implemented in the subsidiaries, but due to the centralised financial management policy, the Company is the main entity raising external funds for the Group, including for the purposes of achieving sustainability goals, excluding dedicated instruments such as project financing or environmental funds, which are raised directly by TAURON Group companies. The funds acquired by the Company are subsequently transferred to the companies essentially through intra-group loans.

National Recovery and Resilience Plan

In 2024 and 2025, the Company concluded the following loan agreements with Bank Gospodarstwa Krajowego with funds from the National Recovery and Resilience Plan, which are then transferred through intra-group loans to subsidiaries implementing investment projects:

Year of concluding the agreement	Objective	Group Company	Contractual amount	Amount of funding disbursed as at 31 December 2025
2024	development and adaptation of the electricity grid to the needs of energy transition and climate change	TAURON Dystrybucja S.A.	15 867	1 428
2025	advanced digital transformation	TAURON Dystrybucja S.A.	310	231
2025			110	-
2025	construction of two photovoltaic farms	TAURON Zielona Energia Sp. z o.o.	269	-

Sustainability indicators in financing agreements

The Company raises finance with the aim of investing funds to mitigate the negative impact of the TAURON Group's activities on climate. In accordance with the terms of some of the agreements, the Company allocates the funds raised for the implementation of investment in the area of distribution and renewable energy sources and reports to the banks on the level of certain sustainability indicators, i.e. the rate of increase in the capacity of RES or the rate of decarbonisation. The accuracy of the calculation of the sustainability indicators is confirmed by the relevant reports of an independent auditor and reported to the financial institutions. In addition, some of the financing agreements contain restrictions on the use of funds from these agreements to finance coal-fired generation activities. The Company carries out its activities in accordance with environmental, climate and social policies.

In the opinion of the Company, the Company's sustainability-linked financing, in respect of which failure to meet the level of sustainability indicators (emission reduction rate, RES capacity increase rate) may affect the margin level in financing agreements, does not contain embedded derivatives.

The Group's "green" product offering

TAURON Group offers electricity to individual and business customers, consistently implementing a strategy focused on green transformation. The key product in the sale of electricity is the New Energy offer, which offers the sale of energy from 100% renewable sources. The Group's customers can use ecological energy under long-term contracts (5 years for business customers as well as 6 and 9 years for individual customers). The Group is also developing PPAs (Power Purchase Agreements) - long-term supply contracts for business customers based on renewable energy sources, which help stabilize costs and achieve the sustainable development goals of recipients. Other green products are also offered, such as Eco, allowing the purchase of electricity from renewable energy sources, which is confirmed by certificates issued by independent entities. The Group also offers modern tariff solutions, including dynamic tariffs and products related to energy exchange quotations, which support customers in optimizing energy consumption and costs.

Sales to end customers within the above products are performed by the subsidiaries, TAURON Sprzedaż Sp. z o.o. and TAURON Sprzedaż GZE Sp. z o.o. TAURON Polska Energia S.A. buys and sells electricity to secure the sales needs of these entities.

Linking remuneration to sustainable development goals

The remuneration system for Members of the Company's Management Board is related to sustainable development issues. The current Remuneration Policy for Members of the Management Board and the Supervisory Board includes, among others, the primary objectives: linking remuneration principles with monitoring the implementation of adopted strategic plans and business goals, in particular related to the implementation of sustainable development goals, and contributing to the implementation of sustainable development goals, including limiting the negative impact on the natural environment and ensuring the stable development of the Company. Results related to sustainable development are included in the remuneration system for Members of the Company's Management Board in the variable part. Variable Remuneration depends on the achievement of conditional goals, financial goals and on the implementation of non-financial goals that are directly related to ESG goals.

Remuneration of key management personnel

Note 43.2

The non-financial targets set for the Management Board of the Company to be achieved in 2025 related to or supporting sustainability issues accounted for a total of 50% of the variable part and included specific non-financial targets:

- maintaining the Company's investment-grade rating, at least BBB minus
- development and optimal modernisation of the distribution network;
- TAURON Group's digital transformation;
- implementation of commenced investment in the construction of wind farms and photovoltaic farms;
- decarbonisation of District Heating - replacing coal-fired sources with modern low-carbon units;
- aiming for 100% zero-carbon energy in the volume of sales to end customers and implementing a new model for the allocation of RES energy to meet the Sales Area demand.

The remuneration of members of the Company's Supervisory Board is fixed and it is not dependent on sustainability issues.

The rules concerning remuneration of key managers and other employees of the Company are defined in the Regulations on Remuneration of Employees of TAURON Polska Energia S.A., adopted for application by the Management Board of the Company. The bonus system ensures that the activities of key managers are integrated around the achievement of goals aimed at achieving the Strategy that incorporates sustainable development goals as its integral part.

Detailed information in this regard is provided in the Management Board's Report on Activities of TAURON Polska Energia S.A. and TAURON Group for 2025 in Chapter 13 of the Sustainability Report of TAURON Group, (GOV-3) Inclusion of ESG-related results in the incentive scheme.

10. Information on operating segments

10.1. Operating segments

In accordance with IFRS 8 *Operating Segments*, the Company presents information on operating segments in relation to the Group's operations in the consolidated financial statements.

As part of the adopted classification of the Group's operations into operating segments, the activities of the Company are classified in the *Sales and Wholesale* segment, excluding the overhead costs of the Company Management Board incurred for the Group as a whole, which cannot be directly assigned to a single operating segment and are classified as part of unallocated expenses.

10.2. Geographical areas of operations

The activity of the Company is mostly carried out on the territory of Poland. Revenues on sales from foreign entities in the years ended 31 December 2025 and 31 December 2024 are presented in the table below.

	Year ended 31 December 2025	Year ended 31 December 2024
Poland	18 626	22 816
Czech Republic	169	33
Total	**18 795**	**22 849**

IMPAIRMENT IN VALUE OF FINANCIAL ASSETS

11. Impairment in value of financial assets

SELECTED ACCOUNTING PRINCIPLES

Shares

With regard to the Company's shares in subsidiaries and joint ventures, in accordance with IAS 36 *Impairment of Assets*, on each balance sheet date the Company assesses whether there is objective evidence of impairment of a financial asset or a group of financial assets.

If there is any objective indication that the assets may be impaired, the assets are tested for impairment. The shares in subsidiaries and joint ventures, constituting the main item of the Company's financial assets, are subject to testing. The amount of the impairment loss is the difference between the carrying amount of a financial asset or group of financial assets and the recoverable amount, which is the fair value less costs of disposal or the value in use, whichever is higher. The value in use is calculated as the present value of estimated future cash flows from the operations of subsidiaries and the estimated residual value discounted using the weighted average cost of capital.

Originated loans

The Company recognises an allowance for expected credit losses on its loans measured at amortised cost in accordance with the approach described in Notes 21 and 38.1.1 of these separate financial statements. The credit risk analyses carried out as at the balance sheet day include, among others, an estimate of future cash flows that may indicate impairment due to credit risk (measurement step 3).

As at the balance sheet date, the Company also revises the fair value of its loans classified as at fair value, with the fair value measurement methodology described in Note 37.1 of these separate financial statements. The fair value measurement takes into account, among other things, the Company's expectation of the impact of projected future cash flows generated by borrowers on loan repayments.

PROFESSIONAL JUDGEMENT AND ESTIMATES

The assumptions adopted as part of the impairment testing of the Company's shares are described below. The assumptions adopted in the cash flow analyses of loans granted in terms of realisable operating cash flows are consistent with the assumptions adopted in the impairment testing of shares.

As at 31 December 2025, an analysis of the premises which might indicate the impairment of shares in subsidiaries and joint ventures was carried out, as well as an analysis of the valuation of intra-group loans. As a result of the analysis, the following market events were identified that may affect the changes in the assumptions made in the impairment tests performed as at 31 December 2024, and thus may affect the impairment assessment:

- publication by the Ministry of Climate and Environment in December 2025 of a new draft of the National Energy and Climate Plan (NECP) until 2030 with a perspective until 2040, assuming deep electrification of the economy;
- progressing changes in the energy mix in Poland, primarily due to further increase in the share of RES in the generation subsector and an increase in installed capacity in natural gas-fired power plants translating into:
  - an increase in electricity generation by other renewable energy sources (professional hydroelectric power plants, other hydroelectric power plants and other renewable energy sources including photovoltaic) by 6.6% in 2025 compared to 2024 year;
  - an increase in the number of negative hours in the day-ahead market;
  - further increase in electricity production in gas-fired power plants by 13.9% in 2025 compared to 2024 resulting in the displacement of conventional coal-fired sources;
  - the average electricity price on the SPOT market (average of fixing I, fixing II and continuous quotations) increased from PLN 415.46/MWh in 2024 to PLN 441.94/MWh in 2025 (+6.4%);
  - a decrease in the volume-weighted average electricity price for the BASE futures contract (Y+1) from PLN 449.80/MWh in 2024 to PLN 430.51/MWh in 2025 (-4.3%);

- effective changes in the balancing market, where PSE S.A. joined the PICASSO platform as of 11 July 2025, which increased price volatility in the balancing market and the SPOT market;
- a decrease in the average coal price in the ARA ports from USD 114.65/Mg in 2024 to USD 105.40/Mg in 2025 (-8.1%);
- a decrease in the volume-weighted average gas price for the BASE (Y+1) forward contract from PLN 180.44/MWh in 2024 to PLN 165.03/MWh in 2025 (-8.5%), caused mainly by the predicted increase in LNG imports to Europe;
- regulatory changes in the scope of the green certificate redemption obligation set at a level of 9% for 2026-2028.

As a result of the above changes, an adjustment in the forecasts occurred in relation to the assumptions in the impairment tests carried out as at 31 December 2024:

- a decline in forecast average BASE electricity prices in the period 2026-2045 relative to the assumptions adopted in the impairment tests at 31 December 2024;
- an increase in the projected CO_2 prices in the period 2026-2045 for contracts on the EU ETS market compared to the assumptions adopted in the impairment tests as at 31 December 2024;
- maintaining the assumptions for average hard coal prices in deliveries in the period 2026-2045 at the same levels as in the impairment tests as at 31 December 2024;
- a decline in forecast average BASE gas prices in the period 2026-2045 relative to the assumptions adopted in the impairment tests at 31 December 2024.

The revision of the above forecasts and the update of forecast energy price levels has translated into a decrease in the forecast modelled BASE margins for 2026-2045 for the 1000 MW class unit and the 200 MW class units.

The prerequisites of impairment identified above demonstrated the need to carry out impairment tests for shares in the following companies: TAURON Ciepło Sp. z o.o., TAURON Ekoenergia Sp. z o.o. and TAURON Zielona Energia Sp. z o.o.

The impairment indicators identified do not apply to other shares in subsidiaries and joint ventures.

The shares in TAURON Wytwarzanie S.A. were written down to zero in previous reporting years and no indication of a reversal of the write-down is identified.

Moreover, due to the lack of agreement on the effectiveness of the submission of declarations concerning the acceptance of offers to purchase shares in TAMEH HOLDING Sp. z o.o. and the ongoing arbitration proceedings in this matter, which is described in more detail in Note 40 of these separate financial statements, it was decided to verify the recoverable amount of the investment in shares in TAMEH HOLDING Sp. z o.o. as at 31 December 2025.

The Shareholders' Agreement provides for the implementation of the business plan of the purpose vehicle TAMEH HOLDING Sp. z o.o. for a period of 15 years, i.e. until 2029. In accordance with the provisions of the agreement, TAMEH HOLDING Sp. z o.o. pays dividends to the shareholders on the basis of a dividend plan approved by the parties to the agreement.

With regard to the impairment test of the shares in TAMEH HOLDING Sp. z o.o., a scenario analysis was carried out based on expected future dividend flows, which did not include the flows from TAMEH Czech s.r.o. due to the declaration of bankruptcy of the company by the Ostrava District Court. The following scenarios take into account the capacity of TAMEH HOLDING Sp. z o.o. to pay dividends. The analysis assumed the following scenarios built on the Company's best knowledge:

- a shareholders' approved dividend plan in the scope of activity of TAMEH POLSKA Sp. z o.o. for 2024-2029 and divestment of assets in 2030;
- adjusted dividend plan resulting from the gradual reduction of expenditure and operations of TAMEH POLSKA Sp. z o.o. leading to the liquidation of assets in 2030;
- shareholders' approved dividend plan in the scope of TAMEH POLSKA Sp. z o.o. activity in 2024-2029 and the continuation of the company’s activities thereafter.

All of the above-mentioned three scenarios, in the Company's judgement as at the day of approving these separate financial statements for publication, have the same probability of materialisation and thus the weighting assigned to them is equal to each other.

The recoverable amount of shares in subsidiaries and joint ventures is the value in use. The tests were carried out based on the current value of the estimated cash flows of the generating companies' operations on the basis of detailed projections covering the entire life of the companies. The use of forecasts longer than 5 years results from the fact that, over a longer period of detailed forecast, the Company is able to reflect as accurately as possible the life cycle of assets, particularly manufacturing assets, and take into account long-term cash flow estimates. The macroeconomic and sector-

oriented assumptions underlying the projections are updated as frequently as any indications for their modification are observed on the market. The projections also take into account changes in the regulatory environment known as at the date of the test.

Shares and intra-group loans account for approximately 91% of the balance sheet total as at the balance sheet day.

Key assumptions adopted in tests performed as at 31 December 2025

The assumptions for the capacity balance and the level of electricity demand and the price assumptions in terms of projected prices for electricity, CO_2 emission allowances, coal, natural gas have been made on the basis of the best market knowledge and take into account current market conditions.

Category	Description
Coal	For 2026, the forecast assumes maintaining coal prices at a level of the average PSCMI1 index price calculated for 2025. It results from the stable demand-supply situation in global coal markets, particularly at ARA ports. An average decline in coal prices by 2.0% was assumed in the years 2026-2045. For this period, an assumption was made about declining demand, due to decreasing electricity generation from conventional sources and the need to take into account global trends in domestic coal price paths.
Electricity	The BASE electricity price forecast assumes an increase of 1.7% for 2026 compared to the average volume-weighted price of the reference BASE contract (Y+1) achieved in 2025. In the period 2026-2045, the average price of BASE will decrease at an average annual rate of 0.7%. The projected BASE price levels take into account the costs of generation from high-efficiency conventional sources, while the price decline is mainly affected by the change in the generation mix and the systematic increase in the share of RES sources in the energy mix.
CO_2	The growth path for prices of CO_2 emission allowances has been adopted in the entire forecast horizon. In the first three years, the forecast takes into account current market levels and price growth expectations in line with cyclical surveys of leading think tanks in the scope of their CO_2 price forecasts. The forecast for 2026 assumes a 7% increase in the price of CO_2 emission allowances compared to the average reference contract prices obtained in 2025. In the period of 2026-2045, CO_2 prices will increase by an average of 3.7% per year due to the maintenance of plans to meet ambitious climate goals of the European Union. CO_2 emission limits for heat generation have been adopted in line with the regulation of the Council of Ministers and adjusted by the level of free allowances.
Natural gas	Due to the observed increase in LNG supply, the forecast assumes a 4.9% decline in prices in 2026 compared to the volume-weighted average price of the BASE (Y+1) reference contract obtained in 2025. An average annual decrease in gas prices of 1.0% has also been assumed for 2026-2045. Predicted gas prices in Europe will be mostly affected by filling the demand gap through stable gas flows from the Norwegian Continental Shelf and LNG supplies. Poland will import gas through the Baltic Pipe and two LNG terminals (the FSRU terminal in Gdańsk is scheduled for commissioning in the 2027/2028 timeframe), resulting in a high correlation of gas prices in Poland with the European indices.
Capacity market	It is assumed that payments for capacity will be maintained until 2028 for existing coal-fired units which do not meet the EPS 550 criterion (for which the unit emission performance exceeds 550 kg/MWh). For units which concluded long-term contracts by 31 December 2019 and do not meet the EPS 550 criterion, maintaining of payments until the end of the contract effectiveness period has been assumed. In line with the agreement reached by the European Council of 17 October 2023 regarding the reform of the energy market model, it was assumed that a derogation would be introduced regarding the validity of CO_2 emission limits for units seeking support from the Capacity Market and consequently that the period of possible support for such units would be extended from June 2025 to the end of 2028. The projections assume revenues from the Capacity Market after 2025 as a consequence of extension of the support until the end of 2028. Revenues from this source relate to four 200 MW class units at the Łaziska Branch and two units at the Siersza Branch, as well as a unit at the Łagisza Branch in 2026-2028. In addition, revenues from the Capacity Market for units 2 and 3 at the Jaworzno II Branch are estimated for 2026-2028. Moreover, four 200 MW class units in the Jaworzno III Branch, for which no capacity contract was assumed, were assigned to the role of reserve units, which involves generating revenue for these blocks for reservations, the amount of which depends on the availability of the company's other units. The assumed average price over the extended period of 2027-2028 amounts to PLN 340.83/kW/year. For 2026, the capacity contracts were concluded in December 2025 at a price of PLN 346.37/kW/year and are included in line with reality in the assumptions made for that year. For the extended operating period, it was assumed that the operation of the units would be determined by demand in the KSE (National Power System).

Economic lifetime of generating units	The projected economic lives of the generation units in the Generation segment have been updated from the assumptions used in the impairment tests prepared as at 31 December 2024. In the Jaworzno II Power Plant, the operation of unit 1 (Biomass) was reduced by three years and the operation of units 2 and 3 was extended by one and three years, respectively. The update results from the current assessment of market, regulatory and technical conditions, as well as the planning assumptions made regarding the potential use of the assets. The assumptions made do not constitute a formal decision to permanently decommission the unit, nor do they exclude a possibility of future use of the assets. At the same time, in the case of units of the 200MW class (Jaworzno Power Plant, Łaziska Power Plant, Siersza Power Plant), the analysis was carried out taking into account the horizon of operation of the Derogation Capacity Market (until 2028), with the assumption of obtaining support at a level ensuring further economically justified operation. In the remaining power plants, the operating periods have not changed. A list of the assumptions in the scope of the economic lives adopted for tests for the following generation units is presented below: – Nowe Jaworzno Power Plant - unit 7 by 2040; – Łagisza Power Plant - unit 10 by 2030; – Jaworzno II Power Plant - unit 1 (Biomass) by 2025, unit 2 and 3 by June 2028; – Jaworzno III Power Plant (units 1, 2, 3, 4, 5 and 6); Łaziska Power Plant (units 9, 10, 11 and 12); Siersza Power Plant (units 1 and 2) with an outlook until 2028, assuming that support from the Derogation Capacity Market is obtained at a level guaranteeing continued economically justified operation. The revision of the assumptions regarding the period of operation of the units at Jaworzno II Power Plant is due in particular to the anticipated role of these assets in ensuring the supply of heat to SCE Jaworzno III Sp. z o.o. and process steam for the 910 MW unit at Jaworzno. In line with current planning assumptions, it was assumed that two units would continue to operate until a new dedicated source is in place. At the date of preparation of the financial statements, it is assumed that this source will be launched after the heating season in 2028. As at 31 December 2025, the operating period has been assumed for the generating units in the RES segment: – Hydroelectric power plants: due to the postponement of the commencement of operation of the Small Hydroelectric Power Plant in Rożnów, the useful life has been extended to 2080 in relation to the tests as at 31 December 2024; – Wind and photovoltaic power plants until 2057 (the change compared to the tests as at 31 December 2024 results from the postponement of commissioning the entire FW Miejska Górka investment). For all generating plants in the Heat segment, a period of operation until 2054 has been assumed, with operation of the units on coal fuel ending: – in ZW Katowice, ZW Tychy, ZW Bielsko-Biała EC1, ECI Generation and ZW Local Heat Plant Area until 2029; – in ZW Bielsko-Biała EC2 until 2026.
Regulatory system services	Polskie Sieci Elektroenergetyczne S.A. purchase balancing capacity separately to increase and decrease the capacity in the system. There are two modes of acquiring balancing capacity: 1. Basic (non-mandatory) mode - auction for balancing capacity on a daily basis in advance, participation by bidding for balancing capacity in aggregate form; 2. Supplementary mode (mandatory) - bidding for balancing capacity for each generating unit on day d-1; purchase of balancing capacity by PSE on day d as a supplement to the basic mode. The Balancing Capacity volume was calculated based on the regulatory capacity of the generating units, assigned by the Transmission System Operator, taking into account their planned operating time (Balancing Capacity can only be provided by units in operation). The price adopted for the calculation is derived from the price paths adopted in the Group.
Certificates of energy origin	The price path for certificates of energy origin and the obligatory redemption in the subsequent years have been adopted based on the provisions of the RES Act and the system balance forecast. Taking into account the percentage obligations contained in the RES regulations and the current quotation of certificates of origin, the forecast assumes an 8.3% increase in the price of green certificates in 2026 compared to 2025. In the period of 2026-2030, the forecast of green certificate prices is upward (by 11.4% per year, on average) due to the reduction in supply and the assumption of an increase in the obligation to consume systemic surplus of property rights. For blue certificates, a slight price increase of 0.2% was assumed for 2026 relative to the TGEozebio average volume-weighted index price created in 2025. Over the period 2026-2030, the price of blue certificates is forecast to decline by an average of 2.5% per year. The price of white certificates assumes a price increase by 2.4% in 2026 compared to the volume-weighted average price achieved in 2025. Over the period 2026-2030, the price of white certificates is forecast to grow at an average annual rate of 2.4%.
RES support	With regard to the RES Area, existing support systems (certificate of origin scheme, auction scheme, FIT/FIP feed-in tariff system, guarantee of origin scheme) are taken into account, of which the certificate of origin scheme is the most significant. Within this scheme, limited support periods for green energy have been taken into account in accordance with the assumptions of the Act on RES defining mechanisms of granting the support for electricity generated in sources of this type. The support period has been limited to 15 years from the date of the first injection of electricity eligible to receive the energy origin certificate to the grid.
Support for cogeneration	The projections assume a cogeneration bonus (in accordance with the Act of 14 December 2018 *on the promotion of electricity from high-efficiency cogeneration*), which is a surcharge on the electricity generated, fed into the grid and sold from high-efficiency cogeneration, for generators planning to operate new or significantly modernised installations. For ZW Bielsko-Biała EC2, support was assumed in accordance with the decision of the President of the Energy Regulatory Office of 3 January 2024, on winning the auction for the co-generation bonus. For the remaining generation units producing heat and electricity in co-generation, it was assumed that support would be obtained in future periods at a level not exceeding the prices currently obtained in the auctions won.

Wages	An increase in wages was assumed, based on an increase in the minimum wage and the assumed inflation rate with effect for the following years of the financial forecast.
WACC	The weighted average cost of capital (WACC) during the projection period for individual CGUs has been adopted in the range of 6.55%-8.68% in nominal terms after tax, taking into account the risk-free rate corresponding to the six-month yield on IRS 10Y (at a level of 4.48%) and the risk premium for operations relevant for the power industry (5%). The growth rate used for extrapolation of projected cash flows going beyond the detailed planning period has been adopted at a level of 2.5% and corresponds to the estimated long-term inflation rate.

Results of impairment tests

The result of the impairment tests on shares in subsidiaries and joint ventures carried out as at 31 December 2025, in accordance with IAS 36 *Impairment of Assets*, indicated a reversal of the impairment loss on the shares in TAURON Ciepło Sp. z o.o.

Company	The recoverable amount of the exposure (shares and loans)	The amount of the recognized reversal of the write-down on shares
	As at 31 December 2025	Year ended 31 December 2025
TAURON Ciepło Sp. z o.o.	2 420	189
Total		**189**

The level of WACC (weighted average cost of capital in nominal after-tax terms) adopted in the impairment tests of the shares as at 31 December 2025 in TAURON Ciepło Sp. z o.o. for the heat generation area was 8.68% and for the heat transmission area 6.75%.

The reversal of impairment losses on the shares held in TAURON Ciepło Sp. z o.o. is mainly due to a significant reduction in the level of the discount rate, a higher heat transmission tariff obtained (and thus higher projected rates), the inclusion in the projections of flows from the operation of cogeneration engines and the gas-fired boiler plant at the Zawiercie heat plant as part of the energy transformation process that has been initiated.

The impairment tests carried out as at 31 December 2025 on the shares in TAURON Ekoenergia Sp. z o.o., TAURON Zielona Energia Sp. z o.o. and TAMEH HOLDING Sp. z o.o. did not reveal any impairment of the shares in the entities.

Sensitivity analysis

The tables below present the estimated impact of a change in key factors on the recoverable amount of the tested shares in subsidiaries. For assets generating electricity from conventional sources, the key factor analysed is the Clean Dark Spread (“CDS”) due to the fact that a change in electricity prices generally results from the changes in the price of coal and CO_2 emission allowances. Analogically, for gas-fired generation assets, the key factor analysed is the Clean Spark Spread (“CSS”).

The CDS/CSS is the amount of the first-step margin achieved by the coal/gas-fired power plants or CHP plants, calculated as a difference between the price of electricity and the model variable costs (fuel cost, CO_2 cost) associated with coal-fired electricity generation.

The sensitivity analysis takes into account the change in the CDS/CSS structure due to the planned gradual decommissioning of 200 MW class units by 2028 and the replacement of coal-fired units with gas-fired units in the Heat segment in accordance with the assumptions adopted for the tests.

Parameter	Change	Impact on the recoverable value of shares in TAURON Ciepło Sp. z o.o.
Change in CDS/CSS over the forecast period	+1%	15
	-1%	-15
Change in heat prices in the forecast period	+1%	159
	-1%	-159
Change in amount of cogeneration bonus	+1%	7
	-1%	-7
Change of WACC (net)	+0.1 p.p.	-36
	-0.1 p.p.	37

For shares in entities in the RES segment for which no impairment has been identified, the sensitivity analysis is presented in the table below.

Parameter	Change of assumption aligning the recoverable amount with the carrying amount of shares in:	
	TAURON Ekoenergia Sp. z o.o.	TAURON Zielona Energia Sp. z o.o.
Change in electricity prices over the forecast period	-3.5%	-44.4%
Change of WACC (net)	1 p.p.	12.05 p.p.

Results of the analyses in the scope of measurement of the loans granted

The analyses carried out regarding the financing granted to subsidiaries, based on the future cash flows of the subsidiaries, also showed the justification for increasing the valuation of the loan granted by the Company to TAURON Wytwarzanie S.A. by the amount of PLN 203 million, as described in more detail in Note 21.1 of these separate financial statements.

EXPLANATORY NOTES TO THE SEPARATE STATEMENT OF COMPREHENSIVE INCOME

12. Sales revenue

SELECTED ACCOUNTING PRINCIPLES

Revenue from contracts with customers is recognised when (or as) the performance obligation is fulfilled in the form of transferring the promised goods (i.e. an asset) or providing a service to a customer. The transfer of the asset takes place when the customer acquires the control of the asset, while in the case of the sale of electricity and gaseous fuel, revenue is recognised when the electricity is sold with physical delivery on the wholesale market or when the energy is consumed by the end user (customer) at the point of consumption.

At the same time, revenue from contracts with customers is not recognised when energy is sold to another energy company and the sold volume is simultaneously repurchased from that company in the same accounting period (exchange). The result of such a transaction is recognised in the statement of comprehensive income on a net basis.

Revenue should be measured in the amount the Company expects to receive for the goods and services sold, following the reduction by value added tax (VAT), excise duty and other sales taxes. The revenue comprises only the inflows of economic benefits received or receivable to the entity's own account. Where the Company acts as an agent, the amount recognised as revenue is the commission payable to it and does not include amounts received on behalf of the principal. In the comparable period and for part of the current reporting period the Company acted as an agent for the purchase, supply and transport of coal and recognised income from the intermediary service - arranging deliveries - in its trading revenue.

In case of goods, revenues are recognised when the Company ceases to be permanently involved in the management of the goods sold to the extent such function is usually implemented in relation to goods, to which it has ownership rights, nor does it exercise effective control over them.

Revenue from sales of goods includes the total positive result on transactions related to CO_2 emission allowances, concluded within the trading portfolio, i.e. intended for sale and to generate short-term profit arising from market price fluctuations, including trading in emission allowances, fair value measurement of inventories as well as measurement and settlement of derivative commodity instruments related to CO_2 emission allowances, covered by IFRS 9 *Financial Instruments*.

In revenue from sales of services, the Company also presents revenue from the fulfilment of the capacity market obligation, which involves remaining of a Capacity Market unit in the state of readiness to supply electricity to the system and committing to supply a certain amount of capacity to the system in the period of emergency. The Company, as the capacity supplier, is obliged to fulfil the capacity obligation in favour of PSE S.A., therefore it recognises revenues received from PSE S.A. on account of the fulfilment of the capacity obligation by means of Capacity Market units owned by the TAURON Group companies. The Company assesses that as the capacity supplier it exercises control over the service provided and therefore recognises revenues from the Capacity Market as a

principal within the meaning of IFRS 15 *Revenue from contracts with customers.* At the same time, the Company recognises costs for the execution of the capacity obligation by generating units owned by subsidiaries for the needs of the Capacity Market (Note 13).

The Company classifies sales revenue as revenue provided on a continuous basis, where the performance obligation is fulfilled over time (where the Company specifically includes revenue from the sale of electricity, gas, commercial services related to the above commodities and services related to the capacity obligation in the Capacity Market) and as revenue provided at a specific point in time.

	Year ended 31 December 2025	Year ended 31 December 2024
Revenue from sales of goods and materials	**18 416**	**22 503**
Electricity	14 102	17 490
CO_2 emission allowances	3 522	3 809
Gas	791	1 203
Other	1	1
Rendering of services	**379**	**346**
Capacity Market	222	192
Trade services	103	108
Other	54	46
Total sales revenue, including:	**18 795**	**22 849**
Revenues provided on a continuous basis	*15 271*	*19 039*
Revenue provided at a specific point in time	*3 524*	*3 810*

In the year ended 31 December 2025, sales revenues decreased in relation to the comparable period and the main changes referred to sales revenues of the following goods:

- Electricity - a decline in revenue of PLN 3 388 million mainly due to the accomplishment of sales at lower prices as a consequence of market conditions and the decrease in energy prices observed in 2024 when contracting supplies for 2025;
- CO_2 emission allowances - a decline in revenue by PLN 287 million was a consequence of a lower demand for allowances in the current period compared to the corresponding period, with slightly higher sales prices at the same time. The sales in both periods related primarily to transactions carried out on behalf of the Group's generation companies in order to cover the obligation to redeem allowances arising from electricity production, the deadline for which for a given year is 30 September of the following year;
- Gas - a decline in revenue of PLN 412 million as a result of a simultaneous decrease in average selling prices as a result of market trends already evident in 2024 contracting for 2025 and lower sales volumes resulting from reduced demand for gas from external contractors.

13. Costs by type

SELECTED ACCOUNTING PRINCIPLES

The Company presents costs by function.

Costs by function include:

- cost of goods, materials and services sold incurred during a given reporting period, including any impairment losses on property, plant and equipment, intangible assets, rights to use assets, receivables and inventories,
- total costs of sales and administrative expenses incurred in the reporting period (recognised separately in the statement of comprehensive income).

Costs of goods sold include the total negative result on transactions related to CO_2 emission allowances, concluded within the trading portfolio, i.e. intended for sale and to generate short-term profit arising from market price volatility, including trading in CO_2 emission allowances, fair value measurement of inventories as well as measurement and settlement of derivative commodity instruments related to CO_2 emission allowances.

Costs that can be assigned directly to revenue generated by the Company affect profit or loss for the period which the revenue pertains to.

Costs that can only be indirectly attributed to revenues or other benefits obtained by the Company affect the profit or loss in the part in which they relate to a given reporting period, ensuring their proportionality to the revenues or other economic benefits.

	Year ended 31 December 2025	Year ended 31 December 2024
Capacity Market	(221)	(192)
Employee benefits expense	(130)	(129)
Other external services	(53)	(46)
Advertising expenses	(33)	(24)
Depreciation of property, plant and equipment, right-of-use assets and amortization of intangible assets	(11)	(11)
Allowance for expected credit losses on receivables from buyers	–	4
Other costs by type	(17)	(16)
Total costs by type	**(465)**	**(414)**
Selling and distribution expenses	33	26
Administrative expenses	152	145
Value of energy sold	(13 965)	(17 221)
Value of other goods sold	(3 899)	(4 401)
Cost of sales	**(18 144)**	**(21 865)**

In the year ended 31 December 2025, a decrease was recorded in the costs of the Company's operations compared to the corresponding period, with the main changes relating to:

- a decrease in the value (cost) of electricity sold, which results mainly from purchases of electricity at lower average prices. Lower purchase prices result from market conditions and price decrease in 2024, which translated into prices in concluded contracts with a delivery date of 2025. At the same time, TAURON Polska Energia S.A. acquired electricity volumes at a level slightly lower than in the comparable period;
- a decline in the cost of gas sold presented as part of the value of other goods sold, which is primarily related to a decline in gas purchase prices, with lower purchase volumes, particularly for the needs of securing external contractors.

14. Employee benefit expenses

	Year ended 31 December 2025	Year ended 31 December 2024
Wages and salaries	(101)	(104)
Social security costs	(17)	(16)
Costs of employee retirement plans and post-employment benefits expenses	(4)	(5)
Other employee benefits expenses	(8)	(4)
Total	**(130)**	**(129)**
Items included in cost of sales	(18)	(19)
Items included in selling and distribution expenses	(12)	(11)
Items included in administrative expenses	(100)	(99)

15. Financial revenues and costs

SELECTED ACCOUNTING PRINCIPLES

Financial revenues and costs comprising, in particular, revenues and costs related to:

- dividend income;
- interest,
- revaluation of financial instruments, excluding the effective portion of the change in the valuation of derivative financial instruments hedging cash flows and subject to hedge accounting, the effects of which are recognised in other comprehensive income and transferred to the revaluation reserve for hedging instruments and commodity derivatives covered by IFRS 9 *Financial Instruments*, whose gains/losses on revaluation and realisation are presented in operating activities, where the results on related commodity trading are recognised;
- disposal/liquidation of financial assets;
- changes in the balance of a provision resulting from the nearing deadline to incur the expense (discount unwinding effect);
- foreign exchange differences resulting from transactions performed during the reporting period and balance sheet measurement of assets and liabilities at the end of the reporting period, except for exchange differences recognized in the initial value of a fixed asset.

Transactions expressed in currencies other tan Polish zloty are converted into Polish zlotys at initial recognition according to the average exchange rate determined for a given currency by the National Bank of Poland as at the day preceding such a day. As at the balance sheet day:

- monetary items are converted applying the closing exchange rate (the average exchange rate determined for a given currency by the National Bank of Poland on that day is deemed the closing exchange rate),
- non-monetary items measured at historical cost in foreign currency are converted applying the exchange rate as at the day of original transaction, and
- non-monetary items measured at the fair value in foreign currency are converted applying the exchange rate as at the day of determining the fair value.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and balance sheet valuation of monetary assets and liabilities denominated in foreign currencies are recognised in the financial result of the period (in the financial revenues(costs). Currency gains or losses representing a part of borrowing costs eligible for capitalisation, are recognised in the value of the relevant assets.

For the purpose of balance sheet valuation, the following exchange rates were applied:

Currency	As at 31 December 2025	As at 31 December 2024
EUR	4.2267	4.2730
USD	3.6016	4.1012
CZK	0.1746	0.1699

	Year ended 31 December 2025	Year ended 31 December 2024 *(restated figures)*
Dividend income	2 547	1 336
Interest income on loans	501	848
Interest expense	(715)	(760)
Result on derivative instruments	(228)	(302)
Revaluation of shares	182	551
Revaluation of loans	524	(1 994)
Other finance income and costs, of which:	**75**	**127**
Exchange differences	33	82
Other interest income	24	31
Commissions due to external financing	(23)	(22)
Other finance income	53	43
Other finance costs	(12)	(7)
Total, of which:	**2 886**	**(194)**
Income and costs from financial instruments	2 854	(214)
Other finance income and costs	32	20

The increase in dividend income results mainly from the recognition of a dividend from the subsidiary TAURON Dystrybucja S.A. in the amount of PLN 2 160 million in the current period. In the comparable period, the Company received a dividend from TAURON Dystrybucja S.A. in the amount of PLN 937 million.

The decline in interest income on loans results mainly from lower interest income on the loan granted to the subsidiary, TAURON Wytwarzanie S.A. in relation to the comparable period, which is associated with the reduction in the carrying amount of the loan underlying interest accrued as a result of cash flow analyses carried out as at 30 June 2024.

The result on derivatives relates to currency derivatives, mainly hedging the foreign exchange risk associated with the purchase of CO_2 emission allowances. On 1 October 2025, the Company included FX Forward derivatives hedging the acquisition of CO_2 emission allowances for sale to companies for the purpose of meeting their CO_2 emission redemption obligations in hedge accounting. The change in the valuation of instruments until the date of their inclusion in hedge accounting and after the date of inclusion in the ineffective portion was recognised as a result of derivative instruments. The result on derivative instruments also includes changes in the valuation of other derivatives not included in hedge accounting. Derivatives and the hedge accounting used by the Company are described in Notes 22 and 37.3 of these separate financial statements.

The revaluation of shares results mainly from the partial reversal, as a result of impairment tests, of the impairment loss on shares in TAURON Ciepło Sp. z o.o. in the amount of PLN 189 million, which is described in more detail in Note 11 of these separate financial statements.

The revaluation of loans relates to the revaluation of the following categories of loans.

	Year ended 31 December 2025	Year ended 31 December 2024
Change in the valuation of loans measured at fair value, including:	**202**	**(60)**
loans granted to the joint venture of Elektrociepłownia Stalowa Wola S.A.	15	122
loans granted to subsidiaries	187	(182)
Change in the value of loans measured at amortized cost, including loans granted:	**322**	**(1 934)**
TAURON Wytwarzanie S.A. company	203	(1 932)
other subsidiaries	84	17
from transactions within the cash pool service	35	(19)
Total	**524**	**(1 994)**

16. Income tax

SELECTED ACCOUNTING PRINCIPLES

Current Tax

Income tax recognised in the result of the period comprises real tax burden for a given reporting period determined by the Company in accordance with the binding provisions of the Act on corporate income tax and potential adjustments of tax settlements for previous years.

Deferred Tax

The accounting policy related to deferred tax is described in Note 25 to these separate financial statements.

16.1. Tax expense in the statement of comprehensive income

	Year ended 31 December 2025	Year ended 31 December 2024
Current income tax	**–**	**(6)**
Current income tax burden	–	(5)
Current income tax adjustments from previous years	–	(1)
Deferred tax	**(44)**	**(101)**
Income tax expense in profit/(loss)	**(44)**	**(107)**
Income tax expense relating to other comprehensive income	40	18

16.2. Reconciliation of the effective tax rate

	Year ended 31 December 2025	Year ended 31 December 2024
Profit (loss) before tax	**3 351**	**617**
Tax at Poland's statutory tax rate of 19%	**(637)**	**(117)**
Dividends received	484	254
Settlement of Tax Capital Group	(26)	18
Changes in the estimate for deferred income tax assets	97	16
Use of tax losses from previous years	12	–
Revaluation of the value of assets	36	(278)
Other	(10)	–
Income tax at the effective tax rate of 1.3% (2024: 17.3%)	**(44)**	**(107)**

17. Earnings/(loss) per share

SELECTED ACCOUNTING PRINCIPLES

Net profit (loss) per share for each period is calculated by dividing the net profit (loss) attributable to ordinary shareholders for a given reporting period by the weighted average number of ordinary shares in the specific reporting period.

The calculation of diluted earnings per share is consistent with the calculation of earnings per share, however, the calculation must also take into account the existence of dilutive potential ordinary shares. As at the balance sheet date, there are no dilutive potential ordinary shares.

	Year ended 31 December 2025	Year ended 31 December 2024
Basic and diluted net profit per share (in PLN)	1.89	0.29

The figures for calculating the earnings per share presented in the statement of comprehensive income are presented below.

	Year ended 31 December 2025	Year ended 31 December 2024
Net profit attributable to ordinary shareholders	3 307	510
Number of ordinary shares	1 752 549 394	1 752 549 394

EXPLANATORY NOTES TO THE SEPARATE STATEMENT OF FINANCIAL POSITION

18. Investment real estate

SELECTED ACCOUNTING PRINCIPLES

At initial recognition, the investment property is measured at acquisition costs or manufacturing cost including transaction costs. Following the initial recognition, the Company measures all investment real estate held in accordance with the model based on the purchase price or manufacturing cost described in IAS 16 *Property, Plant and Equipment*. This means that the Company gradually depreciates the real estate throughout the period of its useful life.

As of 31 December 2025 the Company did not recognise investment real estate. At the end of the comparative period, the investment real estate is composed of the perpetual usufruct right to land and buildings located in Katowice, at Lwowska street, with a carrying value of PLN 18 million, leased to a subsidiary. Due to the ongoing process of selling the above assets to the subsidiary, as at the balance sheet date of 31 December 2025, the Company assessed that the property met the conditions for classification as an asset held for sale and consequently reclassified it in the statement of financial position.

After the balance sheet date, on 2 February 2026, an agreement was concluded for the sale of the above property by the Company to the subsidiary for a total amount of PLN 33 million.

19. Right-of-use assets

SELECTED ACCOUNTING PRINCIPLES

The rights to use the Company assets mainly arise from concluded lease agreements for office space and warehouse premises, car rental and the perpetual usufruct of land.

An agreement for rental, lease or a part thereof, or other agreement or a part of an agreement of a similar nature under which the right to control the use of an asset for a given period is transferred in exchange for remuneration is classified as a lease. Lease classification is performed at the date of commencement of the lease, based on the economic content of the agreement, not on its legal form.

At the date of commencement of the lease, a right-of-use assets is recognised for use and a liability for the lease.

The Company's right-of-use assets were measured upon the commencement of the lease at the cost including the amount of the initial measurement of the lease liability.

After the initial recognition, a right-of-use asset is measured at cost less accumulated depreciation and/or amortization and impairment write-down and adjusted for the revaluation of the lease liability. Depreciation and/or amortization principles applied to assets used under leases are consistent with those applied to depreciation and/or amortization of assets owned by the Company.

PROFESSIONAL JUDGEMENT AND ESTIMATES

At the date of commencement of the lease, the Company measures an rights-of-use assets including in the current value of the lease payments remaining to be paid on that date. Lease payments are discounted using the interest rate of the lease if that rate can be easily determined. Otherwise, the Company applies the marginal interest rate, in accordance with the methodology adopted for application.

If there is no reasonable certainty that the Company will obtain ownership by the end of the lease term the asset item is fully depreciated over the shorter of the lease term and its useful life.

	Year ended 31 December 2025			Year ended 31 December 2024		
	Buildings and premises	Motor vehicles	Total	Buildings and premises	Motor vehicles	Total
COST						
Opening balance	**52**	**2**	**54**	**52**	**2**	**54**
Increase/(decrease) due to lease changes	9	1	**10**	–	–	**–**
Other	–	(1)	**(1)**	–	–	**–**
Closing balance	**61**	**2**	**63**	**52**	**2**	**54**
ACCUMULATED DEPRECIATION						
Opening balance	**(49)**	**(1)**	**(50)**	**(41)**	**(1)**	**(42)**
Depreciation for the period	(8)	(1)	**(9)**	(8)	–	**(8)**
Other	–	1	**1**	–	–	**–**
Closing balance	**(57)**	**(1)**	**(58)**	**(49)**	**(1)**	**(50)**
NET CARRYING AMOUNT AT THE BEGINNING OF THE PERIOD	**3**	**1**	**4**	**11**	**1**	**12**
NET CARRYING AMOUNT AT THE END OF THE PERIOD	**4**	**1**	**5**	**3**	**1**	**4**

20. Shares

SELECTED ACCOUNTING PRINCIPLES

Shares in subsidiaries and jointly controlled entities

Shares in subsidiaries and a joint venture are shown at purchase price, less impairment allowances, if any. Impairment allowances are recognized in line with IAS 36 *Impairment of Assets*, where the carrying amount is compared to the higher of the fair value less costs to sell and the value in use.

Shares in other entities

Shares in entities other than subsidiaries and jointly controlled entities held at the balance sheet date are measured by the Company at a fair value through profit or loss.

PROFESSIONAL JUDGEMENT AND ESTIMATES

As at every balance sheet date the Company assesses if there is any objective indication that the Shares item may be impaired. Should material impairment indications occur, the Company is obliged to carry out impairment tests of shares and recognize an impairment loss or reverse an existing one.

Pursuant to IFRS 9 *Financial Instruments*, the Company classifies and measures at fair value shares in entities other than subsidiaries and jointly-controlled entities. The methodology for calculating fair value is presented in Note 37.1 of these separate financial statements.

Change in shareholding for the year ended 31 December 2025

No.	Company	Gross value			Impairment losses			Net value	
		Opening balance	(Decreases) Increases	Closing balance	Opening balance	Decreases (Increases)	Closing balance	Opening balance	Closing balance
	Consolidated subsidiaries								
1	TAURON Wytwarzanie S.A.	8 482	–	8 482	(8 482)	–	(8 482)	–	**–**
2	TAURON Ciepło Sp. z o.o.	1 928	–	1 928	(639)	189	(450)	1 289	**1 478**
3	TAURON Ekoenergia Sp. z o.o.	1 940	–	1 940	–	–	–	1 940	**1 940**
4	TAURON Zielona Energia Sp. z o.o.	600	730	1 330	–	–	–	600	**1 330**
5	TAURON Dystrybucja S.A.	10 512	37	10 549	–	–	–	10 512	**10 549**
6	TAURON Nowe Technologie S.A.	650	–	650	–	–	–	650	**650**
7	TAURON Sprzedaż Sp. z o.o.	614	–	614	–	–	–	614	**614**
8	TAURON Sprzedaż GZE Sp. z o.o.	130	–	130	–	–	–	130	**130**
9	Kopalnia Wapienia Czatkowice Sp. z o.o.	41	–	41	–	–	–	41	**41**
10	Polska Energia-Pierwsza Kompania Handlowa Sp. z o.o.	90	–	90	(90)	–	(90)	–	**–**
11	TAURON Obsługa Klienta Sp. z o.o.	40	–	40	–	–	–	40	**40**
12	Finanse Grupa TAURON Sp. z o.o.	28	–	28	(24)	–	(24)	4	**4**
13	TAURON Inwestycje Sp. z o.o.	95	16	111	(95)	–	(95)	–	**16**
14	Other	14	5	19	–	–	–	14	**19**
	Joint ventures								
15	TAMEH HOLDING Sp. z o.o.	416	–	416	(221)	–	(221)	195	**195**
	Entities measured at fair value								
16	EEC Magenta Sp. z o.o. ASI spółka komandytowo–akcyjna	4	–	4	–	–	–	4	**4**
17	EEC Magenta Sp. z o.o. 2 ASI spółka komandytowo–akcyjna	39	(6)	33	–	–	–	39	**33**
18	ElectroMobility Poland S.A.	5	–	5	–	–	–	5	**5**
19	Other	8	4	12	–	–	–	8	**12**
	Total	**25 636**	**786**	**26 422**	**(9 551)**	**189**	**(9 362)**	**16 085**	**17 060**

The most significant changes in shareholding in the year ended 31 December 2025 referred to the following subsidiaries:

- TAURON Zielona Energia Sp. z o.o. - as a result of the share capital increase, TAURON Polska Energia S.A. acquired 145 190 shares for PLN 726 million. Moreover, due to the separation of the organised part of the enterprise from TAURON Inwestycje Sp. z o.o. to TAURON Zielona Energia Sp. z o.o., the Company reclassified the value of the shares, increasing the value of shares in TAURON Zielona Energia Sp. z o.o. by PLN 4 million.
- TAURON Ciepło Sp. z o.o. - as a result of impairment tests carried out as at the balance sheet date, a partial reversal of the impairment loss of PLN 189 million was recognised for the shares held;
- TAURON Dystrybucja S.A. - shares were redeemed from minority shareholders for an amount of PLN 37 million, as a result of which, as of 15 May 2025, the Company exercises 100% of the rights from TAURON Dystrybucja S.A. shares;
- TAURON Inwestycje Sp. z o.o. (currently: TAURON H2 Sp. z o.o.) - as a result of the share capital increase, TAURON Polska Energia S.A. acquired 2 000 shares for PLN 20 million. Moreover, due to the separation of the organised part of the enterprise from TAURON Inwestycje Sp. z o.o. to TAURON Zielona Energia Sp. z o.o., The Company reclassified the value of shares in the amount of PLN 4 million, reducing the value of shares in TAURON Inwestycje Sp. z o.o. by this amount.

Change in shareholding for the year ended 31 December 2024

No.	Company	Gross value			Impairment losses			Net value	
		Opening balance	(Decreases) Increases	Closing balance	Opening balance	Decreases (Increases)	Closing balance	Opening balance	Closing balance
	Consolidated subsidiaries								
1	TAURON Wytwarzanie S.A.	8 482	–	8 482	(8 482)	–	(8 482)	–	**–**
2	TAURON Ciepło Sp. z o.o.	1 928	–	1 928	(1 224)	585	(639)	704	**1 289**
3	TAURON Ekoenergia Sp. z o.o.	1 940	–	1 940	–	–	–	1 940	**1 940**
4	TAURON Zielona Energia Sp. z o.o.	600	–	600	–	–	–	600	**600**
5	TAURON Dystrybucja S.A.	10 512	–	10 512	–	–	–	10 512	**10 512**
6	TAURON Nowe Technologie S.A.	650	–	650	–	–	–	650	**650**
7	TAURON Sprzedaż Sp. z o.o.	614	–	614	–	–	–	614	**614**
8	TAURON Sprzedaż GZE Sp. z o.o.	130	–	130	–	–	–	130	**130**
9	Kopalnia Wapienia Czatkowice Sp. z o.o.	41	–	41	–	–	–	41	**41**
10	Polska Energia-Pierwsza Kompania Handlowa Sp. z o.o.	90	–	90	(90)	–	(90)	–	**–**
11	TAURON Obsługa Klienta Sp. z o.o.	40	–	40	–	–	–	40	**40**
12	Finanse Grupa TAURON Sp. z o.o.	28	–	28	(24)	–	(24)	4	**4**
13	TAURON Inwestycje Sp. z o.o.	95	–	95	(95)	–	(95)	–	**–**
14	Other	5	9	14	–	–	–	5	**14**
	Joint ventures								
15	TAMEH HOLDING Sp. z o.o.	416	–	416	(212)	(9)	(221)	204	**195**
	Entities measured at fair value								
16	EEC Magenta Sp. z o.o. ASI spółka komandytowo–akcyjna	5	(1)	4	–	–	–	5	**4**
17	EEC Magenta Sp. z o.o. 2 ASI spółka komandytowo–akcyjna	54	(15)	39	–	–	–	54	**39**
18	ElectroMobility Poland S.A.	10	(5)	5	–	–	–	10	**5**
19	Other	7	1	8	–	–	–	7	**8**
	Total	**25 647**	**(11)**	**25 636**	**(10 127)**	**576**	**(9 551)**	**15 520**	**16 085**

21. Loans granted

SELECTED ACCOUNTING PRINCIPLES

Loans granted by the Company include term loans granted to subsidiaries, cash pool loans and loans granted to the joint venture. Loans are classified as financial assets measured at amortized cost or as financial assets measured at fair value through profit or loss. Loans with a maturity date exceeding 12 months from the balance sheet date are classified as fixed assets while loans with a maturity date not exceeding 12 months from the balance sheet date as current assets, taking into account the expectations as regards the loan repayment as at balance sheet day (intentions regarding the maturity period extension or its refinancing).

PROFESSIONAL JUDGEMENT AND ESTIMATES

The Company makes appropriate classification and valuation of the loans granted. Loans granted with a maturity of less than one year, in respect of which an extension of the repayment period or refinancing is planned, or in respect of which an analysis of the company's estimated cash flows has shown that it is reasonable to postpone repayment of the loan, are classified as long-term instruments. As at 31 December 2025, the nominal value of the aforementioned loans amounted to PLN 828 million.

Loan granted to the subsidiary TAURON Wytwarzanie S.A. with a nominal value of PLN 4 863 million (with contractually accrued interest of PLN 5 352 million) was valued as at the balance sheet date, taking into account the partial repayment of the loan planned in the first quarter of 2026. The remaining nominal value of the loan and contractually accrued interest will be converted into shares of the company (by increasing the share capital of TAURON Wytwarzanie S.A. and concluding an agreement to set off the Company's receivables towards TAURON Wytwarzanie S.A. from the intra-group loan agreement with the receivable of TAURON Wytwarzanie S.A. towards the Company for making a contribution to cover the increased share capital). The valuation of the loan as at the balance sheet date, taking into account partial repayment, amounted to PLN 1 439 million and was presented in short-term loans granted.

In accordance with the requirements of IFRS 9 *Financial Instruments*, in case of loans measured at amortised cost, the Company estimates the amount of impairment losses on loans, as described in detail below and in Note 38.1.1 of these separate financial statements. The Company estimates the fair value of loans classified as measured at a fair value. The measurement methodology is described in Note 37.1 to these separate financial statements.

Loans measured at a fair value are mainly classified as loans to companies in the Renewable Energy segment. In the case of loans granted to the subsidiaries of the Renewable Energy Sources segment in TAURON Group under which investment projects in the form of the construction of wind and photovoltaic farms are carried out, representing the only or main source of financing for the purchase of non-financial fixed assets (the borrower's equity is intangible at the moment of granting the loan) by these entities, the Company assesses that the characteristics of the contractual cash flows do not correspond only to the repayment of the principal amount and interest on the outstanding principal amount and also includes an element related to the Company bearing the risk associated with the operating activities of companies in the Renewable Energy Sources segment, therefore such loans are measured at fair value through profit or loss.

Loans granted to the joint venture are classified as financial assets measured at fair value through profit or loss. The fair value is estimated in accordance with the measurement methodology described in note 37.1 of these separate financial statements.

Balances of loans granted by the Company as at 31 December 2025 and 31 December 2024 are presented in the table below.

	As at 31 December 2025			As at 31 December 2024		
	Gross value	Impairment loss	Carrying amount	Gross value	Impairment loss	Carrying amount
Loans measured at amortized cost	**8 661**	**(17)**	**8 644**	**8 484**	**(63)**	**8 421**
Loans granted to subsidiaries	8 537	(16)	**8 521**	8 401	(27)	**8 374**
Loans granted under cash pool agreement	124	(1)	**123**	83	(36)	**47**
Loans measured at fair value	**2 552**	**n.a.**	**2 552**	**1 988**	**n.a.**	**1 988**
Loans granted to subsidiaries	2 058	n.a.	**2 058**	1 509	n.a.	**1 509**
Loans granted to EC Stalowa Wola S.A.	494	n.a.	**494**	479	n.a.	**479**
Total	**11 213**	**(17)**	**11 196**	**10 472**	**(63)**	**10 409**
Non-current	9 323	(16)	**9 307**	9 914	(26)	**9 888**
Current	1 890	(1)	**1 889**	558	(37)	**521**

21.1. Loans granted to subsidiaries

Company	Maturity date according to agreement	As at 31 December 2025				As at 31 December 2024			
		Outstanding principal and contractual interest accrued	Gross value	Impairment loss	Carrying amount	Outstanding principal and contractual interest accrued	Gross value	Impairment loss	Carrying amount
Loans measured at amortized cost		**13 492**	**8 537**	**(16)**	**8 521**	**12 269**	**8 401**	**(27)**	**8 374**
TAURON Dystrybucja S.A.	2026-2049	7 083	6 041	(15)	**6 026**	5 963	5 923	(19)	**5 904**
TAURON Wytwarzanie S.A.	2026-2030	5 352	1 439	–	**1 439**	4 881	1 128	–	**1 128**
TAURON Ciepło Sp. z o.o.	2026-2033	914	914	(1)	**913**	949	949	(7)	**942**
TAURON Nowe Technologie S.A.	2026-2028	68	68	–	**68**	33	33	–	**33**
TAURON Zielona Energia Sp. z o.o.	2026-2033	62	62	–	**62**	–	–	–	**–**
Finadvice Polska 1 Sp. z o.o.	2028	11	11	–	**11**	22	22	–	**22**
TAURON Ekoenergia Sp. z o.o.		–	–	–	**–**	160	160	–	**160**
TAURON Obsługa Klienta Sp. z o.o.		–	–	–	**–**	131	131	(1)	**130**
TAURON Inwestycje Sp. z o.o.		–	–	–	**–**	75	–	–	**–**
AE ENERGY 7 Sp. z o.o.		–	–	–	**–**	27	27	–	**27**
Other	2026	2	2	–	**2**	28	28	–	**28**
Loans measured at fair value		**2 185**	**2 058**	**n.a.**	**2 058**	**1 689**	**1 509**	**n.a.**	**1 509**
Finadvice Polska 1 Sp. z o.o.	2028-2038	932	891	n.d.	**891**	97	91	n.a.	**91**
"MEGAWATT S.C." Sp. z o.o.	2026-2038	366	379	n.a.	**379**	366	387	n.a.	**387**
WIND T2 Sp. z o.o.	2026-2034	213	191	n.a.	**191**	103	87	n.a.	**87**
AE ENERGY 7 Sp. z o.o.	2027-2032	195	171	n.a.	**171**	178	144	n.a.	**144**
WIND T4 Sp. z o.o.	2026-2038	183	161	n.a.	**161**	183	152	n.a.	**152**
FF Park PV1 Sp. z o.o.	2026-2034	146	141	n.a.	**141**	160	144	n.a.	**144**
Windpower Gamów Sp. z o.o.	2040	56	39	n.a.	**39**	263	214	n.a.	**214**
TAURON Ekoenergia Sp. z o.o.	2026-2032	36	35	n.a.	**35**	42	40	n.a.	**40**
WIND T30MW Sp. z o.o.	2040	30	21	n.a.	**21**	266	219	n.a.	**219**
TAURON Ciepło Sp. z o.o.	2026-2034	28	29	n.a.	**29**	31	31	-	**31**
Total		**15 677**	**10 595**	**(16)**	**10 579**	**13 958**	**9 910**	**(27)**	**9 883**
Non-current			8 829	(16)	**8 813**		9 425	(26)	**9 399**
Current			1 766	–	**1 766**		485	(1)	**484**

Loans granted to subsidiaries bear a fixed interest rate.

In the year ended 31 December 2025, the Company granted loan tranches to its subsidiary, TAURON Dystrybucja S.A. under the intra-group loan agreements, in the total nominal value of PLN 1 659 million, from the funds of the National Recovery and Resilience Plan received by the Company under the loan agreements concluded with Bank Gospodarstwa Krajowego. The carrying amount of the loans granted as at 31 December 2025 in the amount of PLN 639 million takes into account the preferential nature of the funding, as discussed in more detail in Note 30.1 of these separate financial statements.

The increase in the value of the loan granted to TAURON Wytwarzanie S.A. was mainly related to the planned partial repayment of the loan and its partial conversion into shares of TAURON Wytwarzanie S.A. (by increasing the share capital of TAURON Wytwarzanie S.A. and concluding an agreement to set off the Company's receivables towards TAURON Wytwarzanie S.A. from the intra-group loan agreement with the receivable of TAURON Wytwarzanie S.A. towards the Company for making a contribution to cover the increased share capital), as a result of which the valuation of the loan as at the balance sheet date, taking into account the above activities and the resulting estimated future cash flows, increased by PLN 203 million as at the balance sheet date.

Change in loans measured at amortised cost and impairment losses

	Year ended 31 December 2025		
	Level 1: allowance equal to expected credit losses in a 12 month period (no impairment)	Loans recognized as impaired at the time of granting	Total
Gross value			
Opening balance	**7 273**	**1 128**	**8 401**
Loan repayment	(3 795)	–	**(3 795)**
Loan granting	4 528	–	**4 528**
Increase of value	75	203	**278**
Initial valuation of a preferential loan	(1 030)	–	**(1 030)**
Interest accrued	356	108	**464**
Interest received	(309)	–	**(309)**
Closing balance	**7 098**	**1 439**	**8 537**
Impairment loss			
Opening balance	**(27)**	**–**	**(27)**
Reversal	11	–	**11**
Closing balance	**(16)**	**–**	**(16)**
Net carrying amount at the beginning of the period	**7 246**	**1 128**	**8 374**
Net carrying amount at the end of the period	**7 082**	**1 439**	**8 521**

	Year ended 31 December 2024		
	Level 1: allowance equal to expected credit losses in a 12 month period (no impairment)	Loans recognized as impaired at the time of granting	Total
Gross value			
Opening balance	**6 933**	**3 068**	**10 001**
Loan repayment	(310)	(8)	**(318)**
Loan granting	622	–	**622**
Loss of value	–	(1 932)	**(1 932)**
Interest accrued	323	464	**787**
Interest received	(295)	(464)	**(759)**
Closing balance	**7 273**	**1 128**	**8 401**
Impairment loss			
Opening balance	**(35)**	**–**	**(35)**
Reversal	8	–	**8**
Closing balance	**(27)**	**–**	**(27)**
Net carrying amount at the beginning of the period	**6 898**	**3 068**	**9 966**
Net carrying amount at the end of the period	**7 246**	**1 128**	**8 374**

In the year ended 31 December 2025 and in the comparable period, the Company did not have any loans granted to subsidiaries measured at amortized cost for which the allowance for expected credit losses was calculated at stage 2 (allowance for expected credit losses over the entire life - without impairment) and 3 (allowance for expected credit losses over the entire life - with impairment).

21.2. Loans to joint ventures

	As at 31 December 2025		As at 31 December 2024		Contractual date repayment	Interest rate
	Repayable principal amount and interest contractually accrued	Carrying amount	Repayable principal amount and interest contractually accrued	Carrying amount		
Loans granted to EC Stalowa Wola S.A.	810	494	768	479	30/06/2033	fixed
Total, of which:	**810**	**494**	**768**	**479**		
Non-current		494		479		

21.3. Loans granted under the cash pool service

In order to optimise cash and liquidity management, TAURON Group applies the cash pool service mechanism. Cash pooling is implemented under the agreement of 28 November 2024 concluded with the bank for the operation of a cash management system for a group of accounts, with the effective term until 6 December 2027. As a result of the cash pool mechanism, cash is transferred between the accounts of the service participants and the pool leader's account whose function is performed by TAURON Polska Energia S.A.

The balance of receivables generated as a result of cash pool transactions as at 31 December 2025 and 31 December 2024 is presented in the table below.

	As at 31 December 2025			As at 31 December 2024		
	Gross value	Impairment loss	Carrying amount	Gross value	Impairment loss	Carrying amount
Receivables from cash pool transactions	123	(1)	**122**	83	(36)	**47**
Interest receivable from cash pool transactions	1	–	**1**	–	–	**–**
Total	**124**	**(1)**	**123**	**83**	**(36)**	**47**
Non-current	–	–	**–**	10	–	**10**
Current	124	(1)	**123**	73	(36)	**37**

Information concerning cash pool liabilities is presented in Note 30.4 to these separate financial statements.

22. Derivatives

SELECTED ACCOUNTING PRINCIPLES

Derivatives

Derivative financial instruments within the scope of IFRS 9 *Financial Instruments* are classified as financial assets/liabilities measured at a fair value through profit or loss, except for derivatives designated as hedging instruments and covered by hedge accounting. Agreements for the purchase or sale of non-financial items that can be settled on a net basis, concluded and held for the purpose of receiving or delivering non-financial items in accordance with the entity's expected needs as excluded from the scope of IFRS 9 *Financial Instruments*, are not subject to measurement as at the balance sheet day.

Derivatives classified as “financial assets/financial liabilities measured at fair value through profit or loss” are measured at a fair value, taking into account their market value as at the balance sheet date. Changes in the fair value of these instruments are recognised in the result of the period (commodity derivatives in operating income/expenses, other derivatives in financial income/expenses). Derivatives are disclosed as assets if their value is positive or as liabilities if their value if negative.

Hedge accounting

Since 1 October 2025 the Company has applied the accounting principles in relation to hedging instruments subject to hedge accounting in accordance with IFRS 9 *Financial Instruments*. The accounting policy related to hedge accounting and accounting recognition is described in Note 37.3 to these separate financial statements.

PROFESSIONAL JUDGEMENT AND ESTIMATES

The Company estimates fair value at each balance sheet day using the methodology described in the table below.

Derivative	Methodology for determining the fair value	As at 31 December 2025	Application of hedge accounting
IRS	The difference in discounted interest cash flows based on a floating interest rate and a fixed interest rate. The data input is the interest rate curve from the LSEG Workspace platform.	IRS (Interest Rate Swap) instruments are used to hedge a part of the interest rate risk in relation to the cash flows associated with the 6M WIBOR exposure designated under the dynamic risk management strategy, i.e. interest on bonds and a loan with a total nominal value of PLN 1 080 million, for periods expiring consecutively in the years 2026-2029. In accordance with the terms of the transaction, the Company pays interest accrued based on a fixed interest rate in PLN, while receiving payments at a floating interest rate in PLN.	Covered by hedge accounting
Currency forward	The difference in discounted future cash flows between the forward price as at the valuation date and the transaction price, multiplied by the nominal value of the contract in foreign currency. The input data comprise the NBP fixing and the interest rate curve implied from the FX swap transaction for the relevant currency from the LSEG Workspace platform.	FX forward derivatives comprise forward transactions aimed to hedge currency flows generated due to the purchase of CO_2 emission allowances.	Covered by hedge accounting
		FX forward derivatives comprise forward transactions to hedge currency flows generated from operations, in the scope of the Company's other transactions unrelated to the purchase of CO_2 emission allowances.	Measured at a fair value through the profit and loss other than subject to hedge accounting
CCIRS	The difference in the discounted interest cash flows of the stream paid and the stream received, in two different currencies, expressed in the valuation currency. The input data are interest rate curves, basis spreads and the NBP fixing for the relevant currencies from the LSEG Workspace platform.	CCIRS (Coupon Only Cross Currency Swap fixed-fixed) derivatives are designed to hedge foreign exchange flows generated by interest payments on issued Eurobonds. CCIRS derivatives involve the exchange of interest payments in a total nominal value of EUR 500 million. The transaction matures in July 2027. In accordance with the terms of the transaction, the Company pays interest accrued based on a fixed interest rate in PLN, while receiving payments at a fixed interest rate in EUR.	Measured at a fair value through the profit and loss other than subject to hedge accounting

Commodity forward/futures	The fair value of forward transactions for the purchase and sale of commodities is determined based on prices quoted in an active market or based on cash flows representing the difference between the price reference index (forward curve) and the contract price.	Commodity derivatives comprise forward transactions for the purchase and sale of CO_2 emission allowances.	Measured at a fair value through the profit and loss other than subject to hedge accounting

The measurement of derivatives as at the respective balance sheet dates is presented in the table below:

	As at 31 December 2025				As at 31 December 2024			
	Total		Charged to profit or loss	Charged to revaluation reserve from valuation of hedging instruments	Total		Charged to profit or loss	Charged to revaluation reserve from valuation of hedging instruments
	Assets	**Liabilities**			**Assets**	**Liabilities**		
Derivatives subject to hedge accounting								
IRS	**60**	**–**	1	59	**185**	**–**	10	175
Currency forwards*	**–**	**(290)**	(180)	(110)	**n.a.**	**n.a**	n.a.	n.a.
Derivative instruments measured at fair value through profit or loss and not covered by hedge accounting								
CCIRS	**–**	**(11)**	(11)	n.a.	**–**	**(10)**	(10)	n.a.
Commodity forwards/futures	**46**	**(46)**	–	n.a.	**64**	**(64)**	–	n.a.
Currency forwards	**5**	**(5)**	–	n.a.	**7**	**(365)**	(358)	n.a.
Total	**111**	**(352)**			**256**	**(439)**		
Non-current	45	(91)			90	(64)		
Current	66	(261)			166	(375)		

**The valuation of forward currency contracts at the balance sheet date includes the change in valuation for the period before the hedging relationship was established, which is recognised in the financial result, i.e. outside hedge accounting.*

The derivatives shown in the table above relate to futures contracts covered within the scope of IFRS 9 *Financial Instruments.*

On 1 October 1 2025, the Company established hedging relationships and included in hedge accounting derivatives such as forward currency instruments hedging the currency risk for purchases of CO_2 emission allowances in EUR. The change in the valuation prior to the implementation of hedge accounting, i.e. in the period until 30 September 2025, was recognised in the statement of profit or loss. After that date, the change in the effective portion of the valuation is recognised in other comprehensive income.

23. Other financial assets

SELECTED ACCOUNTING PRINCIPLES

Other financial assets include, inter alia, bid bonds, deposits, security provided, including deposits from settlements on foreign exchanges and funds contributed under the Guarantee Fund to Izba Rozliczeniowa Giełd Towarowych S.A. in connection with the Company's transactions on the Power Exchange and receivables from income tax settlements from companies in the Tax Capital Group.

PROFESSIONAL JUDGEMENT AND ESTIMATES

As required by IFRS 9 *Financial Instruments*, the Company estimates the amount of the allowance for expected credit losses for other financial assets measured at amortised cost.

	As at 31 December 2025	As at 31 December 2024
Receivables arising from income tax settlements of the TCG companies	599	22
Bid bonds, deposits, collateral transferred	13	37
Dividend receivables from TAMEH HOLDING Sp. z o.o.	–	32
Other	34	65
Total	**646**	**156**
Non-current	–	33
Current	646	123

Receivables due to income tax settlements of the Tax Capital Group companies are described in more detail in Note 33 to these separate financial statements.

The decline in the amount of deposits, security deposits and collaterals transferred is related mainly to the decrease in the balance of funds transferred within the Guarantee Fund to Izba Rozliczeniowa Giełd Towarowych S.A. (the Commodity Clearing House) by PLN 23 million.

24. Other non-financial assets

SELECTED ACCOUNTING PRINCIPLES

The company recognises mainly advance payments for deliveries, accruals and settlements of taxes and fees as other non-financial assets, with the exception of income tax, which is presented as a separate item in the statement of financial position.

Prepayments are determined at a level of expenditure incurred, determined reasonably, referring to future periods, which will result in future inflows of economic benefits to the entity. Write-downs on prepayments of costs may be applied adequately to the lapse of time or the level of benefits.

	As at 31 December 2025	As at 31 December 2024
Prepaid fee on debt	12	10
Other	11	12
Total	**23**	**22**
Non-current	16	17
Current	7	5

25. Deferred income tax

SELECTED ACCOUNTING PRINCIPLES

Deferred Tax

In connection with temporary differences between the value of assets and liabilities recognised in the accounts and their tax value as well as tax loss deductible in the future, the Company recognises the liability and determines assets due to deferred income tax.

The carrying amount of a component of assets due to deferred income tax is verified as at each balance sheet date. The Company decreases the carrying amount of a component of assets due to deferred income tax to the extent it is improbable to achieve taxable income sufficient for the partial or full realisation of the component of assets due to deferred income tax. Unrecognised assets due to deferred income tax are subject to verification as at each balance sheet date and recognised to the extent it becomes probable that the future taxable income will enable their realisation. The Company recognises deferred tax assets for deductible temporary differences associated with investments in subsidiaries only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the deductible temporary differences can be utilised.

Assets due to deferred income tax and the liability due to deferred income tax are measured by applying tax rates which, according to the expectations will be applied if the component of assets is realised or if the liability is reversed, adopting as a base tax rates (and tax regulations) which were legally applicable or in relation to which the legislative process has been, in principle, completed as at the balance sheet date.

Income tax relating to items recognised outside the profit or loss, i.e. items recognised in other comprehensive income or directly in equity, is recognised in other comprehensive income or equity, respectively.

The Company sets off deferred tax assets against deferred tax liabilities when it has a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax asset and liability relate to the same tax authority.

The Company does not recognize deferred tax assets and liabilities related to the minimum top-up tax, nor does it disclose information about these assets and liabilities.

PROFESSIONAL JUDGEMENT AND ESTIMATES

The Company assesses the realisability and verifies unrecognised deferred tax assets at each balance sheet date. As at the balance sheet day, the Company did not recognise deferred tax assets in the amount of PLN 60 million due to the projected inability of complete execution of the asset.

The Company assesses that with regard to the negative temporary differences associated with the recognition of impairment losses on shares in subsidiaries in the amount of PLN 9 141 million, the conditions for the recognition of a deferred tax asset are not met.

The Company recognised an asset for the portion of the tax loss for 2022 from the source of capital gains in the amount of PLN 110 million. In addition, in the year ended 31 December 2025, the Company utilised a portion of the tax loss for 2022, reducing the tax charge in the scope of the source of capital gains source by PLN 12 million. No deferred tax asset has been recognised for the remaining part of the loss due to the lack of projected tax revenues to allow for its execution.

	As at 31 December 2025	As at 31 December 2024
Deferred tax liabilities		
measurement of derivative instruments	10	13
valuation of hedging instruments	11	35
accrued interest and the valuation of loans granted	176	69
other	11	18
Total	**208**	**135**
Deferred tax assets		
measurement of derivative instruments	12	83
the valuation of hedging instruments	55	–
accrued interest and the valuation of debt	24	32
provisions, accruals and deferred income	7	6
different timing of recognition of revenue and cost of sales for tax purposes	2	4
tax losses	110	32
other	57	56
Total	**267**	**213**
Unrecognized deferred tax assets, of which:	(60)	(75)
in profit or loss	*(56)*	*(75)*
in other comprehensive income	*(4)*	–
Recognized deferred tax assets	**207**	**138**
Recognized deferred tax assets/(liabilities), net	**(1)**	**3**

Change in deferred tax liabilities and assets

	Year ended 31 December 2025		Year ended 31 December 2024	
	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities	Deferred tax assets
Opening balance	**135**	**138**	**169**	**255**
Change in the balance:				
corresponding to profit/(loss)	96	52	(15)	(116)
corresponding to other comprehensive income, of which:	(23)	17	(19)	(1)
from the valuation of hedging instruments	*(23)*	*17*	*(19)*	*(1)*
Closing balance	**208**	**207**	**135**	**138**

The change in correspondence with other comprehensive income concerns the change in deferred tax on the valuation of hedging instruments, which is the effective part of the hedge, recognized in the revaluation reserve of hedging instruments. Other changes in the item of temporary differences were recognized in the financial result.

26. Inventories

SELECTED ACCOUNTING PRINCIPLES

As part of inventories, the Company primarily recognises acquired CO_2 emission allowances that are held for trading purposes, including sale to Group companies for redemption purposes.

Inventories of CO_2 emission allowances acquired for the purpose of selling and achieving a profit resulting from market price volatility in the short term are measured at initial recognition and at fair value at each balance sheet date.

Inventories of CO_2 emission allowances purchased for redemption purposes of the Group companies are initially recognised at a purchase price and measured as at the balance sheet day at a lower of the purchase price or the net achievable sales price. If the purchase price is higher than the net achievable sales prices, the Company recognises the relevant allowance, which is charged to operating expenses.

Disposal of purchased CO_2 emission rights is measured using the FIFO method.

	As at 31 December 2025		As at 31 December 2024	
	Gross Value	Carrying amount	Gross Value	Carrying amount
CO_2 emission allowances	44	44	34	34

27. Receivables from customers

SELECTED ACCOUNTING PRINCIPLES

Receivables from customers are recognised and presented at the amounts originally invoiced, except where the effect of the time value of money is material, taking into account impairment due to expected future credit losses.

Impairment allowances are recognised for both overdue and current receivables based on probability-weighted credit loss to be incurred should any of the following events occur:

- a material delay in payment,
- a debtor is put in liquidation, declared bankrupt or undergoes restructuring procedures,
- the receivables are claimed at administrative or common court, or undergo enforcement.

For receivables from customers, the Group separated a portfolio of strategic counterparties (a counterparty with receivables exceeding PLN 2 million) and a portfolio of the remaining counterparties.

Revaluation allowances of receivables are recognised in such cost categories which correspond to the function of the assets component, i.e. in costs of operating activity or financial costs - depending on the type of receivables the allowance refers to.

PROFESSIONAL JUDGEMENT AND ESTIMATES

For the portfolio of strategic counterparties, it is expected that the historical performance does not provide full information on the expected credit losses that the Company may be exposed to. The risk of insolvency of strategic counterparties is assessed based on ratings assigned to the counterparties using an internal scoring model and appropriately restated to account for the probability of default. The expected credit loss, in line with *IFRS 9 Financial Instruments*, is calculated based on the estimated potential recoveries from security interests.

It is expected that the historical performance information concerning receivables from other counterparties may reflect the credit risk that will be faced in future periods. The expected credit losses for this group of counterparties were estimated using the receivables ageing matrix and the percentage ratios assigned to the various ranges and groups (including receivables claimed at court, receivables from counterparties in bankruptcy) allowing to estimate the value of receivables from customers expected to be outstanding.

In order to consider future factors, the Company adjusts the historical probability of default using the probability level implied by quotes of annual Credit Default Swap (CDS) instruments for each rating.

	As at 31 December 2025	As at 31 December 2024
Gross Value		
Receivables from buyers	1 482	1 748
Total	**1 482**	**1 748**
Allowance/write-down		
Receivables from buyers	(2)	(2)
Total	**(2)**	**(2)**
Net Value		
Receivables from buyers	1 480	1 746
Total	**1 480**	**1 746**

As at 31 December 2025 and 31 December 2024, receivables from the subsidiary, TAURON Sprzedaż Sp. z o.o. constituted the highest balance of receivables from customers amounting to PLN 1 032 million and PLN 1 359 million, respectively.

The ageing of receivables from customers is presented below.

	As at 31 December 2025		As at 31 December 2024		
	Not past due	Total	*Not past due*	*Past due* *30-90 days*	Total
Value of item before allowance/write-down	1 482	**1 482**	1 747	1	**1 748**
Allowance/write-down	(2)	**(2)**	(2)	–	**(2)**
Net Value	**1 480**	**1 480**	**1 745**	**1**	**1 746**

Transactions with related parties and balances of settlements with these entities are presented in Note 43.1 of these separate financial statements.

28. Cash and cash equivalents

SELECTED ACCOUNTING PRINCIPLES

Cash and cash equivalents recognised in the separate statement of financial position as at the balance sheet date include, in particular, cash at bank and in hand, as well as deposits transferred to Izba Rozliczeniowa Giełd Towarowych S.A. in connection with transactions entered into by the Company on the Power Exchange.

The balance of cash and cash equivalents presented in the separate cash flow statement consists of the aforementioned cash and cash equivalents adjusted for the balance of overdrafts, the valuation of cash in foreign currencies as at the balance sheet date and the portion of deposits transferred to Izba Rozliczeniowa Giełd Towarowych S.A., which in the Company's opinion do not constitute cash and cash equivalents in the separate cash flow statement.

PROFESSIONAL JUDGEMENT AND ESTIMATES

The Company exercises judgement in the presentation of settlement balances to subsidiaries arising from the cash pool agreement, assessing whether these balances meet the definition of cash in the statement of cash flows. Due to the persistent lack of volatility in the cash pool balance and the resulting surplus of liabilities over receivables, the Company has ceased to include the cash pool balance in cash and cash equivalents in the statement of cash flows.

	As at 31 December 2025	As at 31 December 2024
Cash and cash equivalents presented in the separate statement	**181**	**172**
restricted cash, including:	106	84
collateral of settlements with Izba Rozliczeniowa Giełd Towarowych S.A.	*103*	*81*
cash on VAT bank accounts (split payment)	*3*	*2*
Overdraft facility	(160)	(35)
Collateral of settlements with Izba Rozliczeniowa Giełd Towarowych S.A.	(4)	(3)
Foreign exchange	(1)	(1)
Cash and cash equivalents presented in the separate statement of cash flows	**16**	**133**

29. Equity

SELECTED ACCOUNTING PRINCIPLES

Issued capital

In the financial statements, issued capital is presented at the amount specified in the articles of association and entered in the Company's court register.

Reserve capital

Reserve capital is created, to which at least 8% of profit for each financial year is appropriated in order to offset the loss of the joint stock company, until its amount equals at least one-third of the issued capital.

Revaluation reserve from valuation of hedging instruments

Revaluation reserve from valuation of hedging instruments results from:

- measurement of Interest Rate Swaps hedging interest rate risk due to debt,
- valuation of FX forward instruments hedging foreign exchange risk due to the purchase of CO_2 emission allowances.

The principal amount is determined as the fair value of the effective portion of cash flow hedging instruments, including deferred tax.

29.1. Issued capital

Issued capital as at 31 December 2025

Class/ issue	Type of shares	Number of shares	Nominal value of one share (in PLN)	Value of class/issue at nominal value	Method of payment
AA	bearer shares	1 589 438 762	5	7 947	cash/in-kind contribution
BB	registered shares	163 110 632	5	816	in-kind contribution
	Total	**1 752 549 394**		**8 763**	

29.2. Major Shareholders

Shareholding structure as at 31 December 2025 and as at 31 December 2024 ***(to the best of the Company knowledge)***

Shareholder	As at 31 December 2025			As at 31 December 2024		
	Number of shares	Nominal value of shares	Percentage of share capital	Number of shares	Nominal value of shares	Percentage of share capital
State Treasury	526 848 384	2 634	30.06%	526 848 384	2 634	30.06%
KGHM Polska Miedź S.A.	182 110 566	911	10.39%	182 110 566	911	10.39%
Nationale - Nederlanden Otwarty Fundusz Emervtalnv[1]	98 630 000	493	5.63%	98 630 000	493	5.63%
Helikon Long Short Equity Fund Master ICAV[2]	74 127 629	371	4.23%	74 127 629	371	4.23%
The Goldman Sachs Group,	27 670 985	138	1.58%	n.a.	n.a.	n.a.
Other shareholder	843 161 830	4 216	48.11%	870 832 815	4 354	49.69%
Total	**1 752 549 394**	**8 763**	**100%**	**1 752 549 394**	**8 763**	**100%**

[1] According to the list of shareholders holding at least 5% of the voting rights at the Company's OGM on 25 June 2025 and at the Company's EGM on 3 September 2024.
[2] In accordance with the Helikon Long Short Equity Fund Master ICAV notice received on 9 December 2024.
[3] In accordance with the Goldman Sachs Group, Inc. notice received on 6 May 2025.

As at 31 December 2025, the value of issued capital, the number of shares and the nominal value of shares, have not changed as compared to the status as at 31 December 2024.

After the balance sheet date, on 18 March 2026, the Company received from The Goldman Sachs Group, Inc. notice that as of 11 March 2026, entities from The Goldman Sachs Group, Inc. had a share in the share capital of the Company at the level of 1.23%.

29.3. Reserve capital

	As at 31 December 2025	As at 31 December 2024
Amounts from distribution of prior years profits	2 948	2 438
Total reserve capital	**2 948**	**2 438**

On 25 June 2025, the Ordinary General Meeting of Shareholders of the Company adopted a resolution on the distribution of net profit of the Company for the financial year 2024 in the amount of PLN 510 million to be allocated for the reserve capital of the Company.

The reserve capital of the Company as at the balance sheet day exceeded one third of the Company issued capital, i.e. PLN 2 921 million, to the extent of which it can only be used to cover losses.

29.4. Revaluation reserve from valuation of hedging instruments

	As at 31 December 2025	As at 31 December 2024
Reserve for securing cash flows - interest rate risk	59	174
Cash flow hedging reserve - currency risk	(110)	–
Capital from the revaluation of hedging instruments before deferred tax	**(51)**	**174**
Deferred tax	5	(35)
Revaluation reserve from valuation of hedging instruments	**(46)**	**139**

The provision for cash flow hedging results from the measurement of interest rate swap instruments (IRS) hedging interest rate risk on debt and the measurement of FX Forward instruments hedging foreign currency risk related to the purchased CO_2 emission allowances, as described in more detail in Note 22 to these separate financial statements. For the transactions concluded, the Group applies hedge accounting.

As at 31 December 2025, the Company recognised the amount of PLN (46) million in the provision for cash flow hedging. This amount represents:

- asset resulting from the measurement of IRS instruments as at the balance sheet date, adjusted by the portion of the measurement relating to interest accrued as at the balance sheet date on debt in the amount of PLN 59 million, and
- a portion of the liability from the measurement of FX Forward instruments as at the balance sheet date representing the effective portion of the hedge from the date these instruments were subject to hedge accounting in the amount of PLN (110) million

including deferred tax.

29.5. Retained earnings / (Accumulated losses)

	As at 31 December 2025	As at 31 December 2024
Financial result for the year ended 31 December 2025	3 307	–
Financial result for the year ended 31 December 2024	–	510
Restated result for the year ended 31 December 2020	338	338
Effects of implementing IFRS 9 Financial Instruments	(388)	(388)
Settlement of mergers with subsidiaries	81	81
Total retained earnings/ (accumulated losses)	**3 338**	**541**

29.6. Dividends paid and proposed for disbursement

In the year ended 31 December 2025 and the comparative period, the Company did not propose to pay or paid any dividends to the shareholders of the Company.

The Company's Management Board decided to recommend to the Company's Annual General Meeting the payment of a dividend from the net profit for 2025 in the amount of PLN 0.20 per share of the Company, which gives a total dividend amount of PLN 351 million.

30. Debt liabilities

SELECTED ACCOUNTING PRINCIPLES

Within debt obligations in the statement of financial position, the Company presents:

• Loans, borrowings, bonds issued

At initial recognition, all loans, borrowings and bonds issued are measured at fair value less the cost incurred to obtain a borrowings or loan as well as corrected by discounts or bonuses obtained due to the liability. After the initial recognition, interest-bearing loans and debt securities are subsequently measured at an amortised cost using the effective interest rate method.

Credits, loans, issued bonds are classified as non-current if the entity has a right to defer the settlement of the liability for at least 12 months after the end of the reporting period. The expectations of the entity do not affect the classification.

• Lease

An agreement or part of a rental, lease or other agreement or part of an agreement of a similar nature under which the right to control the use of an asset (underlying asset) for a given period is transferred in exchange for remuneration is classified as a lease. The lease liability is measured at the present value of the outstanding lease payments, discounted using either the contractual interest rate (if determinable) or the incremental borrowing rate. Lease payments included in the measurement of the lease liability of the Company as at the balance sheet include:

- fixed lease payments less any lease incentives payable,

- variable lease payments that depend on an index or a rate, measured initially using that index or rate according to their value at the starting date.

PROFESSIONAL JUDGEMENT AND ESTIMATES

As part of the measurement of liabilities at amortised cost applying the effective interest rate method, the Company estimates expected cash flows, taking into account all terms and conditions of a particular financial instrument, including any early repayment options. The Company intends to redeem the subordinated bonds with a nominal value of PLN 400 million after the first financing period, which takes place within 12 months of the balance sheet date, i.e. in March 2026. The intention to redeem the bonds after the end of the first financing period has been included in the measurement of liabilities as at the balance sheet date. At the same time, in line with the term of availability of the funding, the classification of the bonds as a long-term liabilities is maintained. The subordinated bonds with a nominal value of PLN 750 million, classified as a long-term liabilities as at 31 December 2024 due to their maturity, were redeemed in December 2025 in accordance with the Company's original intention.

As at the balance sheet date, the Company had available revolving credit agreements concluded in 2020 and 2022 with banking consortia, with availability dates falling in 2027 and 2029, therefore, drawings under these agreements, regardless of the length of the tranche utilisation period, are classified as long-term liabilities. As at 31 December 2025, the Company had no liabilities under these agreements.

The company assessed that borrowings from the National Reconstruction and Resilience Plan are preferential in nature. Individual tranches of borrowigns are recognized initially at fair value, which is the present value of future contractual cash flows discounted using the interest rate which, in the Company's opinion, reflects market conditions on the date of taking out individual tranches of financing.

The lease incremental borrowing rate is estimated as a weighted average cost of TAURON Group's debt adjusted for the Company individual rating, taking into account a breakdown by lease term. Selected lease agreements contain a provision on a right of redemption (purchase option), but as at the balance sheet date the lease payments included in the measurement of the lease liabilities do not include the exercise price of the purchase option, due to the fact that the Company does not intend to exercise the option.

A description of the other estimates and judgements in identifying leases is provided in Note 19 of these separate financial statements, concerning the rights to use assets.

	As at 31 December 2025			As at 31 December 2024		
	Long-term	Short-term	Total	Long-term	Short-term	Total
Borrowings and loans	5 527	1 043	**6 570**	6 105	830	**6 935**
Unsubordinated bonds	2 855	26	**2 881**	2 711	1 209	**3 920**
Subordinated bonds	400	1	**401**	1 132	3	**1 135**
Cash pool loans received	–	3 153	**3 153**	–	2 429	**2 429**
Loan from the subsidiary	704	2	**706**	711	2	**713**
Lease liability	2	4	**6**	2	4	**6**
Total	**9 488**	**4 229**	**13 717**	**10 661**	**4 477**	**15 138**

The Company is the main provider of external funding to the Group for general corporate purposes and to finance the TAURON Group's capital expenditure, including activities supporting the mitigation of the climate impact of the Group's operations and environmentally-friendly measures.

Change in debt liabilities:

Debt liabilities	Year ended 31 December 2025	Year ended 31 December 2024
Opening balance	**15 138**	**17 532**
Liabilities due to loans and borrowings	**352**	**(1 396)**
proceeds from contracted loans and borrowings	3 859	6 870
accrual of interest	537	532
interest paid	(541)	(553)
repayment of loans and borrowings	(3 330)	(9 061)
valuation of preferential borrowings received	(1 031)	–
increase in liabilities due to cash pool agreement	726	793
change in valuation	7	(12)
change in overdraft facility	125	35
Debt securities liabilities	**(1 773)**	**(988)**
accrual of interest	168	228
interest paid	(184)	(230)
redemption of debt securities	(1 750)	(982)
change in valuation	(7)	(4)
Lease liabilities	**–**	**(10)**
repayment of lease liabilities	(9)	(10)
recognition of new leasing agreements, amendment and termination of leasing agreements	9	–
Closing balance	**13 717**	**15 138**

30.1. Borrowings and loans

Borrowing institution/lender	Interest rate	Currency	Maturity date/ validity date	As at 31 December 2025	As at 31 December 2024
Consortiums of banks - revolving credits	floating	PLN	2027-2029	–	411
Consortium of banks	floating	PLN	2029	899	899
Bank Gospodarstwa Krajowego	floating	PLN	2027-2032	771	759
			2026-2033	800	901
European Investment Bank	fixed	PLN	2026-2027	44	74
			2026-2040	378	404
	floating		2026-2040	1 152	1 221
			2026-2041	1 221	1 225
SMBC BANK EU AG	fixed	PLN		–	500
Erste Group Bank AG	floating	PLN	2026	505	506
Bank Gospodarstwa Krajowego - loans from the funds of the National Recovery and Resilience Plan	fixed	PLN	2034-2049	513	–
			2028-2045	127	–
Overdraft facility	floating	PLN	2027	160	35
Total				**6 570**	**6 935**
Non-current				5 527	6 105
Current				1 043	830

Loans from the National Recovery and Resilience Plan ("NRRP")

In 2024 and 2025, loan agreements were concluded between the Company and Bank Gospodarstwa Krajowego ("BGK") from the funds of the National Recovery and Resilience Plan ("NRRP Loans"), which will support the implementation of the key business priorities defined in the TAURON Group Strategy, such as the dynamic development of the Distribution and RES segments. The funds are disbursed successively, based on payment requests submitted in accordance with the progress of project implementation in the subsidiaries. Project funds are transferred to the companies through intra-group loan agreements, the parameters of which reflect the terms of the agreement between the Company and BGK.

Year of conclusion of the contract	Purpose - financing of eligible expenses	Subsidiary company implementing the project	Repayment period	Interest		Contract amount	As at 31 December 2025		
							Nominal value of financing launched	Initial valuation	Carrying amount
2024	for the development and adaptation of the power grid to the needs of energy transformation and climate change	TAURON Dystrybucja S.A.	semi-annual installments in the years 2034-2049	fixed	0.50%	15 867	1 428	502	513
2025	for advanced digital transformation	TAURON Dystrybucja S.A.	quarterly installments in the years 2028-2045	fixed	0.50%	310	231	126	127
2025			quarterly installments in the years 2031-2045	fixed	0.50%	110	–	–	–
2025	for the construction of two photovoltaic farms with accompanying infrastructure	TAURON Zielona Energia Sp. z o.o.	semi-annual installments in the years 2029-2044	variable	NBP reference rate reduced by 2 pp., not less than 1 pp.	269	–	–	–

In the Company's opinion, the NRRP loans are of preferential nature bearing an interest rate below market rates. Consequently, individual tranches of the loans were initially recognised at fair value. At the same time, the Company initially recognised the same amount of loan tranches granted to its subsidiary under intra-group loan agreements, through which funds from the NRRP were transferred to this company on the same terms, in accordance with the terms of the agreement with BGK. TAURON Polska Energia S.A. is not the ultimate beneficiary of the benefit in the form of a loan with interest rates below market rates, therefore it does not recognise the benefit in the Company's financial statements in the form of a government grant in accordance with IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance* representing the difference between the cash received and the initial carrying amount of the NRRP loans.

The initial measurement of the NRRP loans was performed as the present value of future cash flows taking into account the contractual terms discounted using the interest rate that the Company believes reflects market conditions as at the date of fund raising. As at subsequent balance sheet dates, loans are measured at amortised cost, taking into account the interest rate estimated as part of the initial valuation.

Other funding available under the concluded financing agreements

As at the balance sheet date, the Company has available financing under concluded financing agreements, i.e. agreements with bank consortia with revolving financing limits up to the total of PLN 4 500 million, a non-revolving loan agreement for PLN 2 450 million (as at 31 December 2025 available financing under tranche A of PLN 1 000 million) and overdraft agreements up to the total of PLN 850 million, as further described in Note 38.2 of these separate financial statements.

In the year ended 31 December 2025, the Company carried out the following drawdowns and repayments of loans and borrowings (at their nominal value), excluding overdrafts:

Lender	Year ended 31 December 2025	
	Drawdown	Repayment
Consortiums of banks	2 300	(2 710)
Bank Gospodarstwa Krajowego - loans from the funds of the National Recovery and Resilience Plan	1 659	–
SMBC BANK EU AG	–	(500)
Bank Gospodarstwa Krajowego	–	(100)
European Investment Bank	–	(120)
Total, including:	**3 959**	**(3 430)**
Cash flows	3 859	(3 330)
Net settlement (without cash flow)	100	(100)

30.2. Bonds issued

Investor	Interest rate	Currency	Nominal value of bonds issued in currency	Maturity date	Carrying amount	
					As at 31 December 2025	As at 31 December 2024
Bank Gospodarstwa Krajowego	floating, based on WIBOR 6M	PLN	750	2028-2029	746	752
A series bonds (TPE1025)	floating, based on WIBOR 6M	PLN	1 000		–	1 011
Eurobonds	fixed	EUR	500	2027	2 135	2 157
Unsubordinated bonds					**2 881**	**3 920**
Bank Gospodarstwa Krajowego	floating, based on WIBOR 6M	PLN	400	2031[1]	401	401
European Investment Bank	fixed	PLN	400		–	392
		PLN	350		–	342
Subordinated bonds					**401**	**1 135**
Total bonds					**3 282**	**5 055**
Non-current					3 255	3 843
Current					27	1 212

[1] In the case of subordinated bonds, the maturity date includes two financing periods. The maturity dates presented in the table above are the final terms of redemption resulting from the agreement, after two period of financing. Measurement of bonds as at the balance sheet day includes earlier redemption, in connection with the intended redemption of bonds after the termination of first period of financing (in March 2026).

In the year ended 31 December 2025, the Company performed the following bond redemption transactions:

Investor	Year ended 31 December 2025
	Redemption
A series bonds (TPE 1025)	(1 000)
Hybrid bonds covered by the European Investment Bank	(750)
Total	**(1 750)**

Non-subordinated bonds

On 15 December 2025, annexes were signed to the terms and conditions of the bonds issued under the long-term bond programme established on 31 July 2013 between the Company and BGK. Under the long-term bond programme, the Company issued bonds with the total nominal value of PLN 1 700 million in the years 2014-2016, with BGK as the sole bondholder. Pursuant to the annexes, the terms and conditions of issue of the unredeemed bonds were amended to reduce the margin of the bonds issued and unredeemed and to set their redemption dates to 2028-2029. Series of bonds issued and unredeemed with the total value of PLN 750 million, with the original maturity dates in the years 2025-2029, will be redeemed in the following aggregate amounts: PLN 380 million on 20 December 2028 and PLN 370 million on 20 December 2029.

Eurobonds with the nominal value of EUR 500 million has been listed since 2017 on the regulated market of the London Stock Exchange.

Subordinated bonds (hybrid)

As at 31 December 2025, the subordinated bonds related to bonds subscribed by BGK with the nominal value of PLN 400 million. The hybrid bonds subscribed by the European Investment Bank ("EIB") with the total nominal value of PLN 750 million were redeemed in December 2025 after the end of the first financing period.

As a result of subordinated nature of the bonds, in case of issuer's bankruptcy or liquidation, any liabilities arising from the bonds will have a priority order for the payment only before the Company shareholders' claims. This, in turn positively affects the level of the net debt/EBITDA ratio since the bonds are excluded from the calculation of this ratio which is a covenant in some financing agreements concluded by the Company. Additionally, 50% of the subordinated bond amount has been classified by the rating agency as equity in the rating model, which has had a beneficial effect on the rating of the TAURON Group.

The subordinated bond issue Programme concluded in 2021 with BGK up to the amount of PLN 450 million which was not used by the Company, expired in the year ended 31 December 2025.

Bond issuance programmes not used as at balance sheet date

On 19 September 2024, the Company established the bond issue programme on the basis of a programme agreement with Bank Polska Kasa Opieki S.A., Powszechna Kasa Oszczędności Bank Polski S.A. and Santander Bank Polska S.A. (the "Programme"). As part of the Programme, the Company has the option to issue bonds linked to sustainability indicators or so-called green bonds, up to a maximum of PLN 3 000 million, with the value of the issue and the type of bonds to be determined on a case-by-case basis at the time of the decision to issue. The funds raised through the bond issue will support the implementation of the TAURON Group's energy transformation and will be used to finance and refinance expenditure in line with the European taxonomy.

30.3. Debt agreement covenants

The agreements signed with banks impose the legal and financial covenants on the Company, standard for this type of transactions. The key covenant is the net debt/EBITDA ratio (for long-term loans agreements and domestic bond issue schemes) which determines the debt less cash in relation to generated EBITDA. The net debt/EBITDA covenant for banks is examined on the basis of consolidated data as at 30 June and 31 December while its permissible limit value, depending on the provisions of financing agreements, is 3.5 or 4.0.

As at 31 December 2025, the *net debt/EBITDA* ratio amounted to 1.4, therefore the covenant was maintained. At the end of the comparative period, the covenant was also met.

30.4. Loans received under the cash pool service

As at 31 December 2025 and as at 31 December 2024, the Company had current liabilities on account of cash pool transactions amounting to PLN 3 153 million and PLN 2 429 million, respectively. The liability arises from the Group's cash pool service mechanism, which is described in more detail, including the presentation of receivables arising from cash pool transactions, in Note 21.3 of these separate financial statements.

As at the balance sheet date, the Company has the most significant balances of liabilities arising from cash pooling transactions with the following Group companies.

	As at 31 December 2025	As at 31 December 2024
TAURON Wytwarzanie S.A.	971	405
TAURON Sprzedaż Sp. z o.o.	917	769
TAURON Dystrybucja S.A.	226	152
TAURON Dystrybucja Pomiary Sp. z o.o.	148	171
TAURON Ekoenergia Sp. z o.o.	125	359
TAURON Sprzedaż GZE Sp. z o.o.	120	225
Other subsidiaries	646	348
Total	**3 153**	**2 429**

30.5. Loan from the subsidiary

The liability of the Company amounting to PLN 706 million (EUR 167 million) as at 31 December 2025 relates to the long-term loan received from the subsidiary under the agreement concluded between TAURON Polska Energia S.A. and the subsidiary, Finanse Grupa TAURON Sp. z o.o. (formerly TAURON Sweden Energy AB (publ)). The loan agreement in the amount of EUR 167 million was concluded in 2014 and bears interest at a fixed rate while the interest is paid annually until the full repayment of the loan. The repayment deadline of the loan falls on 29 November 2029.

31. Other financial liabilities

SELECTED ACCOUNTING PRINCIPLES

The Company's other financial liabilities include, among others, liabilities for guarantees and sureties issued, which are measured in accordance with IFRS 9 *Financial Instruments* at the amount of expected credit losses, and liabilities to subsidiaries for Tax Capital Group settlements, payroll liabilities, bid-bonds, deposits, security received, which are measured at the amount due, due to the immaterial impact of discounting.

	As at 31 December 2025	As at 31 December 2024
Liabilities arising from income tax settlements of the TCG companies	89	8
Valuation of guarantees and financial sureties	16	23
Wages and salaries as well as other employee related liabilities	13	13
Bid bonds, deposits and collateral received	5	3
Other	35	17
Total	**158**	**64**
Non-current	4	5
Current	154	59

Liabilities due to income tax settlements of the Tax Capital Group companies are described in more detail in Note 33 to these separate financial statements.

32. Liabilities to suppliers

SELECTED ACCOUNTING PRINCIPLES

Current liabilities to suppliers are recognised at the amount due.

	As at 31 December 2025	As at 31 December 2024
Liabilities to subsidiaries, including:	**627**	**780**
TAURON Wytwarzanie S.A.	*393*	*525*
TAURON Ekoenergia Sp. z o.o.	*94*	*116*
TAURON Ciepło Sp. z o.o.	*64*	*85*
TAURON Sprzedaż Sp. z o.o.	*22*	*22*
TAURON Sprzedaż GZE Sp. z o.o.	*12*	*23*
Other subsidiaries	*42*	*9*
Liabilities to other suppliers	**164**	**240**
Total	**791**	**1 020**

33. Income tax liabilities and Tax Capital Group

In the year ended 31 December 2025 and in the comparable period the Company accounted for income tax within the Tax Capital Group ("PGK") registered on 28 December 2022 for 2023-2025 by the Head of the First Tax Office for the Mazowieckie Province in Warsaw. The main companies included in the PGK in the years 2023-2025: TAURON Polska Energia S.A., TAURON Dystrybucja S.A., TAURON Sprzedaż Sp. z o.o., TAURON Sprzedaż GZE Sp. z o.o., TAURON Obsługa Klienta Sp. z o.o., TAURON Ekoenergia Sp. z o.o., TAURON Ciepło Sp. z o.o., TAURON Zielona Energia Sp. z o.o., TAURON Nowe Technologie S.A. and Kopalnia Wapienia Czatkowice Sp. z o.o. PGK did not include TAURON Wytwarzanie S.A..

On 27 December 2024, the Company, as the parent company of the PGK, received a decision of the Head of the First Tax Office for the Mazowieckie Province in Warsaw stating that the decision to register the agreement on the establishment of the PGK had expired as of 1 July 2024 as a result of the tax authority's acknowledgement that the condition of the Company holding at least 75% of shares in the share capital of TAURON Zielona Energia Sp. z o.o. had been breached. On 11 February 2025, as a result of effective appeal, the Company received a decision from the Director of the Regional Revenue Administration in Warsaw to revoke in its entirety the decision of the Head of the First Tax Office for the Mazowieckie Province in Warsaw concerning the expiry of the decision on the registration of the agreement on the establishment of the PGK on 1 July 2024 and referring the case for reconsideration by this authority. On 24 March 2025, the Head of the First Tax Office for the Mazowieckie Province in Warsaw issued the decision to discontinue the tax proceedings regarding the expiry of the decision to register the agreement on the establishment of the TAURON Tax Capital Group. The receipt of the decision confirmed the maintenance of the PGK status.

As at 31 December 2025, the Tax Capital Group had an income tax liability of PLN 469 million, which represents a surplus of the 2025 tax burden of PLN 828 million over the 2025 advance payments of PLN 359 million made by the Tax Capital Group. In 2025, the PGK settles monthly advances for income tax in a simplified manner, in the fixed amount.

At the same time, due to the settlement of the Company as a representative company with subsidiaries belonging to the Tax Capital Group, the Company had a liability to these subsidiaries due to overpayment of tax in the amount of PLN 89 million, which was recognised as other financial liabilities and receivables from the subsidiaries on account of tax settlement in the amount of PLN 599 million, recognised in other financial assets.

After the balance sheet date, on 21 January 2026, the customs - tax audit initiated on 12 April 2024 by the Silesian Customs and Revenue Office in Katowice against PGK regarding the settlement of corporate income tax for 2023 was completed. According to the results of the audit, the PGK filed a correction to the 2023 tax return taking into account the authority's findings and showed additional tax to be paid, including interest, in the total amount not exceeding PLN 2 million.

On 27 November 2025, the Head of the First Tax Office for the Mazowieckie Province in Warsaw issued a decision on the registration of the Tax Capital Group for the years 2026-2028. The main companies forming the Tax Capital Group in the years 2026-2028: TAURON Polska Energia S.A., TAURON Wytwarzanie S.A., TAURON Dystrybucja S.A., TAURON Sprzedaż Sp. z o.o., TAURON Sprzedaż GZE Sp. z o.o., TAURON Obsługa Klienta Sp. z o.o., TAURON Ekoenergia Sp. z o.o., TAURON Ciepło Sp. z o.o., TAURON Zielona Energia Sp. z o.o. and TAURON Nowe Technologie S.A.

34. Other current non-financial liabilities

SELECTED ACCOUNTING PRINCIPLES

Other non-financial liabilities include, in particular, liabilities on account of advances received which are settled by the delivery of goods as well as tax and fee settlements which include:

- VAT settlements;
- personal income tax and social security settlements;
- tax settlements related to civil law transactions;
- other public law settlements.

	As at 31 December 2025	As at 31 December 2024
VAT	213	298
Social security	8	7
Other	2	3
Total	**223**	**308**

35. Other provisions, accruals and governmental subsidies

SELECTED ACCOUNTING PRINCIPLES

Accruals and governmental subsidies

The Company recognises accruals mainly for bonuses and unused holiday leave.

Provisions for employee benefits

In accordance with the remuneration system adopted, employees of the Company are entitled to post-employment benefits: retirement and disability severance pay and benefits from the Company Social Benefits Fund. The provision for death compensation to which the family of the deceased employee is entitled is created in accordance with the terms and in the amount included in the Labour Code.

The current value of such liabilities as at the balance sheet day is calculated by an independent underwriter. The accrued liabilities are equal to discounted future payments, including employee turnover, and pertain to the time remaining until the end of the reporting period. Demographic information and employee turnover data are based on historical data. Actuarial gains and losses on post-employment benefits are fully charged to other comprehensive income.

Other provisions

Provisions are recognised if the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be reliably estimated. If the Company is a party to the agreement under which the unavoidable costs of fulfilling the obligation exceed the benefits to be obtained thereunder, the Company recognises and measures its current obligation under the agreement as a provision.

	As at 31 December 2025	As at 31 December 2024
Accruals and governmental subsidies, including:	27	25
Accruals due to bonuses and salary changes	*12*	*12*
Provision for post-employment employee benefits	8	7
Other provisions	13	7
Total	**48**	**39**
Non-current	15	9
Current	33	30

EXPLANATORY NOTE TO THE SEPARATE STATEMENT OF CASH FLOWS

SELECTED ACCOUNTING PRINCIPLES

The statement on cash flows is prepared according to the indirect method.

The overdrafts, constituting the integral part of cash management in the Company, are recognised in the item "Cash and equivalents" for the purpose of drawing up the statement of cash flows.

Due to the persistent lack of volatility in the cash pool balance and the resulting surplus of liabilities over receivables, the Company has ceased to include the cash pool balance in cash and cash equivalents in the statement of cash flows. The change in the balance of receivables from loans granted under the cash pool is recognised in cash flows from investing activities, while the change in the balance of liabilities from loans received under the cash pool is recognised in cash flows from financing activities. Consequently, the interest received and paid on cash pool loans is represented, respectively, by inflows from investing activities and payments from financing activities.

36. Significant items of the statement of cash flows

36.1. Cash flows from operating activities

Change in working capital

	Year ended 31 December 2025	Year ended 31 December 2024
Change in receivables	280	1 063
Change in inventories	(10)	(22)
Change in payables excluding loans	(292)	(645)
Change in other non-current and current assets	(3)	(2)
Change in deferred income, government grants and accruals	3	2
Change in provisions	6	3
Change in collaterals transferred to IRGiT	(1)	17
Change in working capital	**(17)**	**416**

36.2. Cash flows from investing activities

Loans granted

	Year ended 31 December 2025	Year ended 31 December 2024
Loans granted to companies:		
TAURON Dystrybucja S.A.	(4 349)	(500)
Finadvice Polska 1 Sp. z o.o.	(935)	(116)
Wind T2 Sp. z o.o.	(138)	(78)
TAURON Nowe Technologie S.A.	(50)	–
AE ENERGY 7 Sp. z o.o.	(20)	(214)
WIND T4 Sp. z o.o.	–	(127)
WIND T30MW Sp. z o.o.	–	(68)
Windpower Gamów Sp. z o.o.	–	(65)
FF Park PV 1 Sp. z o.o.	–	(16)
Total	**(5 492)**	**(1 184)**

Dividends received

	Year ended 31 December 2025	Year ended 31 December 2024
Dividends received from:		
TAURON Dystrybucja S.A.	2 160	937
TAURON Ekoenergia Sp. z o.o.	290	147
Kopalnia Wapienia Czatkowice Sp. z o.o.	42	13
TAMEH HOLDING Sp. z o.o.	40	–
TAURON Sprzedaż GZE Sp. z o.o.	30	186
TAURON Ubezpieczenia Sp. z o.o.	13	11
TAURON Czech Energy s.r.o	4	18
TAURON Obsługa Klienta Sp. z o.o.	–	24
Total	**2 579**	**1 336**

Repayment of loans granted

	Year ended 31 December 2025	Year ended 31 December 2024
Repayment of loans granted:		
TAURON Dystrybucja S.A.	3 250	–
WIND T30MW Sp. z o.o.	238	49
Windpower Gamów Sp. z o.o.	210	46
TAURON Ekoenergia Sp. z o.o.	166	3
TAURON Obsługa Klienta Sp. z o.o.	130	95
Finadvice Polska 1 Sp. z o.o.	124	–
Other companies	164	134
Total	**4 282**	**327**

36.3. Cash flows from financing activities

Repayment of loans and borrowings

	Year ended 31 December 2025	Year ended 31 December 2024
Repayment tranches of loans to:		
Consortiums of banks	(2 610)	(5 620)
SMBC BANK EU AG	(500)	–
European Investment Bank	(120)	(91)
Bank Gospodarstwa Krajowego	(100)	(2 600)
Intesa Sanpaolo S.p.A	–	(750)
Total	**(3 330)**	**(9 061)**

Redemption of debt securities

	Year ended 31 December 2025	Year ended 31 December 2024
Redemption of debt securities purchased by:		
Series A bonds (TPE1025)	(1 000)	–
European Investment Bank	(750)	(812)
Bank Gospodarstwa Krajowego	–	(170)
Total	**(1 750)**	**(982)**

Interest paid

	Year ended 31 December 2025	Year ended 31 December 2024
Interest paid in relation to loans and borrowings	(541)	(553)
Interest paid in relation to debt securities	(184)	(230)
Total	**(725)**	**(783)**

Proceeds from contracted loans and borrowings

	Year ended 31 December 2025	Year ended 31 December 2024
Disbursement of a loan from Bank Gospodarstwa Krajowego as part of the National Reconstruction and Resilience Plan	1 659	–
The launch of financing under loan agreements:		
Consortiums of banks	2 200	4 370
Bank Gospodarstwa Krajowego	–	2 500
Total	**3 859**	**6 870**

FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

37. Financial instruments

SELECTED ACCOUNTING PRINCIPLES

Financial assets held by the Company under IFRS 9 *Financial Instruments* are classified into the following classes of financial instruments:

- financial assets measured at amortised cost;
- financial assets measured at a fair value through profit or loss.

As at the balance sheet date, the Company had no financial assets measured at a fair value through other comprehensive income.

Financial assets in accordance with IFRS 9 *Financial Instruments* are classified upon initial recognition based on the cash flow characteristics (SPPI test) and the business model underlying the management of a given financial asset.

The equity instruments are measured by the Company at fair value through profit or loss in line with IFRS 9 *Financial Instruments*.

The Company divides the financial liabilities into the following classes:

- financial liabilities measured at a fair value through profit or loss;
- other financial liabilities, measured at amortised cost at each subsequent balance sheet date.

PROFESSIONAL JUDGEMENT AND ESTIMATES

The Company makes judgements regarding classification of financial instruments.

As at each balance sheet day the Company measures the fair value of assets and liabilities classified as measured at fair value and discloses the fair value of other financial instruments. The methodology fair value measurement is presented below.

The Company recognises an impairment loss upon initial recognition of a financial asset and then remeasures the loss amount as at each reporting day. The Company recognises the allowance for expected credit losses on financial assets measured at an amortized cost, including mostly for loans granted and receivables from customers. The measurement methodology is described in Notes 27, 38.1.1 and 38.1.2 to these separate financial statements.

37.1. Carrying amount and fair value of financial instrument classes and categories

Categories and classes of financial assets	As at 31 December 2025		As at 31 December 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
1 Financial assets measured at amortized cost	**10 757**	**10 839**	**10 286**	**10 264**
Receivables from buyers	1 480	1 480	1 746	1 746
Loans granted to subsidiaries	8 521	8 603	8 374	8 352
Loans granted under cash pool agreement	123	123	47	47
Other financial assets	633	633	119	119
2 Financial assets measured at fair value through profit or loss (FVTPL)	**2 851**	**2 851**	**2 324**	**2 324**
Derivative instruments	51	51	71	71
Long-term shares	54	54	56	56
Loans granted to subsidiaries and jointly-controlled entities	2 552	2 552	1 988	1 988
Other financial assets	13	13	37	37
Cash and cash equivalents	181	181	172	172
3 Derivative hedging instruments	**60**	**60**	**185**	**185**
4 Financial assets excluded from the scope of IFRS 9 *Financial Instruments*	**17 006**		**16 029**	
Shares in subsidiaries	16 811		15 834	
Shares in jointly-controlled entities	195		195	
Total financial assets, of which in the statement of financial position:	**30 674**		**28 824**	
Non-current assets	**26 412**		**26 096**	
Shares	17 060		16 085	
Loans granted	9 307		9 888	
Derivative instruments	45		90	
Other financial assets	–		33	
Current assets	**4 262**		**2 728**	
Receivables from buyers	1 480		1 746	
Loans granted	1 889		521	
Derivative instruments	66		166	
Other financial assets	646		123	
Cash and cash equivalents	181		172	

Categories and classes of financial liabilities	As at 31 December 2025		As at 31 December 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
1 Financial liabilities measured at amortized cost	**14 660**	**14 682**	**16 216**	**16 134**
Preferential loans and borrowings	640	681	–	–
Arm's length loans and borrowings, of which:	9 629	9 644	10 042	10 030
Bank loans	5 770	5 808	6 900	6 915
Liability under the cash pool loan	3 153	3 153	2 429	2 429
Loans from the subsidiary	706	683	713	686
Bank overdrafts	160	160	35	35
Bonds issued	3 282	3 248	5 055	4 985
Liabilities to suppliers	791	791	1 020	1 020
Other financial liabilities	158	158	64	64
2 Financial liabilities measured at fair value through profit or loss (FVTPL)	**62**	**62**	**439**	**439**
Derivative instruments	62	62	439	439
3 Derivative hedging instruments	**290**	**290**	**–**	**–**
4 Financial liabilities excluded from the scope of IFRS 9 *Financial Instruments*	**6**		**6**	
Liabilities under leases	6		6	
Total financial liabilities, of which in the statement of financial position:	**15 018**		**16 661**	
Non-current liabilities	**9 583**		**10 730**	
Debt	9 488		10 661	
Derivative instruments	91		64	
Other financial liabilities	4		5	
Current liabilities	**5 435**		**5 931**	
Debt	4 229		4 477	
Liabilities to suppliers	791		1 020	
Derivative instruments	261		375	
Other financial liabilities	154		59	

The description of the fair value measurement methodology applied to financial instruments and fair value hierarchy levels assigned to these instruments are presented in the following table.

Classes of financial assets/liabilities	Level of the fair value hierarchy	Methodology for determining the fair value
Financial assets/liabilities measured at a fair value		
Derivatives, including:		
IRS and CCIRS	2	Financial derivatives were measured in accordance with the methodology described in Note 22 of these separate financial statements.
Forward FX contracts	2	
Commodity contracts (forward, futures)	1	
Shares	3	Shares in subsidiaries, jointly-controlled and associated entities excluded from the scope of IFRS 9 *Financial Instruments* are measured at cost less any impairment allowances. Shares in entities other than subsidiaries, jointly controlled entities and associates are measured by the Company at a fair value. The estimated fair value of shares in companies not listed on active markets is generally determined using the adjusted net asset method, taking into account the share in net assets and adjusting the value for significant factors affecting the valuation, such as the discount for lack of control and the discount for limited liquidity of the above instruments. In justified cases, the Company may accept the historical cost as an acceptable approximation of the fair value of shares, if, in the Company's opinion, the key factors affecting the value of the shares have not changed at the balance sheet date in relation to the moment of initial recognition.
Loans granted to subsidiaries	2	The fair value measurement of loans granted to subsidiaries classified as assets measured at fair value was made as the present value of future cash flows, discounted at the interest rate currently applicable to the borrower.
Loans granted to a jointly-controlled entity	3	The fair value measurement of loans granted to the joint venture was performed as the present value of future cash flows. The discount rate is based on the cost of equity expected for the borrower's business profile.
Financial assets/liabilities for which the fair value is disclosed		
Loans, borrowings and bonds issued	2	Fixed interest rate debt liabilities were measured at a fair value. The fair value measurement was performed as the present value of future cash flows discounted by the currently applicable interest rate for the specific bonds, borrowing or loan facility, i.e. applying market interest rates.

Loans granted to subsidiaries	2	The fair value measurement of loans granted to subsidiaries classified as measured at amortised cost has, as a rule, been made as the present value of future cash flows generated in accordance with the repayment schedule for a given loan, discounted at the interest rate currently applicable to the borrower.
	3	In justified cases, the Company recognises the fair value to approximate the carrying amount, as the carrying amount takes into account the estimation of future cash flows, discounted at the balance sheet date (a loan granted to the subsidiary, TAURON Wytwarzanie S.A.).

The fair value of other financial instruments as at 31 December 2025 and 31 December 2024 (except from those excluded from the scope of IFRS 9 *Financial instruments*) did not differ considerably from the figures presented in the financial statements for individual periods for the following reasons:

- the potential discounting effect relating to short-term instruments is not significant;
- the instruments are related to arm's length transactions.

In the year ended 31 December 2025 no changes occurred in the measurement methodology applied to the above financial instruments.

Change in the balance of financial assets whose measurement is classified at the 3rd level of the fair value hierarchy

	Year ended 31 December 2025		Year ended 31 December 2024	
	Not quoted shares	**Loans granted**	**Not quoted shares**	**Loans granted**
Opening balance	**56**	**479**	**76**	**357**
Revaluation	(7)	15	(25)	122
Purchased	5	–	5	–
Closing balance	**54**	**494**	**56**	**479**

There were no transfers between levels of the fair value hierarchy in the year ended 31 December 2025 or the year ended 31 December 2024.

37.2. Revenue, expenses, gain and loss items included in the statement of comprehensive income by category of financial instruments

Year ended 31 December 2025

	Assets / liabilities measured at fair value through profit or loss	**Financial assets measured at amortized cost**	**Financial liabilities measured at amortized cost**	**Hedging instruments**	**Financial assets / liabilities excluded from the scope of IFRS 9**	**Total**
Dividends	–	–	–	–	2 547	**2 547**
Interest income/(expense)	15	510	(804)	89	–	**(190)**
Commissions	–	–	(23)	–	–	**(23)**
Exchange differences	9	–	24	–	–	**33**
Impairment / revaluation[1]	372	316	8	–	189	**885**
Gain/loss on disposal of investments	–	–	–	–	8	**8**
Gain/(loss) on realized derivative instruments[2]	(406)	–	–	–	–	**(406)**
Net financial income/(costs)	**(10)**	**826**	**(795)**	**89**	**2 744**	**2 854**
Revaluation	–	–	–	–	–	**–**
Gain/(loss) on realized derivative instruments[2]	(1)	–	–	–	–	**(1)**
Net operating income/(costs)	**(1)**	**–**	**–**	**–**	**–**	**(1)**
Remeasurement of IRS	–	–	–	(115)	–	**(115)**
Change in valuation - currency forward instruments	–	–	–	(111)	–	**(111)**
Other comprehensive income	**–**	**–**	**–**	**(226)**	**–**	**(226)**

[1] Included within financial liabilities measured at amortised cost are liabilities for the recognition of expected credit losses on issued guarantees and warranties.
[2] The Company recognises revenues and expense from commodity derivatives in operating activities. Revenue and expenses regarding other derivatives, not covered or before being covered by hedge accounting, are recognized under financial revenue/expenses.

Year ended 31 December 2024

	Assets / liabilities measured at fair value through profit or loss	Financial assets measured at amortized cost	Financial liabilities measured at amortized cost	Hedging instruments	Financial assets / liabilities excluded from the scope of IFRS 9	Total
Dividends	–	–	–	–	1 336	**1 336**
Interest income/(expense)	30	849	(922)	163	(1)	**119**
Commissions	–	–	(22)	–	–	**(22)**
Exchange differences	(3)	(1)	86	–	–	**82**
Impairment / revaluation[1]	217	(1 933)	16	–	576	**(1 124)**
Gain/(loss) on realized derivative instruments[2]	(605)	–	–	–	–	**(605)**
Net financial income/(costs)	**(361)**	**(1 085)**	**(842)**	**163**	**1 911**	**(214)**
Revaluation	1	4	–	–	–	**5**
Gain/(loss) on realized derivative instruments[2]	4	–	–	–	–	**4**
Net operating income/(costs)	**5**	**4**	**–**	**–**	**–**	**9**
Remeasurement of IRS	–	–	–	(97)	–	**(97)**
Other comprehensive income	**–**	**–**	**–**	**(97)**	**–**	**(97)**

[1] Included within financial liabilities measured at amortised cost are liabilities for the recognition of expected credit losses on issued guarantees and warranties.
[2] The Company recognises revenues and expense from commodity derivatives in operating activities. Revenue and expenses regarding other derivatives, not covered or before being covered by hedge accounting, are recognized under financial revenue/expenses.

37.3. Hedge accounting

SELECTED ACCOUNTING PRINCIPLES

The Company applies the accounting principles in relation to hedging instruments covered by hedge accounting in accordance with IFRS 9 *Financial Instruments*. In the comparable period and in the 9-month period ended 30 September 2025, the Company applied hedge accounting for IRS derivative transactions hedging interest rate risk in accordance with IAS 39 *Financial Instruments: Recognition and Measurement*. On the date of entry into force of IFRS 9 *Financial Instruments*, the Company decided to continue the application of hedge accounting under IAS 39 *Financial Instruments: Recognition and Measurement.* On 1 October 2025, upon the commencement of hedge accounting for FX forward transactions hedging foreign currency risk for purchases of CO_2 emission allowances in EUR, the Company changed its accounting policy with regard to the accounting standard according to which hedge accounting is applied. Since 1 October 2025 the Company has applied the accounting principles in relation to hedging instruments subject to hedge accounting in accordance with IFRS 9 *Financial Instruments*.

A hedging relationship qualifies for hedge accounting only if all of the following eligibility criteria are met:

- a hedging relationship comprises only eligible hedging instruments and eligible hedged items;
- at the inception of the hedge, the hedging relationship was formally designated and documented as well as the risk management objective and the strategy underlying establishing of the hedge;
- the hedging link meets all of the following collateral effectiveness requirements:
  - there is an economic relationship between the hedged item and the hedging instrument;
  - credit risk does not predominantly affect the changes in value resulting from this economic link; and
  - the hedge ratio of the hedging relationship is the same as the ratio resulting from the size of the hedged item that the Company actually hedges and the size of the hedging instrument that the Company actually uses to hedge that size of the hedged item.

When hedge accounting is applied, the Company recognises the hedge of the currency risk of a firm future commitment as a cash flow hedge.

The Company assesses on an ongoing basis whether the hedging relationship meets the hedge effectiveness requirements, and in particular makes at least an ongoing assessment at each balance sheet date or following a significant change in circumstances affecting the hedge effectiveness requirements, whichever occurs first. If a hedging relationship ceases to meet the hedge effectiveness requirement for the hedge ratio, but the risk management objective for that designated hedging relationship remains the same, the Company shall adjust the hedge ratio of the hedging relationship so that it meets the eligibility criteria again (the so-called “rebalancing mechanism”). When rebalancing a hedging relationship, the Company must update its analysis of the sources of hedge ineffectiveness and update the hedging relationship documentation accordingly.

As long as the cash flow hedge meets the eligibility criteria, the hedging relationship is recognised as follows:

- the provision for cash flow hedging constituting a separate component of equity (revaluation reserve from valuation of hedging instruments) related to the hedged item shall be adjusted by the lower of the following amounts (in absolute terms):
  - cumulative gains or losses on the hedging instrument since the hedge was established; and
  - the cumulative change in the fair value (present value) of the expected future cash flows arising from the hedged item since the hedge was established.
- a portion of the gain or loss on the hedging instrument that is effective is recognised in other comprehensive income;
- any remaining gain or loss on the hedging instrument (or any gains or losses required to offset the change in the cash flow hedge provision) constitute the ineffectiveness of the hedge, which is recognised as profit or loss for the current period;

- the cumulative amount of the cash flow hedge reserve is recognised as follows:
  - if the hedged forecast transaction subsequently results in the recognition of a non-financial asset, i.e. in the form of purchased CO_2 emission allowances in the case of hedging currency risk by FX forward contracts the Company removes this amount from the cash flow hedge provision and includes it directly in the initial cost of the CO_2 allowances, which is not a reclassification adjustment (does not affect other comprehensive income);
  - for cash flow hedges other than those listed above, a reclassification of this amount from the cash flow hedge reserve to profit or loss is made as a reclassification adjustment in the same period or periods in which the hedged expected future cash flows affect profit or loss (i.e. in periods in which interest expense is recognised for hedging interest rate risk through IRS contracts or foreign exchange differences related to the liability for the purchase of CO_2 emission allowances are recognised);
  - however, if the amount represents a loss and the Company expects that all or part of that loss will not be recovered in at least one of the future periods, the Company makes an immediate reclassification of the amount not expected to be recovered to profit or loss as a reclassification adjustment.

PROFESSIONAL JUDGEMENT AND ESTIMATES

The Company estimates fair value at each balance sheet day using the methodology described in Note 22 of these separate financial statements.

	Interest rate risk	Foreign exchange risk
Risk description	The Company incurred financing in PLN with a variable interest rate based on the WIBOR reference rate for a six-month period. Accordingly, the Company is exposed to the volatility of expected future cash flows from payments arising from the variable WIBOR 6M interest rate. The Company decided to hedge the resulting interest rate risk by entering into an IRS transaction. The hedging is compliant with the risk management strategy resulting from *the TAURON Group's Financial Risk Management Policy*. The purpose of the IRS transactions concluded is to limit the impact of interest rate volatility on the amount of interest payments on borrowed PLN financing based on WIBOR 6M to the nominal value of the IRS derivative instrument.	In the course of its business, the Company purchases CO_2 emission allowances, which it then sells to Group companies in order for the installations of these companies to meet their CO_2 emission cancellation obligations. The Company hedges the currency risk arising from purchases of CO_2 emission allowances in EUR by entering into FX forward contracts. The hedging is compliant with the risk management strategy resulting from *the TAURON Group's Financial Risk Management Policy*. The purpose of the transactions concluded is to hedge the Company against the foreign currency risk arising from the purchase of CO_2 emission allowances in EUR.
Hedge accounting for cash flows	The Company applies cash flow hedge accounting to cash flows arising from borrowing based on WIBOR 6M.	The Company applies cash flow hedge accounting for cash flows relating to the purchase of CO_2 emission allowances denominated in EUR arising from firm future commitments. Hedge accounting for these relationships is applied from 1 October 2025 onwards.
Hedging instruments	The hedging instruments include interest rate swaps (IRS), in which the leg paid is based on a fixed interest rate and the leg received is based on a floating interest rate (WIBOR 6M).	The hedging instruments include FX forwards for the purchase of EUR instead of PLN.
Economic link	The Company determines whether there is an economic relationship between the hedged item and the hedging instrument by qualitatively comparing the key terms of the hedged item and the hedging instrument (the so-called critical terms match test). When the conditions are not identical, the Company carries out an additional quantitative test based on the direct offset test.	The Company determines whether there is an economic relationship between the hedged item and the hedging instrument by qualitatively comparing the key terms of the hedged item and the hedging instrument (the so-called critical terms match test). If the key terms of the hedged item and the hedging instrument are not very similar, the Company performs an additional quantitative test by analysing the sensitivity to changes in the risk factors hedged.
Hedge ratio	The Company determines the hedge ratio as the ratio of the nominal amount of the hedging instrument to the nominal amount of the balance of the designated portion of the financing received.	The Company determines the hedge ratio as the ratio of the nominal amount of the hedging instrument to the amount represented by the sum of the products of the purchase volume of CO_2 emission allowances and the price of the contracts designated as the hedged item.
Sources of security inefficiency	The main source of inefficiency identified by the Company is the impact of credit risk on the fair value of the IRS contract. The Company does not identify any sources of ineffectiveness in the interest rate hedging relationships used other than those indicated above.	The main sources of inefficiency identified by the Company include: • designation of hedging instruments for hedge accounting after their inception date, resulting in a non-zero initial measurement; • incomplete matching of the settlement dates of FX forward contracts for the purchase of EUR with the settlement dates of forward contracts for the purchase of CO_2 emission allowances; • credit risk of hedging instruments. The Company does not identify any sources of inefficiency in the use of currency risk hedging instruments other than those indicated above.

IRS derivatives were subject to hedge accounting for both the year ended 31 December 2025 and the comparable period. FX forward derivatives were designated for hedge accounting from 1 October 2025.

Nominal values of cash flow hedging derivatives

Status as at 31 December 2025

Risk type / instrument type	Currency	Time remaining to maturity					Total
		below 3 months	from 3 to 12 months	from 1 to 2 years	from 2 to 3 years	from 3 to 5 years	
INTEREST RATE RISK							
IRS derivatives							
Nominal value	PLN	–	170	170	170	570	**1 080**
Average fixed interest rate (%)		–	1.14	1.21	1.27	1.62	**1.43**
CURRENCY RISK							
Currency derivatives							
Nominal value	EUR	56	645	485	47	–	**1 233**
Average EUR/PLN transaction rate		4.8629	4.5569	4.5040	4.5247	–	**4.5489**

Status as at 31 December 2024

Risk type / instrument type	Currency	Time remaining to maturity					Total
		below 3 months	from 3 to 12 months	from 1 to 2 years	from 2 to 3 years	from 3 to 5 years	
INTEREST RATE RISK							
IRS derivatives							
Nominal value	PLN	–	1 170	170	170	740	**2 250**
Average fixed interest rate (%)		–	0.72	1.14	1.21	1.54	**1.06**

Impact of cash flow hedges of hedging instruments on the statement of financial position

Hedging instrument	Currency	As at 31 December 2025			As at 31 December 2024			The name of the item in the statement of financial position that contains the hedging instrument
		Nominal value in the contract currency	Carrying value		Nominal value in the contract currency	Carrying value		
			Assets	Liabilities		Assets	Liabilities	
INTEREST RATE RISK								
IRS derivatives	PLN	1 080	60	–	2 250	185	–	Derivatives
CURRENCY RISK								
Currency derivatives	EUR	1 233	–	(290)		n.a.		Derivatives

Impact of cash flow hedges of hedging instruments on the profit and loss

Year ended on 31 December 2025

Hedging instrument	Change in fair value of hedging instrument used as a basis for recognition of hedge ineffectiveness	Hedging gains or losses for the reporting period that have been recognised in other comprehensive income	Amount of hedge ineffectiveness recognised in profit or loss	The item in the statement of comprehensive income in which the amount of ineffectiveness is recognised	Amount reclassified from cash flow hedge reserve to profit or loss as a reclassification adjustment	The item in the statement of comprehensive income that includes a reclassification adjustment
INTEREST RATE RISK						
IRS derivatives	(26)	(26)	–	Result on derivatives	89	Interest costs of debt
CURRENCY RISK						
Currency derivatives	(114)	(111)	(3)*	Result on derivatives	–	Other finance income and expenses

** Only ineffectiveness identified between the date of the relationship and the balance sheet date for designated hedging relationships has been taken into account.*

Year ended on 31 December 2024

Hedging instrument	Change in fair value of hedging instrument used as a basis for recognition of hedge ineffectiveness	Hedging gains or losses for the reporting period that have been recognised in other comprehensive income	Amount of hedge ineffectiveness recognised in profit or loss	The item in the statement of comprehensive income in which the amount of ineffectiveness is recognised	Amount reclassified from cash flow hedge reserve to profit or loss as a reclassification adjustment	The item in the statement of comprehensive income that includes a reclassification adjustment
INTEREST RATE RISK						
IRS derivatives	66	66	–	Result on derivatives	163	Interest costs of debt

Effect of cash flow hedges on the statement of financial position and profit or loss in respect of the hedged item

Item hedged	Change in value of hedged item used as basis for recognition of hedge ineffectiveness during the period		Cash flow hedge reserve balance for continuing hedges	
	Year ended 31 December 2025	Year ended 31 December 2024	As at 31 December 2025	As at 31 December 2024
INTEREST RATE RISK				
Borrowed funding	26	(66)	59	174
CURRENCY RISK				
Purchase of CO_2 emission allowances	111	n.a.	(110)	n.a.

Change in cash flow hedge provision (net of deferred tax)

	Year ended 31 December 2025	Year ended 31 December 2024
INTEREST RATE RISK		
Opening balance	**174**	**271**
Hedging gains or losses recognised in other comprehensive income during the reporting period	(26)	66
Amount reclassified from cash flow hedge reserve to interest expenses	89	163
Closing balance	**59**	**174**
CURRENCY RISK		
Opening balance	**–**	**n.a.**
Hedging gains or losses recognised in other comprehensive income during the reporting period	(111)	n.a.
Amount reclassified from cash flow hedge reserve and captured as an adjustment to the initial value of assets	(1)	n.a.
Amount reclassified from cash flow hedge reserve to foreign exchange differences	–	n.a.
Closing balance	**(110)**	**n.a.**

38. Objectives and principles of financial risk management

The financial risk is managed on the Capital Group TAURON Polska Energia S.A. level, which means that within the framework of financial risk management, the Company performs the functions assigned to it as a member of the TAURON Group and the management, control and monitoring functions assigned to it as the central unit.

Types of risk arising from financial instruments to which the Company is exposed in the course of its business:

- credit risk;
- liquidity risk;
- market risk, including:
  - risk of changes in interest rates,
  - risk of changes in exchange rates;
  - risk of changes in raw material and commodity prices related to commodity derivative instruments.

Risks related to financial instruments which the Company and TAURON Group are exposed to, including a description of the exposure and the risk management method are presented in the table below.

Credit risk

Risk exposure

Possible loss resulting from the counterparty default on contractual obligations. The credit exposure involves a payment exposure (the amount that may be lost as a result of non-payment for goods or services by counterparty) and a replacement risk (the amount that may be lost if a delivery is not made or a service is not provided).

Regulation

Credit risk management policy in TAURON Group

Risk management

Credit risk management is aimed at limiting losses resulting from the deterioration of the financial situation of the TAURON Group's counterparties and mitigating the risk of credit exposures at risk of impairment.

Commercial transactions of significant value are preceded by an assessment of the counterparty's creditworthiness, including an economic and financial analysis of the entity. Based on the assessment, the counterparty is granted a credit limit, which is a limit on the maximum credit exposure understood as the amount that may be lost if the counterparty fails to meet its contractual obligations within a specified period of time (taking into account the value of the collateral provided). Credit exposure is calculated for the current day and divided into exposure due to payment and exposure of replacement.

The TAURON Group has a decentralised credit risk management system, which means that each risk owner is actively responsible for managing the credit risks that arise within their business scope, but control, monitoring and reporting is performed at the Company-wide level. The existing TAURON Group's Credit Risk Management Policy sets out the management procedures with the view to reduce the impact of the risk on the Group's strategic objectives.

Based on the value of exposure and assessment of financial standing of each client, the value of credit risk to which the TAURON Group is exposed is calculated using statistical methods to determine value at risk based on the total loss probability distribution.

Liquidity risk

Risk exposure

Possible loss or limitation of the ability to make payments on a day-to-day basis due to an inappropriate volume or structure of liquid assets as compared to current liabilities or an insufficient level of the actual net proceeds from operating

Regulation

Financial liquidity management policy of TAURON Group

Risk management

The liquidity situation of TAURON Group is monitored on an on-going basis in terms of potential deviations against the assumed plans and the availability of external sources of financing whose amount significantly exceeds the expected demand in a short term mitigates the risk of losing liquidity.

To this end, the Company applies the rules of determining the liquidity position both of individual companies and the entire TAURON Group which helps ensure funds that would cover any potential liquidity gaps by allocating funds between companies (cash-pooling mechanism) as well as using external financing.

The Company also manages the financing risk, understood as no capability to obtain new funding, an increase in funding costs and the risk of terminating the existing funding agreements. The company pursues a policy of obtaining financing for the TAURON Group in advance of the planned date of its use, i.e. up to 12 months before the planned demand. The key objective of such policy is to ensure flexible selection of funding source, use favourable market conditions and reduce the risk related to the necessity to contract new liabilities on unfavourable financial terms.

Market risk - interest rate and currency risks

Risk exposure

The possibility of an adverse effect on the Group's performance through fluctuations in the fair value of financial instruments or the related future cash flows, driven by changes in interest rates or foreign exchange rates.

Regulation

Financial risk management policy for the TAURON Group

Risk management

TAURON Group manages currency and interest rate risks on the basis of the TAURON Group Financial Risk Management Policy developed and adopted for use, as well as the Risk Tolerance, the Global Limit for Financial Risk and its decomposition into individual types of financial risk approved by the Management Board. The key objective of such risk management is to minimise the cash flow sensitivity of the TAURON Group to financial risks and to minimize financial cost and costs of hedging with the use of derivative instruments. For interest rate risk and foreign currency risk hedging transactions and where possible and economically justified, the Company uses derivatives whose characteristics allows the application of hedge accounting.

The Financial risk management policy of TAURON Group determines the types and principles of applying hedge accounting by the Company.

Market risk - price risk

Risk exposure

Unplanned volatility of the TAURON Group's operating result resulting from fluctuations in commodity market prices in individual areas of the TAURON Group's trading activities.

Regulation

Commercial risk management policy for the TAURON Group

Risk management

Effective management is ensured by a commercial risk management system linked in terms of organisation and information with the TAURON Group's strategy of hedging trading positions. The policy has introduced an early-warning system and risk-exposure limiting system in various trading areas. The basic operational measure of the market risk in the TAURON Group is the Value at Risk measure which determines the maximum allowed change in the value of the position over a given time period and with a given probability.

38.1. Credit risk

Classes of financial instruments that give rise to credit risk exposure with different characteristics are presented in the table below.

Financial asset classes	As at 31 December 2025	As at 31 December 2024
Loans granted	11 196	10 409
Receivables from buyers	1 480	1 746
Cash and cash equivalents	181	172
Derivative instruments	111	256
Other financial assets	646	156

The credit risk related to financial assets of the Company results from the inability to make payment by the other party to the agreement and the maximum exposure is equal to the carrying amount of these instruments.

In addition, the Company bears credit risk from guarantees and sureties granted, which are described in Note 40 of these separate financial statements.

38.1.1 Credit risk related to loans granted

Loans measured at a fair value

Loans classified as measured at fair value are measured using the discounted cash flow method, taking into account credit risk. Loans granted to subsidiaries are generally unsecured. The loans granted by the Company to the joint venture Elektrociepłownia Stalowa Wola S.A. are secured by blank promissory notes including promissory note declarations.

Loans measured at amortised cost

As far as granted loans measured at amortized cost are concerned, the Company assesses the risk of insolvency on the part of the borrowers based on the ratings assigned to the counterparties using an internal scoring model, appropriately restated to account for the probability of default. The expected credit loss is calculated based on the time value of money.

For the purposes of determining the calculation horizon for expected credit losses, the potential material credit risk increases related to a certain financial asset i.e. a loan granted, are verified from the moment of its initial recognition.

Determinants for the occurrence of a significant increase in credit risk associated with an asset:

- the counterparty's internal or external rating as at the reporting period end having deteriorated by more than two rating levels compared to its rating upon initial recognition;
- the counterparty's probability of insolvency projected within one-year horizon as at the reporting period end being at least twice higher than as at the initial recognition date;
- receivables related to a given asset being overdue by more than 30 days.

If a given counterparty's receivables are overdue by more than 90 days, they are classified as bad debt, i.e. the 100% probability of insolvency is assigned to that counterparty. The loans granted by the Company as at 31 December 2025 and 31 December 2024 were not overdue.

The Company's exposure to credit risk related to loans granted, including information on impairment losses as well as the classification to individual stages of creating the allowances for expected credit losses in line with the rating used in the Company, is presented below and in Note 21 to these separate financial statements.

Loans measured at amortised cost by ratings used in the Company

Year ended 31 December 2025

	Level 1: allowance equal to 12 monthly expected credit losses - no impairment	Level 2: allowance for expected credit losses over the life period - no impairment	Loans recognized as impaired at the time of granting	Total
AAA do A	6 041	–	–	**6 041**
A- to BBB-	130	–	–	**130**
BB+ to BB	1 051	–	–	**1 051**
BB- to B	–	–	1 439	**1 439**
B- to D	–	–	–	**–**
Gross value	**7 222**	**–**	**1 439**	**8 661**
impairment loss	(17)	–	–	**(17)**
Net value	**7 205**	**–**	**1 439**	**8 644**

Year ended 31 December 2024

	Level 1: allowance equal to 12 monthly expected credit losses - no impairment	Level 2: allowance for expected credit losses over the life period - no impairment	Loans recognized as impaired at the time of granting	Total
AAA do A	–	–	–	**–**
A- to BBB-	6 130	–	–	**6 130**
BB+ to BB	1 190	–	–	**1 190**
BB- to B	–	–	1 128	**1 128**
B- to D	–	36	–	**36**
Gross value	**7 320**	**36**	**1 128**	**8 484**
impairment loss	(27)	(36)	–	**(63)**
Net value	**7 293**	**–**	**1 128**	**8 421**

In the year ended December 2025 and in the comparable period, the Company did not have any loans measured at amortized cost for which the allowance for expected credit losses was calculated at stage 3 (write-off for expected credit losses over the entire life - with impairment).

38.1.2 Credit risk related to receivables from customers

The Company monitors credit risk related to its operations on an ongoing basis, in line with the Credit Risk Management Policy adopted by the TAURON Group. As a result of the analysis of credit standing of counterparties with significant credit exposure, the conclusion of trading transactions resulting in an increase in credit exposure above the allocated exposure limit generally requires the establishment of a collateral.

In accordance with IFRS 9 *Financial Instruments*, the Company estimates and recognizes in the profit or loss allowances on expected credit losses. For strategic counterparties, the risk is estimated based on ratings assigned to counterparties using an internal scoring model, appropriately converted to probability of default. The Company expects that the historical performance information concerning other counterparties may reflect the credit risk that will be faced in future periods. The expected credit loss on receivables from buyers is calculated upon recognition of such receivables in the statement of financial position and updated as at each subsequent reporting period end taking into account the forward looking aspect.

The Company's exposure to credit risk related to receivables from customers, including the ageing of receivables from customers and information regarding impairment and risk concentration are presented in Note 27 to these separate financial statements.

38.1.3 Credit risk related to other financial assets and to granted guarantees and sureties

Derivatives

The entities with which the Company enters into derivative transactions to hedge the risks associated with changes in interest rates and exchange rates operate in the financial sector. These banks receive investment ratings (not lower than BBB- according to Fitch and S&P and Baa3 according to Moody's). The Company diversifies banks with whom derivative transactions are concluded.

Derivatives, which basis are non-financial assets, included in IFRS 9 *Financial Instruments*, involve futures (exchange market) and forward transactions (OTC). Exchange markets apply appropriate mechanisms to protect, in the form of initial and variation margin deposits. Under variation margin deposits, the Company provides and receives cash arising from changes in the measurement of the underlying instruments on an ongoing basis, which means that as at the end of the reporting period, credit risk does not occur in relation to futures transactions.

In the case of OTC instruments there is a credit risk related to the possibility of insolvency of the other party to the agreement. Therefore, commercial transactions of significant value are preceded by the assessment of the credit standing counterparty, including the economic and financial analysis of the entity. On the basis of the assessment, the counterparty is granted a credit limit, which is a limit of the maximum credit exposure. Execution of trade transactions resulting in an increase in credit exposure above the allocated exposure limit generally requires the establishment of collateral in accordance with the Credit Risk Management Policy in the TAURON Group.

Cash and cash equivalents

The Company manages its cash credit risk by diversifying the banks where surplus cash can be deposited while reducing the cost of holding cash in accounts. These banks receive investment ratings (not lower than BBB- according to Fitch and S&P and Baa3 according to Moody's).

Guarantees and sureties granted

In accordance with IFRS 9 *Financial Instruments*, the Company estimates and recognizes in the financial result write-offs for expected credit losses on guarantees and sureties granted to other entities. The methodology for measuring expected credit losses is consistent with the model used for loans granted measured at amortized cost, described in Note 38.1.1 of these separate financial statements

38.2. Liquidity risk

The Company pursues a policy of diversification of financing instruments but first of all it seeks to secure and ensure financing to enable TAURON Group companies to meet current and future liabilities in the short and long term. Liquidity risk management is connected with planning and monitoring of cash flows in the short and long term and taking actions to ensure funds for the operation of the Group companies.

The Company carries out a centralised finance management policy, allowing effective management of an area within the entire Group. The Group has implemented, among other things, the *Financial liquidity management policy for TAURON Group*, which facilitates optimization of liquidity management of the Group, consequently reducing the risk of liquidity loss by the companies of the Group. By implementing adequate forecasting standards, it is possible to determine the precise liquidity position of TAURON Group, allowing for optimisation of the timing of fund raising and the maturity of trading instruments, as well as the appropriate level of liquidity provision.

In addition, the TAURON Group operates a cash pool service. The cash pool structure enables the Group companies that experience short-term shortage of funds to use cash provided by companies with cash surplus, without the need to obtain borrowings from third parties.

The Company identifies and actively manages liquidity risk, understood as the possibility of losing or limiting the capacity to settle current expenses. Despite the existence of an excess of current liabilities over current assets (the so-called negative working capital), the Company has full capacity to settle its liabilities when they fall due. The Company manages its liquidity in a conscious manner and uses available funding when specific liquidity needs arise, thereby optimising the cost of fund raising. As at the balance sheet date, the Company has available guaranteed credit facilities of PLN 6 190 million. Agreements with financing available at the balance sheet date that can be used for investment and corporate-wide purposes, including to secure the Group's current liquidity position, together with the use of funds are shown in the table below.

Type of financing	Purpose of financing	Funds availability termination year	Currency	As at 31 December 2025	
				Limit available	Limit drawn upon
revolving loans	current and investment expenditures (excluding coal assets)	2029	PLN	4 000	–
		2027	PLN	500	–
overdraft facility	current expenditures	2027	PLN	690	160

In addition to the above-mentioned revolving credit facilities, the Company has available non-revolving financing in the amount of PLN 1 000 million (Tranche A), which may be used solely to finance capital expenditures specified in the credit agreement – the agreement in question is included in the table below.

The corporate financing model and the policy pursued in the area of acquiring sources of funding primarily by the Company (and the distribution of funds to Group companies) enable, among other things, an increase in the fund raising opportunities, a reduction in the cost of external capital, a limitation on the amount and forms of collateral on the assets of the TAURON Group, covenants required by financial institutions, and reduce administrative costs. The corporate finance model also makes it possible to acquire sources of financing that are not available to individual companies.

In 2025, the Company demonstrated full capacity to settle its liabilities on their maturity date.

In order to secure funding for the Group's ongoing investments, including in particular to ensure the implementation of the TAURON Group's energy transition strategy, in addition to the agreements indicated above, the funds from which can also be used for investment expenses, the Company has also entered into loan and borrowing agreements and established the bond issue programme, which remain available at the balance sheet date and are presented in the table below.

Type of financing	Purpose of financing	Funds availability termination year	Currency	As at 31 December 2025	
				Contract value	Limit drawn upon
bond issuance scheme	expenditures in line with Europen Taxonomy	2026	PLN	3 000	–
non-revolving loan (Tranche A)[1]	expenditure in the area of RES, levelopment of distribution networks, onstruction of energy storage facilities and investments in the area of Heat	2026	PLN	1 000	–
NRRP	development and adaptation of the power grid to the needs of energy transformation and climate change	funds paid successively as the investment is completed, but no later than by 2036	PLN	15 867	1 428
NRRP	advanced digital transformation	funds paid successively as the investment is completed, but no later than by 2028	PLN	310	231
NRRP[2]	advanced digital transformation	funds paid successively as the investment is completed, but no later than by 2031	PLN	110	–
NRRP[2]	construction of two photovoltaic farms	funds paid successively as the investment is completed, but no later than by 2028	PLN	269	–

[1] Loan agreement for PLN 2 450 million with BGK (including Tranche A of PLN 1 000 million and Tranche B of PLN 1 450 million). Under the loan agreement, the Company has financing available in the amount of PLN 1 000 million (tranche A), with the repayment within 8 years following the date of releasing the funds. Tranche B will be available upon application by the Company and acceptance of the application by BGK. The availability of Tranche B is 24 months from the date of the loan agreement, i.e. 29 October 2024. Tranche B will be repaid within 7 years from the date the funds are made available. The Company will be able to draw down the loan in the two-year availability period of a given tranche.
[2] Funding available upon fulfilment of the standard conditions precedent for this type of funding.

The tables below show the ageing of the Company financial liabilities by non-discounted contractual payments. Ageing takes into account the repayment dates of the financing in accordance with the possibility of deferring the settlement of the liability, regardless of the Company's intention as to when it will be repaid.

Financial liabilities as at 31 December 2025

	Carrying amount	Contractual undiscounted payments	Including contractual undiscounted payments maturing during the period (from the reporting date)					
			less than 3 months	3 -12 months	1 - 2 years	2 - 3 years	3 - 5 years	over 5 years
Financial liabilities other than derivative instruments								
Loans and advances granted on market terms and overdrafts	**9 789**	**(11 444)**	(3 475)	(977)	(640)	(681)	(2 821)	(2 850)
Bonds issued	**3 282**	**(3 656)**	–	(119)	(2 231)	(448)	(450)	(408)
Loans and preferential borrowings	**640**	**(1 811)**	–	(8)	(8)	(11)	(40)	(1 744)
Liabilities to suppliers	**791**	**(791)**	(791)	–	–	–	–	–
Other financial liabilities	**158**	**(158)**	(154)	–	–	–	–	(4)
Lease liabilities	**6**	**(10)**	(2)	(1)	(1)	(1)	–	(5)
Derivative financial liabilities								
Derivative instruments-commodity*	**46**	**–**	–	–	–	–	–	–
Derivative instruments-currency	**295**	**(295)**	(40)	(178)	(72)	(5)	–	–
Derivative instruments-CCIRS	**11**	**(13)**	–	(6)	(7)	–	–	–
Total	**15 018**	**(18 178)**	**(4 462)**	**(1 289)**	**(2 959)**	**(1 146)**	**(3 311)**	**(5 011)**

** The measurement of commodity derivatives on foreign exchanges translates into the ongoing volume of top-up deposits, which limits the value of contractual future payments.*

Financial liabilities as at 31 December 2024

	Carrying amount	Contractual undiscounted payments	Including contractual undiscounted payments maturing during the period (from the reporting date)					
			less than 3 months	3 -12 months	1 - 2 years	2 - 3 years	3 - 5 years	over 5 years
Financial liabilities other than derivative instruments								
Loans and advances granted on market terms and overdrafts	**10 077**	**(11 945)**	(3 248)	(497)	(1 144)	(879)	(2 878)	(3 299)
Bonds issued	**5 055**	**(5 953)**	–	(1 429)	(361)	(2 477)	(438)	(1 248)
Liabilities to suppliers	**1 020**	**(1 020)**	(1 020)	–	–	–	–	–
Other financial liabilities	**64**	**(64)**	(60)	–	(3)	–	–	(1)
Lease liabilities	**6**	**(10)**	(3)	(1)	(1)	–	–	(5)
Derivative financial liabilities								
Derivative instruments-commodity*	**64**	**–**	–	–	–	–	–	–
Derivative instruments-currency	**365**	**(365)**	(123)	(187)	(57)	2	–	–
Derivative instruments-CCIRS	**10**	**(18)**	–	(6)	(6)	(6)	–	–
Total	**16 661**	**(19 375)**	**(4 454)**	**(2 120)**	**(1 572)**	**(3 360)**	**(3 316)**	**(4 553)**

** The measurement of commodity derivatives on foreign exchanges translates into the ongoing volume of top-up deposits, which limits the value of contractual future payments.*

As at 31 December 2025 and 31 December 2024, the Company had guarantees, sureties and collaterals granted to related companies for the total amount of PLN 1 670 million and PLN 2 544 million, respectively (excluding registered and financial pledges on shares). The most important items are described in Notes 40 and 41 to these separate financial statements. Guarantees and collaterals granted by the Company are contingent liabilities and do not significantly affect the Company's liquidity risk.

38.3. Market risk

Market risk is associated with the possibility of a negative impact on the Company's results through fluctuations in the fair value of financial instruments or future cash flows associated with them due to changes in market prices.

The Company identifies the following types of market risk it is exposed to:

- interest rate risk;
- currency risk;
- raw material and commodity price risk related to commodity derivative instruments.

38.3.1 Interest rate risk

Items bearing interest at floating rates expose the Company to changes in cash flows, including changes in the Company's cost of servicing its financing, as a result of changes in interest rates. Items bearing fixed interest rate expose the Company to changes in the fair value of items measured at fair value. The risk of fair value changes resulting from interest rate changes relates to IRS and CCIRS derivative instruments as well as to selected loans. The Company is also exposed to the materialisation of the risk of lost benefits due to a fall in interest rates in case of debt bearing fixed interest rate or an increase in interest rates on fixed-rate assets held, but these changes are not recognised in the financial statements.

The Company controls interest rate risk through a system of limits relating to the maximum potential loss due to a change in interest rates on the Company's total interest rate exposure.

The objective of interest rate risk management is to limit the adverse effects of changes in market interest rates on cash flows to a level acceptable to the Company and to minimize financing costs. Due to the Company's dynamic financial risk management strategy, in which the hedged item is the cash flow related to the exposure to the variable WIBOR 6M interest rate, the interest rate risk related to the variable rate debt for a portion of interest cash flows has been mitigated by IRS hedging transactions, as described in more detail in Note 22 to these separate financial statements. IRS transactions concluded in order to hedge interest rate risk are subject to hedge accounting.

The Company only enters into interest rate derivative transactions to hedge its real risk exposure. The regulations binding in the Company do not allow it to enter into speculative transactions with regard to interest rate risk, i.e. transactions that would possibly generate additional profit resulting from a change in interest rates, while exposing the Company to the risk of incurring a loss on this account.

Financial instruments by interest rate type

Financial instruments	Year ended 31 December 2025			Year ended 31 December 2024		
	Fixed interest rate	Floating interest rate	Total	Fixed interest rate	Floating interest rate	Total
Financial assets						
Loans granted measured at amortized cost	8 521	123	**8 644**	8 374	47	**8 421**
Loans granted measured at fair value	2 552	–	**2 552**	1 988	–	**1 988**
Derivative instruments-IRS	–	60	**60**	–	185	**185**
Cash and cash equivalents	–	177	**177**	–	172	**172**
Total	**11 073**	**360**	**11 433**	**10 362**	**404**	**10 766**
Financial liabilities						
Loans and preferential borrowings	640	–	**640**	–	–	**–**
Arm's length loans and borrowings	1 128	8 501	**9 629**	1 691	8 351	**10 042**
Bank overdrafts	–	160	**160**	–	35	**35**
Bonds issued	2 135	1 147	**3 282**	2 891	2 164	**5 055**
Derivative instruments-CCIRS	–	11	**11**	–	10	**10**
Leases liabilities	6	–	**6**	6	–	**6**
Total	**3 909**	**9 819**	**13 728**	**4 588**	**10 560**	**15 148**

Floating-rate financial liabilities include loans and bonds bearing floating interest rate with a total nominal value of PLN 1 080 million, whose changes in cash flows from interest payments were hedged by entering into interest rate swaps. Correspondingly, hedging transactions were also presented as variable rate instruments.

Other financial instruments of the Company, which are not included in the table above, are not interest bearing and therefore they are not subject to interest rate risk.

Analysis of sensitivity to interest rate risk

For the purposes of the analysis of sensitivity to changes in market risk factors, the Company uses the scenario analysis method. The Company relies on expert scenarios reflecting its judgement concerning the behaviour of individual market risk factors in the future. The scope of the analysis includes only those items which meet the IFRS definition of financial instruments.

In its sensitivity analysis of derivatives, the Company measures and monitors interest rate risk using the BPV (Basis Point Value) measure, which shows the change in fair value of derivatives due to a parallel shift of the yield curve by 0.01% (one basis point). In the sensitivity analysis for interest rate risk of other financial instruments, the Company applies a parallel shift of the interest rate curve by the potential possible change in reference interest rates over the horizon to the date of the next financial statements, i.e. by the average levels of reference interest rates in a given year.

The Company identifies its exposure to the risk of changes in WIBOR, EURIBOR and ESTRON interest rates. As at 31 December 2025 and 31 December 2024, its exposure to changes in EURIBOR and ESTRON rates was insignificant.

As at 31 December 2025 and 31 December 2024, the results of the derivative sensitivity analysis indicated an immaterial impact of a 0.01% (one basis point) change in interest rates on the Company's profit before tax and other comprehensive income.

The table below presents the sensitivity of the gross financial result to reasonable potential changes in interest rates in the period until the date of the next financial statements, assuming that other risk factors remain unchanged, for other financial instruments.

Classes of financial instruments	As at 31 December 2025		Sensitivity analysis for interest rate risk as at 31 December 2025		As at 31 December 2024		Sensitivity analysis for interest rate risk as at 31 December 2024	
	Carrying amount	Value at risk	WIBOR		Carrying amount	Value at risk	WIBOR	
			+496 bp	-496 bp			+585 bp	-585 bp
Financial assets								
Loans granted measured at amortized cost	8 644	123	6	(6)	8 421	47	3	(3)
Loans granted measured at fair value	2 552	2 552	(640)	1 001	1 988	1 988	(645)	1 121
Cash and cash equivalents	181	127	6	(6)	172	138	8	(8)
Financial liabilities								
Loans and arm's length borrowings	9 629	8 501	(422)	422	10 042	8 351	(488)	488
Bonds issued	3 282	1 147	(57)	57	5 055	2 164	(127)	127
Bank overdrafts	160	160	(8)	8	35	35	(2)	2
Total			**(1 115)**	**1 476**			**(1 251)**	**1 727**

The risk exposure as at 31 December 2025 and as at 31 December 2024 is representative of the Company's risk exposure during the annual periods preceding these dates.

Benchmark reform

Pursuant to Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices to be used as reference indices in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (the "BMR Regulation"), which imposes new legal requirements related to the development and use of reference indices, banks have been obliged to add a fallback clause to their contracts in the event of a temporary or permanent cessation of the determination of the base rate or a change in its calculation method. The provisions of the fallback clause set out an alternative base rate or method of setting it, while ensuring the continued enforceability of the contract based on the variable rate formula.

In connection with the reform of reference indices in Poland, including the introduction on the Polish market of an alternative reference interest rate index, whose input is information representing overnight transactions, the National Working Group for Reference Index Reform (NGR) was established. The NGR's work aims to ensure that the development and application of the new benchmark interest rate is credible, transparent and reliable in accordance with the BMR Regulation. In January 2025, the NGR Steering Committee decided on the POLSTR (Polish Short Term Rate) index. POLSTR will be named after the index currently called WIRF, which was selected by the NGR Steering Committee in December 2024 as the successor

to WIBOR. This indicator is based on the deposits of unsecured credit institutions and financial institutions. The WIBOR benchmark currently used in the market, on which, for example, interest rates on loans or bonds depend, is expected to be replaced by a new index by the end of 2027. The change will involve the replacement of the current WIBOR index, which is based on transactions between banks for deposits with a future end date and projections, with an index that will be based on matured overnight deposits, whose interest rate will be specifically recalculated.

As at 31 December 2025, the Company has no concluded financial instruments based on POLSTR.

With regard to the interest rates affected by the reform of the interest rate benchmarks, the transition to the revised benchmarks will take place at the end of 2027 at the latest, the Company identifies as at 31 December 2025 an exposure to risks associated with the planned replacement of the WIBOR reference rate. As at 31 December 2025, the Company had debt agreements bearing floating interest rates using the relevant WIBOR reference rates, for which the financing period exceeds the cut-off date for WIBOR eligibility, i.e. the end of 2027, as presented in Notes 30.1 and 30.2 of these separate financial statements. With regard to financing agreements in force on the cut-off date for the use of WIBOR rates, they contain appropriate provisions concerning the application of reference rates, or the Company will implement appropriate provisions in the relevant agreements in advance.

In addition, as at the balance sheet date, the Company has entered into IRS derivatives covered by hedge accounting, as described in more detail in Note 22 of these separate financial statements, whose maturity partially exceeds the cut-off date for WIBOR eligibility, i.e. the end of 2027. In the Company's assessment of the above IRS derivatives, the reform of the benchmarks will not have a significant impact on the Company's costs and hedge effectiveness, given the symmetrical change in the benchmark in the hedging and hedged instruments.

Information on the Company's financing agreements and liabilities based on the WIBOR index as at 31 December 2025, as well as interest rate hedging contracts in relation to the WIBOR rate, with a repayment date after 2027, is presented in the table below.

Financial Instrument	Investor / lender	Reference indicator	Currency	Year of conclusion of the contract	Maturity, repayment or exercise date after the transition date	Contract amount available for release	Nominal value of the triggered liability / IRS valuation
						As at 31 December 2025[1]	
bonds	Bank Gospodarstwa Krajowego	WIBOR 6M	PLN	2013	2028-2029	-	750
				2018	2028-2033	-	600
	Bank Gospodarstwa Krajowego	WIBOR 6M	PLN	2024	2028-2032	-	675
				2024	2028-2032	1 000	-
loan	European Investment Bank	WIBOR 6M	PLN	2021	2028-2041	-	2 026
	Consortium of banks – revolving loan	WIBOR	PLN	2022	2029	4 000	-
	Consortium of banks	WIBOR 6M	PLN	2024	2029	-	900
Total nominal value of loans and bonds maturing after 2027 year							**4 951**
Interest Rate Swaps (IRS)[2]	Financial institutions	WIBOR 6M	PLN		2028-2029		**20**

[1]Data presented in the table include values due for repayment after 2027, presented in amounts in force at 31 December 2025.
[2] IRS instruments that will be realized after 2027 and whose fair value measurement (in the part relating to the period after 2027) amounted to PLN 20 million as at 31 December 2025 relate to the exchange of interest payments on the total nominal value of the liability of PLN 740 million.

The BGK subordinated bond liability is not included in the table due to the Company's intention to redeem the subordinated bonds after the first financing period falling before the end of 2027.

The Company does not hold any significant financial assets bearing a floating interest rate based on the benchmark rate covered by the benchmark reform.

Given the timing of the transition to the new reference rate (end of 2027) and the ongoing work on the appropriate implementation of contingency clauses in the relevant contracts, the risk of not being able to continue the operation of the aforementioned contracts, or the risk of additional costs affecting, among other things, liquidity risk and the risk of significant adverse changes in cash flows as a result of changes in reference rates, is assessed by the Company as low. The Company monitors the extent of the potential changes, but due to the timing of the mandatory transition will estimate the total impact on the separate financial statements of the Company at a later stage of progress.

38.3.2 Foreign exchange risk

The tables below present the Company's exposure to currency risk by particular classes of financial instruments as at 31 December 2025 and 31 December 2024. The Company's significant exposure relates to changes in the EUR/PLN exchange rate, mainly due to external financing incurred in EUR. The Company's exposure to changes in the exchange rates of other currencies is immaterial.

	As at 31 December 2025			As at 31 December 2024		
	Carrying amount	EUR		Carrying amount	EUR	
		in currency	in PLN		in currency	in PLN
Financial assets						
Derivatives measured at fair value	51	11	46	71	15	64
Hedging derivatives	60	–	–	185	–	–
Other financial assets	646	–	1	156	15	65
Cash and cash equivalents	181	11	46	172	6	27
Total	**938**	**22**	**93**	**584**	**36**	**156**
Financial liabilities						
Loans and arm's length borrowings	9 629	167	706	10 042	167	713
Bonds issued	3 282	505	2 135	5 055	505	2 157
Liabilities to suppliers	791	–	–	1 020	–	1
Derivatives measured at fair value	62	11	46	439	15	64
Hedging derivatives	290	–	–	–	–	–
Other financial liabilities	158	–	1	64	–	1
Total	**14 212**	**683**	**2 888**	**16 620**	**687**	**2 936**
Net currency position		**(661)**	**(2 795)**		**(651)**	**(2 780)**

Currency risk is related to the possibility of changes in the Company's cash flows, including changes in the cost of servicing debt in foreign currency and the cost of contracting CO_2 emission allowances, as well as changes in the valuation in PLN of debt raised in foreign currency.

The Company controls currency risk through a system of limits relating to the maximum potential loss due to a change in currency exchange rates on the Company's total currency risk exposure.

As part of its currency risk management, the Company uses forward contracts. The purpose of the transactions concluded was to hedge the Company against currency risk arising in the course of its commercial activities, primarily from the purchase of CO_2 emission allowances, and in the course of investment activities related to the implementation of projects in the area of renewable energy sources, as well as to hedge the foreign exchange exposure generated by interest payments on acquired financing in EUR.

The Company only enters into derivative transactions hedging currency risk to secure its real risk exposure. The regulations binding in the Company do not allow it to enter into speculative transactions with regard to currency risk, i.e. transactions that would possibly generate additional profit resulting from a change in exchange rates, while exposing the Company to the risk of incurring a loss on this account.

The fair value measurement of currency forward contracts and CCIRS contracts is exposed to the risk of changes in the EUR/PLN exchange rate. Forward transactions for the purchase of EUR currency to hedge the Company against the currency risk arising from the purchase of CO_2 emission allowances from 1 October 2025 onwards are covered by hedge accounting. Other transactions entered into to hedge against currency risk are not subject to hedge accounting.

Currency risk sensitivity analysis

The analysis of sensitivity to changes in market risk factors is conducted by means of a scenario analysis. The Company relies on expert scenarios reflecting its judgement concerning the behaviour of individual market risk factors in the future. The scope of the analysis includes only those items which meet the IFRS definition of financial instruments.

The potential changes in foreign exchange rates have been determined within a horizon until the date of the next financial statements and calculated on the basis of annual implied volatility for FX options quoted on the interbank market for a given currency pair as at the end of the reporting period or, in the absence of quoted market prices, on the basis of historical volatility for a period of one year preceding the balance sheet date.

The Company identifies its exposure to foreign currency risk related to EUR/PLN, USD/PLN, GBP/PLN, CZK/PLN. Significant risk exposure occurs for EUR; other currencies do not generate material risk for the Company.

The table below presents the sensitivity of the gross financial result and revaluation reserve to reasonable possible changes in the EUR/PLN exchange rate in the period until the date of the next financial statements, assuming that other risk factors remain unchanged.

Classes of finacial instruments	As at 31 December 2025		Sensitivity analysis for currency risk as at 31 December 2025		As at 31 December 2024		Sensitivity analysis for currency risk as at 31 December 2024	
	Carrying amount	Value at risk	exchange rate EUR/PLN		Carrying amount	Value at risk	exchange rate EUR/PLN	
			+5.13%	-5.13%			+5.85%	-5.85%
Financial assets								
Hedging derivatives	60	–	2	(2)	185	–	–	–
Derivatives measured at fair value	51	51	(21)	21	71	71	(29)	29
Other financial assets	646	1	–	–	156	65	4	(4)
Cash and cash equivalents	181	46	2	(2)	172	27	2	(2)
Financial liabilities								
Loans and arm's length borrowings	9 629	706	(36)	36	10 042	713	(42)	42
Bonds issued	3 282	2 135	(110)	110	5 055	2 157	(126)	126
Liabilities to suppliers	791	–	–	–	1 020	1	–	–
Hedging derivatives	290	290	255	(255)	–	–	–	–
Derivatives measured at fair value	62	62	27	(27)	439	439	378	(378)
Other financial liabilities	158	1	–	–	64	1	–	–
Total, including:			**119**	**(119)**			**187**	**(187)**
Impact on profit or loss before tax			*(136)*	*138*			*187*	*(187)*
*Impact on capital from revaluation of hedging instruments**			*255*	*(257)*			*n.a.*	

**Applies to financial currency forward derivatives covered by hedge accounting, as described in more detail in Notes 22 and 37.3 to these separate financial statements.*

The risk exposure as at 31 December 2025 and as at 31 December 2024 is representative of the Company's risk exposure during the annual periods preceding these dates.

38.3.3 Raw material and commodity price risk related to commodity derivative instruments

The Company concludes derivative contracts, with underlying instruments being commodities and raw materials. The Company's exposure to price risk in relation to commodity derivatives covered by IFRS 9 *Financial Instruments* involves the risk of volatility in the fair value of these instruments as a result of changes in the prices of raw materials/commodities on which these instruments are based. The Company limits price risk related to commodity derivatives by concluding offsetting transactions. The risk is limited to open long and short positions concerning a given commodity or raw material, i.e. concern unbalanced portfolio.

At 31 December 2025, the portfolio of concluded contracts is fully balanced. This minimises market risk in the commodity derivatives portfolio. This is confirmed by results of the sensitivity analysis conducted, which indicated the lack of impact of potential changes in the prices of CO_2 emission allowances on the gross profit/loss of the Company.

39. Operational risk

The commercial operational risk is managed at a level of TAURON Group, as described in Note 55 of the consolidated financial statements. The Company manages its commercial risk following the *Commercial risk management policy in TAURON Group*.

The Company is exposed to price risk arising from changes in commodity prices, which can affect the financial result and cash flows. Risk exposure refers to the open market positions held. Exposure to price risk mainly relates to trading in electricity and CO_2 emission allowances. The price risk associated with gas trading is negligible from the point of view of its impact on the gross result. In order to manage price risk, the Company uses derivative instruments, in particular futures contracts, which limit exposure to the volatility of electricity and CO_2 emission allowance prices.

In accordance with the requirements of IFRS 7 *Financial Instruments: Disclosures*, the Company carried out a sensitivity analysis that shows the impact of potentially feasible changes in commodity prices on profit before tax. Potentially feasible changes in commodity prices were determined based on the average price volatility of these commodities observed in the energy markets during the reporting year. The sensitivity analysis was based on the volumes of goods covered by purchase/sale transactions carried out during the financial year, which were not contracted as at 1 January of the financial year. The analysis carried out shows the risk of changes in the gross result that the Company was exposed to as a result

of potential changes in market prices of goods observed in 2025, in connection with the volume of purchases and sales in the reporting year, which was not secured with contacts as of January 1 of the financial year, as a result of which the revenues and costs related to the purchase and sale of this volume in 2025 at market prices were exposed to the risk of changes in prices of goods. The analysis was carried out assuming that the remaining risk factors remained unchanged.

Fuel type	Year ended 31 December 2025		Year ended 31 December 2024	
	Potentially possible changes in commodity prices	Impact on gross result	Potentially possible changes in commodity prices	Impact on gross result
Electricity	+ 4%	(4)	+ 5%	18
CO2 emission allowances	+ 7%	2	+ 8%	–

The change in the level of sensitivity of the gross result compared to the previous year in the scope of electricity and CO_2 emission allowances resulted from the change in the volume of the open position and the price volatility observed during the reporting year.

The Company's exposure to price risk associated with trading in electricity and CO_2 emission allowances trading is not significant, which is mainly affected by the low level of the Company's open market positions in trading in the above-mentioned commodities.

OTHER INFORMATION

40. Contingent liabilities

As at 31 December 2025 and as at 31 December 2024, the contingent liabilities of the Company mainly resulted from the collaterals and guarantees granted to associates. The following table shows the main items, apart from the hedges of transactions entered into by the Group on the Polish Power Exchange described due to their materiality in Note 41 of these separate financial statements.

Type of contingent liability	Company in respect of which contingent liability has been granted	Beneficiary	Validity	As at 31 December 2025	As at 31 December 2024
Corporate guarantees	Finanse Grupa TAURON Sp. z o.o.	Private placement investors	3.12.2029	710	718
	Finadvice Polska 1 Sp. z o.o.	Nordex Polska Sp. z o.o.	19.05.2027	341	1 153
	TAURON Czech Energy s.r.o.	ČEZ a.s.	31.01.2027	8	13
Liabilities arising from bank guarantees	Elektrociepłownia Stalowa Wola S.A.	Bank Gospodarstwa Krajowego	11.03.2026	256	300
	various subsidiaries	various entities	31.12.2025-28.07.2029	17	10
Sureties granted	TAURON Zielona Energia Sp. z o.o.	National Fund for Environmental Protection and Water Management in Warsaw	31.03.2039	212	212
	other subsidiaries	various entities	31.03.2026-31.12.2035	51	51
	Elektrociepłownia Stalowa Wola S.A.	Bank Gospodarstwa Krajowego	11.03.2026-30.12.2026	14	20
Registered pledges and financial pledge of shares in TAMEH HOLDING Sp. z o.o.	TAMEH Czech s.r.o. TAMEH POLSKA Sp. z o.o.	RAIFFEISEN BANK INTERNATIONAL AG	-	–	195
Blank promissory note with a promissory note declaration*	TAURON Wytwarzanie S.A.	Regional Fund for Environmental Protection and Water Management in Katowice	15.12.2026	40	40

** In 2010, the Company issued a blank promissory note with a promissory note declaration to secure a loan agreement received by the subsidiary from the Regional Environmental Protection and Water Management Fund in Katowice. As at 31 December 2025, the remaining outstanding portion of the loan, amounting to PLN 2 million, is subject to a conditional redemption procedure. The security established will expire upon settlement of the conditional loan remission.*

After the balance sheet day, the following events took place:

- On 4 February 2026 the Company signed a surety agreement with Polskie Sieci Elektroenergetyczne S.A. ("PSE") with the effective term until 31 December 2036, constituting financial security issued in favour of the subsidiary Łagisza Grupa TAURON Sp. z o.o. as required under the Act on the Capacity market. The Company's liabilities to PSE are limited to PLN 23 million. In connection with the surety agreement, on 9 February 2026, the Company signed a declaration of submission to enforcement up to the amount of PLN 23 million, valid until 31 December 2036.
- on 9 February 2026, the Company granted a promissory note surety to secure the liabilities of its subsidiary TAURON Wytwarzanie S.A. to the amount of PLN 15 million, with a term to 31 January 2027.
- On 12 March 2026, the validity period of the bank guarantee issued for the liabilities of the jointly-owned company Elektrociepłownia Stalowa Wola S.A. was extended. (to secure BGK's receivables arising from the loan agreement concluded on 8 March 2018 between the borrower Elektrociepłownia Stalowa Wola S.A. and BGK and ORLEN S.A.) until 11 March 2027, with a simultaneous reduction of the value of the guarantee amount to PLN 210 million. At the same time, the validity period of the guarantee granted by the Company in this respect was extended until 11 March 2027, and the maximum value of the guarantee was set at PLN 52 million.

Significant items of the Company's contingent liabilities due to court proceedings and concluded agreements:

Claims related to termination of long-term contracts

Actions against TAURON Polska Energia S.A. related to the termination of long-term contracts

In 2017 and 2018, companies belonging to the Wind Invest group filed actions against TAURON Polska Energia S.A. regarding payment of damages and determining liability for potential future losses resulting from tort, including unfair competition. According to the plaintiffs, the actual basis for the claims is the termination by the subsidiary, Polska Energia-Pierwsza Kompania Handlowa Sp. z o.o. („PE-PKH") of long-term agreements for the purchase of electricity and property rights arising from certificates of origin, as well as the alleged management of this process by TAURON Polska Energia S.A.

As at the date of approval of these separate financial statements for publication, the damages claimed in the lawsuits by Wind Invest group companies amount to PLN 373 million.

Moreover, the plaintiff companies indicate in their lawsuits a total of PLN 1 119 million as the amount of estimated damages.

To date, as part of the pending proceedings, a non-final judgment was issued by the Regional Court in Katowice on 5 December 2024, dismissing the claims of Gorzyca Wind Invest Sp. z.o.o. in their entirety, together with all extensions to this lawsuit. Gorzyca Wind Invest Sp. z.o.o. lodged an appeal against the judgement and the Company prepared its response to the appeal. All other cases are pending before the first instance courts in camera.

As at the date of approval of these separate financial statements for publication, the Company's chances of obtaining a favourable resolution of the disputes should be assessed positively, i.e. the chances of losing are not higher than the chances of winning.

Claims relating to termination of long-term contracts against subsidiary Polska Energia-Pierwsza Kompania Handlowa Sp. z o.o.

In 2015, companies belonging to the Wind Invest group brought actions against PE-PKH to declare ineffective the statements made by PE-PKH on the termination of the agreements concluded with the above-mentioned companies for the purchase of electricity and property rights. In the course of court proceedings, plaintiffs extend their scope raising claims for damages and contractual penalty claims related to contract termination or file separate claims for compensation.

As at the date of approval of these separate financial statements for publication, the damages claimed in the lawsuits by Wind Invest group companies amount to PLN 640 million.

To date, as part of the ongoing proceedings, on 6 November 2019, the Court of Appeal in Warsaw issued a final decision on security measures, ordering PE-PKH to perform the provisions of the agreements in full under the existing terms and conditions, in accordance with their content, until the final conclusion of the proceedings brought by Pękanino Wind Invest Sp. z o.o. against PE-PKH, pending before the Regional Court in Warsaw. This decision does not prejudge the merits of the action, which can only take place in a binding judgement, but only temporarily regulates the parties' relations for the duration of the proceedings. All cases are held before the first instance courts.

Taking into account the current status of the lawsuits and the circumstances surrounding them, the Company believes that the chances of losing the remaining lawsuits related to both declarations of ineffectiveness of termination of agreements and claims for damages are not higher than the chances of winning the lawsuits in question, and therefore it does not recognise a provision for related costs.

Litigation with Polenergia group companies

In 2015, companies belonging to the Polenergia group, i.e. Amon Sp. z o.o. and Talia Sp. z o.o., brought actions against PE-PKH to declare ineffective the statements issued by PE-PKH on the termination of agreements concluded with the above companies for the purchase of electricity and property rights.

In 2017 and 2018, Amon Sp. z o.o. and Talia Sp. z o.o. brought actions against TAURON Polska Energia S.A. for payment of damages and for determination of liability for damages that may arise in the future from unlawful acts, including acts of unfair competition. According to the plaintiffs, the actual basis for the claims is the termination by the subsidiary, PE-PKH of long-term agreements for the purchase of electricity and property rights arising from certificates of origin, as well as the alleged management of this process by TAURON Polska Energia S.A. The value of the Polenergia Group companies' demands amounted to: against PE-PKH - PLN 136 million, and against TAURON Polska Energia S.A. - PLN 180 million.

On 28 April 2025, PE-PKH and the Company concluded settlement agreements with Amon Sp. z o.o. and Talia Sp. z o.o. The primary objective of the concluded settlements is an amicable termination of all lawsuits pending between PE-PKH and the Company as well as Amon Sp. z o.o. and Talia Sp. z o.o. As a result of the settlement, all court disputes between the parties ended (court proceedings relating to them were discontinued). As part of the settlement, the contracts for the sale of property rights arising from certificates of origin were terminated and the contracts for the sale of electricity generated in wind farms belonging to Amon Sp. z o.o. and Talia Sp. z o. o. were amended in such a way that their performance was resumed for a period of 10 years, counted from 1 June 2025 to 31 May 2035, at a new price agreed by the parties, which will not be subject to changes throughout the period of performance of these contracts. Furthermore, the Company has succeeded PE-PKH as the buyer under the aforementioned electricity sale agreements, assuming all related rights and obligations. Additionally, PE-PKH paid Amon Sp. z o. o. and Talia Sp. z o. o. one-off compensation in the total amount of PLN 15 million.

Claim towards Polskie Elektrownie Jądrowe Sp. z o.o. (formerly: PGE EJ 1 Sp. z o.o.)

TAURON Polska Energia S.A. as a former shareholder holding 10% of shares in the share capital of Polskie Elektrownie Jądrowe Sp. z o.o. until the date of sale, i.e. 26 March 2021, jointly with the other former shareholders of the company (PGE Polska Grupa Energetyczna S.A., KGHM Polska Miedź S.A. and ENEA S.A.), is a party to the agreement with Polskie Elektrownie Jądrowe Sp. z o.o. regulating the issues of potential liabilities and benefits of the parties resulting from the settlement of the dispute between Polskie Elektrownie Jądrowe Sp. z o.o. and the consortium composed of WorleyParsons Nuclear Services JSC, WorleyParsons International Inc, WorleyParsons Group Inc (hereinafter: "WorleyParsons consortium").

In 2015, the WorleyParsons consortium, which is the research contractor for the investment process related to the construction of a nuclear power plant by Polskie Elektrownie Jądrowe Sp. z o.o., submitted claims against Polskie Elektrownie Jądrowe Sp. z o.o. for the total amount of PLN 92 million in a call for payment and then filed a lawsuit for approximately PLN 59 million, extended in 2017 and 2019 to the amount of approximately PLN 128 million.

In accordance with the agreement, the shareholders in proportion to their previously held number of shares in Polskie Elektrownie Jądrowe Sp. z o.o. are responsible for liabilities or proportionally entitled to benefits potentially arising as a result of the settlement of the dispute with the WorleyParsons consortium up to the maximum level of claims including interest set as at 26 March 2021, amounting respectively to PLN 140 million for claims asserted by the WorleyParsons consortium against Polskie Elektrownie Jądrowe Sp. z o.o. and PLN 71 million for claims asserted by Polskie Elektrownie Jądrowe Sp. z o.o. against the WorleyParsons consortium.

To the best of the Company's knowledge, Polskie Elektrownie Jądrowe Sp. z o.o. has not recognised the claims reported against it, and therefore the Company has not created any provisions for the above events.

Claims filed by Huta Łaziska S.A.

In connection with the merger of the Company with Górnośląski Zakład Elektroenergetyczny S.A. ("GZE") - TAURON Polska Energia S.A. became a party to the court dispute with Huta Łaziska S.A. ("Huta") against GZE and the State Treasury represented by the President of the ERO.

By the statement of claim of 12 March 2007 Huta demands from GZE and the State Treasury - the President of the Energy Regulatory Office (in solidum) to adjudicate the amount of PLN 182 million including interest accrued from the date of filing the statement of claim to the date of payment as compensation for the alleged damage caused by the failure of GZE to implement the decision of the ERO President of 12 October 2001 concerning the resumption of deliveries of electricity to Huta.

As part of the pending proceedings, judgments of the courts of first and second instance favourable for GZE and the Company were issued twice, which were repealed as a result of cassation appeals lodged by Huta. At present, the case was referred back to the Court of Appeals by a judgment of 20 August 2025 of the Supreme Court.

Based on the conducted legal analysis of the claims, the Company believes that they are unjustified and the risk that they must be satisfied is remote. Consequently, the Company did not create a provision for costs associated with those claims.

The case filed by ENEA S.A.

The case filed by ENEA S.A. ("ENEA") against TAURON Polska Energia S.A., refers to the payment of PLN 17 million with statutory interest from 30 June 2015 until the payment date. The actual basis of ENEA's claim are allegations concerning unjust enrichment of the Company in connection with possible errors in the determination of the aggregated measurement and settlement data by ENEA Operator Sp. z o.o. constituting the basis for settlements between ENEA and the Company and Polskie Sieci Elektroenergetyczne S.A. on account of imbalance on the Balancing Market in the period from January to December 2012.

On 12 March 2025, the Court of Appeals in Katowice issued the final verdict dismissing ENEA's claim in its entirety. ENEA has not lodged a cassation appeal against this judgement.

The Company did not create a provision for the ENEA lawsuit.

Arbitration proceedings concerning shares in TAMEH HOLDING Sp. z o.o.

In 2014, a shareholders' agreement was concluded between TAURON Group and ArcelorMittal Group regarding TAMEH HOLDING Sp. z o.o., which is responsible for investment and operational projects in the area of industrial energy. Both groups hold a 50% interest in TAMEH HOLDING Sp. z o.o. each.

In the shareholders' agreement, the parties made irrevocable offers to each other to buy and sell shares in TAMEH HOLDING Sp. z o.o. Each party had the right to accept an irrevocable purchase offer made by the other party if, inter alia, one of the conditions set out in the shareholders' agreement materialised. As a result of the materialisation on 31 December 2023 of one of the prerequisites set out in the shareholders' agreement, on 2 January 2024, a representative of TAURON, in the presence of the bailiff recording the act of service, left at the registered office of the leading shareholder of the ArcelorMittal Group, i.e. AM Global Holding S.à r.l. with its registered office in the Grand Duchy of Luxembourg, a statement of acceptance by the Company of the offer by AM Global Holding S.à r.l. to purchase all 3 293 403 shares held by the Company in TAMEH HOLDING Sp. z o.o. for PLN 598 million. On 4 January 2024, the Company was informed that AM Global Holding S.à r.l. disputes the effectiveness of the service of the above statement. On 9 January 2024, the Company received a letter from AM Global Holding S.à r.l., which, in the opinion of AM Global Holding, constitutes a statement of acceptance of the Company's offer to purchase all shares in TAMEH HOLDING Sp. z o.o. owned by companies belonging to the ArcelorMittal capital group for PLN 598 million.

On 1 October 2024, due to the lack of agreement on the effectiveness of the submission of declarations regarding the acceptance of offers to purchase shares in TAMEH HOLDING Sp. z o.o. the Management Board of the Company has decided to summon and called AM Global Holding S.à r.l., ArcelorMittal Poland S.A. and ArcelorMittal Long Products Europe Holding S.à r.l. to arbitration to resolve a dispute concerning the non-payment by AM Global Holding S.à r.l. of the sale price for the shares held by the Company in TAMEH HOLDING Sp. z o.o. in the amount of PLN 598 million. The arbitration will be conducted in accordance with the rules set out in the United Nations Commission on International Trade Law Arbitration Rules (UNCITRAL) in 2021 by an ad hoc arbitration tribunal. On 30 October 2024, the Company received a response to the notice of arbitration from AM Global Holding S.à r.l., ArcelorMittal Poland S.A. and ArcelorMittal Long Products Europe Holding S.à r.l. In response to the summons, AM Global Holding S.à r.l. filed a counterclaim demanding payment by the Company of PLN 598 million plus statutory interest for delay calculated from 14 February 2024 until the date of payment as the price for the shares held by AM Global Holding S.à r.l. and ArcelorMittal Poland S.A. in TAMEH HOLDING Sp. z o.o. In the Company's opinion, the claims of AM Global Holding S.à r.l. are unfounded. The proceedings are pending.

41. Collaterals for repayment of liabilities

As part of its operations, the Company uses a number of instruments to hedge its own liabilities under the concluded agreements and transactions. The main types of collateral, in addition to the collateral for the Group's transactions concluded on the Polish Power Exchange, described due to their materiality later in this note, are presented below.

Collateral	As at 31 December 2025	As at 31 December 2024
Declarations of submission to enforcement*	59 904	19 734
Bank account mandates	670	920
Bank guarantees	11	4
Blank promissory notes	3	3

**As at 31 December 2025, the item does not include statements issued on the basis of contracts for which there were no liabilities as at the balance sheet date due to the early repayment of non-revolving debt (debt repaid in full) and the expiry of the availability period (no mobilisation of financing), in the total amount of PLN 3 779 million.*

The most significant security is a declaration of submission to enforcement up to the amount of PLN 43 549 million, valid until 17 December 2051, signed by the Company on 27 January 2025 in connection with the loan agreement concluded from the funds of the National Recovery and Resilience Plan ("NRRP") as part of the *Investment Support for the national energy system (Energy Support Fund)*.

After the balance sheet date, in connection with the loan agreements concluded from the NRRP funds under the Investment *Supporting Advanced Digital Transformation* up to PLN 110 million and *Supporting the National Energy System (Energy Support Fund)* up to PLN 269 million, the Company on 9 February 2026 signed declarations of submission to enforcement, respectively up to PLN 132 million with a term until 24 November 2047 and up to PLN 322 million with a term until 25 November 2046.

Loans from the NRRP funds are described in Note 30.1 of these separate financial statements.

Collaterals for transactions concluded on the Polish Power Exchange [Towarowa Giełda Energii S.A.] in TAURON Group as at 31 December 2025

Type of collateral	Description
Declaration of submission to enforcement	On 15 June 2023, the Company signed the declaration of submission to enforcement to secure its own liabilities to Izba Rozliczeniowa Giełd Towarowych S.A. ("IRGiT") up to the amount of PLN 6 000 million, with the effective term until 30 June 2027.
Bank guarantees	As at the balance sheet date, bank guarantees totalling PLN 113 million were in force in the Group, including those issued to secure the Company's liabilities in the amount of PLN 92 million and those of the subsidiary TAURON Wytwarzanie S.A. in the amount of PLN 21 million.
Compensation agreement for margin deposits	Pursuant to the agreement defining the principles for the establishment of financial collateral concluded with the IRGiT, TAURON Group applies a mechanism for setting off the margins. In terms of the transactions performed, the margin deposits required by the IRGiT are calculated against the positions offset within the Group, which translates into the reduction in the funds involved on a Group-wide basis in maintaining the collateral required by the IRGiT.
Surety agreement	On 20 November 2025, the Company signed a surety agreement with its subsidiary, TAURON Ciepło Sp. z o.o. and the IRGiT, up to the amount of PLN 161 million, with an effective term until 20 August 2026. The agreement secures the Company's liabilities arising from due contributions to the margin deposit resulting from the settlement of transactions concluded with IRGiT, and the Company, as the beneficiary of the agreement, is entitled to use the established security.
Transfer of CO_2 emission allowances	As at the balance sheet day, the total amount of CO_2 emission allowances deposited by the Group in the IRGiT account was 538 216 tonnes, including: • pursuant to the above-described agreement defining the principles of establishing financial security and the agreement concluded between the Company and the subsidiary TAURON Wytwarzanie S.A., the subsidiary transferred the CO_2 emission allowances by it in the total amount of 41 347 tonnes to the IRGiT to secure the Company's liabilities for the due margin deposit payments; • for securing the liabilities of the subsidiary, TAURON Ciepło Sp. z o.o. under the above-described surety agreement, on 27 November 2025 the subsidiary concluded an agreement with the IRGiT for the transfer of CO_2 emission allowances in the amount of 496 869 tonnes.

42. Investment liabilities

As at 31 December 2025 and as at 31 December 2024 the Company did not have any material investment liabilities.

43. Related party disclosures

43.1. Transactions with related parties and State Treasury companies

The Company enters into transactions with related parties, as presented in Note 2 to these separate financial statements. In addition, due to the fact that the State Treasury of the Republic of Poland is the Company's majority shareholder, State Treasury companies are treated as related parties. Transactions with State Treasury companies are mainly related to the operating activities of the Company and are made on an arm's length terms.

The total value of transactions with the aforementioned entities and the balances of receivables and liabilities have been presented in the tables below.

Revenues and expenses

	Year ended 31 December 2025	Year ended 31 December 2024
Revenue from subsidiaries	**20 502**	**23 207**
Revenue from operating activities	16 941	20 923
Dividend income	2 539	1 336
Other finance income	1 022	948
Revenue from jointly-controlled entities	**357**	**261**
Revenue from State Treasury companies	**489**	**629**
Costs incurred with relation to transactions with subsidiaries	**(5 746)**	**(6 690)**
Costs of operating activities	(5 627)	(6 537)
Finance costs	(119)	(153)
Costs incurred with relation to transactions with jointly-controlled entities	**(486)**	**(670)**
Costs incurred with relation to transactions with State Treasury companies	**(426)**	**(505)**

Receivables and liabilities

	As at 31 December 2025	As at 31 December 2024
Loans granted to subsidiaries and receivables from subsidiaries	**16 666**	**15 684**
Loans granted to subsidiaries	14 635	13 916
Loans granted under cash pool agreement	124	83
Receivables from buyers	1 301	1 656
Receivables arising from the TCG	599	22
Other financial assets	7	7
Loans granted to jointly-controlled entities and receivables from jointly-controlled entities	**932**	**801**
Receivables from State Treasury companies	**37**	**62**
Liabilities to subsidiaries	**4 564**	**3 913**
Loans received under cash pool services	3 126	2 412
Loans from the subsidiary	706	713
Liabilities to suppliers	627	780
Liabilities arising from the Tax Capital Group	89	8
Other financial liabilities	2	–
Other non-financial liabilities	14	–
Liabilities to jointly-controlled entities	**63**	**70**
Liabilities to State Treasury companies	**39**	**98**

The loans and receivables presented in the table above represent values before write-offs for expected credit losses or the measurement to the fair value.

Revenues from subsidiaries presented in the table include revenues from the sale of coal to TAURON Ciepło Sp. z o.o., which are presented in the separate statement of comprehensive income, net of acquisition costs, at the surplus value representing intermediation fees.

In the period ended 31 December 2025, the revenues from State Treasury companies resulted mainly from transactions executed by the Company with the Polskie Sieci Elektroenergetyczne S.A. Company and KGHM Polska Miedź S.A. (99% of total revenue from State Treasury companies).

In the scope of costs incurred in connection with transactions with the State Treasury companies in the year ended 31 December 2025, the largest counterparties of TAURON Polska Energia S.A. included Polskie Sieci Elektroenergetyczne S.A. and Południowy Koncern Węglowy S.A. (85% of the total costs incurred in purchase transactions with the State Treasury companies).

The Company conducts material transactions on the energy market through Izba Rozliczeniowa Giełd Towarowych S.A. Due to the fact that this entity only arranges stock exchange trading, the purchase and sale transactions performed through it are not treated as related party transactions.

The Company also concludes transactions with banks controlled by the State Treasury, primarily with Bank Gospodarstwa Krajowego, PKO BP S.A. and Bank Pekao S.A. These transactions are intended to provide financing and provide financial services, such as concluding derivative instruments hedging interest rate and currency risk, and granting bank guarantee limits. Information on these transactions is included in the relevant explanatory notes to these separate financial statements.

43.2. Remuneration of the management staff

The amount of compensation and other benefits paid or payable to the Management Board, Supervisory Board and other key executives of the Company in the year ended 31 December 2025 and in the comparative period has been presented in the table below.

	Year ended 31 December 2025	Year ended 31 December 2024
Management Board	**9**	**6**
Short-term benefits (with surcharges)	9	3
Temination benefits	–	3
Supervisory Board of the Company	**1**	**1**
Short-term employee benefits (salaries and surcharges)	1	1
Other key management personnel	**15**	**18**
Short-term employee benefits (salaries and surcharges)	14	14
Temination benefits	–	3
Other	1	1
Total	**25**	**25**

The table above takes into account the amounts paid and due by 31 December 2025. In accordance with the accounting policy adopted, the Company recognises the provisions for benefits on account of termination of management contracts due to members of the Management Board and other key management personnel that may be paid or due in subsequent reporting periods.

There are no transactions in the Company in respect of loans from the Company Social Benefits Fund (ZFŚS) granted to members of the Management Board, members of the Supervisory Board and other members of the key management staff.

44. Finance and capital management

Finance and capital management is carried out at the level of TAURON Polska Energia S.A. Capital Group. In the period covered by these separate financial statements, no significant changes occurred in the objectives, principles and procedures of capital and finance management. Capital and finance management at the Group level is discussed in more detail in note 58 of Additional Explanatory Notes to the Consolidated Financial Statements for the year ended 31 December 2025.

45. Employment structure

The following note presents the average headcount for the annual periods ended 31 December 2025 and 31 December 2024.

	Year ended 31 December 2025	Year ended 31 December 2024
Administration	332	348
Sales and Wholesale Trading	77	81
Total	**409**	**429**

The above table does not include persons covered by contracts for the provision of management services.

46. Fee of the certified auditor or the entity authorized to audit financial statements

Information on the auditor's remuneration is presented in section 7. Report of the Management Board on the operations of TAURON Polska Energia S.A. and TAURON Capital Group for the financial year 2025.

47. Structure of financial statements broken down by business activity type in line with Article 44 of the Energy Law

In accordance with Article 44(2) of the Act of 10 April 1997, *Energy Law* (the "Act"), TAURON Polska Energia S.A., as the energy company, is obliged to disclose specific items of the balance sheet and the statement of profit or loss broken down by individual types of business activity in notes to these separate financial statements.

In accordance with Article 44(2) of the Act, the Company has identified the two types of business activities, i.e.: Trade in gaseous fuels and Other activity.

The principles of preparing a statement of comprehensive income (statement of profit or loss) broken down by type of business activity

The Company keeps accounting records which enable separate calculation of expense and revenue and the profit/loss for individual types of activities.

The Company directly separated revenues from sales and own cost of goods, materials and services sold related to particular types of business.

Costs of sales related to the entire sales process carried out by the Company have been divided on a pro rata basis against the revenue on sales generated by the Company.

Other operating and financing activities have been identified as those related to other business activities of the Company.

Administrative expenses of the Company are incurred for the benefit of the entire TAURON Group, hence they have been recognized in the statement of comprehensive income as unallocated items and are not directly attributable to a specific business activity, as such attribution would be unjustified. Also corporate income tax charged to profit or loss has been presented under unallocated items.

Statement of comprehensive income by type of activity for the financial year 2025

	Gas	Other activity	Unallocated items	Total
Sales revenue	797	17 998	–	**18 795**
Cost of sales	(774)	(17 370)	–	**(18 144)**
Profit on sale	**23**	**628**	**–**	**651**
Selling and distribution expenses	(1)	(32)	–	**(33)**
Administrative expenses	–	–	(152)	**(152)**
Other operating income and expenses	–	(1)	–	**(1)**
Operating profit	**22**	**595**	**(152)**	**465**
Dividend income	–	2 547	–	**2 547**
Interest income on loans	–	501	–	**501**
Interest expense on debt	–	(715)	–	**(715)**
Gain/(loss) on derivative instruments	–	(228)	–	**(228)**
Revaluation of shares	–	182	–	**182**
Revaluation of loans	–	524	–	**524**
Other finance income and costs	–	75	–	**75**
Profit (loss) before tax	**22**	**3 481**	**(152)**	**3 351**
Income tax expense	–	–	(44)	**(44)**
Net profit (loss)	**22**	**3 481**	**(196)**	**3 307**

Statement of comprehensive income by type of activity for the financial year 2024

	Gas	Other activity	Unallocated items	Total
Sales revenue	1 209	21 640	–	**22 849**
Cost of sales	(1 151)	(20 714)	–	**(21 865)**
Profit on sale	**58**	**926**	**–**	**984**
Selling and distribution expenses	(1)	(25)	–	**(26)**
Administrative expenses	–	–	(145)	**(145)**
Other operating income and expenses	–	(2)	–	**(2)**
Operating profit (loss)	**57**	**899**	**(145)**	**811**
Dividend income	–	1 336	–	**1 336**
Interest income on loans	–	848	–	**848**
Interest expense on debt	–	(760)	–	**(760)**
Gain/(loss) on derivative instruments	–	(302)	–	**(302)**
Revaluation of shares	–	551	–	**551**
Revaluation of loans	–	(1 994)	–	**(1 994)**
Other finance income and costs	–	127	–	**127**
Gain (loss) before tax	**57**	**705**	**(145)**	**617**
Income tax expense	–	–	(107)	**(107)**
Net gain (loss)	**57**	**705**	**(252)**	**510**

The principles of preparing a statement of financial position (balance sheet) broken down by type of business activity

The Company directly separated receivables from customers and liabilities to suppliers, other receivables and liabilities as well as derivatives related to individual types of business activities carried out by the Company.

Equity, provisions for employee benefits, cash, tax settlements and deferred tax assets/liabilities are disclosed in the statement of financial position as unallocated items.

The remaining assets and liabilities are related to other activities of the Company.

Statement of financial position as at 31 December 2025 by type of activity

	Gas	Other activity	Unallocated items	Total
ASSETS				
Non-current assets, of which:	**–**	**26 433**	**–**	**26 433**
Shares	–	17 060	–	**17 060**
Loans granted	–	9 307	–	**9 307**
Derivative instruments	–	45	–	**45**
Other non-financial assets	–	16	–	**16**
Current assets, of which:	**65**	**4 085**	**181**	**4 331**
Inventories	1	43	–	**44**
Receivables from buyers	65	1 415	–	**1 480**
Loans granted	–	1 889	–	**1 889**
Derivative instruments	–	66	–	**66**
Other financial assets	–	646	–	**646**
Other non-financial assets	–	7	–	**7**
Cash and cash equivalents	–	–	181	**181**
Assets classified as held for sale	–	18	–	**18**
TOTAL ASSETS	**65**	**30 518**	**181**	**30 764**
EQUITY AND LIABILITIES				
Equity	**–**	**–**	**15 003**	**15 003**
Non-current liabilities, of which:	**–**	**9 590**	**9**	**9 599**
Debt	–	9 488	–	**9 488**
Derivative instruments	–	91	–	**91**
Other financial liabilities	–	4	–	**4**
Deferred tax liability	–	–	1	**1**
Other provisions, accruals, deferred income and government grants	–	7	8	**15**
Current liabilities, of which:	**7**	**5 461**	**694**	**6 162**
Debt	–	4 229	–	**4 229**
Liabilities to suppliers	7	784	–	**791**
Derivative instruments	–	261	–	**261**
Other financial liabilities	–	154	–	**154**
Income tax liabilities	–	–	471	**471**
Other non-financial liabilities	–	–	223	**223**
Other provisions, accruals, deferred income and government grants	–	33	–	**33**
TOTAL EQUITY AND LIABILITIES	**7**	**15 051**	**15 706**	**30 764**

Statement of financial position as at 31 December 2024 by type of activity

	Gas	Other activity	Unallocated items	Total
ASSETS				
Non-current assets, of which:	**–**	**26 138**	**–**	**26 138**
Shares	–	16 085	–	**16 085**
Loans granted	–	9 888	–	**9 888**
Derivative instruments	–	90	–	**90**
Other financial assets	–	33	–	**33**
Deferred tax assets	–	–	3	**3**
Current assets, of which:	**98**	**2 497**	**172**	**2 767**
Receivables from buyers	97	1 649	–	**1 746**
Loans granted	–	521	–	**521**
Derivative instruments	–	166	–	**166**
Other financial assets	1	122	–	**123**
Other non-financial assets	–	5	–	**5**
Cash and cash equivalents	–	–	172	**172**
TOTAL ASSETS	**98**	**28 635**	**172**	**28 905**
EQUITY AND LIABILITIES				
Equity	**–**	**–**	**11 881**	**11 881**
Non-current liabilities, of which:	**–**	**10 732**	**7**	**10 739**
Debt	–	10 661	–	**10 661**
Derivative instruments	–	64	–	**64**
Other financial liabilities	–	5	–	**5**
Other provisions, accruals, deferred income and government grants	–	2	7	**9**
Current liabilities, of which:	**10**	**5 954**	**321**	**6 285**
Debt	–	4 477	–	**4 477**
Liabilities to suppliers	10	1 010	–	**1 020**
Derivative instruments	–	375	–	**375**
Other financial liabilities	–	59	–	**59**
Income tax liabilities	–	–	16	**16**
Other non-financial liabilities	–	3	305	**308**
Other provisions, accruals, deferred income and government grants	–	30	–	**30**
TOTAL EQUITY AND LIABILITIES	**10**	**16 686**	**12 209**	**28 905**

48. Other material information

Results of the 2026 capacity market supplementary auction

On 11 September 2025, the TAURON Group's generating units concluded capacity agreements in the 2026 supplementary power market auction with the total capacity obligation of 1 567.434 MW. The supplementary auction ended with a closing price of PLN 346.37/kW/year, while TAURON Group's revenues from the capacity market calculated on the basis of the above price will amount to PLN 543 million.

In connection with the capacity agreements concluded and the support obtained, in 2026, the 200 class units belonging to TAURON Wytwarzanie S.A. will continue their operational activities, fulfilling the capacity obligation resulting from the contracts concluded.

Results of the main capacity market auction for the 2030 delivery year

On 11 December 2025, TAURON Group companies participated in the main auction of the capacity market for the 2030 delivery year. The closing price of the auction, was PLN 465.02/kW/year. TAURON Group's revenues from the capacity market obtained in the above auction will be as follows:

- for 17-year contracts (i.e. for 2030-2046) with the capacity obligation of 7.364 MW, revenues will amount to PLN 58 million over their lifetime,
- for 15-year contracts (i.e. for 2030-2044) with the capacity obligation of 537.973 MW, revenues will amount to PLN 3 753 million over their lifetime,
- for annual contracts with the capacity obligation of 46.7 MW, revenues will amount to PLN 22 million.

49. Events after the balance sheet date

Increase in the share capital of TAURON Wytwarzanie S.A. and conclusion by the Company and TAURON Wytwarzanie S.A. debt set-off agreements.

After the balance sheet date, on 9 March 2026, the Extraordinary General Meeting of TAURON Wytwarzanie S.A. adopted a resolution on increasing the company's share capital. The share capital was increased by PLN 40 million through the issue of 3 985 630 shares with a nominal value of PLN 10.00 each, which were acquired by the Company and covered with a cash contribution at the issue price of PLN 1 000.00 for each share, i.e. for a total amount of PLN 3 986 million.

On 16 March 2026, an agreement between the Company and TAURON Wytwarzanie S.A. was concluded on the set-off of the Company's receivables towards TAURON Wytwarzanie S.A. from the intra-group loan agreement with the receivable of TAURON Wytwarzanie S.A. towards the Company for making a contribution to cover the increased share capital of TAURON Wytwarzanie S.A. in the amount of PLN 3 986 million.

Moreover, until 16 March 2026, TAURON Wytwarzanie S.A. repaid the remaining part of the intra-group loan in the total amount of PLN 1 457 million, therefore, by the date of approval of these separate financial statements for publication, the liability of TAURON Wytwarzanie S.A. to the Company under the intra-group loan have been settled in full.

Management Board of the Company

Katowice, 30 March 2026

Grzegorz Lot – President of the Management Board

Michał Orłowski – Vice President of the Management Board

Krzysztof Surma – Vice President of the Management Board

Krzysztof Zawadzki – Vice President of the Management Board.

Oliwia Tokarczyk – Executive Director for Accounting and Taxes

Independent Auditor's limited assurance report

on the sustainability statement of TAURON Polska Energia S.A. for 2025

Translation note:

This version of our report is a translation from the original, which was prepared in Polish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Independent statutory auditor's limited assurance report on the sustainability statement

To the Shareholders' Meeting and the Supervisory Board of TAURON Polska Energia S.A.

Opinion

We have conducted a limited assurance engagement on the TAURON Group's sustainable reporting prepared by TAURON Polska Energia S.A. (the „Company") prepared as of 31 December 2025 and for the year then ended and included in chapter 13. of the Report of the Management Board on the operations of TAURON Polska Energia S.A. and TAURON Capital Group for 2025 (the "Sustainability statement of the capital group").

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that:

- the Sustainability statement of the capital group is not compliant, in all material respects, with Chapter 6c of the Accounting Act of 29 September 1994 (the "Accounting Act"), as well as with the European Sustainability Reporting Standards (the "ESRS");
- the materiality assessment process conducted by the Company to identify information included in the Sustainability statement of the capital group ("Materiality Assessment Process") is not compliant, in all material respects, with the ESRS;
- the Sustainability statement of the capital group is not compliant, in all material respects, with the reporting requirements set out in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, amending Regulation (EU) 2019/2088 (the "Taxonomy Regulation").

Basis for opinion

We conducted our limited assurance engagement in accordance with National Standard on Assurance Services for Sustainability Reporting 3002PL - Limited assurance engagement on the sustainability statement (the "NSAE 3002PL") and, where appropriate, with National Standard on Assurance Engagements Other than Audits and Reviews 3000 (R) in the wording of International Standard on Assurance Engagements 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information (the "NSAE 3000 (R)") adopted by the resolutions of the National Board of Statutory Auditors.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our responsibility under NSAE 3002PL and, where applicable, NSAE 3000(R) is further described in the Responsibilities of statutory auditor providing the sustainability statement assurance section.

PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt Sp. k., KTW II, Aleja Roździeńskiego 1B, 40-202 Katowice, Poland, T: +48 32 604 0200

PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. with registered office at ul. Polna 11, 00-633 Warsaw, entered into National Court Register by the District Court for the Capital City of Warsaw, XII Commercial Division of the National Court Register under KRS No 0000750050, Tax ID No (NIP) 5260210228.

Our independence and quality management

We have complied with the independence requirements and other ethical requirements set out in the "Handbook of the International Code of Ethics for Professional Accountants (including International Independence Standards)" ("Code of ethics") adopted by resolution of the National Board of Statutory Auditors, which is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior, as well as with the requirements contained in the Act of 11 May 2017 on Statutory Auditors, Audit Firms, and Public Oversight (the "Act on Statutory Auditors, Audit Firms and Public Oversight") and in EU Regulation No. 537/2014 of 16 April 2014 on specific requirements regarding statutory audit of public interest entities. We have fulfilled other ethical obligations in accordance with the aforementioned regulations and the Code of ethics.

Our firm applies the National Quality Control Standard 1 in the wording of the International Standard on Quality Management (PL) 1 – Quality Management for Companies that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements issued by the International Auditing and Assurance Standards Board and adopted by the resolution of the Council of the Polish Agency for Audit Oversight, as well as the provisions of the Act on Statutory Auditors, Audit Firms and Public Oversight. This standard requires us to design, implement, and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Other matters

The comparative data as of 31 December 2024 and for the year then ended included in the Sustainability statement of the capital group was the subject of an assurance engagement on sustainability reporting carried out by another sustainability reporting certified auditor, who issued an assurance report on the sustainability reporting dated 15 April 2025 containing an unmodified opinion. Our opinion is not modified in respect of this matter.

Responsibilities for the Sustainability statement of the capital group

The management of the Company is responsible for designing and conducting the Materiality Assessment Process in accordance with the ESRS to identify information included in the Sustainability statement of the capital group in accordance with the ESRS and for disclosing this process in chapter 13.8 to the Sustainability statement of the capital group. These responsibilities include, among others:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management of the Company is further responsible for the preparation of the Sustainability statement of the capital group in accordance with Chapter 6c of the Accounting Act, including, among others, the following;

- compliance with the ESRS;
- compliance of the Sustainability statement of the capital group, including the disclosures in chapter 13.10 to the Sustainability statement of the capital group with Article 8 of the Taxonomy Regulation;

- designing, implementing, and maintaining internal control that the Company's management determines is necessary to enable the preparation of the Sustainability statement of the capital group that is free from material misstatements, whether due to fraud or error; and
- the selection and application of appropriate reporting methods of the Sustainability statement of the capital group and making assumptions and estimates that are reasonable in the circumstances.

The Supervisory Board of the Company is responsible for overseeing the reporting process of the Sustainability statement of the capital group.

Inherent limitations in preparing the Sustainability statement of the capital group

As discussed in chapter 13.1 of the Sustainability statement of the capital group Greenhouse gas emissions quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

In reporting forward-looking information in accordance with the ESRS, the management of the Company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Responsibilities of statutory auditor providing the sustainability statement assurance

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability statement of the capital group is free from material misstatements, whether due to fraud or error, and to issue a limited assurance report on the Sustainability statement of the capital group that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability statement of the capital group as a whole.

As part of a limited assurance engagement in accordance with NSAE 3002PL and NSAE 3000 (R), we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the Sustainability statement of the capital group, in relation to the Materiality Assessment Process, include:

- obtaining an understanding of the Materiality Assessment Process, but not for the purpose of providing a conclusion on the effectiveness of the Materiality Assessment Process, including the outcome of the Materiality Assessment Process;
- considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- designing and performing procedures to evaluate whether the Materiality Assessment Process is consistent with the Company’s description of its Materiality Assessment Process set out in chapter 13.8 to the Sustainability statement of the capital group.

Our other responsibilities in respect of the Sustainability statement of the capital group include:

- identifying where material misstatements are likely to arise, whether due to fraud or error; and
- designing and performing procedures responsive to where material misstatements are likely to arise in the Sustainability statement of the capital group. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability statement of the capital group. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the Sustainability statement of the capital group, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Materiality Assessment Process, we:

- obtained an understanding of the Materiality Assessment Process by:
  - performing inquiries to understand the sources of the information used by the Company's management (e.g., stakeholder engagement, business plans and strategy documents);
  - reviewing the Company's internal documentation of its Materiality Assessment Process; and
- evaluated whether the evidence obtained from our procedures with respect to the Materiality Assessment Process implemented by the Company was consistent with the description of the Materiality Assessment Process set out in chapter 13.8 to the Sustainability statement of the capital group.

In conducting our limited assurance engagement, with respect to the Sustainability statement of the capital group, we:

- obtained an understanding of the reporting process relevant to the preparation of the Sustainability statement of the capital group by obtaining understanding of the Group's control environment, processes, and information system relevant to the preparation of the Sustainability statement of the capital group, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluated whether the information identified by the Materiality Assessment Process is included in the Sustainability statement of the capital group;
- evaluated whether the structure and the presentation of the Sustainability statement of the capital group is in accordance with the ESRS;
- performed inquiries of the Company's employees involved in the preparation of the Sustainability statement of the capital group and analytical procedures on selected information in the Sustainability statement of the capital group;
- performed substantive assurance procedures on selected information in the Sustainability statement of the capital group;
- where applicable, compared disclosures in the Sustainability statement of the capital group with the corresponding disclosures in the consolidated financial statements and the management report of the Group;
- evaluated the methods for developing estimates and forward-looking information;
- obtained an understanding of the Company's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability statement of the capital group.

Acting on behalf of PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k., a company registered on the list of audit firms under number 144,

Original report is signed in Polish language

Borys Malinowski
Key Statutory Auditor providing the sustainability statement assurance
No. in the registry 12798

Katowice, 30 March 2026

Report of the Management Board on the operations of TAURON Polska Energia S.A. and TAURON Capital Group for 2025

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PLN 6.6 bn

of new preferential financing for expansion

PLN 3.8 bn

in capital expenditures in the Distribution segment

42.7%

of the customers equipped with remote readout meters.

PLN 8.64

share price of TAURON Polska Energia S.A.

PLN 15.1 bn

market capitalization of TAURON Polska Energia S.A.

Ladies and Gentlemen,

2025 was a very good year, and it was an excellent “Flight to the World of New Energy.” Summing up the past 12 months and the first year of implementing TAURON New Energy Strategy for the years 2025 – 2035, we can say, with an undisguised satisfaction, that #wedeliver on our promises. The expansion (growth) strategy we have chosen for TAURON Group is yielding results, and the earnings posted in 2025 confirm that our adopted strategic directions are sound.

The past year marked a period of record breaking financial results for us. The Group posted its highest ever EBITDA of PLN 7.5 billion, representing a 16% increase as compared to 2024. The largest contributions to this result came from the Distribution, Generation and Supply and Wholesale Trading segments, which accounted for 58%, 13%, and 9% of the Group’s total EBITDA, respectively. The net profit for 2025 came in at PLN 3.5 billion, a result nearly six times better than in 2024. The Group’s financial position is stable, as evidenced by the low level of the net debt to EBITDA covenant, a key metric for the financing institutions, and an upgrade of the ratings outlook from stable to positive by Fitch rating agency. I am particularly pleased that our work has been recognized by the capital market investors: over the past year, the Company’s market capitalization had tripled, reaching more than PLN 15 billion.

Since clear and precise communication is our foremost value, we focused on the solutions that provide a direct benefit to TAURON Group’s customers. We are the first energy company to introduce a simplified invoice, which in 2025 already produced tangible results in the form of a 20% reduction in the billing related inquiries. The improvements of this kind allow us to pursue the most important transformation of all, i.e. developing informed consumer attitudes. This vision had been behind the introduction, at the start of 2025, of a dynamic distribution tariff — a solution enabling a flexible energy consumption management and a lowering of the electricity bills. The number of customers — both residential as well as business ones — that use TAURON’s green energy continues to grow steadily. Today, more than 250 000 households and 50 000 businesses have contracted approximately 6 TWh of electricity in total.

In order to expand our renewable energy sources (RES) portfolio, in 2025 we commissioned 187 MW of the new installed capacity in the wind and photovoltaic farms. In record time, we also completed the first energy storage facility, which enhances the grid’s stability as the share of the RES increases. Four energy storage facilities with a combined capacity of 90 MW are currently under construction, and we have secured a grant funding from the National Fund for Environmental Protection and Water Management for additional 11 energy storage facilities with a total capacity of 346.8 MW.

The World of New Energy is a place where the new business remembers those who had built its foundations. In 2025, TAURON Group’s conventional generation units won the supplementary Capacity Market auction for 2026. This is the foundation that will allow the Company to safely pursue its just transition objectives — in a sustainable and socially responsible manner.

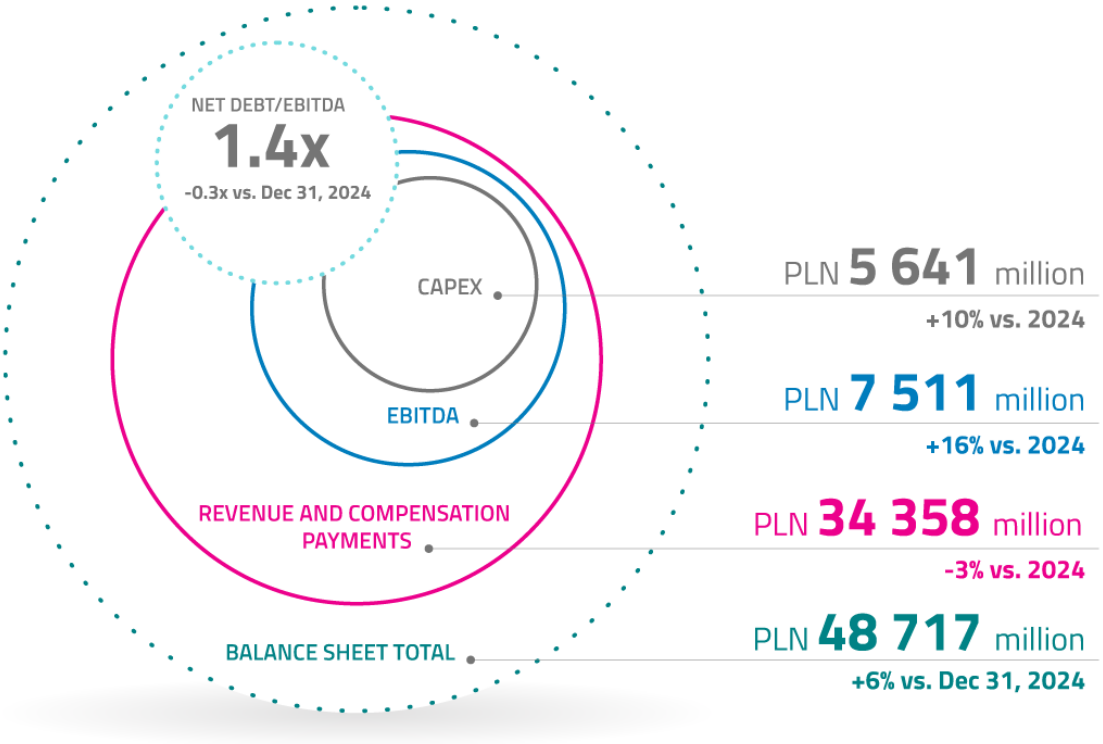
Ladies and Gentlemen, I would like to sincerely thank you for these past 12 months. Thanks to your commitment, #wedeliver on our promises related to specific projects with passion and energy. And most importantly: this is not our last word, because our “Flight to the World of New Energy” has only just reached its cruising altitude.

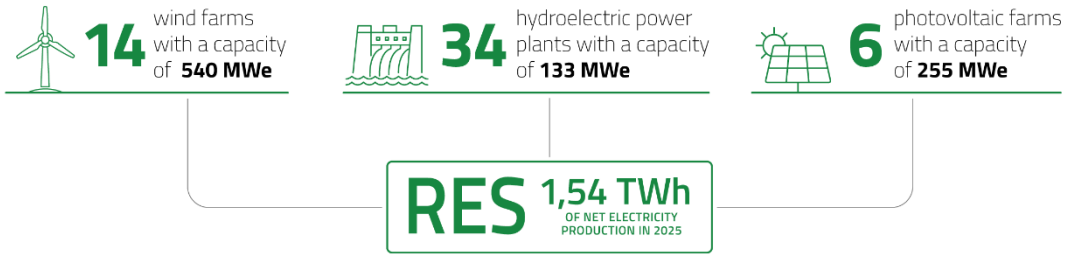
Grzegorz Lot

President of the Management Board

1. 2025 Operational Summary

1.1. Key data and earnings for 2025





DISTRIBUTION

- **6,05 million** customers
- **57 900 km²** i.e. 18.5% of Poland's territory
- **52,05 TWh** of distributed electricity

HEAT

- **5 combined heat and power plants 26 heating plants** with **0,4 GWe** of electric capacity and **1,4 GWt** of thermal capacity
- **0,82 TWh** of net electricity production, including **0.18 TWh** from biomass
- **7,97 PJ** of heat production

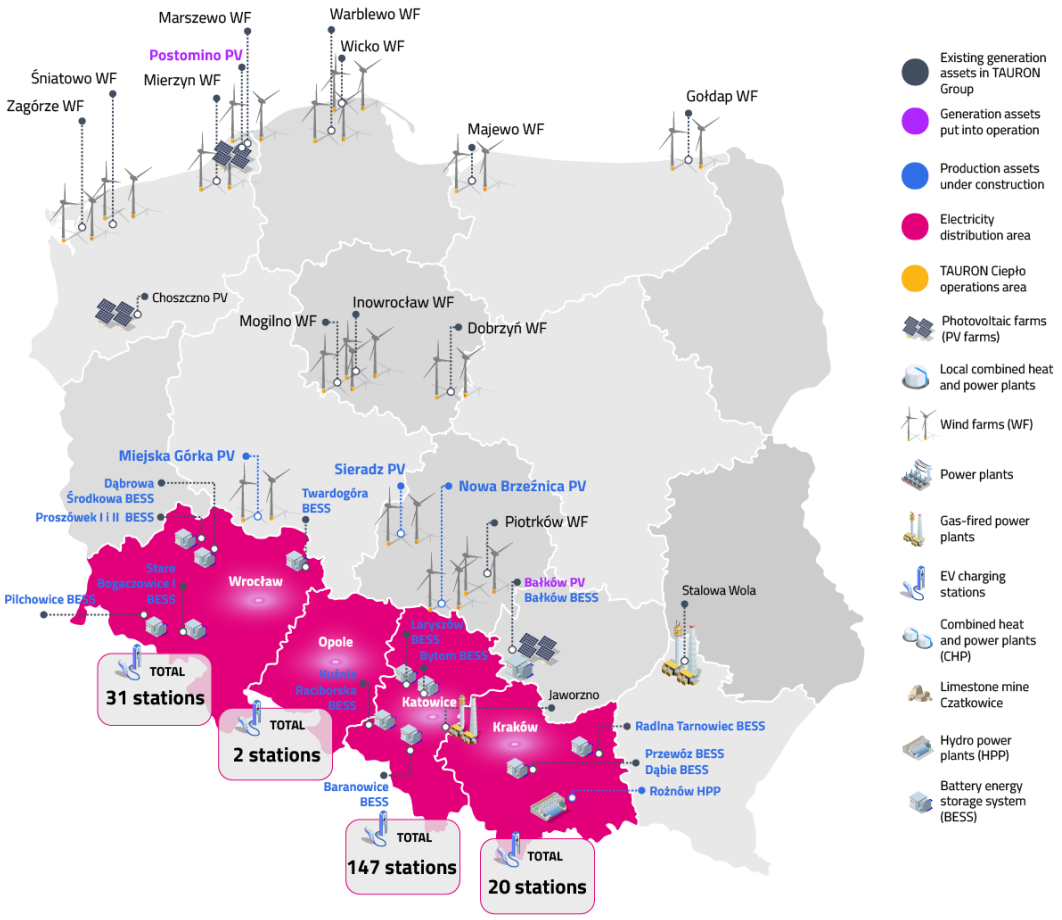
SUPPLY AND WHOLESALE TRADING

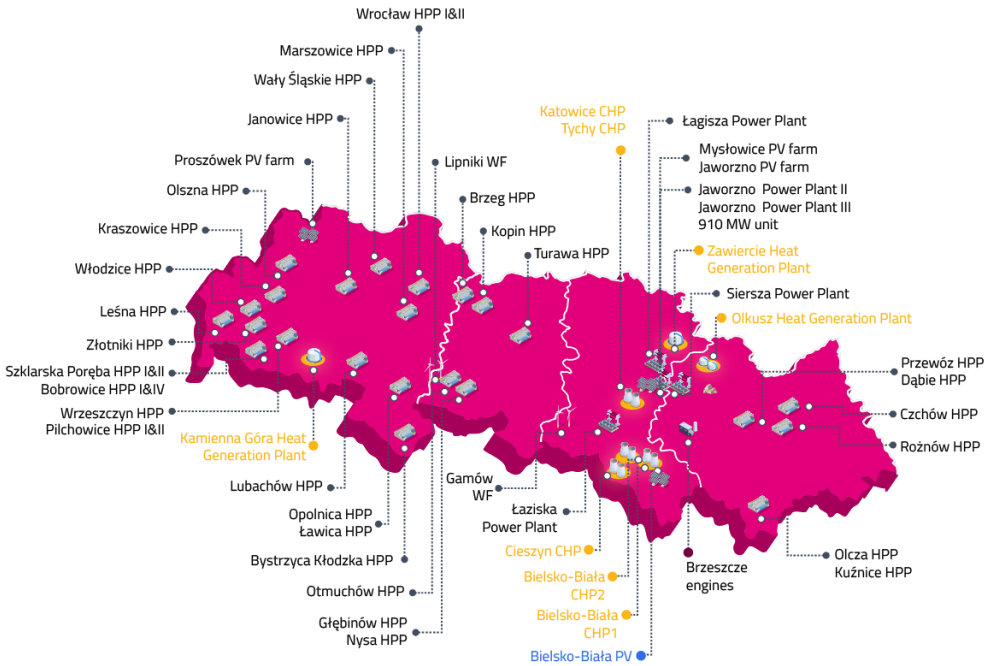
- **5,83 million** customers
- **25,25 TWh** of retail electricity supply

GENERATION

- **5 power plants** with **4.2 GWe** of electric capacity and **0.9 GWt** of thermal capacity
- **8,86 TWh** of net electricity production
- **3,40 PJ** of heat production

1.2. Map of TAURON Group's assets and investment projects under way





1.3. Operations of each segment in 2025

Distribution Segment

Distribution Segment comprises distribution of electricity using the distribution grids located in the following voivodeships: Małopolskie, Dolnośląskie, Opolskie, Śląskie, and partially: Świętokrzyskie, Podkarpackie, Łódzkie, Wielkopolskie and Lubuskie. The Segment also encompasses the activities related to the technical maintenance of the electricity metering systems, the acquisition of the metering data, real estate administration and the technical maintenance of vehicles.

TAURON Capital Group is the market leader in Poland in terms of both, the number of the distribution segment's customers, as well as the volume of the electricity distributed.

> **In 2025, the Distribution Segment delivered a total of 52.05 TWh of electricity, of which 50.63 TWh was delivered to the final consumers. During this period, the Distribution Segment provided distribution services to 6.05 million consumers. In 2024, it had delivered a total of 51.67 TWh of electricity to 5.98 million consumers, of which 50.20 TWh had been delivered to the final consumers.**

Renewable Energy Sources (RES) Segment

RES Segment comprises the generation and supply of electricity from the renewable energy sources, i.e. from hydroelectric, wind and photovoltaic (PV) power plants.

As of December 31, 2025, the total installed capacity of the RES Segment's generating units stood at 928 MW of electric capacity and it was higher by 144 MW than the capacity reported as of December 31, 2024, as a result of having commissioned:

Postomino photovoltaic farm with a capacity of

90 MW

Bałków photovoltaic farm with a capacity of

54 MW

> **In 2025, the RES Segment produced a net output of 1.54 TWh of electricity, which represented an increase in the net production output as compared to the prior year (1.53 TWh).**

Heat Segment

Heat Segment comprises the generation of heat by the units operated by TAURON Ciepło sp. z o.o. (Ltd.), as well as its transmission and supply, and also the generation and supply of electricity.

As of the end of 2025, the installed capacity of the Heat Segment's generating units came in at 0.4 GW of electric capacity and 1.4 GW of thermal capacity.

> **A total of 0.82 TWh of electricity (an increase by 13% year on year) was produced in 2025, while the supply of heat clocked in at 12.43 PJ, which represented a year on year rise by 10%, driven by the higher consumer demand as a consequence of the lower outdoor temperatures.**

Generation Segment

Generation Segment comprises the generation and sales of electricity from the conventional sources (including from the cogeneration), as well as the generation of electricity through the combustion of the biomass, and also the generation and supply of the heat produced by the power plants of the TAURON Wytwarzanie S.A. The Segment also encompasses the maintenance services related to the generation equipment, biomass trading as well as the management of the hard coal combustion by-products (CCBs) and the hard coal mining by-products (CMBs).

The installed capacity of the Generation Segment's generation units came in at 4.2 GW of electric capacity and 0.9 GW of thermal capacity in 2025.

> **8.86 TWh of electricity (an increase by 7% year on year) was produced in 2025, while the sales of electricity from the in-house production combined with the electricity purchased for trading clocked in at 11.94 TWh in total (a rise by 18% year on year). The supply of heat came in at 2.83 PJ, i.e. more by 12% as compared to 2024.**

Supply and Wholesale Trading Segment

TAURON Capital Group is the second largest electricity retail supplier in Poland and it holds a 19% share of the retail electricity market serving the final consumers in Poland. The Company supplies electricity to more than 5.8 million customers, including both households, as well as businesses.

> **In 2025, the subsidiaries of the Supply and Wholesale Trading Segment supplied a combined total of 25.25 TWh of electricity on the retail market, i.e. less by 6% than in 2024.**

Other Operations

The Other Operations segment comprises the activities that support the core lines of business of TAURON Group. It includes the operations in the following areas:

- Shared Services Center, providing customer support services for the Group's external customers, as well as the financial, accounting, IT, administrative and HR services,
- lighting, power engineering and electromobility,
- electricity generation from the alternative sources,
- insurance services for the Group's subsidiaries,
- extraction, production and sales of the limestone products for the energy sector and for other industries.

As part of the Other Operations segment's activities, 0.04 TWh of electricity was produced by the gas engines, which meant no change as compared to the prior year's production output.

1.4. Timeline

2025 timeline

17 January 2025

Growing interest of global investors in TAURON shares

Goldman Sachs exceeded the threshold of 5% of total voting rights.

21 June 2025

New Invoice and Cheap Hours

TAURON introduced a simplified invoice and the Cheap Hours offer, enabling approx. 20% savings.

17 August 2025

Construction of foundations for 53 turbines at the Miejska Górka wind farm has been completed

It is one of the largest wind farms in Poland (approx. 200 MW, for 200,000 households).

28 August 2025

5 billion PLN from the National Recovery Plan for grid transformation and digitalization

TAURON signed an annex with BGK increasing financing by 4.87 billion PLN – bringing the total to nearly 16 billion PLN.

8 October 2025

TAURON Distribution is ahead of the digitalization plan

Already 35% of customers (2.1 million consumers) have smart meters.

29 September 2025

Fitch upgraded TAURON's outlook from stable to positive.

11 September 2025

TAURON units won the Capacity Market auction,

ensuring energy security, job protection, and support for local communities.

4 September 2025

Development of flexibility services

TAURON released a new flexibility services demand map, supporting local solutions and grid reliability.

24 October 2025

TAURON reaches the highest share price in its stock market history

The share price exceeded 10 PLN. The company's market valuation surpassed 18 billion PLN.

11 December 2025

TAURON units won the Capacity Market auction

Selected units will receive support totaling 3,832 million PLN.

22 December 2025

First loans from the National Recovery Plan for RES

TAURON obtained 268.7 million PLN in loans from the National Recovery Plan for construction of PV farms in Mysłowice and Ogrodzieniec with a total capacity of 120 MW.

30 December 2025

Over 0.5 billion PLN for TAURON's energy storage facilities

TAURON received 538 million PLN in funding from the National Fund for Environmental Protection and Water Management for construction of 11 battery energy storage facilities (2026–2028).

2. TAURON Polska Energia S.A. and TAURON Capital Group

TAURON Polska Energia S.A. is the parent (holding) company of TAURON Polska Energia S.A. Capital Group

TAURON Capital Group is a vertically integrated energy group. The Group's conventional generation units related assets are located in the south of Poland, while the renewable energy sources are distributed throughout the country - with the wind farms located, first and foremost, in the north of Poland and the hydroelectric power plants located mainly in the south of the country.

The Company does not have any branches (units, sites) within the meaning of the Accounting Act.

2.1. General information

TAURON is performing the management function within the Capital Group, managing the subsidiaries and supervising their operations. It is focusing on the key business areas, including:

- management of the electricity, CO_2 emission allowances and property rights portfolio,
- hedging of the sell and buy positions of TAURON Group's entities with respect to electricity, gas and CO_2 emission allowances,
- coordinating of the operational functions within the Group,
- wholesale trading in electricity and gas as well as that of the derivative energy products.

The subject of TAURON Group's business operations is the supply of electricity and heat generated using its in-house generating units as well as acquired on the market, and the provision of the electricity distribution and heat transmission services, providing stable and competitive energy solutions to more than 6 million customers located in the south of Poland.

Marszewo Wind Farm

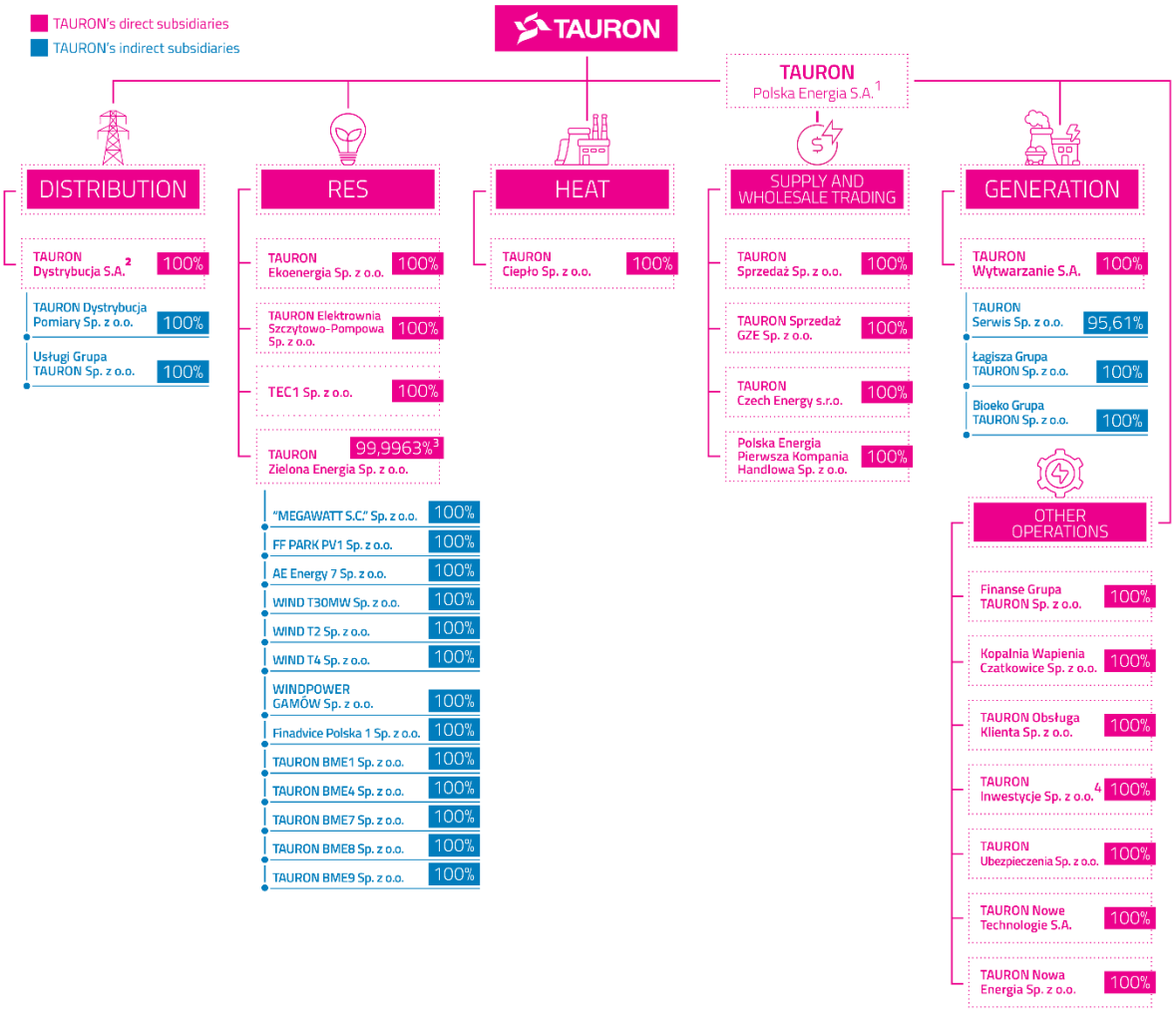
2.2. Structure of TAURON Capital Group

As of December 31, 2025, and as of the date of drawing up of this report, TAURON Capital Group's key subsidiaries, apart from TAURON parent company, had included 36 subsidiaries subject to consolidation that are listed below.

In addition, as of December 31, 2025, and as of the date of drawing up of this report, the Company had held, directly or indirectly, interests / shares in the other 44 companies.

Entities subject to consolidation

Figure no. 1 TAURON Capital Group's structure, including the subsidiaries subject to consolidation, as of December 31, 2025



[1] TAURON is included in the Supply and Wholesale Trading Segment
[2] As of May 15, 2025, the Company has been exercising 100% of the rights to vote from TAURON Dystrybucja S.A. shares at the General Meeting (prior to that 99.77%).
[3] TEC1 sp. z o.o. (Ltd.) holds 0.0037% of the shares in TAURON Zielona Energia's share capital.
[4] As of February 5, 2026 (post-balance-sheet event), TAURON Inwestycje Sp. z o.o. (Ltd.) has changed its name to TAURON H2 Sp. z o.o. (Ltd.)

Changes to the organization

Table no. 1 Changes to the organization of TAURON Capital Group in the first half of 2025 and by the date of drawing up of this report

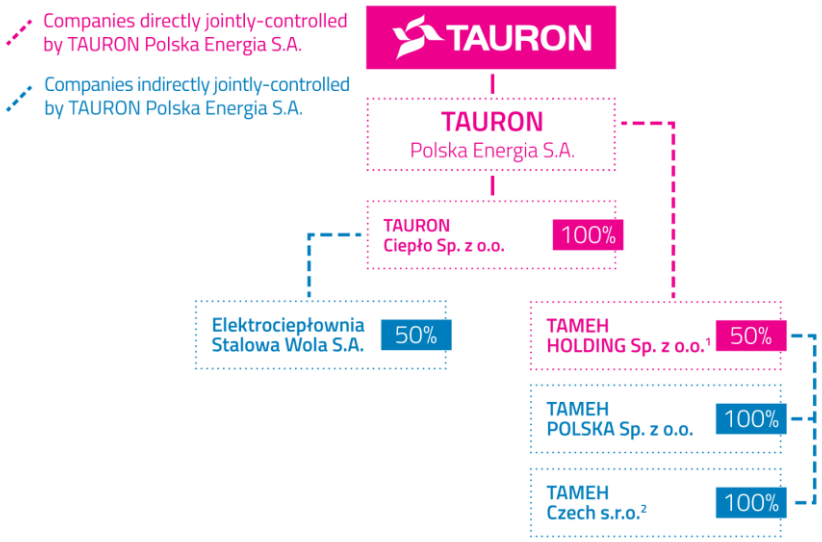
Event		Description of the event
1.	Revoking of the merger of TAURON Zielona Energia with 10 limited partnership	On July 1, 2024, the District Court of Katowice - Wschód in Katowice, the 8th Commercial Division of the National Court Register had registered the merger of TAURON Zielona Energia sp. z o.o. (Ltd.) (the Acquiring Company) with the companies: TEC1 sp. z o.o. EW Dobrzyń sp.k., TEC1 sp. z o.o. (Ltd.) EW Gołdap sp.k., TEC1 sp. z o.o. (Ltd.) EW Śniatowo sp.k., TEC1 sp. z o.o. (Ltd.) Ino 1 sp. k., TEC1 sp. z o.o. (Ltd.) Mogilno I sp. k., TEC1 sp. z o.o. (Ltd.) Mogilno II sp. k., TEC1 sp. z o.o. Mogilno III sp. k., TEC1 sp. z o.o. Mogilno IV sp. k., TEC1 sp. z o.o. (Ltd.) Mogilno V sp. k., TEC1 sp. z o.o. (Ltd.) Mogilno VI sp. k. (the Acquired Companies). The merger of the Acquiring Company and the Acquired Companies had taken place in accordance with Article 492, § 1, item 1 of the Code of Commercial Companies, i.e. by transferring of all of the assets of the Acquired Companies to the Acquiring Company. The Company and the Acquiring Company, as well as the shareholders of the Acquired Companies, had taken legal steps to bring about the revoking of the legal effects of the decision of the Registry Court with respect to the registration of the above mentioned merger, made on the basis of the legal actions that had been, in the opinion of the Company and the entities taking part in the merger, fraught with an error. On February 4, 2025, the District Court in Katowice had issued a ruling declaring the resolution of the Extraordinary Meeting of the Shareholders of the TAURON Zielona Energia subsidiary with respect to the merger as being null and void, which had become legally binding as of February 22. 2025. Subsequently, a petition was filed with the National Court Register (KRS) to strike out the merger retroactively as of July 1, 2024. In a decision dated March 21, 2025, the National Court Register (KRS) struck out the entry of July 1, 2024, with respect to the merger of TAURON Zielona Energia with 10 limited partnerships, which resulted in the restoration of the legal existence of the above mentioned limited partnerships.
2.	Sale of the shares (interests) in 9 limited liability companies to TAURON Zielona Energia	On February 20, 2025, TAURON Zielona Energia had acquired from TAURON 100 shares (which constitutes 100% of the company's share capital in the following companies: TAURON BME1 sp. z o.o, (Ltd.), TAURON BME2 sp. z o.o, (Ltd.), TAURON BME3 sp. z o.o. (Ltd.),, TAURON BME4 sp. z o.o. (Ltd.),, TAURON BME5 sp. z o.o. (Ltd.),, TAURON BME6 sp. z o.o. (Ltd.),, TAURON BME7 sp. z o.o. (Ltd.),, TAURON BME8 sp. z o.o. (Ltd.),, TAURON BME9 sp. z o.o. (Ltd.), In connection with the above, TAURON Zielona Energia has become the sole shareholder of the above mentioned companies. The goal of the sale of 100% of the shares in 9 TAURON Bateryjne Magazyny Energii (Battery Energy Storage Facilities) subsidiaries to TAURON Zielona Energia has been to implement the assumptions of the model of the division of the competencies carried out in the RES line of business among TAURON Group's subsidiaries. This model assumes the leading role of the TAURON Zielona Energia subsidiary in the implementation of the development of the RES assets portfolio, including, among other things, the responsibility of this subsidiary for the development of the energy storage facilities portfolio within TAURON Group carried out directly thereby or with the participation of its special purpose vehicles. The change in the ownership of the shares of the above mentioned companies will enable the continuation of the investment projects in the form of the construction of the battery energy storage facilities within the dedicated RES line of business of TAURON Group.
3.	Reorganization of TAURON Inwestycje, including the change of the name to TAURON H2 sp. z o.o. (Ltd.)	On April 1, 2025, the District Court of Katowice - Wschód in Katowice, the 8th Commercial Division of the National Court Register (KSR) had registered the division of TAURON Inwestycje sp. z o.o. (Ltd.) (the Divided Company) to TAURON Ciepło (the Acquiring Company) by spinning off of the assets of the Divided Company. The division of the Divided Company consists in spinning off of the conventional area, which is an organized part of the enterprise, to the TAURON Ciepło subsidiary. On July 1, 2025 (an event that took place after the balance sheet date), Another division of TAURON Inwestycje (the Divided Company) was registered by spinning off of the renewable energy source (RES) area, constituting an organized part of the enterprise, to TAURON Zielona Energia (the Acquiring Company). This process was the next stage in the reorganization of TAURON Inwestycje and is in line with the assumptions of the TAURON Group's Business Model. The measures in question are intended to ensure the organizational and decision making consistency within the Group by assigning TAURON Inwestycje's business operations (prior to the division the business operations had been carried out by this subsidiary within the Conventional and RES Divisions) to the lines of business and the subsidiaries of TAURON Group, dedicated, in accordance with TAURON Group's Business Model, to the given type of business operations (spun off from TAURON Inwestycje). Upon the completion of the reorganization process, the activities related to the green hydrogen production are continued within TAURON Inwestycje, including, the preparation and implementation of the projects aimed at building the green hydrogen production facilities. On February 5, 2026 (an event that took place after the balance sheet day), the District Court of Katowice - Wschód in Katowice, the 8th Commercial Division of the National Court Register (KSR), registered an amendment to TAURON Inwestycje's Articles of Association, including a change of the company name to TAURON H2 sp. z o.o. (Ltd.).
4.	Spinning off of the organizational unit in charge of the hard coal fuel supply out of TAURON to TAURON Ciepło	In the first half of 2025, the actions with respect to the relocation of the tasks related to the supply of the hard coal fuel to TAURON Ciepło's generating units had been taken. As of April 1, 2025, an organizational unit, i.e. the Fuel Trading Team, in charge of the hard coal fuel supply had been spun off out of TAURON to TAURON Ciepło (along with the transfer of the contracts on the basis of which TAURON had been purchasing the hard coal), while its existing employees had taken up employment in a newly set up, dedicated unit at TAURON Ciepło. The above will allow TAURON to focus its activities around the implementation of the goals of the adopted TAURON Group's Strategy for the years 2025 - 2035, while the spinning off of the fuel area to TAURON Ciepło will contribute to the streamlining of its tasks as an autonomous hard coal fuel buyer, which will have a direct impact on the fuel purchasing policy and the ongoing business operations.

5.	Establishment of 8 limited liability companies	On September 5, 2025, the following companies had been set up: TAURON SMR sp. z o.o. (Ltd.), TNE1 sp. z o.o. (Ltd.), TNE2 sp. z o.o. (Ltd,), TNE3 sp. z o.o. (Ltd,), TNE4 sp. z o.o. (Ltd.), TNE5 sp. z o.o. (Ltd.), TNE6 sp. z o.o. (Ltd.), TNE7 sp. z o.o. (Ltd.). The share capital of TAURON SMR sp. z o.o. (Ltd.) stands at PLN 30 000 and is divided into 600 shares with a nominal value of PLN 50 each. The share capital of the other companies mentioned above stands at PLN 5 000 and is divided into 100 shares with a nominal value of PLN 50 each. The shares of the above mentioned companies were acquired in full by TAURON. On September 16 - 17, 2025, the District Court for Katowice - Wschód in Katowice, the 8th Commercial Division of the National Court Register, had registered the following companies: TAURON SMR sp. z o.o. (Ltd.), TNE1 sp. z o.o. (Ltd.), TNE2 sp. z o.o. (Ltd.), TNE3 sp. z o.o. (Ltd.), TNE4 sp. z o.o. (Ltd.), TNE5 sp. z o.o. (Ltd.), TNE6 sp. z o.o. (Ltd.), and TNE7 sp. z o.o. (Ltd.). The companies will be used in the ongoing and planned development and reorganization projects related to the transformation of TAURON Group.
6.	Reorganization of En - Energia IV sp. z o.o. (Ltd,), including a change of name to TAURON Nowa Energia sp. z o.o. (Ltd.)	On September 19, 2025, the District Court for Katowice - Wschód in Katowice, the 8th Commercial Division of the National Court Register (KSR), had registered an amendment to the company's Articles of Association. The amendment had included, among other things, a change of the company's name to TAURON Nowa Energia spółka z ograniczoną odpowiedzialnością (limited liability company) and expanding of the scope of its business operations by updating its entries in the Polish Classification of Activities (PKD), which is related to the company being designated to serve as the research and development center for TAURON Group. The amendment had also included an increase in the company's share capital from PLN 5 800 to PLN 5 005 800.
7.	Merger of TAURON Zielona Energia with 10 limited partnerships	W dniu 1 grudnia 2025 r. Sąd Rejonowy Katowice-Wschód w Katowicach, VIII Wydział Gospodarczy Krajowego Rejestru Sądowego zarejestrował połączenie spółki TAURON Zielona Energia (dalej: Spółka Przejmująca) ze spółkami TEC1 sp. z o.o. EW Dobrzyń sp.k., TEC1 sp. z o.o. EW Gołdap sp.k., TEC1 sp. z o.o. EW Śniatowo sp.k., TEC1 sp. z o.o. Ino 1 sp. k., TEC1 sp. z o.o. Mogilno I sp. k., TEC1 sp. z o.o. Mogilno II sp. k., TEC1 sp. z o.o. Mogilno III sp. k., TEC1 sp. z o.o. Mogilno IV sp. k., TEC1 sp. z o.o. Mogilno V sp. k., TEC1 sp. z o.o. Mogilno VI sp. k. (dalej: Spółki Przejmowane). Połączenie nastąpiło przez przeniesienie na Spółkę Przejmującą całego majątku Spółek Przejmowanych w zamian za udziały w kapitale zakładowym Spółki Przejmującej, które objęła wyłącznie TEC1 sp. z o.o. na warunkach określonych w Planie połączenia z dnia 26 września 2025 r. On December 1, 2025, the District Court of Katowice - Wschód in Katowice, the 8th Commercial Division of the National Court Register (KSR), had registered the merger of TAURON Zielona Energia (hereinafter: the Acquiring Company) with TEC1 sp. z o.o. (Ltd.) EW Dobrzyń sp.k., TEC1 sp. z o.o. (Ltd.) EW Gołdap sp.k., TEC1 sp. z o.o. (Ltd.) EW Śniatowo sp.k., TEC1 sp. z o.o. (Ltd.) Ino 1 sp.k., TEC1 sp. z o.o. (Ltd.) Mogilno I sp.k., TEC1 sp. z o.o. (Ltd.) Mogilno II sp.k., TEC1 sp. z o.o. (Ltd.) Mogilno III sp.k., TEC1 sp. z o.o. (Ltd.) Mogilno IV sp.k., TEC1 sp. z o.o. (Ltd.) Mogilno V sp.k., TEC1 sp. z o.o. (Ltd.) Mogilno VI sp.k. (hereinafter: the Acquired Companies). The merger had been effected by transferring all of the assets of the Acquired Companies to the Acquiring Company in exchange for the interests in the share capital of the Acquiring Company, subscribed exclusively by TEC1 sp. z o.o. (Ltd.) on the terms set out in the Merger Plan of 26 September 2025. The merger had been carried out pursuant to Art. 492 § 1 clause 1 of the Code of Commercial Companies (merger by acquisition). The merger will enable the consolidation of the RES business operations within a single specialized entity and the leveraging of the resulting synergies, while also reducing the operational cost burden of administering the companies.

Organizational or equity ties with other entities

Apart from the equity ties with the companies presented in section 1 above, the organizational or equity ties are applicable to the material joint subsidiaries (co - subsidiaries) in which the Company had held, directly or indirectly, shares (interests), and which, as of December 31, 2025, and as of the date of drawing up of this report, include the companies listed in the below figure.

Figure no. 2 List of the material joint subsidiaries (co - subsidiaries) as of December 31, 2025, and as of the date of drawing up of this report



[1]*The ownership of the shares is the subject of the arbitration proceedings referred to in section 12.1 of this report.*
[2]*On August 9, 2024, the company TAMEH Czech s.r.o. had been placed into a liquidation bankruptcy, which, in the Group's opinion, translates into the loss of the joint control over the above mentioned company as of that date within the meaning of the IFSR.*

Major domestic and foreign investments, as well as equity investments

The major domestic and foreign investments, as well as the equity investments made in 2025 and by the date of drawing up of this report are listed below.

Taking up or acquiring share securities in TAURON Capital Group's subsidiaries

Table no. 2 Summary of the equity increases in TAURON Capital Group's subsidiaries in 2025 and by the date of drawing up of this report

	Company	Share capital increase (total price for taking up shares / interests) (PLN)	Company taking up shares / interests	Nominal value of shares / interest taken up (PLN)	Date of passing the resolution by the General Meeting of the Partners / Shareholders	Structure of the share capital following the increase
1.	TAURON BME1	2 342 040	TAURON Zielona Energia	17 400	04.03.2025	TAURON Zielona Energia 100%
2.	TAURON BME4	2 385 580	TAURON Zielona Energia	32 950	04.03.2025	TAURON Zielona Energia 100%
3.	TAURON BME7	5 212 800	TAURON Zielona Energia	9 000	04.03.2025	TAURON Zielona Energia 100%
4.	TAURON BME8	3 119 490	TAURON Zielona Energia	6 850	04.03.2025	TAURON Zielona Energia 100%
5.	TAURON BME9	6 497 700	TAURON Zielona Energia	18 150	04.03.2025	TAURON Zielona Energia 100%
6.	TAURON Dystrybucja	37 258 626,64	TAURON	1 277 805,24	16.04.2025	TAURON 100%
7.	TAURON Zielona Energia	725 950 000	TAURON	7 259 500	05.05.2025	TAURON 100%
8.	TAURON BME1	15 300 000	TAURON Zielona Energia	11 475 000	06.05.2025	TAURON Zielona Energia 100%
9.	TAURON BME4	7 582 000	TAURON Zielona Energia	5 687 000	06.05.2025	TAURON Zielona Energia 100%

10.	TAURON BME7	80 325 000	TAURON Zielona Energia	60 244 000	06.05.2025	TAURON Zielona Energia 100%
11.	TAURON BME8	61 965 000	TAURON Zielona Energia	46 474 000	06.05.2025	TAURON Zielona Energia 100%
12.	TAURON BME9	48 119 000	TAURON Zielona Energia	36 089 000	06.05.2025	TAURON Zielona Energia 100%
13.	FF PARK PV 1	38 955 000	TAURON Zielona Energia	389 550	06.05.2025	TAURON Zielona Energia 100%
14.	„MEGAWATT S.C."	15 900 000	TAURON Zielona Energia	159 000	06.05.2025	TAURON Zielona Energia 100%
15.	WIND T4	51 000 000	TAURON Zielona Energia	510 000	06.05.2025	TAURON Zielona Energia 100%
16.	WIND T30MW	67 000 000	TAURON Zielona Energia	670 000	06.05.2025	TAURON Zielona Energia 100%
17.	WIND T2	54 000 000	TAURON Zielona Energia	540 000	06.05.2025	TAURON Zielona Energia 100%
18.	WINDPOWER GAMÓW	66 000 000	TAURON Zielona Energia	660 000	06.05.2025	TAURON Zielona Energia 100%
19.	AE ENERGY 7	91 000 000	TAURON Zielona Energia	910 000	06.05.2025	TAURON Zielona Energia 100%
20.	Finadvice Polska 1	332 000 000	TAURON Zielona Energia	3 320 000	06.05.2025	TAURON Zielona Energia 100%
21.	TAURON Inwestycje	20 000 000	TAURON	200 000	14.05.2025	TAURON 100%
22.	TAURON Nowa Energia [1]	5 000 000	TAURON	5 000 000	04.09.2025	TAURON 100%
23.	TAURON SMR	3 000 000	TAURON	30 000	05.09.2025	TAURON 100%
24.	TNE1	50 000	TAURON	5 000	05.09.2025	TAURON 100%
25.	TNE2	50 000	TAURON	5 000	05.09.2025	TAURON 100%
26.	TNE3	50 000	TAURON	5 000	05.09.2025	TAURON 100%
27.	TNE4	50 000	TAURON	5 000	05.09.2025	TAURON 100%
28.	TNE5	50 000	TAURON	5 000	05.09.2025	TAURON 100%
29.	TNE6	50 000	TAURON	5 000	05.09.2025	TAURON 100%
30.	TNE7	50 000	TAURON	5 000	05.09.2025	TAURON 100%
31.	TAURON Wytwarzanie	3 985 630 000	TAURON	39 856 300	09.03.2026	TAURON 100%

[1] *former En - Energia IV*

Taking up or acquiring of share securities in the other companies in which TAURON holds an equity stake

Table no. 3 Summary of the equity increases in the other companies, in which TAURON holds an equity stake, implemented in 2025 and by the date of drawing up of this report

Company	Share capital increase (total price for taking up shares / interests) (PLN)	Company taking up shares / interests	Nominal value of shares / interest taken up (PLN)	Date of passing the resolution by the General Meeting of the Partners / Shareholders	Structure of the share capital following the increase

1.	EEC Magenta spółka z ograniczoną odpowiedzialnością 2 ASI spółka komandytowo-akcyjna (EEC Magenta limited liability company 2 ASI limited joint stock partnership) (EEC Magenta 2 ASI)	7 940	EEC Ventures spółka z ograniczoną odpowiedzialnością 2 spółka komandytowa (EEC Ventures limited liability company 2 limited partnership) (EEC Ventures 2) (EEC Ventures 2)	218	27.03.2025	EEC Ventures 2 2.94%
		392 100	PFR NCBR CVC FIZAN	3 921		PFR NCBR CVC FIZAN 49.03%
		384 200	TAURON	3 842		TAURON 48.03%
2.	EEC Magenta spółka z ograniczoną odpowiedzialnością ASI spółka komandytowo–akcyjna (EEC Magenta limited liability company ASI limited joint stock partnership) (EEC Magenta ASI Starter)	11 700	EEC Ventures spółka z ograniczoną odpowiedzialnością spółka komandytowa (EEC Ventures limited liability company limited partnership)	117	11.06.2025	EEC Ventures 3%
		281 000	PFR Ventures spółka z ograniczoną odpowiedzialnością POIR ASI spółka komandytowo-akcyjna (PFR Ventures limited liability company POIR ASI limited joint stock partnership)	2 810		PFR Starter FIZ 72.10%
3.	EEC Magenta 2 ASI	97 100	TAURON	971	11.06.2025	TAURON 24.90%
		36 117	EEC Ventures 2	1 071		EEC Ventures 22.94%
		1 769 000	PFR NCBR CVC FIZAN	17 690		PFR NCBR CVC FIZAN 49.03%

As of December 31, 2025, the most material equity investments in the financial assets, valued at fair value, include the stakes in the following entities:

1. Polski Holding Obronny sp. z o.o. (Ltd.) – with the balance sheet value of PLN 80 million,
2. EEC Magenta spółka z ograniczoną odpowiedzialnością 2 ASI spółka komandytowo-akcyjna (EEC Magenta limited liability company 2 ASI limited joint stock partnership) – with the balance sheet value of PLN 33 million,
3. Spółka Ciepłowniczo - Energetyczna Jaworzno III sp. z o.o. (Ltd.) – with the balance sheet value of PLN 30 million,
4. Przedsiębiorstwo Energetyki Cieplnej sp. z o.o. (Ltd.) – with the balance sheet value of PLN 25 million.

Investments in the financial assets

TAURON and TAURON Capital Group's subsidiaries did not make any investments in the financial assets in 2025.

The detailed information on the financing model put in place at TAURON Capital Group is presented in section 8.3. of this report.

2.3. Principles of management of TAURON Polska Energia S.A. and TAURON Capital Group

Principles of management (governance) of TAURON Polska Energia S.A.

In accordance with the provisions of the *Rules of Procedure of the Management Board of TAURON Polska Energia S.A.* (Rules of Procedure of the Management Board), the Management Board shall conduct the affairs of the Company and shall represent it in all of the judicial and extra judicial proceedings. All of the issues connected with managing the Company, which are not restricted by the legal regulations and the provisions of the *Articles of Association of TAURON Polska Energia S.A.* (the Company's Articles of Association) to the competence of the General Meeting (GM) or the Supervisory Board, shall be within the competence of the Management Board of the Company. A cooperation of two members of the Management Board or of one member of the Management Board together and a proxy is required for making the statements on behalf of the Company.

The detailed information on the matters lying within the competence of the Management Board, acting as a collective body, is provided in section 9.11. of this report.

In accordance with the *Organizational Regulations of TAURON Polska Energia S.A.* (Organizational Regulations), the Company shall be managed directly by the Management Board of the Company, as well as through the proxies (power of attorney), the Executive Directors or the persons holding other positions reporting directly to the Members of the Company's Management Board.

The Company shall carry out its tasks through:

1. separate (standalone) organizational units:
   1) Business Areas, comprising the independent (autonomous) work positions and organizational units reporting directly to the Executive Directors. The work of the Executive Directors is managed (supervised) by the Members of the Management Board of the Company,
   2) Teams, constituting the organizational units reporting to the Members of the Management Board or the Executive Directors. The activities of the Team are managed by the Team Leader (Manager),
2. independent (autonomous) work positions:
   1) Executive Directors who manage and lead the work of the subordinate Teams or work positions constituting the given Business Area of the Company,
   2) other independent (autonomous) work positions that may be entrusted to, in particular, the Proxies (Power of Attorney), Inspectors, Spokespersons,
3. temporary organizations – the Project Teams set up with the goal to implement the tasks and projects of the Company.

Changes to the principles of management (governance) of TAURON Polska Energia S.A.

In December 2024, effective as of January 1, 2025, an amendment to the Organizational Regulations had been made, which had included, in particular:

1. exclusion of the functions related to the creation of the standards for the IT systems from the IT and Digitalization Area due to their transfer to TAURON Customer Service (TAURON Obsługa Klienta),
2. exclusion of the functions relating to building of a sell position in connection with the hedge in the wholesale market from the Portfolio Management Area in connection with the transfer thereof to TAURON Supply (TAURON Sprzedaż),
3. transfer of the functions related to the non-investment projects from the Strategy, ESG and Regulation Area to the Transition and Development Area,
4. transfer of the function relating to the management of the passenger car fleet, excluding the executive managers' vehicles, from the Corporate Area to the Asset Management Area;
5. transfer of the OT function from the IT and Digitization Area to the Asset Management Area.

In April 2025, the Organizational Regulations had been amended. The amendments had included in particular:

1. detailed clarification of the functions of the Portfolio Management Area, stemming from the Area's leading role within the Mega-processes (Portfolio Management and Supply and Customer Service) in place, as well as the addition of the key tasks related to the preparation and conclusion of the long term electricity purchase / sale agreements (PPAs) within TAURON Group;
2. detailed clarification of the tasks of the Trading Area relating to the contracting of the renewable and low emission energy on the OTC market, renaming of the Market Operator and Fuels Area to the Market Operator and Trading Services Area, and the transfer of the functions relating to the purchase, delivery and transportation of the fuels to TAURON Ciepło;
3. addition of a task to the Work Health and Safety (WHS) Team relating to the communication and training aimed at the shaping of the Work Health and Safety (WHS) culture within TAURON Group.

On December 23, 2025, the Supervisory Board of the Company had approved an amendment to the Organizational Rules, consisting of the dissolution of the Research and Innovation Area and a change in the scope of the tasks of the Strategy, ESG and Regulations Area. This amendment will enter into force as of 1 April 2026.

Figure no. 3 Organizational chart of TAURON as of December 31, 2025

After the balance sheet date, the Organizational Regulations were amended. The amendments included in particular:

1. transfer of the tasks relating to the management of the procurement of the aid funds from the Investment Area to the Financial Management Area;
2. transfer of the tasks relating to business continuity management from the Risk Area to the Security Area

The above mentioned amendments had entered into force as of February 1, 2026.

The allocation of the tasks and responsibilities in respect of the individual Business Areas among the Members of the Management Board is defined by the Resolution of the Management Board no. 149/VII/2024 of April 29, 2024, as amended by the Resolution of the Management Board no. 72/VII/2026 of March 23, 2026, effective as of April 1, 2026.

Principles of management of TAURON Group

Code of TAURON Group

***Code of TAURON Group* is the primary document governing the principles of the Group's functioning and the system for the managing of its entities. Its purpose is to ensure the implementation of the Strategy through the uniform definition of the subsidiaries' objectives and to guarantee the consistency of their interests with the interests and Strategy of TAURON Group. The Code serves as the supreme internal act constituting the Group and regulating its internal relations.**

In 2025, the management of TAURON Group had been carried out on the basis of:

- *TAURON Group Management Model;*
- *TAURON Group Business Model;*
- *TAURON Group Operating Model;*

which had been put into effect on December 18, 2024.

TAURON Group Management Model

The Management Model defines the manner in which the management structure is organized to streamline the decision making and the flow of the information within TAURON Group's management, with a focus on the implementation of the Strategy.

The adoption of the Management Model has sanctioned the method of management within TAURON Group, taking into account the decisions taken and the conducting and monitoring of the activities performed within the individual Business Units (BUs), Shared Service Centers or TAURON Group's subsidiaries from the perspective of the Group Functions, under the supervision of Executive Group Management (EGM) and Executive Business Unit Management (EBUM), with a focus on achieving the synergies and improving of the performance (earnings) of TAURON Group.

The goal of *TAURON Group Management Model* is to create conditions and a management structure that streamlines the decision making and the information flow within the Management of TAURON Group, focused on the implementation of the corporate strategy.

The organizational activities of TAURON Group are divided into three categories:

Business Unit	Shared Services Centers	Group Functions
Business operations	**Provision of the services aimed at providing the support for the customers (BUs) in optimizing their operations**	**TAURON Group's management and executive activities**

This model sanctions the method of management within TAURON Group, taking into account the decisions made and the conducting and monitoring of the activities performed within the individual BUs, CUWs or TAURON Group's subsidiaries from the perspective of the Group Functions under the supervision of EGM (Executive Group Management), aimed at achieving the synergies and improving TAURON Group's results.

TAURON Group Business Model

TAURON Group Business Model had been developed as, on the one hand, a response to the changing environment of an energy company and, on the other hand, as the foundation for the organization's operation within TAURON Group's entire value chain.

> **The objective of *TAURON Group Business Model* is to present the manner of operations aimed at creating and delivering value to its stakeholders while ensuring profitability and sustainable development.**

It is a key corporate document explaining TAURON Group's business relationships and it provides the support for the implementation of TAURON Group's Strategy. The document defines the high level architecture for the conducting of the business operations and specifies the responsibilities of the individual BUs with a view to maximizing the utilization of the resources, building value as well as achieving and maintaining a competitive advantage.

The additional information on the Business Model is presented in Section 13.6 of this report as part of TAURON Group's Sustainability Reporting.

Figure no. 4 Business division of TAURON Group in accordance with TAURON Group Business Model as of the date of drawing up of this report

TAURON Group Operating Model

The goal of the Operating Model is to effectively implement TAURON Group's Strategy and business assumptions. It implements the provisions of the Management Model in the operational part of TAURON Group's activities and assumes and makes sure that TAURON Group is managed through the intra corporate and internal regulations as well as the process based management.

The internal and intra corporate regulations define the method of management, the activities (operations) and the organization of TAURON Group and its subsidiaries.

The process based management is a form of management of TAURON Group and it aims to streamline the flow of the information, improve efficiency and make the division of the responsibilities within TAURON Group clear. The process based management has been adapted to the growing needs of flexibility, process complexity, individualization of the customer needs and the shorter product life cycles. The well defined process based management allows for a rapid decision making, increases the agility and flexibility of the organization's operations, which translates into an improved efficiency of TAURON Group. It also enables better use of the employees' knowledge and experience through their active engagement in the processes and their improvement.

The Operating Model defines 32 Mega-processes describing the scope and division of the tasks and functions for the Corporate Centre, Business Units, TAURON Group's subsidiaries and the Shared Service Center, as well as their Owners. The individual groups of Mega-processes are supervised by the Members of the Management Board of TAURON.

Standing Committees of TAURON Group

The IT and OT Change Management Council and the following standing Committees had been in place within TAURON Capital Group as of December 31, 2025:

1. **Investment Committee,**
2. **Risk Committee,**
3. **TAURON Group's Liquidity Committee,**
4. **Sponsorship Committee,**
5. **TAURON Group's ESG Committee.**

The Committees had been established in order to enable performing of the operations in accordance with the principles of the operating consistency, in compliance with the law and interests of TAURON Capital Group and those of its stakeholders.

Changes to the principles of management of TAURON Capital Group

On May 7, 2025, TAURON Group Business Model had been updated to reflect the reorganization changes in the structure of TAURON Group's subsidiaries, including, among other things, the changes in Business Unit (BU) RES, BU Heat and BU New Services through the consolidation of TAURON Inwestycje sp. z o.o. (now TAURON H2 Sp. z o.o.), and the transfer of EC Stalowa Wola S.A. from BU Conventional Generation to BU Heat.

On July 11, 2025, *TAURON Group Operating Model* had been amended in connection with the transfer, effective as of April 1, 2025, of all of the coal fuel related tasks from TAURON to TAURON Ciepło.

2.4. TAURON Group's Strategy for the years 2025-2035

***TAURON Group's Strategy for the years 2025-2035 – TAURON New Energy* had been adopted on December 17, 2024. It defines the future of TAURON Group based on the pillars that are the overarching values for all of TAURON Group's subsidiaries: customer, ESG, economic stability, employees, RES and distribution infrastructure.**

TAURON Group's mission – We are powering change with New Energy

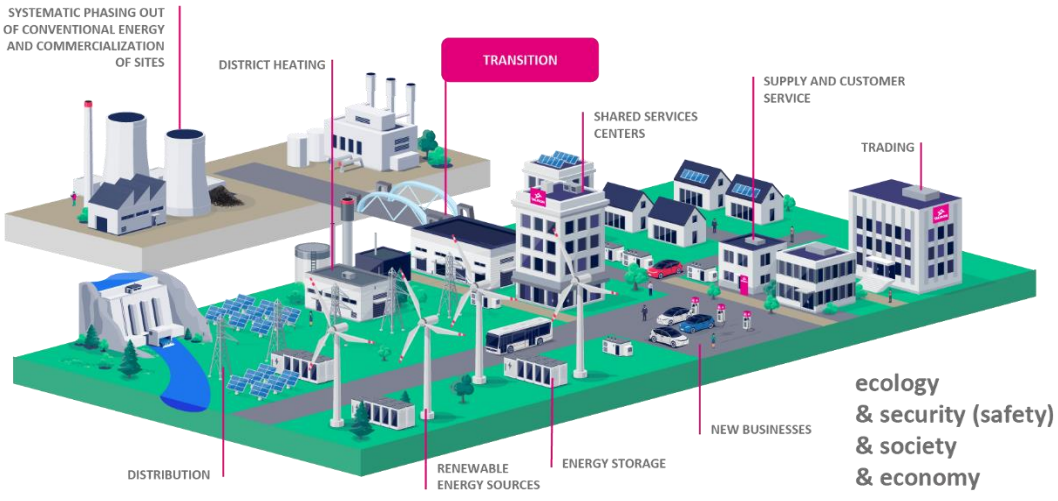
TAURON Group has set a long term goal for the organization's existence aimed at powering change with new energy:

1. to build a sustainable competitive advantage and take a strategic position in the New Energy World,
2. to create sustainable economic value for the Shareholders, Investors,
3. to provide tangible value for the customers and local communities,
4. to build an effective organization and an organizational culture focused on the customers and value creation,
5. to provide jobs and inspire passion for the work.

TAURON Group's Vision - We will create a World of New Energy, focusing on the green solutions, ensuring customer comfort and security

The strategy assumes TAURON Group's development around its business core, which is 6 million customers connected to the distribution grid who are buying electricity, including electricity produced preferably from the renewable energy sources owned by TAURON Group.

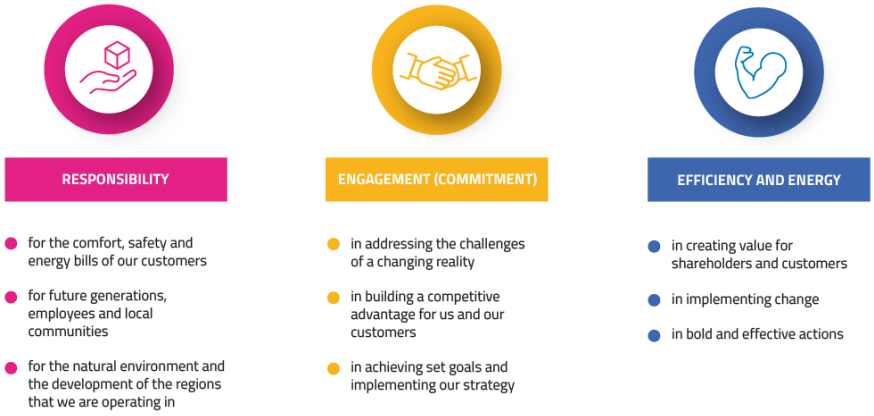
Figure no. 5 TAURON Group's vision – key lines of business.



TAURON Group's Values

As part of the Group's new Strategy, certain values have been adopted as its foundations.

Figure no. 6 TAURON Group's values



Strategic Performance Indicators of TAURON Group

As part of the Group's Strategy, three most important strategic performance indicators have been adopted and they will be used to assess the progress in achieving the long term strategic goals, presented in the table below.

Table no. 4 Level of achievement of the Strategic performance indicators of TAURON Group

	Indicators		Assumptions	Progress in 2025
EBITDA	1. 2.	doubling of EBITDA by 2035, increase of EBITDA above PLN 9 billion in 2030 and above PLN 13 billion in 2035	> PLN 9 billion in 2030 > PLN 13 billion in 2035	PLN 7.5 billion
Profitable expansion (growth)	1.	IRR for the investment projects	> 1.5 p.p. above the cost of capital	In line with the strategic commitments
	2.	profitability of the sales in all of the customer segments and per product,	sales margin	In line with the strategic commitments
	3.	net debt to EBITDA ratio	at a safe level	1.4x
	4.	credit rating	maintaining of the investment grade	BBB- with a positive outlook
	5.	payout of the dividends	for 2028 and for the subsequent years	In line with the strategic commitments
Green energy penetration level	6.	increase in the RES installed capacity	2.7 GW in 2030 4.7 GW in 2035 (0.4 GW offshore)	0.93 GW
	7.	increase in the installed capacity of the energy storage facilities	0.7 GW in 2030 1.4 GW in 2035	0 GW
	8.	share of electricity supply from the zero carbon sources	> 30% in 2030 ~ 50% in 2035	13.6%
	9.	move away from the use of hard coal for heat generation	by 2030	
	10.	decommissioning of the hard coal fired units [1]	by 2030	
	11.	climate neutrality in 2040	Emissions: 225 kg CO_2 / MWh in 2030 30 kg CO_2 / MWh in 2035	In line with the strategic commitments
	12.	elimination of paper consumption (transition to online and mobile)	by 80% by 2035	

[1] with the exception of the 910 MW unit in Jaworzno; the readiness to spin off the hard coal based generation assets (or the 910 MW unit in Jaworzno independently) by 2030, or – in the absence of a spin off – ensuring a financial self sufficiency (ringfencing).

Financing

It is estimated that the implementation of the Strategy will require incurring of the capital expenditures in the amount of approximately PLN 100 billion in the years 2024 - 2035. The two main directions of investments are the electricity distribution and increasing of the capacity in the renewable energy sources and energy storage facilities.

In order to carry out the investment projects, it is assumed that the diverse sources of financing will be used, such as:

1. debt financing and own funds, including the selective divestments (50 - 60%): the bilateral and syndicated loans linked to the sustainability goals and the loans dedicated to the taxonomy projects, bond issues on the domestic and foreign markets linked to the sustainability goals and the bond issues based on the green bond standard, private placement financing,
2. grant sources and loans offered on the preferential terms (20 - 30%): National Recovery and Resilience Improvement Plan, Modernization Fund, European Funds for Infrastructure, Climate and Environment, Just Transition Fund, National Funds (NFOŚiGW / WFOŚiGW), CEF - Connecting Europe Facility,
3. off-balance sheet instruments, capital (equity) partnerships and project finance.

The implementation of the Strategy will allow for the doubling of EBITDA in the 2035 time frame to a level of more than PLN 13 billion.

TAURON Group's Business Priorities and the Implementation thereof in 2025

TAURON Group's Strategy identifies seven business priorities covering the key lines of business within the individual Business Units (BUs) and the Group wide directions of expansion (growth).

Figure no. 7 TAURON Group's Business Priorities

1. Strong and stable financial position

- **Doubling of EBITDA by 2035**
- **TAURON Group's capital expenditures in the years 2024-2035: 90% of the outlays to be spent on the distribution and RES**
- **Use of the new sources of financing**
- **Financial stability at a safe level of the net debt to EBITDA ratio**
- **Maintaining of TAURON's investment grade credit rating**

In 2025, the Group had posted EBITDA at the level of PLN 7.5 billion. The capital expenditures had come in at PLN 5.6 billion, of which more than 80% had been allocated to the distribution line of business and the renewable energy sources which confirmed the steadfast implementation of the energy transition.

Diversification of the sources of financing	TAURON Group is diversifying the sources of financing for the investment projects planned until 2035, based on the funds from the operating activities, the commercial financing and the preferential loans and subsidies (grants). In 2025, PLN 6.6 billion in the preferential loans and grants was obtained from the EU funds, the National Recovery and Resilience Plan, the Modernization Fund and the national funds. In the time horizon until 2035, the total amount of this type of financing is expected to come in at PLN 20 – 30 billion, representing approximately 20 – 30% of the planned capital expenditures. In 2025, the Group's subsidiaries had also signed the project finance agreements in order to refinance the construction of the wind farms, valued at PLN 448 million.
Financial stability	The Group's net debt to EBITDA ratio had continued its downward trend and it stood at 1.4x as at the end of 2025.
Credit rating	In 2025, Fitch had confirmed TAURON's rating at the level of BBB- and had upgraded its outlook to positive. This rating results from the stability of the distribution segment, predictable business model and building long term value for the stakeholders.

Figure no. 8 Summary of the 2025 EBITDA performance and the planned 2030 EBITDA

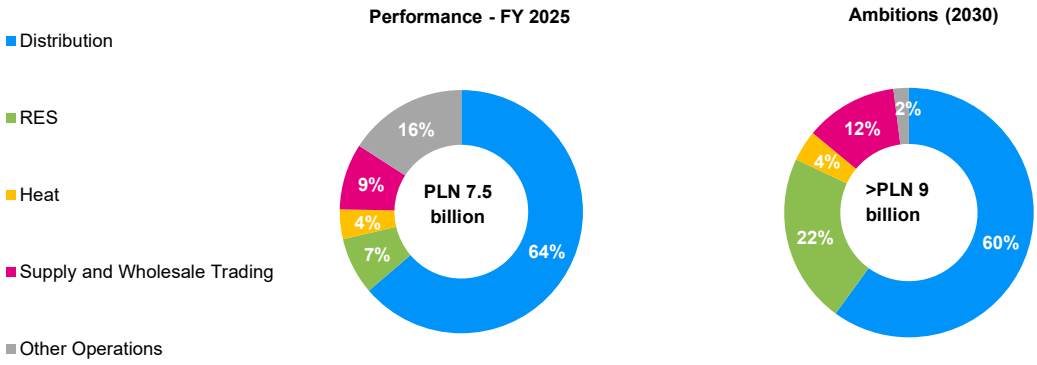
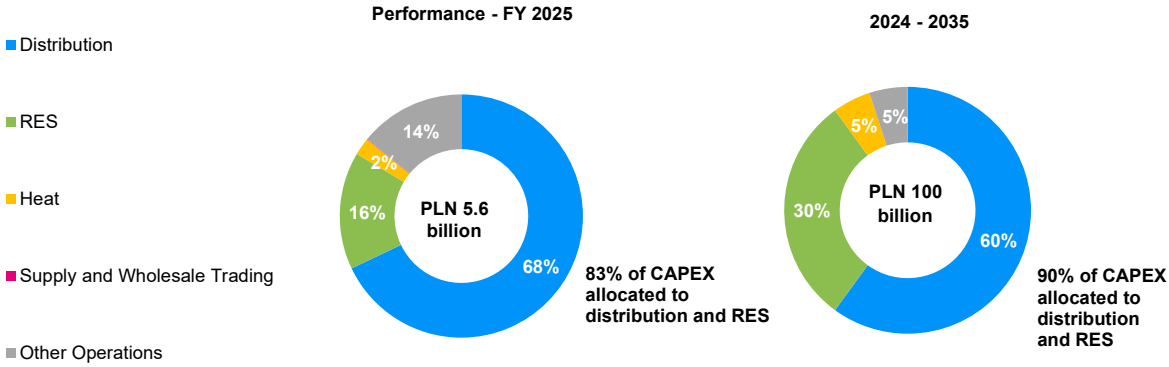
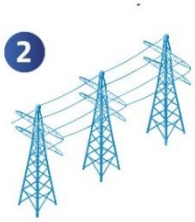


Figure no. 9 Summary of the 2025 CAPEX performance and the planned 2024 – 2035 CAPEX



2. Customer orientation and a rapid pace of the expansion of the distribution line of business



- **Customer oriented distribution**
- **Ensuring security of energy supply for the customers**
- **Expansion and optimal modernization of the distribution grid**
- **Digital transformation of the distribution line of business**

BU DISTRIBUTION

In 2025, TAURON Group had continued the implementation of its customer oriented Strategy, developing the digitization of the services, streamlining the grid connection processes and increasing the transparency and accessibility of the information for the customers and the stakeholders. The Group had engaged in a broad cooperation with the local government units (JST) in the planning and developing the energy infrastructure, including for the needs of the economic activity zones. In 2025, the consultations on the Development Plan for the years 2026 – 2031 had been conducted, engaging the local government units, economic zones and the investors, which had enabled a better alignment of the investment projects with the regional development plans.

New solutions for the customers	TAURON, as the first Distribution System Operator in Poland, has implemented the dynamic G14 tariff and a simplified invoice template, providing the support for the customers' conscious management of the energy consumption. At the same time, a full digitization of the grid connection process at the low voltage level has been achieved. The dostepnemoce.pl portal has been launched – the country's first comprehensive information center on the available grid connection capacity, targeting the investors, the local government units and the economic zones.
Flexibility services and the cooperation with the energy communities	In 2025, TAURON Group had developed the foundations of the flexibility market by publishing a flexibility demand map and the maps of the planned investment projects and connections. A Strategy for the Energy Communities had also been drawn up. In the past year, the first agreements for the provision of the flexibility services were launched.
Reliability of the energy supply	In 2025, the CP and CTP quality indicators had been improved by 9% year on year. More than 800 MW of the new RES sources and more than 100 MW of the battery energy storage facilities had been connected to the grid. The Group had also obtained the financing from the National Fund for Environmental Protection and Water Management (NFOŚiGW) for the construction of 20 energy storage facilities in order to stabilize the operation of the low voltage (LV) grid.
Infrastructure investments and development	2025 had been a period of an intensive expansion and modernization of the distribution infrastructure. Driven by the record financing from the National Recovery Plan in the amount of PLN 15.87 billion, the capital expenditures in the distribution line of business had gone up by 23% year on year. The highlights include: 3 357 km of the new power lines, 943 km of the modernized lines, 732 new MV/LV substations, and 746 substations after modernization. The Regulatory Asset Base (RAB) has grown from nearly PLN 22 billion in 2024 to more than PLN 24.6 billion.
Digital transformation	In 2025, the digital transformation had exceeded its assumed targets – by the end of 2025, 2.5 million remote readout meters had been installed, covering 43% of the customers. The Group had also obtained PLN 420 million in the financing from the National Recovery Plan for the development of the telecommunications, communications and the grid automation systems. The predictive grid asset management projects have also been developed, providing the support for the optimization of the infrastructure maintenance costs and improving the reliability of the energy supply. TAURON had also prepared a comprehensive digital transformation plan covering the initiatives in the process automation, data utilization and the development of the advanced digital tools.

3. Profitable growth of the capacity in RES and energy storage

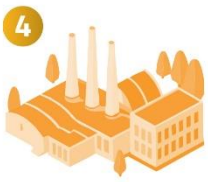
- **Construction of the wind and photovoltaic farms based on the customer demand**
- **Development of the energy storage facilities in order to stabilize the RES generation and provide the support for the grid**
- **Implementation of the in-house development projects**
- **RES operational efficiency**

BU RES

RES capacity growth	In 2025, TAURON had accelerated its RES investment projects, focusing the capital expenditures on the wind and photovoltaic farms as well as the energy storage facilities. The RES installed capacity had grown from 784 MW to 928 MW, and the net energy production had reached 1.54 TWh. The total capital expenditures had come in at PLN 881 million. The expansion of the RES had been continued, including with respect to one of the largest wind projects in Poland – the Miejska Górka wind farm with a capacity of 190.8 MW. With respect to the offshore wind energy area, the work had been continued in order to agree the main terms and conditions of the cooperation with the potential partners. TAURON had also obtained PLN 268.7 million in the financing from the National Recovery Plan on the preferential terms for the construction of at least 120 MW of the photovoltaic installations.
Energy storage	In 2025, two battery energy storage systems with a combined capacity of 8 MW had been commissioned, supported by the capacity market. In 2026, the further storage facilities with a combined capacity of 16.4 MW are planned to be commissioned. In 2025, at the main capacity market auctions for the delivery year 2030, two TAURON projects with a combined capacity of approximately 55 MW had secured contracts, increasing the total contracted capacity for the energy storage to 336 MW. In addition, 11 projects with a capacity of 346.8 MW had been granted subsidies from the National Fund for Environmental Protection and Water Management (NFOŚiGW). The preparations for the Rożnów II pumped storage power plant project had been continued, envisaging a large scale energy storage facility with a capacity of approximately 3 GWh and a power of approximately 700 MW.
In-house development	In 2025, TAURON had continued to develop its capabilities related to the in-house development of the RES projects. As of the end of the year, the potential capacity of these projects had stood at approximately 4.0 GW, of which 650 MW had the Ready-to-Build (RtB) status or was covered by the support mechanisms. At the same time, the resources dedicated to the in-house development had gone up by 120% year on year.
Operational efficiency	In 2025, the modernization of the dam at the Pilchowice I hydro power plant had been launched and the Asset Modernization Program for the hydro power plants had been approved, covering 33 facilities and a task portfolio for the years 2026 – 35 with a CAPEX at the level of approximately PLN 300 million. The repowering project for the Zagórze wind farm had been launched in order to determine the scenarios for the further operation of the Group's oldest wind farm. A wind, hydro and photovoltaic asset maintenance cost reduction program had also been launched, targeting a sustainable cost reduction by 10% relative to the 2023 level.

Postomino Photovoltaic Farm

4. Heat decarbonization and efficiency improvement



- **Replacing the hard coal fired sources with modern, low emission (carbon) units**
- **Configuration enabling taking advantage of the electricity prices volatility and providing support for the district heating network**
- **Expansion of the heat market**

BU

HEAT

Transition of the heat sources	In 2025, TAURON had continued the transition of the heat sources, replacing the hard coal fired units with the modern and low emission sources. Two gas fired peaking and back up units with a combined capacity of 216 MWt had been commissioned and the construction of the new gas engines with a capacity of 30 MWt at EC Bielsko-Biała II had been launched. The project resources had been secured for the decarbonization investments with a capacity of approximately 1 GWt and the preparation of 11 key projects had been launched, the implementation of which is intended to enable the phasing out of the hard coal by 2030. The investment analyses have identified 2 locations for the potential development of the alternative fuel (RDF) installations. The work has also been commenced on the adapting of the BCF-100 unit at EC Katowice to act as a centrally dispatched unit, which will enable generating of the additional revenues from the balancing services in the National Power System (KSE).
Heat storage facilities and electrode boilers	In 2025, all of the key sites had been granted the approvals for the designs of the heat storage facilities with a total capacity of 102 500 m³ and the electrode boilers with a combined power (capacity) of more than 240 MWt, with some of those projects already having been granted the grid connection conditions. These investment projects strengthen the stability of the district heating system and provide the support for the integration of RES in the heat generation process.
Digitization of the asset management	A project for the digitization of the grid asset management processes at TAURON Ciepło has been launched. Its objective is to increase the operational efficiency, accelerate the responding to the service requests and to improve the coordination of the field operations through the implementation of the modern IT solutions.
Heat market development	In 2025, 30 MWt of the new consumers had been connected and 14 MWt of the new markets had been acquired. The actions aimed at maintaining of the status of the efficient district heating systems had been continued.
District heating network modernization	As part of the TERMIC Program, seven proceedings have been launched for the modernization of the key sections of the district heating network in the Silesian - Dąbrowski metropolitan area, which will improve the system reliability and reduce the heat losses. Two grant applications had also been submitted as part of the FEnIKS Program for a total amount of just under PLN 45 million.

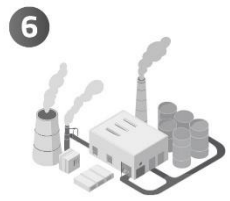
Bielsko - Biała CHP

5. Customer at the center and profitable sales growth

- **Best in class customer experience**
- **Development of the digital customer service channels with the use of the AI**
- **100% clean energy by 2040 and a new RES energy allocation model**
- **Profitable expansion and development of the products, services and the sales channels**

Portfolio greening and centralized margin model	In 2025, TAURON had continued the greening of its portfolio and building of the trading flexibility. The range of the RES based energy products had been expanded, including the multi year contracts as part of the New Energy program and the products with hourly electricity pricing. The number of the metering points covered by the green energy offer had topped 316 000, and its share in the total supply had exceeded 13.6%. The RES asset portfolio had been integrated and the mechanisms optimizing their operation had been implemented, including the curtailment of the generation during the periods of the negative prices. In the capacity market auction for the delivery year 2030, 592 MW had been contracted, securing the stable revenue at the level of PLN 3.83 billion.
Electromobility	In 2025, a dynamic charging pricing scheme had been introduced, resulting in a 18% increase in the electricity sales in the 10:00 – 18:00 time frame and a 36% increase in the average monthly revenue per vehicle charging station. The number of the transactions had gone up by 18%. The repowering of the vehicle charging station network has begun, involving a planned increase in the capacity by 2.6 MW and the construction of the internal vehicle charging stations for the fleet electrification. The service offering has been expanded with the new products such as eFlota, eZarządca and the eTAURON platform.
Customer service quality improvement	In 2025, the significant improvements in the customer satisfaction indicators had been recorded: NPS had grown by 21% (to 54), CSI by 19% (to 63), and CES had fallen by 28% (to 40). Work has been continued in order to improve the document readability – a summary and a new simplified invoice have been introduced, resulting in 160 000 fewer contacts with respect to the invoice related explanations. The proactive communication has been launched with respect to the settlements, estimated meter readouts, reactive energy and invoice issuance dates. In 2025, 86% of the customer matters had been resolved at first contact, and 90% of the remainder within 5 days.
Support for the persons with the special needs	In 2025, TAURON had been developing the initiatives aimed at improving of the accessibility of the services for the persons with the special needs. 98% of the Customer Service Outlets have been adapted to the needs of the persons with the disabilities, and a remote service with a sign language interpreter has been launched at all of the outlets, significantly improving the service accessibility and comfort level.
Digitization and the development of the online services	In 2025, TAURON had exceeded the key targets with respect to the digitization: the share of the online service had reached 50.5% (the target: 50%), and the share of the e-invoices had stood at 59.1% (the target: 57%). The document dispatching with the use of the blockchain technology had been introduced, handling 332 000 agreements and significantly reducing the paper consumption. A total of 16.8 million e-invoices had been issued, equivalent to 5.9 km of paper. The Mój TAURON app had been developed, launching, among other features, the Energy Advisor (443 000 users) and a chat with the assistants. The first fully digital product offering has been introduced, promoting the use of the cheaper energy during the selected hours.

6. Just transition of the conventional energy



- **Gradual phasing out of the conventional power generation**
- **Operational efficiency**
- **Just transition taking into account the social challenges**
- **Preparation of the transition options for TAURON Wytwarzanie sites**

Phasing out of the conventional power generation	In 2025, TAURON Group had continued the process of moving away from the conventional power generation while maintaining the stability of the power system's operation. The generating units had secured the capacity market contracts for 2026 with a combined obligation of 1 567 MW, which allows for the maintaining of the hard coal fired unit availability until the launch of the replacement projects. The maintenance (overhaul) strategy for the 150 MW and 200 MW units had been continued and the predictive systems providing the support for the efficiency and availability of 460 MW and 910 MW units had been developed.
Operational efficiency	As part of the efficiency improvement program for the 910 MW unit in Jaworzno, two of three of the planned stages had been completed, achieving 77% of the tasks included in the remediation plan. The key actions are planned to be completed in 2026 as part of the scheduled major overhaul of the unit. A major overhaul of the 460 MW unit at the Łagisza Power Plant and the first stage of a major overhaul of the J910 unit had also been completed in 2025.
Just transition	As part of the protective (shielding) measures associated with the energy transition under way, the Company has been carrying out the programs aimed at the developing of the competences of the employees at the risk of the structural changes. These have included, among other things, the training in the future oriented competences, the retraining activities for the energy related professions and the preparation of the individual career relocation plans. The initiatives taken provide the support for the mitigation of the social consequences of the gradual phasing out of the conventional power generation assets.
Transition of TAURON Wytwarzanie's sites	In 2025, the complete transition concepts for all of TAURON Wytwarzanie sites had been developed in the preparation for the repurposing following the decommissioning of the hard coal fired units. Three strategic investment projects had been prepared for the Jaworzno III, Łagisza and Łaziska power plants. The grid connection conditions had been obtained for 1.4 GW of the OCGT units, and the 600 MW project in Jaworzno had obtained a capacity market contract and had entered the implementation phase, with a planned commissioning in the fourth quarter of 2029. The Group had also obtained PLN 128 million in the grants (subsidies) for the construction of a 20 MW hydrogen production facility in Jaworzno and had commenced a siting (location) analysis for the future SMR type nuclear power generation sources.
Circular economy	In 2025, Bioeko Grupa TAURON had been developing its capabilities with respect to the processing of the waste materials, including the rubble. The necessary equipment had been purchased, the employee training had been conducted and the administrative processes related to the obtaining of the required permits had been initiated. These activities provide the support for the achievement of the circular economy objectives and for the efficient management of the resources.

910 MW power generating unit in Jaworzno

7. Building an organizational culture based on RES ² and ESG values, focused on value creation

- **ESG as a foundation of TAURON's Strategy**
- **The path to achieving climate neutrality**
- **Building an organizational culture based on the RES ² values**

ESG is the foundation of TAURON Group's Strategy, which fully addresses the challenges related to the sustainable development. TAURON is conducts its business operations in responsible manner, combining the economic efficiency with the care for the natural environment, social security and the highest corporate governance standards. TAURON is steadfastly implementing the energy transition process, developing the renewable energy sources and improving the efficiency and the reliability of the power system. In 2025, TAURON Group had significantly strengthened its ESG activities, which are not only an integral part of the Strategy but also an element of the day to day management and operational activities. During this period, the Group had been carrying out the implementation of the ESG management in 3 key dimensions

Transparent ESG communication	The CSRD- and ESRS compliant reporting – In 2025, TAURON Group had published its 2024 sustainability reporting in a full compliance with the new legal regulations – the CSRD Directive and the ESRS Standards.
Organization	Building of an ESG aware organizational culture.
ESG value based Strategy	New Strategy of TAURON Group and ESG in the new Strategy of TAURON Group. In 2025, the ESG document in the new Strategy of TAURON Group had been published, which had constituted a supplement to the business Strategy and its operationalization within the individual Business Units in the area of the sustainable development. The ESG objectives and activities defined therein directly address the sustainable development commitments set out in the new Strategy, providing the support the effective implementation thereof.

Characteristics of the Policy with Respect to the Directions of Expansion (Growth) – the Short- and the Long Term Perspective

The directions of TAURON Group's expansion (growth) are affected by a number of the external and internal factors whose impact both in the short term as well as in the long term shapes the conditions for the conducting of the operating, investing and financing activities.

In accordance with the data published by Statistics Poland (Central Statistical Office - GUS) on March 2, 2026, the preliminary GDP growth rate estimate for 2025 came in at 3.6%. In the short term perspective, the World Bank (data of January 2026) indicates a slowdown in Poland's GDP growth rate to 3.2% in 2026 and 2.9% in 2027. On the other hand, according to the latest projection of the National Bank of Poland (NBP), published on November 7, 2025, the GDP growth rate is expected to clock in at 3.7% in 2026 and at 2.6% in 2027.

The banking sector analysts are anticipating an acceleration of the growth rate in 2026, primarily due to a material inflow of the EU funds as part of the 2021 – 2027 financial plan (perspective) and the National Recovery and Resilience Plan. Over the longer horizon, as the impact of these funds fades, a gradual weakening of the economic growth rate is forecast.

According to the data published by Statistics Poland (Central Statistical Office - GUS) on January 15, 2026, the average annual inflation rate in 2025 had come in at 3.6%. At the same time, according to the NBP's projection, the average annual inflation rate is expected to clock in at 2.9% in 2026, before declining to 2.5% in 2027.

The NBP is forecasting that the CPI inflation rate will reach a local peak in the first half of 2026 – at 2.9% in the first quarter and at 3.2% in the second quarter – before gradually declining, starting as of the third quarter of 2026. A further decline in the price growth rate to approximately 2.3% by the end of 2027 is assumed.

In the long term perspective, the transition of the power sector in line with the EU climate and energy policy, including the assumptions of the Fit for 55 package, will be continued. The EU level regulations have an impact on the functioning of the domestic energy market, providing the support for a gradual

shift in the generation mix towards the low- and the zero emission sources.

In 2026, work is expected to begin at the EU level on the new regulations in order to implement the intermediate, binding target of a 90% net greenhouse gas emissions reduction by 2040 relative to the 1990 levels. In parallel, the legislative work will be continued on the next EU Multiannual Financial Framework for the years 2028 – 2034, which may be relevant from the point of view of the future opportunities to obtain the EU funds.

At the national level, the finalization of the reform of the rules for a connection to the electricity grid is expected, along with the continuation of the legislative work on the mandatory power exchange trading obligation for the electricity and natural gas, the anti - blackout package and the new solutions for the capacity market beyond 2030. The transposition into the Polish law of the EU directives, including EED (2023/1791) and RED III (2023/2413), is also expected, as is the finalization of the work on the key government strategic document – the National Energy and Climate Plan (KPEiK - NECP). On December 17, 2025, the Ministry of Energy had published a draft update of the National Energy and Climate Plan (NECP) until 2030 with an outlook to 2040. The National Energy and Climate Plan (NECP) is a key document for the transition of the Polish energy sector and the economy, combining the security of the electricity system, the competitiveness of the Polish companies and the benefits for the households. It is, at the same time, a benchmark for the shaping of the planning processes, regulatory mechanisms and the spending of the EU funds.

The directions of the expansion (growth) adopted and implemented as part of TAURON Group's Strategy for the years 2025 – 2035 are, on the one hand, a response to the current challenges of the power sector and, on the other, a conscious drive towards the sustainable development of its lines of business. TAURON Group therefore is seeking to achieve the climate neutrality by 2040. The key directions of the expansion (growth) are presented in the new TAURON Group's Strategy for the years 2025 – 2035 and include, among other things: a customer orientation and a rapid pace of the expansion (growth) of the distribution line of business owing to the planned investment outlays at the level of PLN 60 billion, a profitable growth in the capacity of the RES and energy storage facilities to a level of more than 6 GW by 2035; a decarbonization and an improved heat efficiency, as well as the just transition of the conventional power generation, meaning the gradual decommissioning of the unprofitable generating units. The priorities also include assuming the role of the leader in the electricity supply and achieving the position of the most customer centric (pro-client) energy group in the country.

The directions of the expansion (growth) defined at the level of TAURON Group's Strategy are further detailed in the internal regulations at the level of the functional and business areas described in TAURON Group Business Model. The policies and the detailed operational strategies are in line with TAURON Group's Strategy and provide the support for the effective implementation thereof.

Implementation of the Strategic Investment Projects

The past year was a time of the strategic discipline and a rapid pace of growth as part of which we were steadfastly building the World of New Energy.

The distribution segment is the key pillar of our operations and we are planning to allocate a total of PLN 60 billion by 2035 for the expansion of this segment. We have already secured nearly PLN 18 billion in financing available on the preferential terms, which allows us to continue the stable implementation of the investment processes. The capital expenditures in the distribution line of business are growing by approximately 20% year on year, which directly translates into the security and guaranteed supply of energy for our customers.

In generation technologies, our priority has continued to be the transition towards the renewable energy sources. We commissioned two photovoltaic farms and two wind farms. We are implementing the construction of the Miejska Górka farm with a capacity of 190 MW, which will be the second largest such facility in the country and the largest investment project of this type for TAURON Group.

Michał Orłowski
Vice President of the Management Board for Asset Management and Development

Key investment projects in the RES line of business

Onshore wind farms

Table no. 5 Key strategic investment projects with respect to the wind farms under way in 2025

Investment project	Subsidiary responsible for the implementation	Capacity (MWe)	Total capital expenditures incurred (PLN m) as of December 31, 2025	Physical work progress as of the date of drawing up of this report	Planned completion date
Construction of the wind farm in Nowa Brzeźnica	TAURON Zielona Energia	19.6 MW	90.8	100%	Completed – commissioned in February 2026
Construction of the wind farm in Sieradz	TAURON Zielona Energia	23.8 MW	254.9	100%	Completed – commissioned in January 2026
Construction of the wind farm in Miejska Górka	TAURON Zielona Energia	190.8 MW	677.0	66%	H2 2027

Apart from the projects currently in progress, TAURON Group is also conducting the actions aimed at acquiring on the market the advanced wind farm development projects ready for the construction, as well as the operating onshore wind farm assets.

As part of such efforts, the internal analyses and the due diligence studies with respect to the potential wind farm acquisition projects have been carried out in cooperation with the developers. In addition, TAURON Group is seeking to identify the new sites for the construction of the wind farms, while developing its in - house project portfolio.

Miejska Górka Wind Farm

Photovoltaic (PV) Farms

Table no. 6 Key strategic investment projects with respect to the photovoltaic farms under way in 2025

Investment project	Subsidiary responsible for the implementation	Capacity (MWe)	Total capital expenditures incurred (PLN m) as of December 31, 2025	Physical work progress as of the date of drawing up of this report	Planned completion date
Construction of the photovoltaic farm in Bałków	TAURON Zielona Energia	54 MW	161.4	100%	Completed – commissioned in December 2025
Construction of the photovoltaic farm in Postomino	TAURON Zielona Energia	90 MW (stage I 80 MW; stage II 10 MW)	277.4	100%	Completed – commissioned in December 2025
Construction of the photovoltaic farm in Bielsko - Biała	TAURON Ciepło	3.6 MW	0.1	10%	Q4 2026 r.

In 2025, in addition to the implementation of the projects, the work aimed at developing the in - house photovoltaic farm projects had also been conducted. These activities had included the securing of the land and the obtaining of required administrative approvals and permits. The final decisions whether to move ahead with the implementation of the individual projects are taken following an assessment of the business justification (business case) thereof.

After the balance sheet date, a decision was made to go ahead with the implementation of the Ogrodzieniec Hybrid Installation with a capacity of 85 MW (two tasks: the construction of an 85 MW Ogrodzieniec photovoltaic farm and the construction of a 55 MW energy storage facility) as well as the Mysłowice photovoltaic farm with a capacity of 55 MW.

Battery Energy Storage Systems (BESS)

Table no. 7 Key strategic investment projects with respect to the battery energy storage systems under way in 2025

Investment project	Subsidiary responsible for the implementation	Capacity (MWe)	Total capital expenditures incurred (PLN m) as of December 31, 2025	Physical work progress as of the date of drawing up of this report	Planned completion date
BME Proszówek	TAURON Zielona Energia	9,5	9.6	93%	Q2 2026
BME Przewóz	TAURON Zielona Energia	4	15.0	100%	Completed – commissioned in February 2026
BME Dąbie	TAURON Zielona Energia	4	13.2	100%	Completed – commissioned in February 2026
BME Kuźnia Raciborska	TAURON Zielona Energia	6,9	4.7	55%	Q2 2026
BME Bałków	TAURON Zielona Energia	54	0.0	1%	Q3 2027
BME Stare Bogaczowice I	TAURON Zielona Energia	30	0.0	1%	Q4 2027
BME Dąbrowa Środkowa	TAURON Zielona Energia	45	0.0	1%	Q2 2028
BME Twardogóra	TAURON Zielona Energia	42	0.0	1%	Q4 2028
BME Plichowice	TAURON Zielona Energia	2	0.0	1%	Q2 2028

Investment project	Subsidiary responsible for the implementation	Capacity (MWe)	Total capital expenditures incurred (PLN m) as of December 31, 2025	Physical work progress as of the date of drawing up of this report	Planned completion date
BME Laryszów	TAURON Zielona Energia	84	0.0	1%	Q4 2028
BME Bytom	TAURON Zielona Energia	18	0.0	1%	Q4 2028
BME Baranowice	TAURON Zielona Energia	3,9	0.0	1%	Q4 2028
BME Radlna Tarnowiec	TAURON Zielona Energia	6	0.0	1%	Q2 2027
BME Proszówek II	TAURON Zielona Energia	47	0.0	1%	Q4 2028

In 2025, the implementation of four battery energy storage projects had been launched. In December 2025, a decision had been made to launch ten further investment projects, the implementation of which will continue until 2028.

In February 2026 (an event that took place after the balance sheet date), a decision was made to move ahead with the implementation of the Łagisza 20 MW battery energy storage facility project, planned to be completed in the third quarter of 2028, and in March, the decisions were made to go ahead with the implementation of two further energy storage facilities – Stare Bogaczowice II with a capacity of 105 MW and Ostrów Szlachecki with a capacity of 30 MW, both planned to be completed by the end of 2028.

BESS Przewóz

Offshore wind farms (in the Polish Exclusive Economic Zone of the Baltic Sea)

In 2023, Elektrownia Wiatrowa Baltica-7 sp. z o.o. (Ltd.), in which TAURON holds 44.96% of the shares (the remaining shares in the company are held by Polska Grupa Energetyczna S.A. – PGE), had been awarded a permit for the construction and use of the artificial islands, structures and devices in the area located on Słupsk Shoal (Ławica Słupska), designated as 43.E.1, for the purpose of the construction of an offshore wind farm. The

capacity of the planned offshore wind farm, which can be built pursuant to the obtained permit, stands at approximately 1 GW.

In 2024, Polskie Sieci Elektroenergetyczne S.A. (PSE) had published a list of the preliminary conditions for connecting of the offshore wind farms to the transmission grid, including the conditions for Elektrownia Wiatrowa Baltica - 7 sp. z o.o. (Ltd.). The preliminary grid connection conditions are issued in accordance with the provisions of the Act of December 17, 2020, on the promotion of electricity generation in the offshore wind farms and they allow the offshore wind farm investors to apply for the right to cover the negative balance by way of an auction in accordance with section 4 of this Act.

As part of TAURON Group's Strategy for the years 2025 - 2035, it has been assumed that the construction of the wind and photovoltaic farms will be continued based on the customer demand, including, among other things, the preparation of a project for the construction of an offshore wind farm in a cooperation with a partner.

In 2025, the negotiations with PGE had been conducted with respect to the terms and conditions of the business cooperation within the EWB-7 company and the rules for the provision of the development services related to the preparation of the joint investment project.

Rożnów II Pumped Storage Power Plant (ESP Rożnów II)

TAURON Group is continuing the implementation of the stage of planning the construction of a pumped storage power plant intended to be acting as a large scale energy storage facility located in the vicinity of the Rożnów Hydroelectric Power Plant (Elektrownia Wodna Rożnów). The project is being implemented in accordance with the adopted assumptions – the planned Rożnów II pumped storage power plant is to achieve the power at the level of approximately 700 MW and the energy capacity of 3 GWh. The investment project is planned in the municipality of Łososina Dolna (county of Nowy Sącz) with the use of Lake Rożnów (Jezioro Rożnowskie) serving as the lower reservoir, while the upper reservoir will be built on a nearby hill.

On November 27, 2025, the project had been granted the power grid connection conditions from PSE (TSO). Obtaining of the power grid connection conditions enables the commencement of the work on the design of the grid connection, which constitutes a necessary phase of the preparation for the implementation of an investment project that is material to the national energy security.

The drawing up of the basic engineering design, understood as an optimized investment project concept, subjected to a feasibility study (assessment) taking into account the geological, environmental, technological as well as the formal and legal conditions, and a refinement of the technical assumptions – had been completed in 2025.

The basic engineering design constitutes the basis for the drawing up of the environmental impact assessment (report) and for applying for an environmental decision, as well as the starting point for the further detailed engineering design work.

It is assumed that the engineering design work will be completed by mid-2027, with the preparation of a complete project documentation and the filing of an application for an investment project siting (location) decision, prepared on the basis of the Act of April 14, 2023, on the preparation and implementation of the pumped storage power plant investment projects as well as the associated investment projects. It is assumed that the obtaining of the environmental decision and of the Małopolska Province Governor's decision on the investment siting (location) – along with the transfer of the ownership title to the investor – in 2027 will enable the taking of the Final Investment Decision (FID) and the submission of the petition for a building permit for the construction of ESP Rożnów II

The investment implementation period is planned for the years 2028 – 2033, while the commencement of the operation of ESP Rożnów II is expected as of 2034.

Pilchowice I Hydro Power Plant (Elektrownia Wodna (EW) Pilchowice I)

EW Pilchowice I is a hydroelectric power plant located at the historic dam in Pilchowice, managed by the TAURON Ekoenergia subsidiary. The Pilchowice dam is the second highest dam in Poland in terms of the dam water retention height and it is playing a key role in the flood protection of the Bóbr river valley and in the use of the water stored in the reservoir for the power generation purpose.

TAURON has taken the required corporate decisions in order to begin the process of modernizing the dam in Pilchowice. The investment project includes the extensive works aimed at

ensuring the continued, safe and multi year operation of this strategic facility. The modernization has been planned according to two variants: the basic one - encompassing the overhaul work on the dam required by the legal regulations, and the extended one – taking into account the reconstruction (alteration) of the elements of the dam in order to improve the flood safety. The implementation of the reconstruction project depends on obtaining of the financing for this scope from the institutions responsible for the hydrological safety. The completion of the investment project is planned in the first quarter of 2028.

As of the end of 2025, following the completion of a public procurement contract award procedure, a contract for the construction works was signed for both the basic as well as the optional variant.

Key investment projects in the Heat line of business

Table no. 8 Key strategic investment projects in the Heat line of business under way in 2025

Investment project	Subsidiary responsible for the implementation	Capacity (MWe)	Total capital expenditures incurred (PLN m) as of December 31, 2025	Physical work progress as of the date of drawing up of this report	Planned completion date
Construction of the 140 MWt gas fired boiler at ZW Katowice (Katowice Generation Plant) for the district heating market needs	TAURON Ciepło	The scope of the project includes the construction of a 140 MWt gas fired water boiler on the existing foundations, along with the supporting infrastructure and a steel stack, with the environmental emission parameters: BAT with a 15% reserve versus the limit values.	113.7	100%	Completed – commissioned in September 2025
Construction of the peaking and backup boiler house at ZW Bielsko Biała EC 2 (Bielsko Biała Generation Plant Combined Heat and Power Plant 2)	TAURON Ciepło	The scope of the project includes the construction of a 76 MWt (2 x 38 MWt) natural gas and light fuel oil fired peaking and backup boiler house. The project stems from the need to replace the old boiler house, which does not meet the requirements of the BAT Conclusions starting from 2025 due to its poor technical condition and failure rate, thereby affecting the lack of the backup for the 50 MW unit at Elektrociepłownia Bielsko Biała EC - 2 (Bielsko Biała Combined Heat and Power Plant EC - 2).	54.8	100%	Completed – commissioned in September 2025
Construction of the gas engines at ZW Bielsko Biała EC - 2 (Bielsko Biała Generation Plant Combined Heat and Power Plant 2)	TAURON Ciepło	The scope of the project includes an installation of three identical, complete cogeneration units based on the reciprocating (piston) engines, powered by natural gas, with a capacity of approximately 10 MWt / 10 MWe each (the capacity of the entire system stands at approximately 30 MWt / 30 Mwe), the construction of the electrical and thermal power evacuation lines along with a pumping station and a water treatment station, the construction of a heat accumulator, the construction of the associated infrastructure	8.2	32%	Q4 2027

Key investment projects in the Supply line of business

Table no. 9 Key strategic investment projects in the Supply line of business under way in 2025

Investment project	Subsidiary responsible for the implementation	Capacity (MWe)	Total capital expenditures incurred (PLN m) as of December 31, 2025	Physical work progress as of the date of drawing up of this report	Planned completion date

Production 2.0	Kopalnia Wapienia Czatkowice (Czatkowice Lime Stone Mine)	The scope of the project includes the reconfiguration of the Limestone Mine's (Kopalnia Wapienia Czatkowice sp. z o.o. (Ltd.)) technological system in order to increase the production of the grits and the aggregates with the use of its in-house assets. The project assumes the restoration of the grit production line, the construction and the modernization of the rock (stone) crushing and transportation nodes. The project provides for the use of the technology that would allow for maximizing the use of the raw material obtained from the mine.	0.7	5%	Q1 2027

Key investment projects in the Generation line of business

Table no. 10 Key strategic investment projects in the Generation line of business under way in 2025

Investment project	Subsidiary responsible for the implementation	Capacity (MWe)	Total capital expenditures incurred (PLN m) as of December 31, 2025	Physical work progress as of the date of drawing up of this report	Planned completion date
Construction of Jaworzno OCGT gas fired peaking unit (600 MW)	TAURON Wytwarzanie	A 600 MWe class peaking power generating unit based on one or two gas fired turbine sets in an open cycle configuration, along with the auxiliary infrastructure, flue gas stack, gas connection and the power evacuation system.	0	3%	Q4 2029
Construction of a boiler house for the process steam generation of the 910 MW unit and the heat supply for the city of Jaworzno	TAURON Wytwarzanie	The project includes the construction of a boiler house as a process steam source, equipped with the gas and oil steam boilers as well as an electrode boiler, and also the construction of the district heating infrastructure comprising a heat source in the form of the gas engines, an electrode hot water boiler, a heat accumulator and a district heating station, along with the associated infrastructure including a PSG Sp. z o.o. (Ltd.) gas connection.	0.2	6%	Q2 2028

Capital expenditures (CAPEX)

TAURON Capital Group's capital expenditures had come in at PLN 5 641 million in 2025 and they had been higher than the investment outlays incurred in 2024, when they had clocked in at PLN 5 127 million (excluding the equity investments). This is, first and foremost, due to an increase in the capital expenditures in the following BUs: Distribution, Generation, Supply and Other Operations, as well as the lower outlays in the RES BU.

Table no. 11 The highest by value, capital expenditures incurred by TAURON Capital Group's individual Lines of Business in 2025

Item	Capital expenditures (PLN m)
Distribution	
Installation of the new grid connections	**1 620**
Existing grid assets' upgrades (refurbishments) and replacements	**1 429**
Comprehensive replacement of the meters with a remote readout feature (AMIPlus)	**333**
Dispatch Communications System	**81**
RES	
Construction of the wind farm in Miejska Górka with the capacity of 190.8 MW	**376**

Item	Capital expenditures (PLN m)
Construction of the photovoltaic farm in Postomino with the capacity of 90 MW	**62**
Construction of the photovoltaic farm in Bałków with the capacity of 54 MW	**91**
Construction of the wind farm in Sieradz with the capacity of 23.8 MW	**175**
Modernization (refurbishment) of the hydroelectric power plants	**35**
Construction of the Battery Energy Storage Systems (BESS)	**43**
Construction of the wind farm in Nowa Brzeźnica with the capacity of 19.6 MW	**15**
Heat	
Maintenance of the generation units and the district heating networks at TAURON Ciepło	**52**
Connecting of the new facilities to the network at TAURON Ciepło	**29**
Katowice Generation Plant (Zakład Wytwórczy Katowice) – Construction of the gas fired boiler with the capacity of 140 MWt at TAURON Ciepło	**13**
Construction of a peaking and backup boiler room and the gas engines at ZW Bielsko-Biała EC-2	**16**
Supply, New Services, Customer Service, Shared Services Center (CUW) and Other Operations	
IT related investment projects at Tauron Obsługa Klienta (Tauron Customer Service)	**201**
Maintenance and development of the street lighting	**72**
Construction of a fiber optic network (National Recovery Plan)	**55**
CSIRE for the supply line of business	**24**
Generation	
Łagisza Power Plant – replacement and modernization (refurbishment)	**200**
New Jaworzno 910 MW unit – restoration and remediation program	**65**

The detailed information on the capital expenditures incurred in the individual Segments of TAURON Capital Group's operations is provided in section 6.3 of this report.

Evaluation of the capability to complete the intended investment projects

TAURON Capital Group's strategic investment projects and the financing thereof are centrally managed at the Company level. Based on the completed analyses with respect to the planned investment outlays and the funds held the Management Board of the Company assesses whether TAURON Capital Group is able to finance the current and the future intended investment projects included in the Strategy with the use of the funds generated from the operating activities and by obtaining an external financing.

The Company is pursuing a policy of diversifying the financing instruments and is striving to secure the financing and maintain the ability of TAURON Capital Group's subsidiaries to meet both the current as well as the future financial obligations in the short as well as in the long term, including the obligations related to the investment plans. The steps are taken to acquire the new sources of financing and the result of such efforts include the agreements and the annexes entered into in 2025, as well as after the balance sheet date.

In the light of the above, as of the date of the drawing up of this report, the Company does not see any material risks to its ability to implement its undertaken investment intentions.

The detailed information related to the conclusion of the agreements with respect to the financing of the operations and the investment projects of TAURON Group is provided in section 12.2. of this report.

Major achievements in the field of research, development and innovations

The research and development as well as the innovations related activities (R+D+I) are implemented and developed on the basis of the complete and detailed strategic assumptions - with the clearly defined objectives and ambitions. The management of the R&D projects is conducted on a portfolio basis and aims to provide the support for TAURON Group Strategy. Four research portfolios defining the directions of the R&D&I activities have been defined:

1. Customer and His / Her Needs,
2. Smart distribution,
3. Green energy,
4. Sustainable heat.

As part of the directions the problem areas have been defined for the selected detailed research areas that are important from the point of view of TAURON Group's development plans. This approach provides the support for the selection of the specific projects and the rejection of others, as well as it allows for the optimal allocation of the financial resources.

In 2025, PLN 40 million had been planned for the operation of the R&D&I area. 9 projects had been launched (including 2 projects involving the startups) across the various business areas. As part of the four portfolios of the Research and Innovation Area, 26 projects with a total value of more than PLN 43 million had been carried out. For the implementation of some of these projects, TAURON Group had obtained the co - financing from the external sources in the form of the grants (subsidies) and preferential loans with a total value of more than PLN 20 million.

Table no. 12 Selected R&D projects carried out in 2025 by TAURON Capital Group's subsidiaries, co - financed from the external sources

Projects / programs / tasks	Co - financing source
Digital solutions aimed at improving the sustainability indicators and the flexibility potential of the hydro power assets (D - HYDROFLEX)	Horizon Europe
A reference application aimed at encouraging the customers to use the energy and power (capacity) more efficiently and to increase the demand side flexibility (ECLIPSE)	Digital Europe
Recycling, Electromobility, Energy storage – the second life of the batteries coming from the electric vehicles (RES2LIFE)	National Fund for Environmental Protection and Water Management (Narodowy Fundusz Ochrony Środowiska i Gospodarki Wodnej)
Small energy storage facilities as the stabilizers of the low voltage grid operation (MES_nN)	National Fund for Environmental Protection and Water Management (Narodowy Fundusz Ochrony Środowiska i Gospodarki Wodnej)

Table no. 13 Status of the work in the selected research and development projects being implemented in 2025

Research and development project	Status of the work
RES2LIFE	The project includes the development and the implementation of the stationary energy storage technology with the use of the partially used batteries from the electric vehicles, integrated with a local RES source and the charging infrastructure. The solution is based on the technology developed in the Second Life ESS project completed in 2023. In 2025, the project along with its RES assets had been transferred from TAURON Inwestycje (TI) to TAURON Zielona Energia (TZE). In 2026, the key agreements are planned to be signed, including those relating to the supply of the used batteries, while the necessary administrative permits will be obtained and the project implementation will commence.
Second Life 2.0	In 2025, the project aimed at increasing of the technological maturity of a second life battery based energy storage system had been completed. The operational data analysis had been carried out, two scientific articles had been drafted and the recommendations with respect to the optimal operating conditions for the energy storage systems using used battery packs had been developed. The project has also delivered the valuable market and technological insights that will be utilized in the subsequent R&D initiatives in the energy storage area. The next stage involves taking of the steps related to the commercialization of the solution.
D-HYDROFLEX	The goal of the project is to develop the advanced digital tools based on, among other things, the digital twin concept, the predictive analytics as well as the optimization methods, in order to improve the efficiency and the reliability of the hydro power plant operations. In 2025, the IT architecture, solutions and prototypes of the key components had been developed, and the measurement (metering) system of the Wały Śląskie hydro power plant had been expanded in order to enable the collection of the data in a dedicated SQL database. The implementation of the digital tools in a dedicated environment has been commenced and it is planned to be completed in 2026. The project has been granted a positive evaluation by the European Commission for the first stage. In 2026, the testing of the developed solutions and the preparatory activities for the commercialization thereof are planned.
ECLIPSE	The goal of the project is to implement and demonstrate the Common European Reference Framework (CERF) for an application that enables a voluntary energy consumption reduction and the off peak load shifting based on the

	recommendations and a promotion of the sustainable energy use. In 2025, the functional and technical requirements for the new functionalities had been developed and the features including the presentation of G13s and G14d tariffs and a tariff advisor had been deployed to the production environment. In 2026, a module enabling the communication with the users is planned to be implemented, which will be used for the testing of the effectiveness of the communication aimed at increasing of the electricity consumption flexibility.
NH3Engine	The project includes the development of the technology and conducting of the demonstration of the feasibility of using the green ammonia as a fuel for the heat and electricity production in the reciprocating co-generation systems. The goal is to develop the methods for the converting of the existing or the new co-generation systems with a capacity of more than 100 kW to the multi fuel or the ammonia based operation. As part of the project implementation work, experience has been gained in the use of ammonia as an energy carrier and a compact RES energy generation system has been developed, integrating the technological solutions with the advanced control algorithms.
MES_nN	The project involves the construction of 20 demonstration installations of the small energy storage facilities in the various areas of the low voltage (LV) grid, and the drawing up of a report assessing their technical and economic efficiency, along with the recommendations for the modernization of the grid in the areas with a high RES penetration. 10 of the 20 small energy storage units are planned to be constructed in 2026.
INSIEME	The goal of the project launched in 2025 is to implement the Common European Energy Data Space (CEEDS) providing the support for the digitization of the EU energy system as well as the security and resilience of the system. From TAURON Dystrybucja's perspective, the key element is the development of the individual customer profiles and the energy clusters based on the AMI meter data and the additional sources. The initial results from the algorithms operating on the real data are planned to be obtained in 2026.

Cooperation with the start-ups

In 2025, the expansion of the TAURON Progres proprietary accelerator program had been continued, along with the engagement of TAURON as well as the Group's subsidiaries as the Technology Recipient in the external KPT ScaleUp Booster accelerator program.

In 2025, as part of TAURON Progres, 2 pilot projects had been completed, and 2 further projects had been granted a positive decision for the implementation in 2026.

KPT ScaleUp Booster is a program run by the Kraków Technology Park (Krakowski Park Technologiczny), co - financed by the Polish Agency for Enterprise Development (Polska Agencja Rozwoju Przedsiębiorczości) from the EU funds as part of the European Funds for a Modern Economy 2021 – 2027 Program (FENG), Measure 2.28 Startup Booster Poland Smart UP. In 2025, 2 pilots projects launched in the prior year had been completed and the second round of the startup recruitment had been launched, focusing on the solutions in the areas of heat generation and distribution, customer and the RES. Out of 53 startups analyzed, 3 had been selected for the pilot projects, which will run until May 2026. The program will be continued until the end of 2026, encompassing a total of 3 project calls (recruitment) rounds.

Continuing to build the strategic position of TAURON Capital Group with respect to the startups and innovative development stage companies, TAURON had carried out, in 2025, the further follow up investments as part of EEC Magenta - a CVC (corporate venture capital) type of fund set up in 2018. EEC Magenta has built an investment portfolio that includes 14 innovative companies. In 2025, EEC Magenta CVC had found itself in the divestment phase, i.e. a period during which exits from the investments and the potential follow on investments in the CVC portfolio companies are made. The first exits from the investments are planned for 2026.

2.5. Employment information

Key headcount data

TAURON's average headcount had come in at 408 FTEs in 2025, i.e. it had been lower by 21 FTEs as compared to the employment level in 2024, when the average headcount had stood at 429 FTEs.

TAURON Capital Group's average headcount had clocked in at 18 889 FTEs in 2025, which meant an increase by 0.8% (147 FTEs) as compared to the employment level in 2023, when the average headcount had stood at 18 742 FTEs.

Table no. 14 Key data on the headcount at TAURON and TAURON Capital Group for 2025, and for 2024, allocated to the individual segments in place as of December 31, 2025

		TAURON		TAURON Capital Group	
Key employment data	Unit	2025	2024	2025	2024

Average headcount by segment, including:	FTEs	408	429	18 889	18 742
Distribution Segment		-	-	*10 242*	*9 983*
RES Segment	*FTEs*	-	-	*309*	*279*
Heat Segment [1]	*FTEs*	-	-	*1 505*	*1 543*[1]
Supply and Wholesale Trading Segment [2]	*FTEs*	*408*	*429*	*771*	*921*[2]
Generation Segment	*FTEs*	-	-	*2 875*	*3 024*
Other Operations	*FTEs*	-	-	*3 187*	*2 992*
Headcount by segment, including:	persons	410	413	19 096	18 800
Distribution Segment	*persons*	-	-	*10 409*	*10 118*
RES Segment	*persons*	-	-	*331*	*281*
Heat Segment [1]	*persons*	-	-	*1 540*	*1 521*[1]
Supply and Wholesale Trading [2]	*persons*	*410*	*413*	*802*	*919*[2]
Generation Segment	*persons*	-	-	*2 813*	*2 946*
Other Operations	*persons*	-	-	*3 201*	*3 015*
Headcount by education level, including:					
College graduates	*%*	*98%*	*98%*	*45%*	*45%*
High school graduates	*%*	*2%*	*2%*	*39%*	*40%*
Vocational school graduates	*%*	*0%*	*0%*	*15%*	*14%*
Elementary school graduates	*%*	*0%*	*0%*	*1%*	*1%*
Headcount by age, including:					
Up to 30 years	*%*	*8%*	*9%*	*11%*	*12%*
30 - 40 years	*%*	*28%*	*27%*	*16%*	*16%*
40 - 50 years	*%*	*42%*	*41%*	*26%*	*27%*
50 - 60 years	*%*	*20%*	*20%*	*37%*	*37%*
Above 60 years	*%*	*2%*	*3%*	*9%*	*8%*
Headcount by gender, including:					
Women	*%*	*50%*	*49%*	*27%*	*27%*
Men	*%*	*50%*	*51%*	*73%*	*73%*

[1] The 2024 data for the Heat Segment includes the headcount at TAURON Inwestycje sp. z o.o. (Ltd.), which as of December 31, 2025 had been allocated to the Other Operations.
[2] The 2024 data for the Supply and Wholesale Trading Segment includes the headcount at TAURON Nowe Technologie S.A. (Joint Stock Company), which as of December 31, 2025, had been allocated to the Other Operations.

2.6. Prizes and accolades

TAURON and TAURON Capital Group's subsidiaries had received the following awards and accolades (honorable mentions) in 2025:

TAURON awarded an honorable mention for the implemented ESG educational campaign addressed to all of TAURON Group's employees in *the Innovator ESG* competition organized by the *Polish ESG Association,* in the category the Employer of the Future [S] – Education and Social Integration.

TAURON awarded special *The Best of The Best* prize for the continuous high quality of the annual reporting in *The Best Annual Report 2024* competition organized by the Institute of Accounting and Taxes. In addition to the main prize, TAURON awarded a special prize for the best compensation report and the honorable mentions for the best management report and the best corporate governance statement.

TAURON awarded the 3rd place in the Fuels, Energy, Mining category of the 19th edition of the *ESG Responsible Management Ranking competition organized by the Responsible Business Forum*, and at the same time TAURON ranked 12th in the overall classification in a ranking that has for years served as a valued indicator of the maturity of the responsible and sustainable management among the largest enterprises in Poland.

TAURON awarded the main prize for the best report in the category of the companies subject to CSRD in the 19th edition of the Sustainability Reports competition organized by the Responsible Business Forum. TAURON's report was recognized for the high quality of information, completeness, accuracy and verifiability of data, and for the modern and consistent ESG reporting

TAURON awarded the title of the Philanthropist of the Decade at the Leaders of Change Gala, honoring the years of the charitable and the social activities carried out jointly with the SIEMACHA Association.

TAURON awarded the Friendly Workplace 2025 prize and the statuette for the outstanding achievements in the shaping of the modern management standards based on the respect, openness and authentic commitment to the employee well being

TAURON granted the HR Quality Award 2025 for, among other things, the clearly defined recruitment principles and stages ensuring a process consistency, a described onboarding process, a defined training policy as well as an internship and placement program

TAURON awarded the Best Investor Relations prize for the best investor relations in the WIG 40 company category, granted by the IR Society Poland Association

TAURON awarded the Responsible Employer – HR Leader 2025 prize in a program aimed at promoting of the adequate actions in the area of the human capital management, recognizing a wide range of the development initiatives, an attractive and extensive employee incentive system, and the cooperation with the school and academic communities

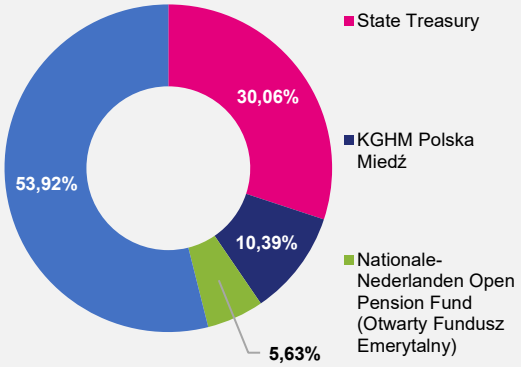
3. Shares and shareholders of TAURON Polska Energia S.A.

3.1. Shareholding structure

As of January 1, 2025, as of December 31, 2025 and as of the date of drawing up of this report the Company's share capital, in accordance with an entry in the National Court Register, had stood at PLN 8 762 746 970 and had been split into 1 752 549 394 shares with a nominal value of PLN 5 per share, including:

- 1 589 438 762 ordinary AA series bearer shares and
- 163 110 632 registered ordinary BB series shares.

Figure no. 10 Shareholding structure as of January 1, 2025, as of December 31, 2025, and as of the date of drawing up of this report



The detailed information on the shareholding structure is presented in section 9.4 of this report.

3.2. Dividend policy

As part of the Strategy adopted in December 2024, TAURON assumed dividend payout not later than in 2028, at PLN 0.50 per share, as well as an annual dividend growth rate of 6%, allowing for achieving of the payout of PLN 0.70 per share in 2035, with the assumption that up to 20% of consolidated net profit will be allocated to dividend payout. The criteria for dividend payouts will be in line with the Best Practices of WSE Listed Companies. The decision to pay out dividend shall be made by the General Meeting of Company's Shareholders following a recommendation by the Management Board, which will take into account the following circumstances when determining the recommended amount of the dividend payout:

1. the Company's liquidity situation, in particular in the event that the Company fails to generate cash in an amount that would allow for the payment of the dividend,
2. the formal and legal restrictions, including the requirement to cover the previous years' losses pursuant to the provisions of the Commercial Companies Code,
3. the risk of violating of the covenants included in TAURON's financing documentation (the loan agreements or the bond issue terms and conditions), in particular with respect to not exceeding a certain level of the leverage ratio (the net debt to EBITDA ratio) and ensuring an investment grade rating,
4. allocation of profit for the expenditures related to implementation of the strategic projects, provided that, in TAURON's opinion, the retention of funds will contribute to an increase in the value of assets.

The dividend was last time paid out by the Company in 2015, in the amount of PLN 262 882 409.10 for the financial year 2014. Starting as of 2015, the Company has not paid out any dividend.

The Management Board recommended dividend payment from net profit for 2025 in the amount of PLN 0.20 per share which gives the total amount of dividend of PLN 350,509,878.80.

The Management Board, taking into account very strong financial results achieved by the Company and TAURON Capital Group in 2025, in particular high level of net profit and stable cash flows from operating activities, considered it appropriate to recommend a dividend payment earlier than originally envisaged in the Strategy. In the Management Board's assessment, these factors, while maintaining a prudent financial policy, justify the possibility of paying a dividend without a significant impact on the Company's credit profile, while maintaining its investment-grade rating.

Distribution of the net profit for 2024

On April 14, 2025, the Management Board of the Company had taken the decision to recommend to the Ordinary General Meeting (OGM) of the Company to distribute the net profit earned by TAURON for the financial year 2024 in the amount of PLN 510 278 026.06 by allocating it in full to the Company's reserve capital. On April 15, 2025, the Company's Supervisory Board of the Company had approved the Management Board's motion to the Ordinary General Meeting (OGM) of the Company with respect to the above matter.

The decision taken had been in line with the dividend policy set out in the Strategy and the Best Practices, and in making such a decision the Management Board had taken into account the investment program adopted in the Strategy that had assumed incurring of the significant capital expenditures in the coming years, in particular in the Distribution, Renewable Energy Sources and Heat Lines of Business.

The funds retained by the Company may be used for the implementation of the investment projects and will, at the same time, reduce the need for financing, having a positive impact on the net debt to EBITDA ratio.

On June 25, 2025, the Ordinary General Meeting (OGM) of the Company had passed a resolution, in line with the recommendation of the Management Board, on the distribution of the net profit earned by TAURON for the financial year 2024 by allocating it in full to the Company's reserve capital.

TAURON disclosed the information on the above events in current report no. 14/2025 of April 14, 2024, and in current report: no. 23/2025 of June 25, 2025.

3.3. Number and nominal value of TAURON Polska Energia S.A.'s shares, as well as of the shares and interests in the related units, held by the Members of the Management Board and by the Members of the Supervisory Board

Table no. 15 Holdings of the Company's shares by the Members of the Management Board of the Company as of December 31, 2025

First and last name	Number of the Company's shares held	Nominal (par) value of the Company's shares held
Grzegorz Lot	0	0
Michał Orłowski	0	0
Krzysztof Surma	9 100	45 500

Table no. 16 Holdings of the Company's shares by the Members of the Management Board of the Company as of the date of drawing up of this report

First and last name	Number of the Company's shares held	Nominal (par) value of the Company's shares held
Grzegorz Lot	0	0
Michał Orłowski	0	0
Krzysztof Surma	9 100	45 500
Krzysztof Zawadzki	0	0

As of December 31, 2025 and as of the date of drawing up this report, the Members of the Management Board of the Company, did not hold any shares or interest in the units (entities) related to the Company.

As of December 31, 2025 and as of the date od drawing up of this report, the Members of the Supervisory Board of the Company, did not hold any shares of TAURON, nor did they hold any shares or interest in the units (entities) related to the Company.

3.4. Agreements related to the potential changes to the shareholding structure

The Company does not have any information on the existence of any agreements (including also the agreements concluded after the balance sheet date), as a result of which any changes in the proportions of the shares held by the existing shareholders and bondholders may occur in the future.

3.5. Share buybacks

In 2025 and as of the date of drawing up of this report, TAURON and its subsidiaries had not acquired or held any of its own shares, with the exception of TAURON Dystrybucja, as discussed below.

Acquiring of the shares in TAURON Dystrybucja S.A.

As of January 1, 2025, TAURON Dystrybucja had held a total of 274 714 of its own shares with a total nominal value of PLN 5 494.28, which had approximately represented 0.0009% of the company's share capital. These shares had been purchased from the minority shareholders in 2024 in order to be redeemed, due to a failure of the General Meeting convened on June 27, 2024, to adopt a resolution on the mandatory repurchase of the company's shares owned by the shareholders whose shares represent no more than 5% of the share capital by the majority shareholder. In accordance with Article 418^1, § 4 of the Code of Commercial Companies, if a resolution on the mandatory repurchase of the shares is not adopted at the General Meeting, a company shall be obliged to purchase the shares of the minority shareholders, in order to be redeemed, within 3 months from the date of holding the General Meeting.

In accordance with Article 418^1, § 6 of the Code of Commercial Companies, the repurchase price of the shares is equal to the net asset value per share as disclosed in the financial statements for the last financial year, less the amount allocated for the distribution among the shareholders. In conjunction with the above the shares had been purchased at a price of PLN 0.52 per share, which had translated into a total amount of PLN 142 851.28 for all of the acquired shares.

Subsequently, on January 28, 2025, the Management Board of TAURON Dystrybucja S.A. had adopted a resolution on the redemption of 274 714 of the company's shares purchased from the shareholders whose shares had represented no more than 5% of the share capital and on the lowering of TAURON Dystrybucja's share capital as well as the amendments to the Company's Articles of Association. The Management Board of TAURON Dystrybucja had taken a decision to lower the company's share capital from the amount of PLN 560 455 650.50 by the amount of PLN 5 494.28, i.e. to the amount of PLN 560 450 156.22. The registry court had registered the above mentioned lowering of the company's share capital on March 10, 2025.

In conjunction with the above, as of December 31, 2025, TAURON Dystrybucja did not hold any of its own shares.

3.6. Employee stock award programs

No employee stock award programs had been implemented by the Company in 2025.

3.7. Share price performance on the Warsaw Stock Exchange (WSE)

The shares of TAURON Polska Energia S.A. have been listed on the Main Market of the Warsaw Stock Exchange (WSE) since June 30, 2010. TAURON share price had fluctuated between PLN 3.76 and PLN 10.84 in 2025, with the closing price during the last stock market session of 2025 clocking in at PLN 8.64.

The year 2025 had been marked by a major

recovery on the domestic capital market. After a period of a slowdown and stabilization, the sentiment on the Warsaw Stock Exchange had improved significantly, and the rapidly growing prices had led to a bull market encompassing all of the major stock indices. The Polish stock exchange had also performed very well as compared to the other European markets, with the domestic indices among the leaders in terms of the growth rate.

In 2025, the main indices of the Warsaw Stock Exchange had posted double digit, often record breaking, rates of return. The WIG20 index had ended the year at its highest level since January 2008, rising by 45.26%. The WIG index had topped 100 000 points for the first time in history, having gained 47.33%. The mWIG40 index had risen by 33.64%, while the sWIG80 index had gained 25.41%. The energy sector had posted a particularly strong growth rate – the WIG-Energia index had increased in value by 59.91%. During this time frame, TAURON shares had also reached a historically high level, going up by 129.9% over the year and topping PLN 10 for the first time ever.

The year 2025 had been a period of a stable economic growth in Poland. The pace of the inflation had slowed down significantly, and the decisions of the National Bank of Poland to cut interest rates had supported increased investment activity. The average annual inflation rate had clocked in at 3.6%, remaining at a level similar to the previous year, while coming down significantly as compared to 2023. In the quarterly terms, the gross domestic product in 2025 had grown by 3.2% in the first quarter, 3.4% in the second quarter, 3.8% in the third quarter, and 1.0% in the fourth quarter, which had translated into a 2.9% growth for the year as a whole. As a result, Poland had strengthened its economic position in Europe, with the country's GDP topping USD 1 trillion and Poland becoming the 20th largest economy in the world.

The price performance of the shares of TAURON and the shares of the entire energy sector had been, first and foremost, impacted in the period under review by the factors related to the overall situation on the electricity market as well as the progress of the transition of the energy sector under way, including the end of the electricity price freeze mechanism, the results of the capacity market auctions, the information on the level of tariffs and the planned changes to the methods applied in the calculation thereof. In the case of TAURON share price performance the following factors had also been of material importance: an upgrade of the rating outlook as well as the obtaining of the further funds from the National Recovery and Resilience Plan.

As of December 31, 2025, TAURON shares had been included in the following stock exchange indices:

WIG – an index that includes all of the companies listed on the WSE's Main Market that meet the basic criteria for the inclusion in the indices. TAURON's share in the WIG index had stood at 1.5487%,

WIG-Poland – a national index that groups solely shares of the domestic companies listed on the WSE's Main Market that meet the basic criteria for the inclusion in the index. TAURON's share in the WIG-Poland index had come in at 1.5762%,

WIG30 – an index that includes 30 of the largest and most liquid companies listed on the WSE's Main Market. TAURON's share in the WIG30 index had clocked in at 1.9789%,

WIG40 – an index that includes 40 of the largest and most liquid companies listed on the WSE's Main Market. TAURON's share in the WIG40 index had come in at 7.6541%,

WIG-Energia – a sector based index that comprises companies that are included in the WIG index and at the same time they are classified in the energy sector. TAURON's share in the WIG-Energia index: 37.5004%.

Following the trading session on March 20, 2026 (an event after the balance sheet date), the annual review of the index portfolios was conducted, after which TAURON shares were included in the WIG20 index, which comprises the largest and most liquid companies on the Main Market. TAURON's share in the WIG20 index is 2.5198%.

Table no. 17 Key data on the TAURON shares in the years 2015-2025

Year	Share price high (PLN)	Share price low (PLN)	Last share price (PLN)	Market capitalization at the end of the period (PLN m)	Market capitalization at the end of the period (%)	Book value (PLN m)	Price / Earnings
2015	5.38	2.36	2.88	5 047	0.98	18 837	4.2
2016	3.19	2.31	2.85	4 995	0.9	16 349	-
2017	4.12	2.75	3.05	5 345	0.8	17 880	3.02
2018	3.37	1.64	2.19	3 838	0.66	18 967	3.7
2019	2.44	1.43	1.64	2 874	0.52	19 168	13.9
2020	3.26	0.82	2.72	4 770	0.89	18 071	-
2021	3.86	2.39	2.65	4 651	0.66	16 497	-
2022	3.65	1.70	2.12	3 714	0.65	17 235	13.5
2023	4.60	1.82	3.73	6 544	0.86	18 609	3.8
2024	4.11	2.77	3.76	6 588	0.90	17 580	-
2025	10.84	3.76	8.64	15 146	1.46	20 533	4.5

Year	Price / Book Value	Rate of return ytd[1] (%)	Dividend yield (%)	Trading volume (PLN m)	Trading volume share (%)	Average volume per session (pcs)	Average number of transactions per session (pcs)
2015	0.27	-40.78	5.2	3 063	1.5	3 190 195	1 431
2016	0.31	-1.04	-	3 199	1.69	4 662 087	1 465
2017	0.31	7.02	-	2 737	1.16	3 261 765	1 323
2018	0.2	-28.2	-	3 104	1.52	5 622 737	1 769
2019	0.15	-25.11	-	2 001	1.04	4 508 965	1 699
2020	0.26	65.98	-	3 233	1.09	6 807 622	2 523
2021	0.28	-2.50	-	3 015	0.96	3 883 666	2 167
2022	0.22	-20.16	-	2 651	0.93	4 086 822	2 026
2023	0.35	76.22	-	2 865	1.04	3 837 532	2 331
2024	0.37	0.67	-	2 527	0.76	2 901 258	2 162
2025	0.74	129.9	-	5 364	1.14	3 022 279	3

[1] The rate of return is calculated taking into account the investor's income from the dividend and assuming that the additional income earned this way is re-invested. The methodology is in accordance with Biuletyn Statystyczny GPW (WSE Statistical Bulletin).
Source: Biuletyn Statystyczny GPW (WSE Statistical Bulletin)

Figure no. 11 TAURON share price performance and trading volumes in 2025

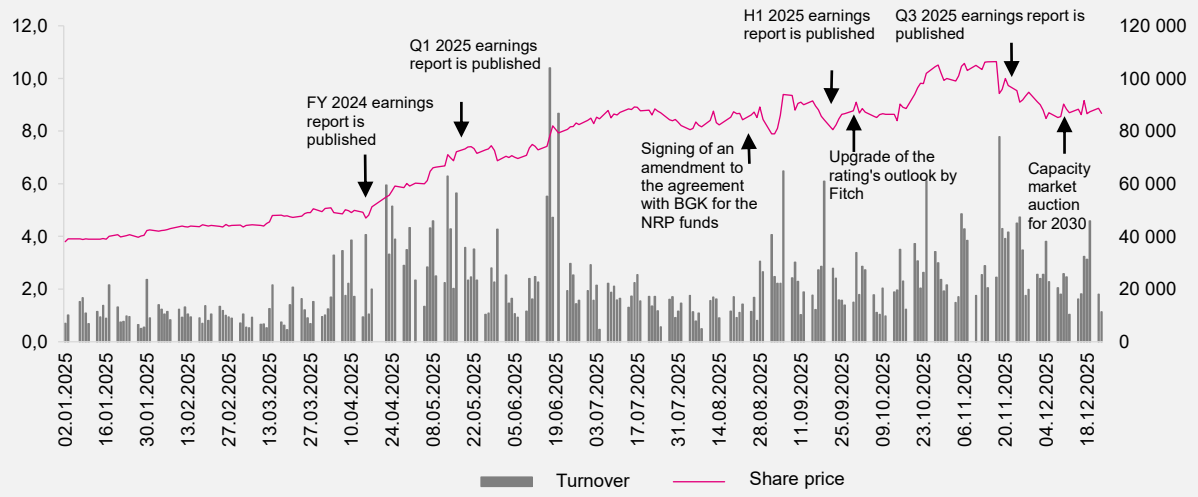
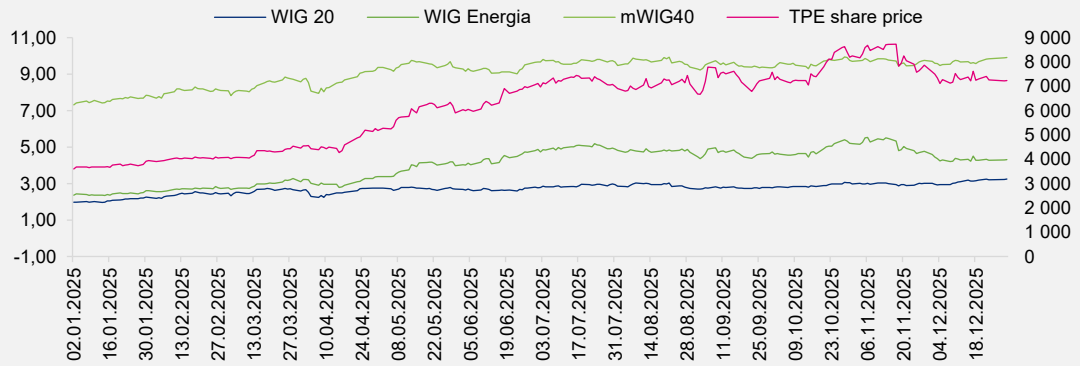


Figure no. 12 TAURON share price (in PLN) against the backdrop of the WIG20 and WIG-Energia indices since the market debut until December 31, 2025



Recommendations for the shares of TAURON Polska Energia S.A.

The analysts from the brokerage houses and the investment banks had issued, in total, 19 recommendations for TAURON shares in 2025, including:

Table no. 18 Recommendations issued in 2025

Date of issuing the recommendation	Institution issuing the recommendation	Recommendation / target price
03.03.2025	Ipopema Securities	Buy / PLN 5.23
04.04.2025	Citi	Buy / PLN 6.20
15.05.2025	DM BOŚ	Buy / PLN 6.68
04.06.2025	DM Santander	Overweight / PLN 9.1
06.06.2025	Citi	Buy / PLN 9.00
18.06.2025	DM Trigon	Buy / PLN 10.04
02.07.2025	DM PKO BP	Buy / PLN 10.70
29.07.2025	DM Santander	Neutral / PLN 9.30
03.09.2025	DM Santander	Overweight / PLN 9.20
08.09.2025	DM Noble Securities	Sell / PLN 7.17 zł
24.09.2025	DM BOŚ	Buy / PLN 12
24.10.2025	Wood & Co.	Hold / PLN 10.20
27.10.2025	DM Santander	Overweight / PLN 12.20
03.11.2025	Citi	Buy / PLN 12.00
26.11.2025	Ipopema Securities	Sell / PLN 7.87
28.11.2025	DM Santander	Overweight / PLN 12.00
02.12.2025	DM Banku Pekao	Sell / PLN 8.30
10.12.2025	DM BOŚ	Hold / PLN 9.48
10.12.2025	DM Trigon	Hold / PLN 9.13

3.8. Investor relations

Transparent, accurate and regular communications is the foundation of TAURON's investor relations (IR) program.

The Company is implementing its communications not only in the form of the mandatory activities required by the legal regulations, such as publishing of the current and periodic regulatory filings (current reports), but also through a number of the additional activities and tools addressed directly to all of the stakeholders. The high quality communications leads to the higher level of trust among the investors, the financing institutions as well as the business partners. Building of the relationships with

the investors is based on both implementing the best practices applied around the world, as well as on setting of the highest standards on the Polish capital market.

The analysts, the fund managers as well as the shareholders had access to a wide spectrum of the information on TAURON Capital Group in 2025, made available through the use of the various communications tools. In connection with the publishing of the periodic, interim reports, the Company had been holding the earnings conference calls for the investors and the analysts, each time attended by several dozen representatives of the capital markets and the media. Such events had been simultaneously interpreted into English, and the ability to replay them at a later date had also been provided, ensuring an equal access to the information to any one interested. As a result, all of the interested parties were guaranteed an equal access to the information. In addition, the Company had organized two chats with the representatives of the Management Board, dedicated to the individual (retail) investors.

Apart from the activities accompanying the publishing of the periodic, interim reports, the representatives of the Company had taken part in the numerous meetings with the investors and the conferences for the investors in 2025, during which, in total, approximately 200 meetings with the investment fund managers and the capital market analysts, had been held. During the meetings the representatives of TAURON had been presenting TAURON Capital Group's strategy, discussing the most important capex projects, the financial position of the Company, as well as the current situation on the market and the outlook for the energy sector.

In 2025, similar as in the previous years, TAURON had also participated in the events addressed to the individual investors. The Company had been, among other things, a partner of the "WallStreet" conference organized by the Individual Investors Association (Stowarzyszenie Inwestorów Indywidualnych).

In connection with the growing importance of the online channels and the social media, the Company has been steadfastly developing the digital channels used in the investor relations. The broadcasts of the events that are important for the investors are provided via the YouTube service, such as the earnings conference calls or the General Meetings. TAURON also has been running a corporate profile on the X (formerly Twitter) social portal where the entries related to, among other things, the investor relations are posted. The Company's website has continued to be a significant source of the information for the investors, in particular, its Investor Relations tab which is continuously updated and it includes the materials related to the financial results, the strategy of TAURON Capital Group. the current and the planned events, as well as the presentations and the video broadcasts of the earnings conference calls.

Table no. 19 Timeline of the investor relations highlights (events) and activities that had taken place in 2025

Date	Highlight (event)
15.01.2025	Participation in the BM PKO BP "Investment Ideas 2025" ("Pomysły inwestycyjne 2025") conference
23.01.2025	Participation in the DM Trigon Top Picks conference
05.03.2025	Roadshow with DM Ipopema, London
16.04.2025	Full year 2024 standalone and consolidated earnings reports published
16.04.2025	Conference call for the analysts, the fund managers and the media to present the FY 2024 financial results
17.04.2025	Chat for the individual investors as part of the cooperation with the Individual Investors Association
21.05.2025	Q1 2025 consolidated earnings report published
22.05.2025	Video conference call for the analysts, the fund managers and the media to present the Q1 2025 financial results
23.05.2025	Participation in the mBank Spring Conference
23.05.2025	Participation in the WallStreet conference organized by the Individual Investors Association
29.05.2025	Participation in the ERSTE Group's The Finest CEElection Equity Conference 2025
25.06.2025	Ordinary General Meeting of the Company

3.09.2025	Participation in the DM BOŚ Back to School 2025 conference
17.09.2025	H1 2025 consolidated earnings report published
17.09.2025	Video conference call for the analysts, the fund managers and the media to present the H1 2025 financial results
23.09.2025	Chat for the individual investors as part of the cooperation with the Individual Investors Association
30.09.2025	Participation in the DM Trigon conference
9.10.2025	Participation in the PKO by the Sea conference
19.11.2025	Q3 2025 consolidated earnings report published
20.11.2025	Video conference call for the analysts, the fund managers and the media to present the Q3 2025 financial results
2-3.12.2025	Participation in the Wood's Winter Wonderland conference, Prague

4. Business Operations of TAURON Polska Energia S.A. and TAURON Capital Group as well as their Business and Regulatory Environment

4.1. Core products, goods and services

Core products, goods and services of TAURON Polska Energia S.A.

In 2025, TAURON had conducted its operations in the key areas related to electricity trading, portfolio management and the performance of the corporate functions for the benefit of TAURON Capital Group.

Wholesale Electricity and Gas Trading

The business operations had included the purchasing and sales of electricity and natural gas, carried out, first and foremost, in order to meet the needs of TAURON Capital Group's entities. The trading in the CO_2 emission allowances, the guarantees of origin of electricity (energy origin certificates) and the energy efficiency related instruments are also the activities carried out as part of this area's business operations. In 2025, TAURON had traded a volume of 28.87 TWh of electricity and 3.90 TWh of natural gas.

Portfolio and Market Risk Management

TAURON had been managing a portfolio encompassing electricity, natural gas, CO_2 emission allowances and the property rights. The objectives of these activities had been to optimize the costs of purchasing and sales, limit the market risks and stabilize the Group's financial results.

Capacity Market Operations

The Company had been carrying out the tasks related to the securing of the capacity obligations, both for the generating units of TAURON Capital Group aa well as in relations with the external parties. These operations had been of material importance for the predictability of the revenue streams and the long term planning.

Operator activities and trade balancing

TAURON had been acting as the Market Operator for electricity and gas, providing the trade balancing services for the Group's subsidiaries and the external customers. This area supported operational security and the efficient functioning of the trading processes.

Corporate Functions and Central Management

TAURON had been carrying out the corporate functions including, among other things, an oversight of the procurement, financial and asset management, enterprise risk management, IT, as well as a coordination of the legal services and accounting and tax advisory services. Controlling had played a material role in this area, integrating the financial and the operational data, supporting the planning and forecasting process, as well as providing the Management Board with the reliable information necessary for the strategic and operational decision making.

Centralization of the Processes within the Capital Group

The Company had continued its steps aimed at centralizing of the key processes within TAURON Capital Group. This had enabled the achievement of the economies of scale, an improved management transparency and a sustainable cost optimization, while simultaneously strengthening the financial control and improving the management information reporting quality.

Description of the Significant Markets or the Customer Groups Served

Description of the Significant Market Segments and the Customer Groups Served

In 2025, TAURON Polska Energia S.A. had focused its activities on the key segments of the energy market and on serving the Capital Group's subsidiaries as well as the selected external customers, ensuring operational stability, cost efficiency and the predictability of the financial results.

Electricity Market

The Company's core area of business operations had been the wholesale electricity trading in Poland, carried out under a license issued by the President of the Energy Regulatory Office. The main recipients of the electricity had been TAURON Capital Group's

subsidiaries carrying out the retail supply of electricity to the final consumers, in particular TAURON Sprzedaż and TAURON Sprzedaż GZE, which had purchased a combined 85.1% of the total electricity volume purchased in 2025.

The other buyers of the electricity had included the IRGIT (Warsaw Commodity Exchange Clearing House) (6.4%), Polskie Sieci Elektroenergetyczne (2.0%) and other counterparties (6.4%), including the Capital Group's selected subsidiaries.

Natural Gas Market

TAURON had also been conducting the wholesale trading of the natural gas in Poland under a gas fuel trading license. The key intra Group customer had been the TAURON Sprzedaż subsidiary, accounting for 51.7% of the sales volumes in this segment. The remaining sales had been carried out in the transactions concluded with the external counterparties, the main partner being the IRGIT (Warsaw Commodity Exchange Clearing House), generating 34.0% of the segment's revenue. These activities had been conducted taking into account the price and volume risk management.

Corporate Customer Services and Market Operator Function

As part of its competencies, TAURON had provided electricity, natural gas and the CO_2 emission allowance portfolio management services and had also performed the trade balancing for the Capital Group's entities and the external customers. The Company had been responsible for settling of the subsidiaries' CO_2 emission allowance requirements and securing their emission needs taking into account the allocated allowances.

Acting as the Market Operator, TAURON had ensured the consistency and security of the trading processes.

Capacity Market

TAURON had acted as a representative of the Capital Group's subsidiaries (excluding TAURON Wytwarzanie) with respect to the key capacity market processes. The Company had also taken part in the secondary capacity market, both in order to secure the electricity supply for the Group's entities as well as in order to fulfill the contracts with the external partners. This area had been of material importance for the long term revenue stability.

Customer Structure and Revenue Diversification

TAURON had served the diverse customer groups – from the large business entities up to the retail customers, through its subsidiaries. This business structure had facilitated a diversification of the revenue sources and a reduction of the customer concentration risk, while maintaining a high management transparency and a financial control.

Table no. 20 *Sales volumes of TAURON Polska Energia S.A. for 2025 and 2024*

Sales volumes	Unit	2025	2024	Change in % (2025 / 2024)
Electricity (without excluding the excise duty)	TWh	28.87	29.74	97%
Greenhouse gas emission allowances	Mg	8.57	9.51	90%
Gas	TWh	3.90	4.94	79%

Core products, goods and services of TAURON Capital Group

> **TAURON Capital Group is conducting its business operations and generating its revenue, first and foremost, from the sales of electricity and heat, both generated using its own generation units as well as sourced through the wholesale trading. Electricity distribution services as well as the heat transmission and distribution services are also material areas of the Group's operations. The portfolio is supplemented by the natural gas sales as well as the development of the additional services supporting the customers' energy transition processes.**

Electricity and the green solutions

TAURON Capital Group is offering electricity to the individual and business customers, steadfastly implementing a strategy oriented towards the green transition. The key product in the electricity sales area is the Nowa Energia (New Energy) offering, which provides the supply of the electricity sourced 100% from the renewable energy sources (RES). This offering is available as part of the long term contracts – the five year contracts for the business customers and the nine year contracts for the individual customers – which is facilitating a price

stabilization and the achievement of the environmental objectives.

The Group is also developing the Power Purchase Agreements (PPAs) addressed to the business customers, enabling a long term security of the supply from the renewable energy sources and energy cost stabilization while at the same time providing the support for the customers' sustainable development strategies.

The offering is supplemented by other green products, including the Eco (Eko) type products, enabling a purchase of the electricity from the renewable energy sources, confirmed by the applicable guarantees of origin of electricity (origin certificates) issued by the independent bodies. The Group is also offering modern tariff solutions, including the dynamic tariffs (for example, G14 dynamic) and the products linked to the power exchange electricity price quotes, which provide the support for the customers in optimizing their energy consumption and costs.

In 2025, the Tanie Godziny (Cheap Hours) tariff (G13s) had been added to the portfolio of the offerings targeted at the households, enabling the use of up to 24 daily electricity price zones. This solution allows for a more effective use of the lower electricity price periods on a daily and an annual basis.

The development and the profitability of the sales offering is continuously monitored as part of the controlling processes, which provide the Management Board with the information on the customer portfolio structure, product efficiency as well as the impact of the market changes on the Group's results.

Additional services

As part of its electricity sales, TAURON Capital Group is also offering the additional services that increase the customer value and provide the support for the environmental objectives. The most important ones include:

1. Assistance services, including, among other things, assistance with the domestic appliance repairs, electrical and plumbing installations, as well as a protection of the photovoltaic (PV) installations and the electric vehicle chargers.
2. Pro-environmental products, including::
   1) the Las (Forest) service, as part of which the tree planting activities providing the support for the sustainable development are carried out on behalf of the customers,
   2) the Pszczoły (Bees) service, consisting of the construction of the beehives and apiaries located on the real estate properties of TAURON Group's subsidiaries, in particular on the sites of TAURON Zielona Energia's photovoltaic (PV) farms.

Electricity Distribution

TAURON Capital Group is providing the electricity distribution services that include the delivery of the electricity to the final consumers and the management of the distribution grid. The scope of the activities includes ensuring the continuity and security of the supply, the metering services and the maintenance of the grid infrastructure. The distribution line of business constitutes a stable pillar of the Group's operations, and its results are an important element of the financial and investment planning.

Heat for the individual and business customers

TAURON Capital Group is producing and supplying heat to the households, residential buildings, enterprises and the public institutions. The production of heat is based on, among other things, modern technologies such as cogeneration and biomass utilization, enabling an efficient fuel utilization and a reduction of the CO_2 emissions. The activities in this lien of business provide the support for the local energy security and for the Group's energy transition objectives.

Table no. 21 Production and sales volumes of TAURON Capital Group for 2025 and 2024

Production and Sales Volumes	Unit	2025	2024	Change in % (2025 / 2024)
Electricity generation (net production), including:	TWh	11.25	10.56	107%
Electricity generation from the renewable energy sources, including:	TWh	1.72	1.63	106%
Biomass generation output	TWh	0.18	0.11	164%
Hydro, wind, and solar generation output	TWh	1.54	1.53	101%

Heat generation output	PJ	11.42	10.27	111%
Heat supply	PJ	13.79	12.52	110%
Electricity distribution	TWh	52.05	51.67	101%
Electricity supply	TWh	35.88	35.17	102%
retail	TWh	25.17	26.71	94%
wholesale	TWh	10.71	8.46	127%
Number of customers – Distribution	'000	6 048	5 982	101%

The monetary value of the above mentioned supply (sales) volumes is presented in section 6 of this report.

4.2. Sales markets and sources of supply

Sales markets of TAURON Capital Group

Retail and Wholesale Electricity and Gas Sales

The retail sales of the electricity and natural gas to the final consumers on the territory od Poland are carried out by the subsidiaries: TAURON Sprzedaż and TAURON Sprzedaż GZE. These subsidiaries are responsible for the sales to the customers, the development of the product offering and the implementation of the sales process across the market segments.

TAURON Capital Group applies a customer segmentation aimed at the tailoring of the products, sales channels and the communications to the diverse needs of the final consumers. The segmentation is based on the customer type and the energy consumption profile, enabling a effective customer portfolio management and an optimization of the sales results.

As of June 1, 2024, the Group's supply subsidiaries had introduced a simplified customer segmentation, dividing the customers into:

- business market customers – encompassing all of the entities conducting business operations, identified by a tax identification number (NIP),
- mass market customers – encompassing the households

The change in the segmentation had been aimed at increasing of the offering's transparency, simplifying of the sales processes and at the better aligning of the commercial activities with the specifics of both markets. The effects of this change are monitored as part of the management processes and they serve to assess the segment profitability as well as the effectiveness of the Group's sales policy.

Table no. 22 Categories of TAURON Capital Group's end customers based on the market segmentation applied in 2025 and the specifics of business operations conducted thereby

Customer Group	Description of the Customers
Business customers	Customers conducting business activities with a tax identification number (NIP). The following segments have been distinguished within this market: 1. key customers – with an annual volume greater than 10 GWh, 2. business customers – with an annual volume between 0.5 and 10 GWh, 3. SMEs – the small business customers with an annual volume below 0.5 GWh in the C and G tariff groups, not holding a license, 4. institutional customers – the customers who are the public local government units regardless of the volume of their consumption, 5. intermediary (indirect) customers – the customers acquired from the market with the participation of the companies intermediating in the sales process.
Mass market customers	Customers not conducting any business activities. The household segment is distinguished within this market.

In 2025, TAURON Capital Group's supply subsidiaries had been operating in a stable competitive environment, with no material structural changes as compared to the prior years. The household market had remained subject

to the electricity sales price regulation by the President of the Energy Regulatory Office, while the business customer segment had been operating under the full price liberalization conditions.

Business customers

The business customer segment had been characterized by the highly intense competition and a sustained pricing pressure. The institutional customers and the business entities had been actively exercising their option to switch their supplier, which had required actions both in terms of the customer portfolio protection and the acquisition of the new customers.

In 2025:

- more than 58% of the electricity sales volumes to the business customers had been contracted based on the power exchange mechanisms, including the Power Exchange Electricity Pricing and Power Exchange Property Rights Pricing mechanisms,
- more than 0.9 TWh of the electricity sold to the business customers comprised the green products.

The developed offering had included, among other things, Nowa Energia (New Energy), EKO, EKO Premium, EKO Biznes products and the PPA type contracts enabling a long term security of the supply from the renewable energy sources. The complementary products had included the efficiency and technical products, such as the energy audits, capacity fee optimization, reactive power compensation, photovoltaic (PV) installations, MV infrastructure servicing and the REMIT reporting.

Mass market customers

The household segment had been characterized by a relatively low customer mobility, indicating a continued potential for an increase of the competition. In 2025, the number of TAURON Sprzedaż subsidiary's customers had grown by almost 53 000 households. The offering for the mass market customers had focused on the pro-environmental products and the solutions stabilizing the energy costs. The key products have continued to be Nowa Energia and EKO, enabling the use of the electricity sourced from the renewable energy sources. In the fourth quarter of 2025, the Pszczoły (Bees) service had been introduced, supplementing the previously available Las (Forest) service.

In parallel, the products stabilizing the energy costs had been developed, such as the fixed price or discount guarantees, as well as the dynamic products. In 2025, the Tanie Godziny (Cheap Hours) offering had been introduced, enabling the households to take advantage of the multiple pricing zones with the rates known in advance for the entire applicable price list covered period.

In 2025, TAURON Group's supply subsidiaries had focused on the maintaining of the competitiveness of their offering by combining the price stability, solution flexibility and a growing share of the products based on the renewable energy sources.

Table no. 23 Electricity supply volume and the number of customers of TAURON Sprzedaż and TAURON Sprzedaż GZE in 2025 by segment

Customer Type	Electricity Supply Volume (TWh)		Number of Customers ('000)	
	2025	2024	2025	2024
Business customers	12.61	14.31	511.9	544.7
Mass market – households	9.67	9.50	5 319.2	5 266.6
Supply to TAURON Dystrybucja	2.77	2.74	0.001	0.001
Total	**25.04**	**26.55**	**5 831.1**	**5 811.4**

Natural Gas Sales (Supply) to the Final Consumer

In 2025, TAURON Sprzedaż had sold natural gas to approximately 52 300 business and mass market customers, with the total gas supply volume to the final consumers coming in at 1.9 TWh.

Wholesale Electricity and Gas Trading

The wholesale electricity and gas trading on the territory of Poland is conducted by TAURON Capital Group's subsidiaries. The activities include the trading in all of the segments of the domestic electricity market, i.e., on the

intraday market, the day ahead market and on the futures market. TAURON Group's subsidiaries are the active participants in the Polish Power Exchange (Towarowa Giełda Energii S.A., TGE).

In the area of the wholesale gas fuel trading, TAURON Group is executing the transactions:

- on the SPOT market and on the Commodity Forward Market (RTT) of Polish Power Exchange (TGE),
- on the foreign markets, including on the European Energy Exchange and on the Intercontinental Exchange platform (the National Balancing Point hub),
- on the over the counter (OTC) market

These activities enable a diversification of the natural gas procurement sources, an optimization of the prices and a generation of the additional margins by taking advantage of the price volatility. As part of its wholesale activities, the Group also secures the gas supplies for TAURON Group's entities, providing the support for the stability of their operational activities.

TAURON Group is also taking part in the European gas transmission capacity auctions through the PRISMA platform and in the domestic auctions conducted by GAZ-SYSTEM.

International Activities – Czech Republic

The electricity and gas trading in the Czech Republic is conducted by TAURON Czech Energy s.r.o. Its activities focus on the wholesale market and on the deliveries to the final consumers, mainly in the enterprise segment.

An important element of the wholesale activities is the electricity trading on three 110 kV power islands:

- Nachod – Kudowa,
- Boguszów – Poříčí,
- Mnisztwo – Trzyniec.

These transactions are aimed at the hedging of the results arising from the price differences between the Polish and the Czech markets, regardless of the direction of the physical electricity flows.

Customer Concentration and Revenue Structure

The largest consumers of the electricity sold by TAURON Capital Group in 2025 had been the Commodity Exchange Clearing House S.A. (Izba Rozliczeniowa Giełd Towarowych S.A.) and Polskie Sieci Elektroenergetyczne (TSO). The share of these counterparties in the electricity sales revenue as a proportion of TAURON Group's total revenues had come in at 7.2% and 5.2%, respectively. TAURON Group's subsidiaries have no formal capital (equity) ties with these entities.

In the financial years ended on December 31, 2025 and on December 31, 2024, TAURON Capital Group did not identify a single service recipient outside the Group whose share of the revenue from the natural gas sales would exceed 10% of the consolidated sales revenue.

Sales of the Thermal Energy and Heat Transmission Services

The sales of the thermal energy to TAURON Capital Group's customers are carried out in the Silesian metropolitan area by TAURON Ciepło. The heat, sourced both from the Company's in-house generating sources as well as from the purchases on the market, is delivered to the residential buildings, commercial facilities as well as the public institutions through the Company's transmission networks.

In 2025, the heat sales had clocked in at 13.8 PJ, which had represented a 10% year on year increase. The share of the heat generated from the in-house sources in the total sales volume had come in at 83%.

The structure (mix) of the heat customers had been diversified and had included:

- cooperative sector – 46.2%,
- private sector (housing associations and single family homes) – 17.2%,
- municipal sector – 16.0%,
- government offices and institutions – 10.8%,
- industrial and other sectors – 9.8%.

In the financial years ended on December 31, 2025 and on December 31, 2024, the TAURON Capital Group did not identify a single service recipient outside the Group whose share of the revenue from the sales of the heat and transmission services would exceed 10% of the consolidated sales revenue.

Electricity and Heat Generation

Electricity and heat generation at TAURON Capital Group is carried out at:

- hard coal- and biomass fired power plants, heating plants as well as the combined heat and power plants,
- hydroelectric power plants,
- wind farms,
- photovoltaic (PV) farms,
- gas engine based units.

As of the end of 2025, the total installed capacity of the Group's generating units had stood at **5**.5 GWe of electric capacity and 2.3 GWt of thermal capacity.

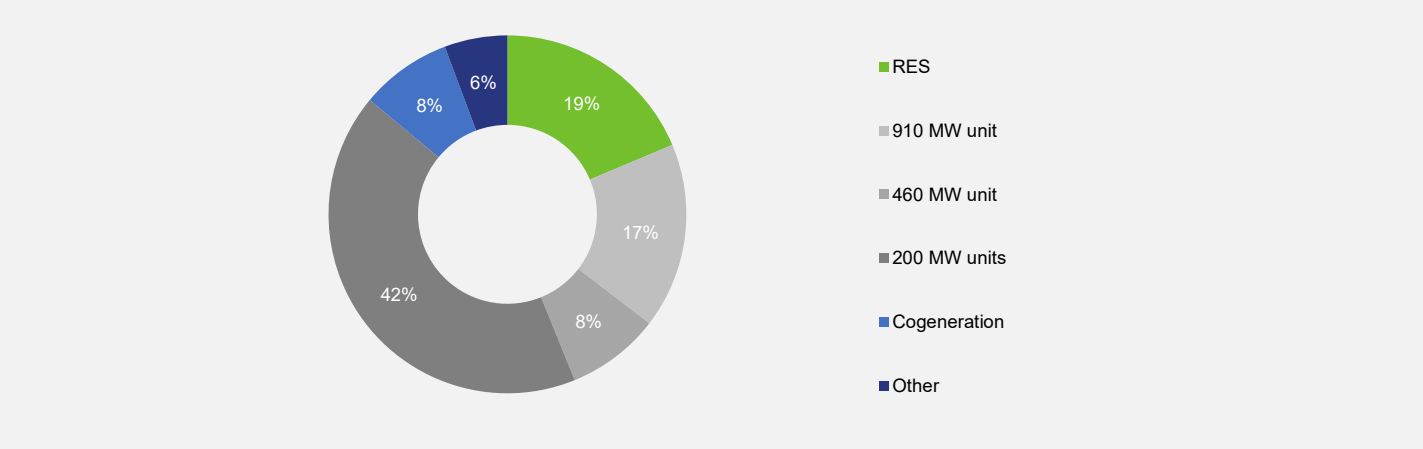
In 2025, TAURON Capital Group had generated 11.3 TWh of electricity, as compared to 10.6 TWh in 2024. The increase in the production output had been driven, first and foremost, by:

- an increase in the production by the conventional generating units by 0.6 TWh (from 8.9 TWh in 2024 to 9.5 TWh in 2025), which had been a consequence of a different unit dispatch regime in accordance with the system operator’s instructions,
- an increase in the production by the renewable energy sources by 0.1 TWh (from 1.6 TWh to 1.7 TWh), mainly due to the new wind and photovoltaic (PV) farms commissioned in 2024 and 2025 and a greater biomass utilization, partially offset by the lower hydro and some wind farm production due to the less favorable meteorological conditions.

The electricity generated in 2025 had been sold on the domestic market, predominantly to TAURON Capital Group's Supply Segment subsidiaries.

The Group's generation subsidiaries had also obtained the certificates (guarantees) of origin for the electricity generated from the renewable energy sources, which were subsequently acquired by the Supply Segment’s subsidiaries and submitted to the President of the Energy Regulatory Office to be redeemed.

Figure no. 13 Structure (mix) of the installed electric capacity at TAURON Group’s generating units by the type of unit. Status as of December 31, 2025



Sales of the Electricity Distribution Services

Sales of the Electricity Distribution Services

The electricity distribution services at TAURON Capital Group are provided by TAURON Dystrybucja, acting as the Distribution System Operator (DSO).

The electricity distribution operations are conducted on the regulated market, under the natural monopoly conditions. The Company is operating pursuant to a license granted by the President of the Energy Regulatory Office, and the scope of its activities is limited to the distribution grid area located within a strictly defined territory. The principles for determining the justified revenue and the distribution service rates are defined in the regulatory models approved by the President of the Energy Regulatory Office.

TAURON Dystrybucja had provided the distribution services to 6 048 000 final consumers in 2025. The operating area covers approximately 57 000 km², located mainly on the territory of the Lower Silesia, Lesser Poland, Opole and Silesia voivodeships, as well as the parts of the Łódź, Subcarpathian and Świętokrzyskie voivodeships. The operational functions had been carried out by 11 regional branches.

In the structure (mix) of the distribution service volumes, 97.3% comprised the sales to the tariff rated customers connected to the grid at following voltage levels:

- High Voltage (Group A),
- Medium Voltage (Group B),
- Low Voltage (Groups C, O, R, and G).

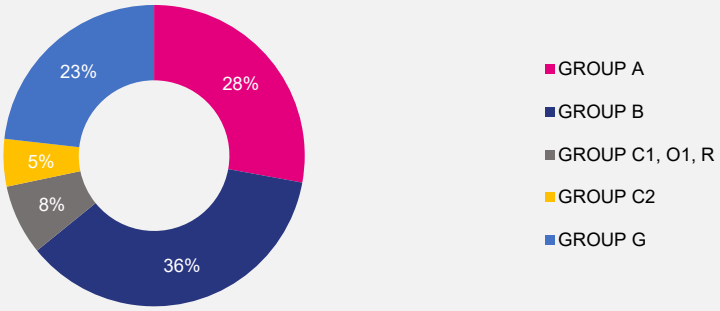
The total volume of the electricity delivered as part of the distribution services to the tariff rated consumers in 2025 had come in at 52.1 TWh, which had represented an increase by 0.4 TWh, i.e., by 0.7% year on year as compared to 2024.

The sales of the distribution services had been carried out pursuant to:

- comprehensive agreements, covering the sales of the electricity by the chosen supplier and its distribution by TAURON Dystrybucja,
- distribution service agreements, governing only the electricity distribution, with the separate electricity sales agreements concluded by the customers with the suppliers of their choice.

In the financial years ended on December 31, 2025 and on December 31, 2024, TAURON Capital Group did not identify a single service recipient outside the Group whose share of the revenue from the electricity distribution services would exceed 10% of the consolidated sales revenue.

Figure no. 14 Structure (mix) of the electricity distribution by the tariff groups in 2025



Supply Sources of TAURON Capital Group

Hard Coal (Domestic Market)

The hard coal purchased by TAURON Capital Group's subsidiaries, mainly the MII A class thermal coal dust (fine coal) with a grain size of 0 - 22 mm, had been used for the electricity and heat generation in 2025. The Group's hard coal supply had been sourced entirely from the domestic steam coal market.

The structure (mix) of the hard coal and coal sludge (slurry) deliveries in 2025 had been as follows:

- 60.7% – mining operations (coal mines) of Południowy Koncern Węglowy S.A.,
- 21.2% – mining operations (coal mines) of Polska Grupa Górnicza S.A.,
- 18.1% – other suppliers.

The rail transportation had dominated the logistics processes, accounting for approximately 85% of the hard coal delivered by weight and it had predominantly been carried out by PKP Cargo. The conveyor belt connections had been used as a supplementary solution, representing the most cost effective form of transportation at the selected sites of the generating units.

In 2025, the transactions with any single hard coal supplier or transportation services provider did not exceed 10% of TAURON Group's consolidated sales revenue.

Gas (Domestic and International Market)

TAURON Capital Group sources gas fuel mainly on the domestic market through the Polish Power Exchange (TGE) and on the OTC market. Purchases made through the Polish Power Exchange (TGE) had accounted for more than 90% of the volume of the gas acquired.

Access to the wholesale gas market is managed centrally by TAURON Polska Energia S.A., which:

- conducts trading on the SPOT market and on the Commodity Forward Market (RTT) of the Polish Power Exchange (TGE),
- takes part in the trading on the Intercontinental Exchange (National Balancing Point hub) and the European Energy Exchange,
- systematically increases the share of the OTC market transactions.

These activities ensure a diversification of the procurement sources and the security of the gas supply for TAURON Group's subsidiaries and the trading subsidiaries' customers. In the years ended on December 31, 2024, and on December 31, 2023, no single gas supplier was identified whose share of the Group's revenue would exceed 10%.

Biomass (Domestic and International Market)

The biomass purchased by TAURON Capital Group's subsidiaries had been used in 2025 for the electricity and heat generation. TAURON Ciepło's biomass supply had been 86.14% sourced from the domestic market, and the remaining 13.86% had come from the international market through the domestic intermediaries.

The structure (mix) of the biomass deliveries in 2025 had been as follows:

- 84.8% – coming from the energy wood,
- 15.2% – coming from the agricultural biomass.

The road transportation had dominated the logistics processes, accounting for 100% of the biomass delivered by weight.

Geographic Market Areas and the Key Suppliers and Consumers

TAURON Polska Energia S.A.

The primary area of the Company's operations had been the domestic market, generating 99.1% of its sales revenue. The main consumers of the goods and materials had been:

- TAURON Sprzedaż – 58.5% of the revenue,
- TAURON Sprzedaż GZE – 10.4% of the revenue,
- TAURON Wytwarzanie – 16.4% of the revenue (mainly the CO_2 emission allowance sales).

All of the above mentioned entities are 100% owned subsidiaries of TAURON Polska Energia S.A.

The main supplier of the goods and services had been the Commodity Exchange Clearing House (Izba Rozliczeniowa Giełd Towarowych S.A.), with a 44.9% share of the value of the purchases (no capital ties). The next largest supplier had been TAURON Wytwarzanie – 34.5%.

TAURON Capital Group

At the consolidated level, 98.8% of the Group's revenue had been generated on the domestic market. The largest customers in 2025 had been:

- Commodity Exchange Clearing House (Izba Rozliczeniowa Giełd Towarowych S.A.) – 8.0% of the revenue,
- Polskie Sieci Elektroenergetyczne S.A. – 5.2% of the revenue.

The suppliers whose share had reached at least 10% of the Group's sales revenue value had been the following entities:

- Commodity Exchange Clearing House S.A. – 27.4% of the value of the purchases,
- Polskie Sieci Elektroenergetyczne S.A. – 17.4% of the value of the purchases.

TAURON Capital Group's subsidiaries have no formal capital (equity) ties with the above mentioned counterparties.

4.3. Material events having a significant impact on the operations in 2025 and after the balance sheet date

Listed below are the more significant events and developments that had a material impact on the business operations of TAURON Capital Group and that had taken place in 2025, as well as up to the date of drawing up of this report.

In addition to the above mentioned events, the agreements that are significant for the business operations of TAURON Capital Group are detailed in Section 12.2 of this report.

Table no. 24 Major events occurring in 2025 and by the date of drawing up of this report

Event Description and Details
Update of the information on the Combined Cycle Gas Turbine (CCGT) Unit Construction Project at the Łagisza Power Plant
On February 3, 2025, the Management Board of the Company had approved the decision of the Investment Committee of the Company to close the project related to the construction of a CCGT unit at the Łagisza Power Plant in Będzin (the Project) due to the identified risk of a failure to maintain the profitability of the Project over the full time frame of its life cycle, following the updating of the financial and environmental assumptions. In addition, on February 3, 2025, the Management Board of the Company had approved the decision of the Company's Investment Committee to commence the planning stage of the project related to the construction of a cogeneration heat production source at the Łagisza Power Plant in Będzin, as part of which the analyses would be conducted regarding the implementation of an alternative investment option at the same location. The new project assumes the replacement of the heat currently produced by the hard coal fired unit with the heat to be produced using a modern heating system, including a gas fired cogeneration unit adapted to the implementation of the zero carbon fuel technology, a unit using the Power to Heat technology and a heat accumulator. The new project is in line with the assumptions of the strategy of TAURON Group's Heat Line of Business, which assumes a decarbonization of the heat production and maintaining of the status of TAURON Ciepło's district heating system as an energy efficient system TAURON had disclosed the information on the above mentioned event, in reference to current report no. 8/2022 of March 22, 2022, in current report no. 3/2025 of February 3, 2025.
Results of the Supplementary Capacity Market Auction for 2026
On September 11, 2025, the generating units belonging to TAURON Group had concluded the capacity agreements as part of a supplementary auction for the 2026 capacity market (the Auction) with a total capacity obligation of 1 567 434 MW. The preliminary closing price of the Auction had ranged from PLN 324.72 to PLN 365.29 per kW / year, and TAURON Group's revenue from the capacity market had been calculated based on the above mentioned closing price range of the Auction between PLN 508.98 million and PLN 572.57 million. TAURON had disclosed the information on the above mentioned event in current report No. 33/2025 of September 11, 2025. The final results of the Auction were published by the President of the Energy Regulatory Office in Information No. 55/2025 of October 3, 2025, according to which the closing price of the Auction came in at PLN 346.37 per kW / year, which translated into revenue of TAURON Group from the capacity market in the amount of PLN 542.91 million.
Upgrade of the Outlook and Reaffirming of TAURON's Credit Ratings by Fitch Ratings
On September 29, 2025, the credit rating agency Fitch Ratings ("Fitch") had upgraded the outlook on TAURON's long term foreign and local currency ratings from Stable to Positive, while at the same time reaffirming the Company's long term ratings at the level of 'BBB-'. The full list of the ratings action includes: 1. long term foreign and local currency IDRs affirmed at "BBB-"; positive outlook, 2. short term foreign and local currency IDRs affirmed at "F3", 3. national long term rating affirmed at "A(pol)"; positive outlook, 4. EUR 500 million bond foreign currency senior unsecured and unsubordinated rating affirmed at "BBB-", 5. PLN 750 million hybrid bonds (EIB) rating affirmed at "BB", 6. PLN 400 million hybrid bond and hybrid bond issue program (Bank Gospodarstwa Krajowego) rating affirmed at 'BB', national rating for the same program and bonds affirmed at "BBB(pol)". The Fitch report is available on the web site: www.fitchratings.com. TAURON had disclosed the information on the above mentioned event in current report no. 34/2025 of September 29, 2025.
Approval by the Management Board of TAURON of the Decision of the Investment Committee to Commence the 600 Mwe Class Peaking Gas Fired Unit Construction Project in Jaworzno
On December 4, 2025, the TAURON Management Board had approved the Investment Committee's decision to commence the 600 MWe-class peaking gas fired unit construction project in Jaworzno (OCGT Jaworzno).

The scope of the OCGT Jaworzno project includes, in particular, the preparation of the design documentation, the construction of a complete peaking unit based on an open cycle gas turbine (OCGT), and the construction of the necessary ancillary infrastructure. The OCGT Jaworzno project will be implemented by TAURON Wytwarzanie as part of the asset redevelopment project following the retirement of the hard coal fired units at the existing power plant in Jaworzno. The OCGT Jaworzno project schedule provides for the fulfillment of the capacity obligation for 2030. TAURON Group is currently in the process of preparing the procedure related to the selection of the suppliers and contractors. The estimated market benchmarks for the OCGT unit construction costs range from PLN 2 to 3 million per MW.

The Investment Committee's decision approved by the TAURON Management Board had stipulated that the implementation of the OCGT Jaworzno project would be conditional upon the OCGT Jaworzno gas unit winning the main capacity market auction for the 2030 delivery year, at a minimum price ensuring a satisfaction of the project viability condition defined in TAURON Group's Strategy for the years 2025 – 2035.

The above mentioned condition had been met on December 11, 2025, in connection with the results of the main capacity market auction for the 2030 delivery year, as described below.

TAURON had disclosed the information on the above mentioned event in current report no. 42/2025 of December 11, 2025.

Results of the Main Capacity Market Auction for the 2030 Delivery Year

On December 11, 2025, TAURON Group's subsidiaries had taken part in the main capacity market auction for the 2030 delivery year (the Auction) organized pursuant to the capacity market mechanism introduced by the Act of December 8, 2017, on the capacity market. The Auction closing price had ranged from PLN 465.02 to PLN 511.51 per kW / year, and accordingly TAURON had disclosed its estimated revenues from the capacity market, calculated on the basis of the above mentioned closing price range.

Subsequently, on December 15, 2025, PSE (TSO) published the preliminary results of the capacity market auction for the 2030 delivery year, including a closing price of PLN 465.02 per kW / year. As a result, the final revenues of TAURON Capital Group from the capacity market obtained in the December 11, 2025 auction will be as follows:

1. For the 17 year contracts (i.e. for the years 2030 – 2046) with a capacity obligation of 7.364 MW, the revenue will come in at PLN 58.21 million over the entire contract period,
2. For the 15 year contracts (i.e. for the years 2030 – 2044) with a capacity obligation of 537.973 MW, the revenue will come in at PLN 3,752.52 million over the entire contract period,
3. For the one year contracts with a capacity obligation of 46.7 MW, the revenue will come in at PLN 21.72 million.

Assuming the contracting of the capacity obligations at the above mentioned levels, the Company estimates that TAURON Group's revenues from the Auction may clock in at PLN 3,832.45 million in the years 2030 – 2046 (in total).

TAURON had disclosed the information on the above mentioned event in current report no. 41/2025 of December 11, 2025, and no. 44/2025 of December 15, 2025.

The final Auction results were published by the President of the Energy Regulatory Office in the Information no. 1/2026 of January 2, 2026, according to which the closing price of the main auction for the 2030 delivery year of PLN came in at 465.02 per kW / year, which confirmed the revenue calculated above for TAURON Group.

Information on the Impact of the Electricity Tariff for G Tariff Group Customers for 2026 as Approved by the President of the Energy Regulatory Office

On December 17, 2025, TAURON announced an assessment of the impact of the G tariff group electricity sales tariff (G Tariff) approved on December 17, 2025 by the President of the Energy Regulatory Office (ERO) on the financial results of TAURON Capital Group.

The President of the ERO approved the electricity sales price for G tariff group customers of TAURON Sprzedaż at an average level of PLN 495.16/MWh (net, excluding excise duty). The approved G Tariff will be effective from January 1, 2026 to December 31, 2026. G tariff group customers are primarily households.

Taking into account the approved electricity sales price and acting in accordance with IAS 37 (Provisions, Contingent Liabilities and Contingent Assets), the need was identified to create in Q4 2025 a provision for onerous contracts in the Supply and Wholesale Trading segment, which was preliminarily estimated at approximately PLN 160 million.

TAURON had disclosed the information on the above mentioned events in current report no. 46/2025 of December 17, 2025.

In the consolidated financial statements of TAURON Capital Group for 2025, a provision for onerous contracts in the Supply and Wholesale Trading segment in the amount of PLN 146 million was recognized in the above regard.

Initiation by the President of the ERO of Administrative Proceedings against TAURON Subsidiaries and Issuance of Administrative Decisions regarding the Price Difference Payment Fund

On February 5, 2026 (an event that took place after the balance sheet data), TAURON Sprzedaż and TAURON Sprzedaż GZE received:

1. notifications of the ex officio initiation by the President of the ERO of proceedings regarding the issuance of an administrative decision on the obligation of the aforementioned subsidiaries to transfer to the account of the Price Difference Payment Fund (the Fund), established under the Act of October 27, 2022 on extraordinary measures aimed at limiting the level of electricity prices and supporting certain customers in 2023 (the Act), amounts representing the differences between contributions to the Fund as calculated by the President of the ERO and contributions to the Fund paid by the Subsidiaries; and
2. inspection reports covering the verification of the correctness of contribution amounts to the Fund throughout the entire reporting period, i.e., from December 2022 to December 2023, with respect to the calculations of the indicated values in the relevant reports of the subsidiaries, as well as the amounts actually paid to Zarządca Rozliczeń S.A. by the subsidiaries.

The above inspections were initiated in November 2025. The difference between the total amount of contributions paid by TAURON subsidiaries and the amount calculated by the President of the ERO, as indicated in the inspection reports, amounts to approximately PLN 277 million in total.

After reviewing the inspection reports, on February 12, 2026 (subsequent event), TAURON Subsidiaries submitted to the President of the ERO their positions and objections to the reports in accordance with applicable law.

On March 10, 2026 (an event that took place after the balance sheet data), TAURON Sprzedaż and TAURON Sprzedaż GZE received administrative decisions from the President of the ERO on the obligation of the Subsidiaries to transfer to the account of the Price Difference

Payment Fund a total amount of PLN 277 million within 30 days from the date of delivery of the decisions. Pursuant to the decisions received, interest on the Subsidiaries' obligation is calculated from the date of receipt of the decisions.

TAURON had disclosed the information on the above mentioned events in current reports no. 2/2025 of February 5, 2026 and no. 6/2026 of March 10, 2026.

Taking into account the results of the inspections conducted, including the provisions contained in the above decisions of the President of the ERO and the requirements of IAS 37, TAURON recognized in the consolidated financial statements as at 31 December 2025 a provision of PLN 277 million in the Supply and Wholesale Trading Segment.

On March 23, 2026 (an event that took place after the balance sheet data), within the statutory deadline, the companies filed appeals against the aforementioned decisions of the President of the ERO with the Regional Court in Warsaw – the court for the protection of competition and consumers, requesting the full annulment of the challenged decisions and the issuance of orders to suspend the execution of the decisions pending final resolution of the cases. The companies intend to fulfil the obligations imposed by the decisions of the President of the ERO by making payments to the account of the Price Difference Payment Fund. The companies reserve the right to state that execution of payments in accordance with the decisions of the President of the ERO does not constitute acknowledgment of the validity of the decisions in question.

4.4. Assessment of the factors and non-typical events that have a significant impact on the financial results achieved

Internal Factors

Table no. 25 Internal Factors Affecting the Business Operations and the Earnings of the Company and TAURON Capital Group in 2025

#	Description of the Factor
1.	decisions with respect to the implementation of the key investment projects and the activities with respect to searching for the new energy generation sources projects,
2.	loyalty building measures aimed at retaining of the existing customers and the marketing activities aimed at acquiring of the new customers,
3.	TAURON Group's centralized financial management area, supported by the use of such tools as: the corporate model of financing, the financial liquidity (cash flow) management policy using the cash pool mechanism, the risk management policy in the financial area, collateral granting policy and the insurance policy,
4.	activities of the Tax Capital Group aimed, first and foremost, at optimizing the implementation of the corporate income tax settlement obligations by the key subsidiaries of TAURON Capital Group,
5.	failures of TAURON Capital Group's equipment, installations and grids (networks)
6.	expectations with regard to an increase of the compensation (wages) at TAURON Capital Group,
7.	implementation of the wind farm and photovoltaic construction projects,
8.	implementation of TAURON Group's Strategy for the years 2025 - 2035.

The detailed information on the impact and assessment of the above mentioned factors on the financial results achieved in 2025 is presented in sections 5 and 6 of this report. The effects of this impact are visible both in the short term as well as in the longer term.

External Factors

The following external factors had an impact on the business operations and earnings of TAURON and TAURON Capital Group in 2025:

Macroeconomic Environment

The primary area of the business operations of TAURON Capital Group in 2025 had continued to be the Polish market, and the changes in the macroeconomic environment had a significant impact on the Group's operations. The scale of this impact had varied depending on the segment of the

operations. The Generation and the Supply and Wholesale Trading Segments had displayed greater sensitivity to the changes in the economic sentiment and the level of the industrial activity, while the dominant share of the regulated Distribution Segment had provided a revenue stability and limited the Group's exposure to the short term fluctuations in the market environment.

For the full year 2025, the rate of the economic growth in Poland had remained at a relatively high and stable level. The GDP growth rate had come in at approximately 3.2% year on year in the first quarter, 3.4% in the second quarter and 3.7% in the third quarter, with a positive momentum maintained in the fourth quarter as well. This had confirmed the resilience of the domestic economy, in spite of the persisting challenges in the industrial sector.

At the same time, a deterioration in the industrial sentiment had been visible in the second half of the year. The manufacturing sector's PMI indicator Had remained below 50 points for most of the year, and had fallen to 46.8 points in the third quarter. A limited number of new orders and a weaker production activity had indicated a continued caution among the businesses, which in the medium term may translate into a slower growth in the electricity demand in the business customer segment.

The industrial output sold, following a moderate growth in the first half of 2025, showed only a partial recovery in the second half of the year and remained at a relatively low level on a full year basis. This was accompanied by a slight decline in the domestic electricity consumption for the year, confirming the moderate market conditions for the trading and generation segments.

The impact of the macroeconomic factors on the Group's business operations had been systematically analyzed as part of the corporate functions in 2025.

Market Environment

The Group's strategy defines the directions of our activities for the next 10 years, but we are looking much further down the line – we are planning to achieve climate neutrality in 2040. This means a deep change in TAURON Group's energy mix and an evolution of the entire product system that we are offering to our customers.

We are facing a period of an intensive work on the decarbonization of the generation and heat segments, but also a period of a dynamic expansion of our offering. We want our customers to be able to use the solutions that genuinely reduce the energy consumption costs. The dynamic tariffs are one of such solutions – both with respect to the electricity supply as well as the electricity distribution.

TAURON, as the first electric utility in Poland, had introduced a dynamic electricity distribution tariff in 2025. This is an example of an innovative approach, but first and foremost a direction that will shape the future of the market – a greater flexibility and active electricity consumption management, ultimately aimed at reducing the bills.

In parallel, we are increasing the flexibility of our generation portfolio. An example is the OCGT Jaworzno project – the construction of a modern, flexible gas fired unit with an output of approximately 600 MWe. This, the so-called gas peaker, has won the main Capacity Market auction for 2030, securing for the Group a total of PLN 3.7 billion in revenue pursuant to a 15 year capacity contract. The unit, designed as a stabilizer of the national power system and prepared for the combustion of the decarbonized fuels, will be providing the support for TAURON Group's energy transition.

Krzysztof Zawadzki
Member of the Supervisory Board delegated to temporarily perform the duties of the Vice President of the Management Board for Trading

Electricity

Electricity consumption, production and import volumes in Poland and the average SPOT electricity prices in Poland and in the neighboring countries in 2025 and 2024.

Table no. 26 Electricity Consumption, Production, and Import Volumes in Poland and the Average Spot Electricity Prices in Poland and in the Neighboring Countries in 2025 and 2024

Volume	Unit	2025	2024	Increase / Decrease
Electricity consumption	GWh	167 484	168 956	-1 472 (-0.9%)
Electricity production by the domestic power plants	GWh	166 529	166 990	-461 (-0.3%)
Electricity production by the power plants fired with:				
hard coal [1]	GWh	68 732	69 112	-380 (-0.5%)
lignite	GWh	33 342	35 844	-2 502 (-7.0%)
gas fuel	GWh	19 097	16 768	2 329 (+13,9%)
Electricity production by the wind farms	GWh	23 629	24 874	-1 245 (-5.0%)
Electricity production by solar and other renewable sources	GWh	19 101	17 334	1 767 (+10.2%)
Net cross-border (inter-system) exchange balance [2]	GWh	955	1 966	-1 011 (-51.4%)
Average electricity price on the SPOT market in:				
Poland	PLN / MWh	441.94	415.45	26.49 (+6.4%)
	EUR / MWh[3]	104.27	96.47	7.80 (+8.1%)
the neighboring countries (on the example of Germany)	EUR / MWh[3]	89.33	79.57	9.76 (+12.3%)

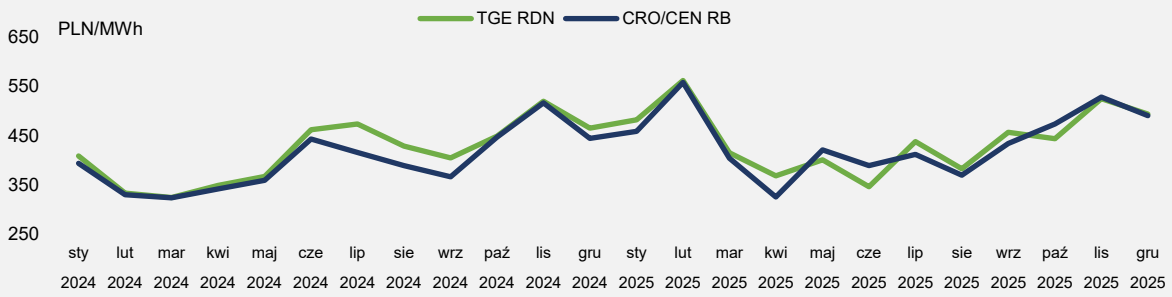
[1] Including the industrial power plants.
[2] A positive value of the balance denotes the net imports; a negative value of the balance denotes the net exports.
[3] The prices in EUR / MWh are converted according to the NBP's average exchange rate for 2025 and 2024, respectively,

In 2025, the day ahead market (RDN) electricity price on the Polish Power Exchange (TGE) had come in at PLN 441.94 per MWh, which had represented an increase by PLN 26.49 per MWh (6.4%) as compared to 2024.

The key factors having an impact on the SPOT price levels had included: the low capacity utilization factors for the wind farms during the February – April 2025 and the November – December 2025 time frames, an increase of the SPOT prices in the neighboring countries, the net electricity exports during the January – April time frame and the higher CO_2 emission allowance prices as compared to the 2024 levels.

In 2025, the hard coal fired electricity production output had fallen by 0.5% and the lignite fired production output had fallen by 7.0% as compared to the prior year. At the same time, the gas fired production output had gone up by 13.9%, mainly due to the commissioning of the new Combined Cycle Gas Turbine (CCGT) units and the persistently relatively low gas prices on the European markets. 2025 had also seen a record level of a curtailment of the renewable energy sources' (RES) generation – it had clocked in at approximately 1.4 TWh, i.e. double the level of 2024. These curtailments had been of a non-market nature and had resulted, first and foremost, from an insufficient flexibility of the national power system, a very low share of the energy storage facilities in the energy mix and a weak demand response of the consumers to an oversupply, in particular from the photovoltaics (PV) installations during the summer period.

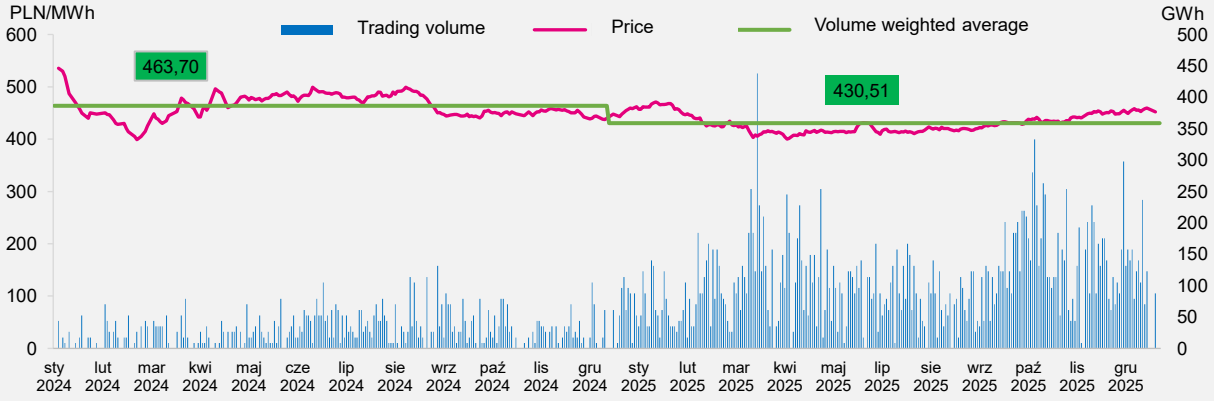
Figure no. 15 Average monthly electricity prices on the SPOT market and on the balancing market in the years 2024 – 2025



In 2025, the BASE_Y-26 contract price on the domestic electricity market had initially shown a downward trend, subsequently entering an upward trajectory in April. The price minimum had been reached at PLN 400.20 per MWh, while the maximum had come in at PLN 470.93 per MWh. The price fluctuations had remained correlated with the changes in the CO_2 emission allowance prices. The trading volumes in this contract on the Polish Power Exchange (TGE) had come in 29.1% lower as compared to the BASE_Y-25 contract volume in 2024.

The volume weighted average price of the BASE_Y-26 contract in 2025 had clocked in at PLN 430.51 per MWh, and it had been lower by PLN 33.19 per MWh (a decline by 7.2%) as compared to the volume weighted average price of this contract in the prior year. In turn, the volume weighted average price of the PEAK5_Y-26 contract had come in at PLN 476.94 per MWh, posting a decline by PLN 20.47 per MWh (-4.1%) as compared to the 2024 average price.

Figure no. 16 BASE_Y-25 contract trading volume in the years 2024 – 2025



Hard coal

The average price of the continued one year class (grade) 25 hard coal contract at the ARA ports in 2025 had come in at USD 4.22 per GJ, and it had been lower by USD 0.37 per GJ as compared to the average price of this contract in 2024 (a decline by 8.1%). The average value of the PSCMI1 index in 2025 had clocked in at PLN 15.80 per GJ, and it had been lower than in 2024 by PLN 6.43 per GJ (a decline by 28.9%).

In 2025, the ARA port hard coal prices had displayed a high volatility, moving sideways in the first half of the year with a price peak posted in February. From July, the prices had entered a downward trajectory that had pushed the price towards the annual lows. The primary supply side pressure factor had come from the competition from the falling natural gas prices and the high RES production output in Europe, which had drastically reduced the demand in the power sector. The adverse environment had been compounded by the high CO_2 emission allowance costs, effectively deteriorating the profitability of the hard coal fired units.

Natural gas

In 2025, the volume weighted average price of gas on the day ahead market (RDN) had come in at PLN 186.71 per MWh, it had been higher by PLN 7.51 per MWh than in 2024. The lowest day ahead

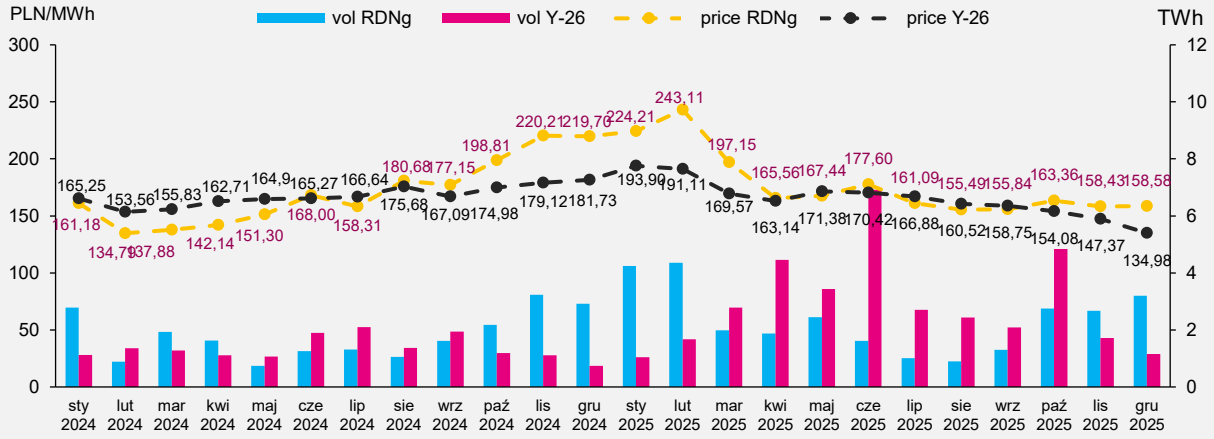
market (RDN) contract price had been recorded in November 2025, while the highest price had been posted in February 2025, when the volume weighted monthly average prices had clocked in at PLN 158.43 per MWh and PLN 243.11 per MWh, respectively.

The volume weighted average price of the reference one year GAS_BASE_Y-26 contract in 2025 had come in at PLN 165.03 per MWh. The lowest value of this contract had been recorded in December 2025, while the highest price had been posted in February 2025, reaching PLN 132.08 per MWh and PLN 214.86 per MWh, respectively.

The total trading volume on the Polish Power Exchange (TGE) in 2025 had clocked in at approximately 208.9 TWh, as compared to approximately 136.7 TWh in 2024 (an increase by 52.8%). The largest share of the gas trading in 2025 had been recorded on the futures market, which had generated a volume of approximately 175.6 TWh. On the SPOT market, the total trading volume of the contracts on the Day Ahead Market (RDN) market had come in at approximately 28.3 TWh.

In 2025, the European gas market had been characterized by the higher volatility than in 2024. Up to February 2025, the prices at the European gas hubs had been moving in an upward trend that had begun in February 2024. The price levels at the beginning of the year had been, first and foremost, impacted by the information on the halting of the Russian gas transit through Ukraine and the data on the low gas storage filling levels in the EU. Subsequently, a trend reversal to a downward trajectory had taken place, driven, alongside the meteorological conditions, mainly by such factors impacting the market as: the EU legislative work on the reducing of the minimum gas storage levels, the stable gas supplies from the Norwegian Continental Shelf, the substantial LNG imports to Europe as well as the geopolitical developments, including the US – Russia – Ukraine situation and the Israeli - Iranian conflict.

Figure no. 17 Average monthly SPOT market and the GAS_BASE_Y-26 contract gas prices on TGE (POLPX) in the years 2024 – 2025.



CO_2 Emission Allowances

In 2025, the settlement (clearing) prices of the CO_2 emission allowances for the reference futures contract with the December 2025 delivery (EUA DEC-25) on the ICE Endex exchange had ranged from EUR 60.94 per Mg to EUR 88.54 per Mg. The average settlement (clearing) price had stood at EUR 74.90 per Mg, and it had been higher by EUR 8.36 per Mg than the average price of the comparable contract (EUA DEC-24) in 2024 (an increase by 12.6%).

The EU ETS market in 2025 had been characterized by a high price volatility, driven by the geopolitical tensions and the changes in the EU ETS system balance. A material price setting factor had been the growing activity of the investment funds that had been systematically increasing their long positions in an anticipation of the speculative gains arising from a rise of the allowance prices. The market dynamics had been further amplified by the inclusion of the maritime transport sector in the system, which had been required in 2025 to redeem 40% of the emissions generated in 2024, as well as the preparations for the implementation of the CBAM mechanism, which had begun to materially shape the long term procurement strategies of the enterprises. In the face of the forecasts of a declining supply of the allowances in the subsequent years, the market participants are ever increasingly discounting the future deficit of the units.

Figure no. 18 Impact of the political actions and the environment (stakeholders) on the EUA DEC product price performance in the years 2024-2025.

Property Rights

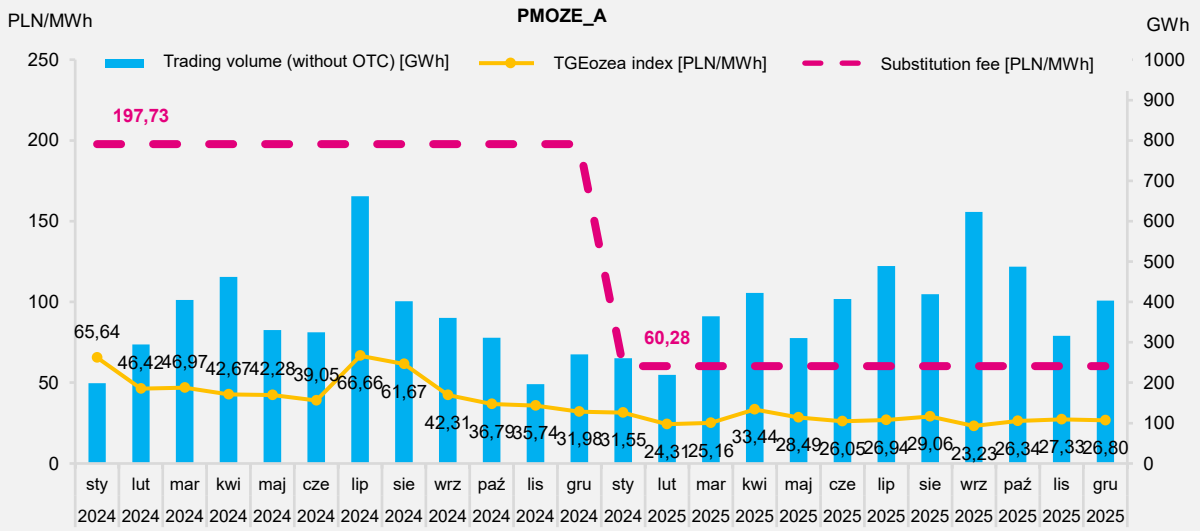
In 2025, the prices on the green certificate market had posted a significant decline as compared to the prior year. The TGEozea index had reached its price peak in January at PLN 34.35 per MWh, while the minimum price for the same index had been recorded in September 2025 at PLN 18.58 per MWh. The volume weighted average PMOZE_A price in 2025 had come in at PLN 27.19 per MWh, and it had been lower by 43.6% than the volume weighted average in the comparable period of 2024 (a decline by PLN 21.03/MWh).

The balance of the PMOZE_A registry as of the end of 2025 had reached a surplus of 27.8 TWh. Taking into account the certificates blocked for a redemption, this balance had stood at 24.8 TWh (an increase by 41.7% year on year). The substitution fee set for 2025 stands at PLN 60.28 per MWh, and the green certificates redemption obligation in 2025 had gone up by 3.5 percentage points as compared to 2024, and, in accordance with the Regulation of the Minister of Climate and Environment of August 30, 2024, on a change to the quantitative share of the total electricity arising from the redeemed certificates (guarantees) of origin confirming the electricity generation from the renewable energy sources in 2025, stands at 8.5%.

The prices of the certificates confirming the electricity generation from the agricultural biogas PMOZE-BIO (blue certificates), for which the obligation in 2025 had stood at 0.5%, had remained invariably at the stable levels. The TGEozebio index had been quoted close to the substitution fee, which in 2025 had stood at PLN 300.03 per MWh. The volume weighted average value of the TGEozebio index for 2025 had come in at PLN 301.07 per MWh, with the PMOZE-BIO registry balance at the end of 2025 at 285.2 GWh. Taking into account the certificates blocked for the redemption, this balance had fallen to 270.4 GWh (a decline by 7.2% year on year).

The prices of the white certificates PMEF_F in 2025 had ranged between a minimum of PLN 2 217.22 per toe recorded in September 2025 and a maximum of PLN 2 342.04 per toe posted in February 2025. The volume weighted average price in 2025 had come in at PLN 2 302.70 per toe, lower by 10.6% as compared to 2024. On average, the prices had come in at 3.9% above the substitution fee set for 2025 at PLN 2 216.18 per toe. The trading volume had been 8.6% lower than in 2024 and it had come in at 99,383 toe in 2025.

Figure no. 19 Property rights (green certificate) index in the years 2024 – 2025



Regulatory Environment

TAURON Capital Group is monitoring the changes and is taking actions in the regulatory area both at the national level, as well as at the EU level, which may have a direct or indirect impact on the TAURON Capital Group.

Table no. 27 The Most Material Changes and Initiatives in the Regulatory Environment of TAURON Capital Group with respect to the EU legislation in 2025

Name and Description of Regulation	Status as of December 31, 2025	Impact on TAURON Capital Group
2040 Climate Target		
On February 6, 2024, the EC published a communication containing a proposal for an EU wide 2040 climate target of a 90% net reduction in the greenhouse gas emissions as compared to 1990. By 2040, the emissions from the energy sector are expected to get close to zero, with a projected reliance on the zero- and low emission sources, including the RES, the nuclear energy, increased energy efficiency, energy storage, the CCS and the CCU technologies. On July 2, 2025, the EC published a draft regulation amending Regulation 2021/1119 on the establishment of a framework for achieving climate neutrality (European Climate Law), setting an interim binding target of a 90% net reduction in the greenhouse gas (GHG) emissions by 2040 as compared to the 1990 levels. The EC is to review the regulations in order to enable the achievement of the 2040 target.	The draft regulation amending the European climate law had been published on July 2, 2025. A at the Council and EP level (trilogue) had been adopted on December 10, 2025.	The EC's review of the regulations may result in the stricter EU climate and energy regulations – possible revisions of the directives: EU ETS, RED, EED, EPBD.
EC Communication: State Aid Framework in Support of the Clean Industrial Deal – Clean Industrial Deal State Aid Framework (CISAF)		
The EC has adopted the CISAF communication containing the new state aid frameworks, in support of the Clean Industrial Deal targets. CISAF establishes an alternative, simplified basis for assessing of the state aid compatibility relative to the standard guidelines (including, among other things, CEEAG), in order to speed up the notification process for the certain aid funds. With respect to the energy sector, CISAF covers areas including, among other things: aid for the renewable energy, including for the energy storage; aid for speeding up of the deployment of the low emission fuels; the non-fuel flexibility support schemes; and aid for capacity mechanisms, such as, for example, a capacity market or a strategic reserve (an alternative pathway to CEEAG, subject to the pre-defined conditions having been met).	CISAF had been announced in the EU Official Journal on July 4, 2025; applicable as of June 25, 2025.	The new state aid framework may constitute an alternative basis for the notification of the aid funds. CISAF provides the significant simplifications in the EC's assessment rules for the notified aid programs.

CISAF is to allow for a significantly faster notification of the state aid programs. The EC may approve the state aid funds under CISAF until December 31, 2030.		
EC Communication: The Road to the Next Multiannual Financial Framework (MFF)		
The communication is an introduction for the further actions aimed at drawing up of a draft regulation establishing the multiannual financial framework (MFF) for the years 2028 – 2034. The communication sets out the assumptions of the new MFF approach, which should include: 8. The National and Regional Partnership Plans for each member state containing the key reforms and investment projects, 9. The European Competitiveness Fund that is to support the strategic sectors and technologies of key importance to the EU's competitiveness and important projects that constitute the subject of a common European interest, 10. The revised rules for the financing of the external activities. The key stages of work on the legal framework for the funds as part of the 2028 – 2034 MFF are expected take place in 2026 and 2027.	EC communication had been published on February 11, 2025. July 16, 2025 – the presentation of the draft multiannual financial framework (MFF) for the 2028 – 2034 time frame.	These activities are of the material importance from the perspective of TAURON Group subsidiaries' ability to apply for the support from the EU funding in the future financial plan (perspective).
Fit for 55		
The Fit for 55 package aims to achieve a reduction in the greenhouse gas emissions of at least 55% by 2030 as compared to the 1990 level. It includes, among other things, the revisions of the directives on: promotion of the renewable energy (RED III), energy efficiency (EED), the EU Emissions Trading System (EU ETS), energy performance of buildings (EPBD), the changes to the energy taxation directive (ETD) and a new regulation establishing the carbon border adjustment mechanism (CBAM). The majority of the legislative acts forming part of the Fit for 55 package have been finalized (with the exception of the ETD).	The work on the ETD directive is under way. The legislative acts published in the EU Official Journal (CBAM, EU ETS, RED III, EED, EPBD).	The Fit for 55 package will contribute to the development of the zero emission technologies, first and foremost the renewable energy source (RES). The package introduces the new requirements and changes to the market and regulatory environment for TAURON Group's subsidiaries, including, among other things, a higher renewable energy share target and a higher emission reduction target, an increase of the energy efficiency or a significant reduction of the building emissions.
Regulation on the establishment of a framework of measures to shore up the European ecosystem for the production of the carbon neutral technology products (carbon neutral industry act; Net - Zero Industry Act - NZIA) *Commission Implementing Regulation (EU) 2025/1176 of May 23, 2025, laying down the pre-qualification criteria and the award criteria for auctions for the implementation of energy from renewable sources* *Draft Commission Implementing Regulation (EU) laying down rules for the application of Regulation (EU) 2024/1735 of the European Parliament and of the Council with regard to minimum environmental sustainability requirements for public procurement procedures covering certain zero emission technologies*		
The NZIA is focused on the establishing of the conditions to increase the production capacities of the net-zero technologies in the EU. It introduces, among other things, a list of the net-zero technologies and the shorter permitting timelines for the construction or expansion of the production projects; it is also of material importance for the shape of the future RES auction model, including in terms of the application of the non-price criteria. EC Implementing Regulation related to the non-price criteria in the renewable energy sources auctions had been published in the Official Journal of the EU on June 18, 2025, that specifies the pre-qualification criteria and purchase order (contract) award criteria for the auctions for the use of the electricity from the renewable energy sources and it regulates the issues related to the evaluation of the bids by the competent authorities with respect to the non-price criteria. On September 16, 2025, the EC presented for consultation a draft EC implementing regulation establishing the rules for applying of NZIA which sets out the minimum environmental requirements in public procurement contract awards relating to the selected net-zero technologies – photovoltaics (PV) and wind energy.	EC Implementing Regulation (EU) 2025/1176 had been published in the EU Official Journal on June 18, 2025; entered into force on July 8, 2025.	The NZIA regulation may introduce material changes to the market and regulatory environment of TAURON Group aimed at increasing of the production capacities with respect to the green technologies in the EU. The NZIA regulation and the implementing regulation may have a material impact on the shape of the RES auctions, in particular with regard to the additional non-price criteria. The introduction of the non-price auction criteria for the RES may have an impact on the way bids are formulated and the cost of implementing of the projects covered by this type of support scheme. In addition, the non-price criteria would have a greater importance in the implementation of the purchase orders (contracts awarded) under way.
Omnibus Simplification Package		

The aim of the package is, in particular, to simplify the EU reporting requirements. The EC is seeking to reduce the administrative burdens by 25% (35% for the SMEs) by the end of the current mandate. The main areas of the simplification: sustainability reporting (CSRD, EU Taxonomy), due diligence (CSDDD). A reduction in the frequency of the periodic partner assessments and monitoring from annual to every five years, with the possibility of carrying out the ad hoc assessments on an as needed basis. The deferral of the application of the obligations for the largest companies to 2028. A part of the package (the 'stop-the-clock' directive) has been adopted at the EU level on an urgent basis. The Council and the European Parliament have agreed to defer the application deadlines arising from the CSRD and CSDDD directives. The second legislative proposal on the amendments to CSRD and CSDDD has been submitted to the European Parliament (EP) and the Council. The work on the EP's position is under way. The changes will enter into force after an agreement is reached and after the publication in the EU Official Journal.	Omnibus had been published by the EC on February 26, 2025. The 'Stop-the-clock' directive had been published in EU Official Journal on April 16, 2025; entered into force on April 17, 2025. With respect to the legislative proposal on the amendments to CSRD and CSDDD: - the Council had adopted general approach on June 23, 2025; - the European Parliament had adopted its position on November 13, 2025, - the compromise had been reached at the level of the Council and the EP (trilogue) on December 9, 2025.	A deferral of the CSDDD reporting requirements by 2 years (to 2028). The regulations introduce the simplifications, in particular for the smaller entities, while maintaining a broadly similar the reporting scope for the large enterprises. The simplification of the reporting requirements under the EU Taxonomy.
European Grids Package		
The aim of the package is to speed up the development of the necessary energy infrastructure in Europe (grid investments, RES, energy storage facilities, charging stations). The package includes: 1. EC Communication 'European Grids Package', 2. A proposal for a regulation on the guidelines for the trans-European energy infrastructure, 3. A proposal for a directive on the accelerating of the permitting procedures, 4. Guidelines on the connections to the electricity grid, 5. EC guidelines on the drafting of the two party contracts for difference (CFDs). The key stages of the work on the package within the European Parliament and the Council are expected to take place in 2026.	The package had been published on December 10, 2025.	The documents that are part of the package initially provide for, among other things, a potential facilitation of the investments in the grids, including the distribution grids, as well as in the RES, energy storage facilities and the charging stations.
EC Communications: The Clean Industrial Deal – a joint roadmap to competitiveness and decarbonization (CID) and Action Plan for Affordable Energy (APAE)		
The aim of the CID is to increase the competitiveness of the EU industry and to speed up its transition to climate neutrality while complying with the EU climate targets. The CID is a plan that sets out the short- and medium term actions; it provides, among other things, for an increase of the demand for the 'clean' products by incorporating the non-price criteria into the public procurement. The EC intends to mobilize more than EUR 100 billion to provide the support for the clean production in the EU through, among other things: the new state aid frameworks (CISAF) and the strengthening of the Innovation Fund, as well as the setting up of an Industrial Decarbonization Bank. Alongside the CID, the APAE had been published, containing the short term measures aimed at, among other things, reducing of the energy costs.	EC communications had been published on February 26, 2025. The implementation of the actions specified in the communications.	The possible changes in the EU law that may have an impact on the operations of TAURON Group. Facilitated access to the state aid – the new CISAF state aid framework – a simplified and faster approval of the support mechanisms.

Table no. 28 The most material changes in the national regulatory environment of TAURON Capital Group in 2025 with respect to the adopted and published legislative acts as well as the legislative acts on which the legislative work is under way

Name and description of the regulation	Status as of September 30, 2025	Impact on TAURON Capital Group	Impact on the Segment
National Energy and Climate Plan until 2030 (an update of the 2019 NECP)			
In December 2025, the Ministry of Energy had published a new draft of the update of the National Energy and Climate Plan until 2030 (NECP).	On December 17, 2025, the Ministry of Energy had approved the new draft of the	Among other things, the draft act provides for a large increase in the installed capacity of RES, the	TAURON Group

According to the assumptions of the NECP update, Poland may achieve a 30% of the RES share in the final gross energy consumption by 2030 in accordance with the WEM scenario (the conservative transition scenario), and a 32% RES share in the final gross energy consumption, in accordance with the WAM scenario (the ambitious transition scenario). The draft document update also indicates that the target related to the share of the RES in the final energy consumption in the heating and cooling areas is to come in at 31.6% in 2030 (in accordance with the WEM scenario).. The update of the NECP assumes, in 2040, the share of RES: in the final gross energy consumption at the level of 44 - 52.3%; in the power sector at the level of 65.6 - 68.9% and in the heating area at the level of 43.5 – 56.7%. The production of electricity from the hard coal is expected to come in at 0 – 12.3 TWh in 2040. In the onshore wind energy the production of electricity at the level of 54.4 – 74.1 TWh is expected to be reached in 2040. The production of the district heating in 2040 is assumed to come in at 214.2 – 238.1 TJ (WAM / WEM). The share of the biomass in the heating area will clock in at 49.5 - 59.5% (WAM / WEM) in 2040.	update of the National Energy and Climate Plan that had been forwarded to be reviewed by the Council of Ministers.	nuclear power generation and the gas fired power generation. The draft takes into account the implementation of the biomass cascade principle. TAURON Group had taken part in the public consultation process related to the draft.	
Act of May 21, 2025, amending certain acts in connection with the introduction of the Central Energy Market Information System and other acts (Journal of Laws, item 759)			
The Act introduces the amendments clarifying the deadlines for the energy market participants to commence the implementation of the tasks with the use of the central energy market information system (CSIRE), along with the necessary amendments aimed at ensuring of the consistency of the legal provisions. The Act provides, among other things, for the phased implementation of the CSiRE and the amendments related to the introduction and functioning of the so-called virtual prosumer.	On June 10, 2025, the act had been published in the Journal of Laws. The act has entered into force.	The amendments allow the CSIRE users to have the time necessary to carry out the implementation and commissioning work.	Distribution Segment Supply Segment
Draft Act on the Amendments to the Act - Energy Law and Certain Other Acts (UC84)			
The draft act introduces the provisions with respect to the reforming of the process related to connecting to the power grid, including, among other things, the reducing of the validity term of the grid connection conditions to one year, the increasing of the amount of the advance payments on the account of the grid connection fees, the introducing of the milestones in the grid connection agreements, the introduction of the flexible and configurable grid connection agreements, the extension of the "cable pooling" concept to include the energy storage facilities and other specified installations. The draft includes the provisions with respect to the fixed term electricity sales agreements at a fixed price, the concluding of more than a single contract on the same grid connection and energy poverty. The draft requires the power system operators to set up the centralized IT platforms that will make it easier to submit the grid connection applications and to monitor the status thereof, as well as to publish the data on the grid capacity. In addition, the draft requires the electricity suppliers to have the so-called "security strategy" in place to ensure the continuity of the electricity supply.	On December 18, 2025, the draft act had been adopted by the Standing Committee of the Council of Ministers. On January 7, 2026, the draft act had been adopted by the Council of Ministers - an event that took place after the balance sheet date.)	The proposed changes will have an impact on the Distribution, Supply, RES and Heat segments, among other things, with respect to the proposed reform of the power grid connections and the proposed changes to the customer service processes and the products offered by the suppliers.	TAURON Group
Act of November 27, 2024, on the amendments to the Act on the extraordinary measures aimed at capping the electricity prices and supporting certain consumers in 2023 and 2024, and certain other acts (Journal of Laws, item 1831)			
Pursuant to the provisions of the Act the effective term of the maximum electricity price (price cap) had been extended until September 30, 2025, for the households at the net amount of PLN 500 per MWh, and until March 31, 2025, for the local government units and the county public employment offices at the net amount of PLN 693 per MWh. The Act introduces, among other things, the regulations requiring the certain specified electricity suppliers to submit a petition to the President of the Energy Regulatory Office (ERO) for a change of the electricity tariff for the period from July 1, 2024, to December 31, 2025, or for an approval of the electricity tariff for the period from July 1, 2025 to December 31, 2025 (in the event that it does not have a tariff approved by the President of the Energy Regulatory Office (ERO)), by the deadline of April 30, 2025 (in the Act of April 23, 2025, on the amendments to the Act on the special solutions for the protection of the electricity consumers in 2023 and in 2024 in connection with the situation on the electricity market (Journal of Laws, item 565), the deadline for submitting of the applications had been extended from April 30 to July 31, 2025, and the deadline for the entry into force of the tariffs had been postponed from July 1 to October 1).	On December 11, 2024, the act had been published in the Journal of Laws The act has entered into force.	The Act has an impact on the Supply Segment with respect to the obligation to apply the maximum prices (price caps) and to submit an application for an adjustment of the applicable tariff to the President of the Energy Regulatory Office (ERO), as well as with respect to the customer service in connection with the performance of the electricity supplier's obligations in the context of providing the public aid and the de minimis aid.	Supply Segment

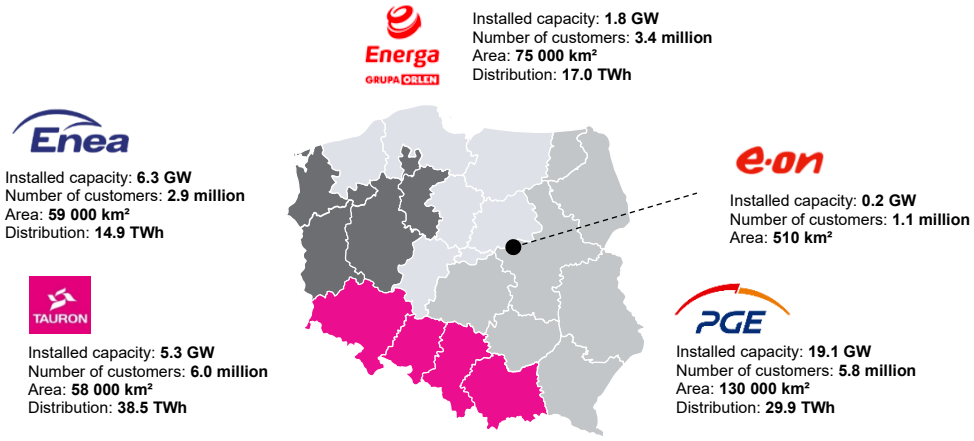
The Act of September 12, 2025, on a heating voucher and the amendments to certain acts in order to curb the electricity prices (Journal of Laws, item 1302)			
Pursuant to the provisions of the Act a heating voucher has been introduced – a form of the direct financial support for the households with the lowest incomes using the district heating. The Act extends the maximum electricity price (price cap) for the households at the net level of PLN 500 per MWh until December 31, 2025, and allows the suppliers to obtain the compensation payments for this period.	On September 29, 2025, the act had been published in the Journal of Laws The act has entered into force .	The Act has an impact on the Supply segment with respect to the settlements with the household electricity consumers and on the Heat segment, among other things, with respect to the obligation to publish the single component net heat prices	Supply Segment Heat Segment
Draft Act amending the Energy Law and the Renewable Energy Sources Act (UD284)			
The draft act assumes a reinstatement the mandatory sales of electricity through the Polish Power Exchange or the platforms operated by the nominated energy market operators (NEMOs) at a rate of 80%, known as the power exchange trading obligation. The proposed solutions include a limited list of the exemptions from the power exchange trading obligation, including, among other things, the renewable energy sources with an installed capacity of less than 10 MW. In accordance with the current version of the draft act, the list of the exemptions would not apply to the electricity contracted between the electricity market participants that are part of the same capital group. The draft act assumes an increase of the power exchange trading obligation for gas from 55% to 80%. The draft act also includes a package of the provisions with respect to the non-market curtailments of the production of the renewable energy sources.	On November 12, 2025, the draft act had been submitted for a consultation among the ministries, feedback collection and public consultation.	The draft act has an impact on TAURON Group with respect to the contemplated investment projects in the event of the introduction of an power exchange trading obligation with a limited list of the exemptions.	TAURON Group
Regulation of the Minister of Climate and Environment of August 1, 2025, on the parameters of the main auction for the 2030 delivery year and the parameters of the additional auctions for the 2027 delivery year, as well as the parameters of the preliminary auctions for these auctions (Journal of Laws, item 1066)			
The regulation aims to define the parameters of the main auction on the capacity market for the 2030 delivery year, which will be held in 2025, and the parameters of the additional auctions on the capacity market for the 2027 delivery year, which will be held in 2026, as well as the parameters of the preliminary auctions for these auctions.	On August 6, 2025, the regulation had entered into force	The regulation is a part of the capacity market and, provided certain criteria have been met, it enables TAURON Group's selected entities to take part in the auctions. The Jaworzno OCGT project has concluded a capacity contract at the main auction for the year 2030.	TAURON Group
Regulation of August 29, 2025, on amending the quantitative share of the total volume of electricity resulting from the redeemed certificates of origin of energy (guarantees of origin) confirming the production of electricity from the renewable energy sources in the years 2026 – 2028 (Journal of Laws, item 1199)			
The regulation specifies the quantitative share of the total volume of the electricity resulting from the redeemed certificates of origin of energy (guarantees of origin) confirming the production of the electricity from the renewable energy sources in the years 2026 - 2028 from: 1. renewable energy sources other than the agricultural biogas, known as the green certificates, at a level of 9%, 2. agricultural biogas, known as the blue certificates, at a level of 0.5%	On August 31, 2025, the regulation had entered into force.	The regulation is important for the Supply segment due to the change in the mandatory share of the electricity generated from the renewable energy sources in the mixes of the trading companies, and for the Renewable Energy Sources segment which takes part in the system of certificates of origin of energy (guarantees of origin).	Supply Segment RES Segment
Regulation of the Minister of Climate and Environment of March 5, 2025, on the detailed conditions for the granting of the public aid by the National Fund for the Environmental Protection and Water Management (NFOŚiGW) for the investments in the electricity storage and the infrastructure related thereto (Journal of Laws, item 280)			
The Regulation assumes that the National Fund for the Environmental Protection and Water Management (NFOŚiGW) will provide the public aid using the funds from the Modernization Fund for: 1. the construction of the independent (autonomous) electricity storage facilities with a power of no less than 2	On March 7, 2025, the regulation had been published in the Journal of Laws.	The regulation provided the basis for applying for public aid for the investments in the development of the energy storage facilities. TAURON Group's subsidiaries had signed the	RES Segment TAURON Group

MW and a capacity of no less than 4 MWh connected to the transmission or the distribution lines, regardless of the voltage level; 2. the construction of a connection to the grid and of the accompanying infrastructure; 3. the configuration and adaptation of the energy storage facilities.	The regulation has entered into force.	agreements with the National Fund for Environmental Protection and Water Management (NFOŚiGW) for nearly PLN 538 million in funding for the battery energy storage facilities.	
Draft act on the amendment of the Energy Efficiency Act and certain other acts (UC77)			
The draft act assumes implementing of the measures aimed at providing a comprehensive support for the energy efficiency across the entire economy in order to achieve the 2030 energy efficiency targets set out in Directive (EU) 2023/1791 of the European Parliament and of the Council (EU) 2023/1791 of September 13, 2023, on energy efficiency and amending Regulation (EU) 2023/955, as well as to further improve energy efficiency beyond 2030. The proposed regulation changes, among other things, the provisions related to the conditions that an obligated entity must meet in order to fulfill its obligation to redeem the so-called white certificates by paying a substitution fee	On September 30, 2025, the draft act had been submitted for a consultation among the ministries, feedback collection and public consultation.	The Act has an impact on TAURON Group, including, in particular, on the Supply segment with respect to the obligation to redeem the co-called white certificates.	Supply Segment TAURON Group
Draft regulation of the Council of Ministers amending the regulation on projects that may have a significant impact on the environment (RD239)			
The proposed change concerns the abolition of the requirement to obtain an environmental permit for the modernization of the wind farms (repowering) located outside the nature conservation areas, the aim of which is to increase the total nominal power capacity of the power plant by no more than 30%.	On November 20, 2025, the draft act had been submitted for a consultation among the ministries, feedback collection and public consultation.	The draft regulation has an impact on the implementation of the investments in the wind farm repowering being considered by TAURON Group.	RES Segment TAURON Group
Draft act amending certain acts in order to deregulate the energy sector (UDER92)			
The draft act provides for a number of changes in the area of the district heating, in particular: 1. simplifying of the determination of the return on the capital employed in the business operations related to the heat generation, the distribution thereof and heat trading, 2. introducing a definition of a heat or cold storage facility, 3. including electrode (electric) boilers among the sources from which heat is subject to the mandatory purchase requirement and defining the conditions under which heat from these units can be recognized as originating from a renewable energy source for the purposes of complying with the status of an efficient heating system, 4. activities aimed at promoting the development of the cogeneration. The draft act also envisages, among other things, simplifying of the electricity bills by including a summary along with the invoice.	On November 28, 2025, the draft act had been submitted for a consultation among the ministries, feedback collection and public consultation.	The district heating related solutions proposed in the draft act have an impact on the Heat Segment, including, among other things, with respect to the development of the Power to Heat technology and the high efficiency cogeneration. The draft act also has an impact on the Supply Segment and other customer service related activities, with respect to the adapting to the new solutions regarding the scope and form of the delivery of the invoices and information to the customers.	Heat Segment Supply Segment Other Operations

Competitive Environment

Apart from TAURON Capital Group, three large, vertically integrated energy groups are currently operating on the Polish energy market: PGE, Enea and Energa. In addition, the company E.ON Polska S.A. is conducting its business operations in the Warsaw metropolitan area, managing Warsaw's power grid.

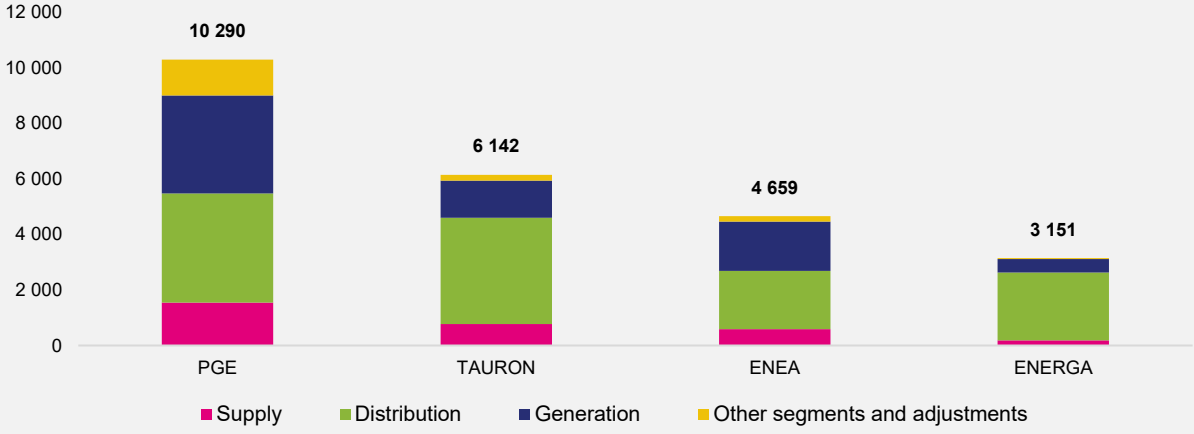
Figure no. 20 Competitive environment of TAURON Capital Group based on the available data for the first three quarters of 2025.



According to the data for the first three quarters of 2025, the consolidated energy groups (PGE, TAURON, Enea, Energa) had held a 49% market share in the electricity generation sub-sector.

TAURON Capital Group is a fully vertically integrated electric utility that leverages of the synergies stemming from the scale and the scope of the operations conducted thereby. TAURON Capital Group has been conducting its operations in the key segments of the energy market (excluding the transmission of electricity), i.e. the generation, the distribution as well as the supply and the trading of the electricity and heat.

Figure no. 21 EBITDA – estimated structure based on the main operating segments in the first 9 months of 2025[1]



[1] *In order to ensure the comparability of the segments presented, the Generation segment also includes Mining, RES and Heat.*
Source: Interim reports of the individual companies

Generation

TAURON Capital Group is a key producer of electricity in Poland.

TAURON Capital Group's share in the domestic electricity generation market, measured based on the gross electricity production had come in at approximately 6% in the first three quarters of 2025.

TAURON Capital Group is one of the largest electricity producers operating on the Polish market.

TAURON Capital Group's conventional generation assets are concentrated in the south of Poland. The renewable energy sources: the wind and photovoltaic power plants are located across the country, while the hydro power plants are located in the southern and south western parts of the country.

81% of TAURON Capital Group's generation assets had been, as of the end of 2025, the hard coal fired units. TAURON Capital Group's total installed capacity had stood at 5.46 GW as of December 31,

2025, with the renewable energy sources accounting for close to 1.02 GW of that figure. The wind farms' installed capacity represents 10%, the photovoltaic power plants' installed capacity accounts for 5%, the hydro electric power plants' installed capacity constitutes 3% and the biomass fired generating units' installed capacity accounts for 2% of TAURON Capital Group's total installed capacity.

TAURON Capital Group had generated 11.24 TWh of electricity in 2025, of which 1.72 TWh had come from the RES.

Nationwide, as of the end of the third quarter of 2025, TAURON Capital Group's hard coal fired units' installed capacity had accounted for approx. 16% of the total installed capacity of all of the hard coal and lignite fired generating units in Poland. With respect to the installed capacity of the wind farms, biomass and biogas fired power plants, as well as the hydro electric power plants, the share of TAURON Capital Group had come in at: approx. 5%, 7% and 14%, respectively.

According to the data for the first three quarters of 2025, PGE is the largest electricity generator in Poland, with its share in the domestic electricity production market standing at approx. 31%, and with the installed capacity of 19.1 GW. Enea is the second largest electricity producer in Poland, with a market share coming in at approx. 11% and with the installed capacity of 6.3 GW.

Figure no. 22 Gross electricity generation – the estimated market shares for the first three quarters of 2025

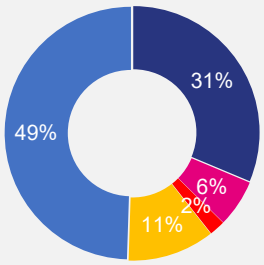
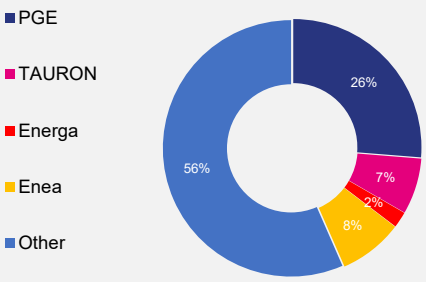


Figure no. 23 Installed capacity – the estimated market shares for the first three quarters of 2025



Source: Energy Market Agency (ARE), the information of the individual companies published on the company web sites

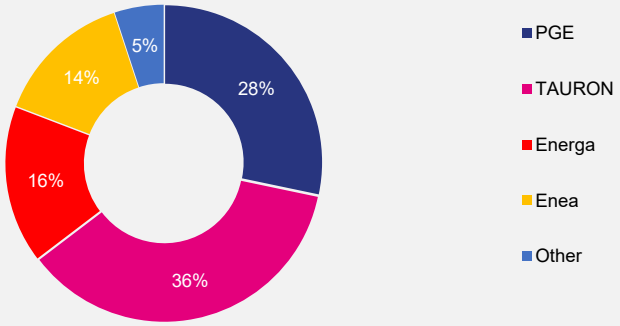
Distribution

TAURON Capital Group is the Polish market leader in terms of the number of the distribution customers and the volume of electricity distributed.

> **TAURON Capital Group is the largest electricity distributor in Poland. The share of TAURON Dystrybucja S.A. (TAURON Dystrybucja) in the electricity distribution to the final consumers had come in at approx. 36% in the first three quarters of 2025. TAURON Capital Group's distribution grids cover more than 18% of Poland's territory. The volume of the electricity distributed to the final consumers had clocked in at approx. 52.05 TWh in 2025.**

TAURON Capital Group's distribution operations, due to the natural monopoly within the designated area, are a source of a stable and predictable revenue stream, accounting for a material part of the consolidated revenue of the entire TAURON Capital Group. The electricity distribution's geographical area within which the Distribution Segment's and the Supply Segment's subsidiaries are operating is a heavily industrialized and densely populated area and therefore the distribution grid is very well utilized. The number of the Distribution Segment's customers had come in at approx. 6.05 million as of the end of 2025.

Figure no. 24 Electricity distribution – the estimated market shares for the first three quarters of 2025



Source: Energy Market Agency (ARE), the information of the individual companies published on the company web sites

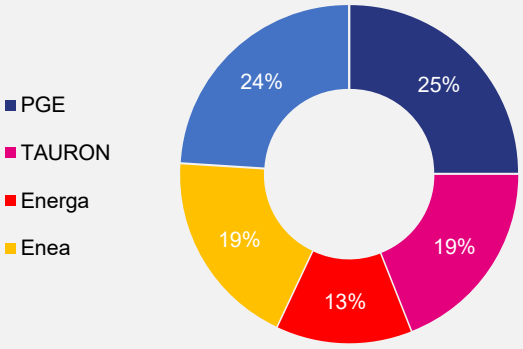
Supply

TAURON Capital Group is the second largest electricity supplier in Poland.

TAURON Capital Group holds a 19% share in the market of the electricity supply to the final consumers in Poland based on the data for the third quarter of 2025. The volume of the retail electricity supply of TAURON Capital Group had come in at 25.17 TWh in 2025. The number of the customers served by TAURON Capital Group's Supply Segment stands at 5.83 million.
Based on the data for the first three quarters of 2025, PGE is the largest retail electricity supplier with a 25% market share. The other two groups, Enea and Energa, hold a 19% and a 13% market share, respectively.

In the segment that includes the electricity supply to the households the individual energy groups are geographically linked, first of all, with the areas in which they are acting as an ex officio electricity supplier (supplier of the last resort).

Figure no. 25 Electricity supply to the final consumers – the estimated market shares of the individual energy groups for the first three quarters of 2025



Source: Energy Market Agency (ARE), the information of the individual companies published on the company web sites

4.5. Factors material for the expansion

The expansion (growth) prospects of TAURON Capital Group are affected by a number of the external and the internal factors, the impact of which may shape the conditions for conducting of the operating, investing and financing activities.

Table no. 29 Internal and External Factors Material for the Expansion (Growth)

Description of the factor
Geopolitical Environment and Energy Security
The changing geopolitical environment, including the continued armed conflict in Ukraine under way and the diplomatic actions taken by the international community, continues to be a material factor that could affect the Group's activities. Additional tensions in the regions of strategic importance to the energy and commodity markets, such as the Middle East, may influence the European Union's policy and shape the conditions for conducting of the operating, investing and financing activities.
Critical Infrastructure Security
The growing physical and cyber threats to the critical infrastructure are increasing the risk of the disruptions to the IT and OT systems' operation, including a reduced availability, the data integrity breaches and the business continuity interruptions.
Regulatory and Legal Environment
The changes in the energy sector's regulations and the decisions of the national and the EU institutions may have a material impact on the conditions for the conducting of the business operations. The key areas include: 1. the shape of the tariffs for the households following the expiration of the price freeze mechanisms, including the potential reinstatement of a separate GZE tariff and the distribution tariff level from 2026, 2. the changes to balancing market rules, including the methodology for calculating of the energy imbalance costs, 3. a possible reinstatement of the power exchange trading obligation
Capacity Market and the Hard Coal Based Assets
The CO_2 emission limits (EPS) applicable under the capacity market mechanism from July 2025 are of key importance for the decisions related to the further operation of the hard coal based assets, including their maintenance costs, the decommissioning (retirement) or conversion schedules, taking into account the expectations of the trade unions, local government units and the local communities.
Structural Changes in the Energy Market
The changes in the structure of the energy production and consumption have an impact on the utilization of the conventional units, the fuel stock levels, the customer service costs, the electricity imports / exports balance and the availability of the capacity reserves, which has a direct impact on the Group's revenue.
Generating Asset Availability
A key factor continues to be the availability of the Group's generating units, which determines the ability to implement the production plans and respond to the national power system needs.
Market Conditions
The conditions (sentiment) on the energy, fuel, and the CO_2 emission allowance markets in Poland, the EU and worldwide have an impact on the Group's financial results, including the level of the required margin deposits at the Commodity Exchange Clearing House.
Implementation of the Strategy
A key growth factor continues to be an effective and timely execution of TAURON Group's Strategy, encompassing the transition of the energy mix, the expansion of the distribution grid and the new business areas.
Macroeconomic Environment
Inflation rate levels, interest rates, exchange rates and the pace of the economic growth have an impact on the demand for the electricity, gas and heat, as well as on the cost of financing the investment projects and the valuation of the assets and liabilities in the financial statements.
Financing and Grant Funding
The availability and cost of financing, including the ability to obtain the grant funding – in particular the EU funds – as well as the Group's organizational readiness to efficiently absorb such a funding, are of key importance for the execution of the investment and transition plans.
Financial Condition of the Customers and Counterparties
The risk of a deterioration of the financial condition (standing) of the customers and the counterparties, including an increase in the overdue accounts receivable, may have a negative impact on the Group's financial liquidity.
Environmental and Human Resources Conditions

The new environmental requirements stemming from the national law and the EU climate policy may have an impact on the investment schedules and costs. At the same time, the human resources related matters are of material importance, including the expectations with respect to the growth of the wages and the availability of the qualified personnel.

Weather Conditions

The weather conditions, including the extreme events, have an impact on the infrastructure failure rates, the volume of the production from the individual generation sources and the seasonality of the Group's revenues and costs.

Seasonality of the Business Operations and the Impact of the External Environment

TAURON Capital Group’s operations are characterized by the seasonality that is applicable, in particular, to the heat production, distribution and supply, as well as the electricity distribution and supply to the individual consumers.

The heat supply continues to be highly dependent on the weather conditions, in particular on the outdoor temperature, and the heat sales are higher in the autumn and winter season. In turn, the volume of the electricity supply to the individual consumers depends, among other things, on the length of the daytime which usually makes the electricity supply to this group of the consumers lower in the spring and summer season and higher in the autumn and winter season. The seasonality of TAURON Capital Group’s other lines of business is limited and does not have a material impact affect on the full year financial results.

The operations of the Group's individual lines of business may also be affected by the geopolitical situation related to the war on the Ukrainian territory. Given its indirect impact on the market, regulatory and the macroeconomic environment, forecasting of the long term consequences of the conflict remains subject to material uncertainty. In particular, such aspects as the scale and duration of the hostilities, any further developments, including the risk of an escalation and their impact on the condition of the Polish and global economy are of key importance.

In the coming quarters, the changes on the energy and fuel markets, the electricity and heat price levels, the CO_2 emission allowance costs, as well as the regulatory decisions determining the operating conditions in the energy sector may additionally impact the Group's financial performance.

5. Analysis of the financial position and assets of TAURON Polska Energia S.A.

5.1. Principles of drawing up of the annual financial statements

Financial Statements of TAURON have been drawn up in accordance with the IFRS approved by the EU.

The IFRS comprise the standards and the interpretations approved by the International Accounting Standards (IAS) Board as well as the International Financial Reporting Standards (IFRS) Interpretation Committee.

The Financial Statements of TAURON have been drawn up with the assumption of the continuation of the business operations (going concern) by TAURON in the foreseeable future, i.e. over the time frame not shorter than 1 year from the balance sheet date. As of the date of the approval of the Financial statements of TAURON for publication, no circumstances have been detected, indicating any risk for business continuity by TAURON.

The accounting principles (policy) adopted for the drawing up of the Financial Statements of TAURON are presented in the individual notes to the Financial Statements of TAURON.

The accounting principles (policy) adopted for the drawing up of the standalone financial statements are in line with those used in drawing up of the annual standalone financial statements of TAURON Polska Energia S.A. for the year ended on December 31, 2024, with the exception of the change in the accounting principles (policy) with respect to the hedging instruments subject to the hedge accounting as described in the standalone financial statements. The amendments to IAS 21, *The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability*, which had entered into force as of January 1, 2025, had no impact on the Company's accounting policies.

5.2. Overview of the economic and financial data disclosed in the annual financial statements

Statement of comprehensive income

Table no. 30 Annual standalone statement of comprehensive income in the years 2025 - 2024 drawn up in accordance with the IFRS

Statement of comprehensive income drawn up in accordance with the IFRS (PLN m)	2025	2024	Change in % (2025 / 2024)
Sales revenue	18 795	22 849	82%
Own cost of goods, materials and services sold	(18 144)	(21 865)	83%
Gross profit (loss) from sales	**651**	**984**	**66%**
Cost of sales	(33)	(26)	127%
Overhead costs	(152)	(145)	105%
Other operating revenue and costs	(1)	(2)	50%
Operating profit (loss)	**465**	**811**	**57%**
Operating profit margin (%)	*2.5%*	*3.5%*	*71%*

Revenue from dividends	2 547	1 336	191%
Interest income on loans	501	848	59%
Costs of interest on debt	(715)	(760)	94%
Result on derivative financial instruments	(228)	(302)	75%
Revaluation of interests and shares	182	551	33%
Revaluation of loans	524	(1 994)	-
Other financial revenue and costs	74	127	58%
Pre-tax net profit (loss)	**3 350**	**617**	**543%**
Pre-tax net profit margin (%)	*17.8%*	*2.7%*	*659%*
Income tax	(44)	(107)	41%
Net profit (loss)	**3 306**	**510**	**648%**
Net profit margin (%)	*17.6%*	*2.2%*	*800%*
Other net comprehensive income	(186)	(79)	235%
Total comprehensive income	**3 120**	**431**	**724%**
EBITDA	**479**	**822**	**58%**
EBITDA margin (%)	*2.5%*	*3.6%*	*69%*

The Company had posted an operating profit at the level of PLN 465 million in 2025, lower than the result achieved in 2024. The deterioration of the operating profit had, first and foremost, been attributable to the lower margins achieved on the trading operations, in particular with respect to the electricity, natural gas and the CO_2 emission allowances trading.

The result on the financing activities in 2025 had been impacted, on the one hand, by the higher income from the dividends and, on the other hand, by an increase of the costs related to the revaluation of the loans The combined effect of these factors had been reflected in the Company's financial result for the reporting period.

Revenue

Table no. 31 Company's revenue in the years 2025 - 2024

Item (PLN m)	2025	2024	Change in % (2025 / 2024)
Total revenue	22 847	26 165	87%
Sales revenue	18 795	22 849	82%
Revenue from sales of goods and materials:	18 416	22 503	82%
Electricity (without excluding excise tax)	14 102	17 490	81%

Greenhouse gas (GHG) emission allowances	3 522	3 809	92%
Gas	791	1 203	66%
Other	1	1	100%
Revenue from sales of services:	379	346	110%
Capacity Market	222	192	116%
Trading services sales	103	108	95%
Other	54	46	117%
Revenue from other operations	2	1	200%
Revenue from financial operations	4 050	3 315	122%
Revenue from dividends	2 547	1 336	191%
Revenue from loans interest	525	879	60%
Other financial revenue	978	1 100	89%

The structure (mix) of the Company's revenue had been dominated by the revenue from the sales of goods and materials, which had accounted for 81% of the total revenue. The financial revenue had accounted for 18% of the total revenue.

The high share of the revenue from the sales of goods and materials is a consequence of the Company's adopted business model, as part of which TAURON is responsible for securing the buy and sell positions of the entities that are a part of TAURON Group. In addition, the Company performs the function of the Market Operator, carries out the trade balancing for the Group's subsidiaries and manages, among other things, the property rights and the CO_2 emission allowances (carbon permits).

During the reporting period ended on December 31, 2025, the sales revenue had been lower by 18% as compared to 2024. This change had been the result of the following factors:

- a 19% decline in the electricity sales revenue, as a consequence of a decrease by 17% of the electricity sales prices combined with a decrease by 3% of the supply volume during the same period;
- a decrease of the revenue from the sales of the CO_2 emission allowances (carbon credits), as a result of a 10% lower volume of the emission allowances sold in 2025 for the redemption needs of TAURON Group's subsidiaries (related to the emissions for 2023 and 2024), in spite of the prices of those allowances being higher by 3% during the same period;
- a 34% decline of the natural gas sales revenue, brought about by a 17% decrease of the gas prices combined with a 21% decrease of sales volumes during the same period. The gas sales had been conducted primarily in order to hedge the contracts entered into by TAURON Sprzedaż and in order to generate a positive margin on the trading activities.

The second largest revenue category had been the financial revenues, among which:

- the dividends had accounted for 63%;
- the interest income from the loans had accounted for 13%;
- the other financial income had accounted for 24%.

The above structure (mix) reflects the holding nature of the Company's operations and the functioning of the centralized financing model and liquidity management policy within TAURON Group, including the cash pooling mechanism, which enables an efficient management of the liquidity across the Group's subsidiaries.

Costs

Table no. 32 The level and structure of the costs incurred by the Company in the years 2025 - 2024

Item (PLN m)	2025	2024	Change in % (2025 / 2024)
Total costs	(19 495)	(25 548)	76%
Cost of goods, materials and services sold	(18 144)	(21 865)	83%

Costs of sales and overheads	(185)	(171)	108%
Costs of other operations	(3)	(3)	100%
Costs of financial operations	(1 163)	(3 509)	33%

In 2025, the Company's total operating costs had represented 76% of the 2024 cost base. The decline of the costs had been, to the largest extent, driven by a material reduction of the cost of goods, materials and services sold, which had gone down by 17% year on year.

The cost of goods, materials and services sold had come in at PLN 18 144 million in 2025, and it had been lower by PLN 3 721 million as compared to 2024. The most significant contributor to this change had been the decrease in the cost of the electricity purchased, as a result of:

- the purchases executed at the average prices that had been lower by 17% than in the prior year;
- a concurrent decrease by 3% in the volume of the electricity purchased as compared to the prior year.

The costs of the financing activities had clocked in at PLN 1 163 million in 2025, and they had been lower by 67% than in 2024. The structure of the financial expenses had been dominated by:

- the interest costs related to the use of the external financing – 61%;
- the costs of the revaluation and the settlement of the redeemed derivative financial instruments – 35%;
- the other financial expenses – 4%.

The changes in the level and structure (mix) of the costs reflect, first and foremost, the market conditions on the energy and gas markets, as well as the impact of the fair valuation of the financial instruments and the changes in the value of the financial positions (items).

Company's assets and financial position

Table no. 33 Company's annual standalone statement of financial position, drawn up in accordance with the IFRS (material items)

Statement of financial position drawn up in accordance with the IFRS (PLN m)	As of December 31, 2025	As of December 31, 2024.	Change in % (2025 / 2024)
ASSETS			
Fixed assets	26 433	26 138	101%
Interests and shares	17 060	16 085	106%
Loans granted	9 307	9 888	94%
Current assets	4 331	2 767	157%
Inventory	44	34	129%
Accounts receivable due to deliveries and services and other accounts receivable	1 480	1 746	85%
Loans granted	1 889	521	363%
Cash and equivalents	181	172	105%
TOTAL ASSETS	**30 764**	**28 905**	**106%**
EQUITY AND LIABILITIES			
Equity	15 002	11 881	126%
Long term liabilities	9 599	10 739	89%
Liabilities due to debt	9 488	10 661	89%

Short term liabilities	6 163	6 285	98%
Liabilities due to debt	4 229	4 477	94%
Liabilities towards suppliers	791	1 020	78%
TOTAL EQUITY AND LIABILITIES	**30 764**	**28 905**	**106%**

As of December 31, 2025, the structure of the Company's assets had been predominantly composed of the fixed (non-current) assets which had accounted for 86% of the total assets (balance sheet total). The key items of the fixed assets had been:

- shares and interests – accounting for 55% of the total assets;
- loans granted – accounting for 30% of the total assets

This structure (mix) reflects the holding nature of the Company's operations and its role in the financing and exercising of the ownership oversight over the entities that are a part of TAURON Group.

As of December 31, 2025, and as of December 31, 2024, the share of the equity in the total equity and liabilities had stood at 49% and at 41%, respectively, which had confirmed the gradual strengthening of the Company's financing structure.

Debt

As of December 31, 2025, the Company's liabilities due to the debt had comprised in particular:

- the bonds issued as part of the bond issuance program – PLN 3 282 million, including the subordinated hybrid bonds worth PLN 401 million;
- the syndicated loans from a banking consortium – PLN 899 million;
- the loans from Bank Gospodarstwa Krajowego (BGK) – PLN 1 571 million;
- the borrowings from the related parties under a cash pooling agreement – PLN 3 153 million;
- the loans from the European Investment Bank (EIB) – PLN 2 795 million (including the accrued interest);
- the loans from the funds available under the National Recovery and Resilience Plan (KPO) – PLN 640 million;
- the loans from Erste Group Bank AG – PLN 505 million (including the accrued interest);
- the overdraft (current account credit facility) at BGK – PLN 160 million;
- a loan from a subsidiary – PLN 706 million

In addition, in accordance with IFRS 16 Leases, the liabilities due to the debt had included the lease accounts payable in the total amount of PLN 7 million, relating to, among other things, the perpetual usufruct of land, the office and storage space leases, the parking spaces, as well as the vehicles.

Cash Flow Statement

Table no. 34 Statement of cash flows drawn up in accordance with the IFRS (material items)

Statement of cash flows drawn up in accordance with the IFRS (PLN '000)	2025	2024	Change in % (2025 / 2024)
CASH FLOW FROM OPERATING ACTIVITIES			
Pretax profit / (loss)	3 351	617	543%
Adjustments	(3 284)	68	-
Net cash from operating activities	**67**	**685**	**10%**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of shares in a subsidiary	(754)	(9)	8 378%

Loans granted	(5 492)	(1 184)	464%
Repayment of loans granted	4 282	327	1 309%
Dividends received	2 579	1 336	193%
Interest received on loans granted	457	916	50%
Net cash from investing activities	**998**	**2 177**	**46%**
CASH FLOW FROM FINANCING ACTIVITIES			
Redemption of debt securities	(1 750)	(982)	178%
Repayment of loans	(3 330)	(9 061)	37%
Interest paid	(725)	(783)	93%
Loans taken	3 859	6 870	56%
Net cash from financing activities	**(1 182)**	**(3 192)**	**37%**
Increase / (decrease) in net cash and equivalents	(117)	(330)	35%
Net FX differences	-	-	0%
Change in judgement regarding the cash pool transactions	-	750	-
Cash opening balance	**133**	**463**	**29%**
Cash closing balance	**16**	**133**	**12%**

In 2025, TAURON's total cash balance, derived from the operating, investing and the financing activities, and taking into account the cash opening balance, had clocked in at PLN 16 million.

The cash balance reported on the balance sheet as of the end of the reporting period had additionally been adjusted for the net balances of the loans granted and borrowings taken on under the cash pooling transactions. This adjustment is made due to the fact that the cash flows related to the cash pooling are not classified as investing or financing activities, but rather serve in order to manage the day to day liquidity of the Company.

5.3. Differences between the financial results reported in the annual report and the forecasts of the results for the given year published earlier

The Management Board of the Company did not publish any forecasts of the earnings of TAURON for 2025. This decision had been due to the considerable volatility of the market and a substantial number of the factors affecting its predictability.

5.4. Key financial ratios and the alternative performance measures

The table below presents the key financial ratios of TAURON, which constitute a material source of the information for the investors with respect to the financial and operational standing of the Company. The Alternative Performance Measures presented below, as defined by the ESMA Guidelines on the Alternative Performance Measures, in the opinion of the Management Board, provide the additional supplementary information with respect to the financial performance (results) of the Company.

They constitute the standard metrics commonly used in the financial analysis, allowing for a better evaluation of the financial standing, financial efficiency as well as the Company's ability to generate the cash flows.

The usefulness of the metrics has been analyzed in terms of the value of the information provided thereby to the investors and their ability to provide the support for the comparisons over time. In 2025, there had been no changes to the methodology for determining of the individual metrics in relation to 2024, which ensures the full comparability of the data presented.

Table no. 35 Key financial ratios of TAURON

Item	Definition	2025	2024	Change in % (2025 / 2024)
EBIT (PLN m)	Operating profit	465	811	57%
EBIT margin	EBIT / sales revenue	2.5%	3.5%	71%
EBITDA (PLN m)	Operating profit before depreciation	479	822	58%
EBITDA margin	EBITDA / sales revenue	2.5%	3.6%	69%
Gross Profitability	Pretax profit / sales revenue	17.8%	2.7%	659%
Net Profitability	Net profit / sales revenue	17.6%	2.2%	800%
Return on equity	Net profit / equity as of the end of the period	22.0%	4.3%	512%
Return on assets	Net profit / total assets	10.7%	1.8%	594%
Current liquidity ratio	Current assets / short term liabilities	0.70	0.44	159%

In 2025, the EBITDA and EBIT margins both had stood at the level of 2.5%, which had represented a year on year decline of 1.1 percentage points and 1.0 percentage point, respectively. The deterioration

of both metrics had primarily been attributable to a decline in operating profit, driven by the lower margins on trading activities in the areas of electricity, gas, and the CO_2 emission allowances trading. This had been accompanied by a decrease in sales revenue, mainly as a result of lower electricity prices and volumes of the electricity sold, as well as lower gas prices and volumes of the gas sold. The detailed factors driving the changes in the revenue are discussed in Section 5.2 of this report.

The pre-tax (gross) profitability had come in at 17.8% in 2025, as compared to 2.7% in the prior year, which had represented an improvement by 15.1 percentage points. This change had been the result of a material improvement in the pre-tax (gross) profit, driven in particular by:

- an increase in the revenue from the dividends, primarily due to the recognition (booking) of the dividend received from the TAURON Dystrybucja subsidiary;
- an increase as a consequence of the revaluation of the loans granted (loans receivable), following an upward revaluation of the loan granted to the TAURON Wytwarzanie subsidiary, based on the analyses of the financing extended to the subsidiaries secured against the future cash flows;
- a lower level of the loss on the derivative financial instruments, resulting from the strengthening of the Polish zloty and a decline in the fair (marked to market) value of the foreign currency derivatives;
- a decrease in the interest income from the loans, which is driven primarily by the lower income from the loan granted to the TAURON Wytwarzanie subsidiary, as a result of the reduction in the carrying amount of the loan constituting the basis for the interest accrual as a consequence of the cash flow analyses performed as of June 30, 2024. In addition, the lower interest income is a result of a lower average annual level of the utilization of the external financing and the general decline in the level of the interest rates;
- a lower level of the income from the revaluation of the interests and shares (equity investments). In 2025, the impairment write down related to the carrying amount of the interests held in the TAURON Ciepło subsidiary had been partially reversed, in connection with the positive results of the impairment tests carried out (the details are presented in Note 11 to the standalone financial statements).

The net profitability had clocked in at 17.6% in 2025, as compared to 2.2% in the prior year, which had represented an increase by 15.4 percentage points. This improvement had primarily been attributable to the growth in pre-tax (gross) profit combined with a lower corporate income tax related charge during the same period.

Return on Equity (ROE) had stood at the level of 22.0% in 2025, as compared to 4.3% in the prior year, which had represented an improvement by 17.7 percentage points. This change had been a direct result of the improvement in the net profit.

Return on Assets (ROA) had gone up by 8.9 percentage points in 2025, coming in at the level of 10.7%. The key driver behind this improvement had been the change in the net profit from PLN 510 million in 2024 to PLN 3 306 million in 2025. At the same time, the value of the ratio had been affected by an increase in the total assets. The growth in the assets had been primarily driven by:

- an increase in the carrying amount of the loans granted (loans receivable), in connection with the disbursement of the loan tranches to TAURON Dystrybucja from the funds available under the National Recovery and Resilience Plan (KPO), received under a loan agreement entered into with Bank Gospodarstwa Krajowego (BGK), as well as in connection with the revaluation of the loan granted to the TAURON Wytwarzanie subsidiary as of the balance sheet date;
- an increase in the carrying amount of the interests and shares (equity investments), in particular as a result of the share capital increases at the TAURON Zielona Energia and TAURON Inwestycje subsidiaries, the buyout of the shares from the minority shareholders at TAURON Dystrybucja, and the partial reversal of the impairment write down related to the interests held in TAURON Ciepło;
- a decrease in the accounts receivable from the consumers (trade receivables), as a consequence of the lower electricity and gas prices;
- an increase in the other financial assets, in connection with an increase in the accounts receivable due to the settlement of the corporate income tax of the subsidiaries that are a part of the Tax Capital Group

The current liquidity ratio as of the end of 2025 had come in at 0.70, which had represented an increase by 0.26 percentage points as compared to the prior year. This change had, first and foremost, been a consequence of an increase in the current assets, while the short term liabilities had remained at a comparable level year on year.

6. Analysis of the financial position and assets of TAURON Capital Group

6.1. Principles of drawing up of the annual consolidated financial statements

Consolidated Financial Statements of TAURON Capital Group have been drawn up in accordance with the IFRS, approved by the EU.

The IFRS comprise the standards and the interpretations approved by the International Accounting Standards (IAS) Board as well as the International Financial Reporting Standards (IFRS) Interpretation Committee.

The Consolidated Financial Statements of TAURON Capital Group have been drawn up with the assumption of the continuation of the business operations (going concern) by TAURON Capital Group's subsidiaries in the foreseeable future, i.e. over the time frame not shorter than 1 year from the balance sheet date. As of the date of the approval of the Consolidated Financial Statements of TAURON Capital Group for publication, no circumstances have been detected, indicating any risk for business continuity by TAURON Capital Group.

The accounting principles (policy) adopted for drawing up of the Consolidated Financial Statements of TAURON Capital Group are presented in note 6 and in the individual notes to the Consolidated Financial Statements of TAURON Capital Group.

The accounting principles (policies) applied in drawing up of the consolidated financial statements are in line with those used in drawing up of the annual consolidated financial statements of TAURON Polska Energia S.A. for the year ended on December 31, 2024, with the exception of the change in the accounting principles (policy) with respect to the hedging instruments subject to the hedge accounting as described in the consolidated financial statements. The amendments to IAS 21, *The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability*, which had entered into force as of January 1, 2025, had no impact on the Group's accounting policies.

6.2. TAURON Capital Group's financial results

TAURON Group's financial results for 2025 came in at an all time high level. The Group's EBITDA clocked in at PLN 7.5 billion, and it was more than PLN 1 billion higher than in 2024. The net profit for 2025 stood at PLN 3.3 billion, a result nearly six times better than in 2024. The Group's financial position is very good, as evidenced by a drop of net debt/EBITDA ratio and the upgrading of the Company's rating outlook by Fitch from stable to positive.

At the same time, we are successfully implementing our strategy for securing grants and preferential financing. This type of financing already accounts for 18% of planned capital expenditures in our strategic outlook, with a target level of 20-30% set for 2035. In 2025 alone, under the National Recovery and Resilience Improvement Plan, we secured over PLN 4.9 billion in funding for the construction and modernization of distribution networks, PLN 310 million in preferential support for the advanced digital transformation of distribution, PLN 269 million for the construction of RES facilities, and PLN 128 million for a hydrogen production plant. The contracts signed have propelled the TAURON Group to the top spot nationwide in terms of funds secured from the National Recovery Plan. Additionally, we secured PLN 538 million in grants for the construction of 11 energy storage facilities from the Modernization Fund, which was the second-highest amount nationwide

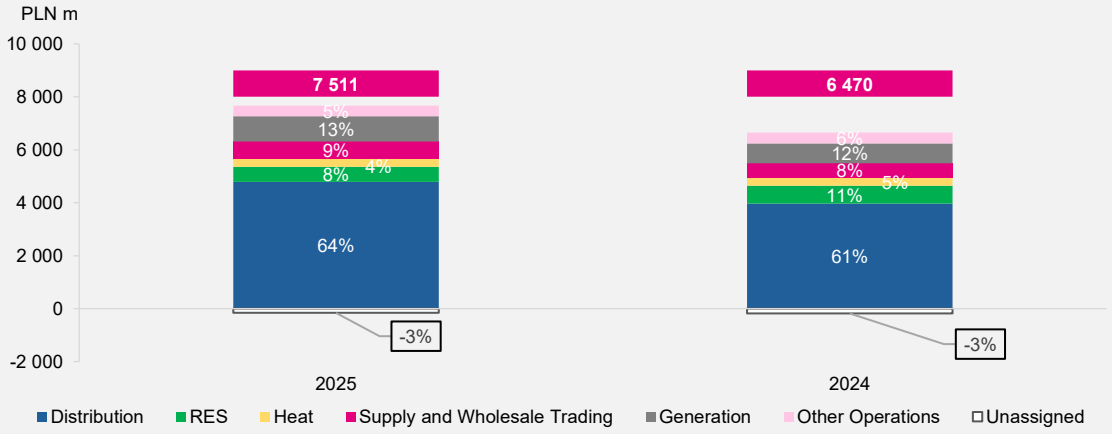
The effectiveness of our efforts has been appreciated by our shareholders. Since March 2024, the Company's market capitalization has tripled, and in 2025 alone the market valuation grew by 130%, topping PLN 15 billion. In addition, in March of this year, TAURON was once again included in the WIG-20 index, which comprises the elite group of the largest publicly traded companies. We are all the more pleased that, thanks to the TAURON Group's solid financial position, we were able to meet our shareholders' expectations and recommend a dividend payout from profits as early as 2025.

Krzysztof Surma, Vice President of the Management Board for Finance

Table no. 36 TAURON Capital Group's 2024-2025 EBITDA broken down into individual lines of business (segments of operations)

EBITDA (PLN m)	2025	2024 (Adjusted data)	Change in % (2025 / 2024)
Distribution	4 788	3 963	**121%**
RES	572	684	**84%**
Heat	296	302	**98%**
Supply and Wholesale Trading	662	545	**121%**
Generation	948	746	**127%**
Other operations	406	412	**99%**
Unassigned items	(161)	(182)	**88%**
EBITDA	7 511	6 470	116%

Figure no. 26 TAURON Capital Group's 2025-2024 EBITDA structure



The Distribution, Generation as well as the Supply and Wholesale Segments had been the biggest contributors to TAURON Capital Group's EBITDA in 2025.

Figure no. 27 Change in TAURON Capital Group's EBITDA in the years 2024-2025

6.3. TAURON Capital Group's financial results by segments of operations

Distribution Segment

Table no. 37 Distribution Segment's results in the years 2025-2024

Item (PLN m)	2025	2024	Change in % (2025 / 2024)
Sales revenue and the compensation payments	**12 360**	**11 906**	**104%**
distribution services	11 806	10 984	107%
electricity from the reconciliation of the balancing difference	118	502	24%
new grid connections	127	129	98%
power line collisions	113	90	126%
other revenue	196	201	98%
EBIT	**3 274**	**2 547**	**129%**
Depreciation and impairment charges	-1 514	-1 416	107%
EBITDA	**4 788**	**3 963**	**121%**

In 2025, the Distribution Segment had reported an increase by 4% in the sales revenue and the compensation payments as compared to 2024, while the EBIT and EBITDA had gone up by 29% and by 21%, respectively.

The following factors had, in particular, an impact on the Segment's results:

- + PLN 379 million: a higher margin on the distribution services, driven first and foremost by a 0.36 p.p. year on year rise of the weighted average cost of capital (WACC) and a higher regulatory asset base (RAB) taken into account in the tariff in effect in 2025;
- + PLN 359 million: a positive impact of the regulatory account settlements taken into account in the tariff in effect in 2025;
- + PLN 83 million: an increase of the total electricity distribution volume by 0.38 TWh (including by 0.43 TWh to the final consumers), driven first of all by the higher demand in the A tariff group related to the elevated industrial activity in the metallurgical, raw materials and chemical sectors, and in the G group as a consequence, among other things, of the growth in the number of the consumers,
- + PLN 4 million: the other factors, representing a net effect of the higher revenue from the other distribution activities, including, among other things, the power line collision related works, partially offset by a negative balance of the impairment write downs.

Figure no. 28 Change in EBITDA of the Distribution Segment in the years 2024-2025

Major investment projects (CAPEX)

Major investment projects (CAPEX) in the Distribution Segment are described in section 2.4 of this report.

The scope and structure of the investment projects carried out had provided the support for both the ongoing reliability of the distribution grid and the long term objectives related to the expansion of the grid and the growth in the number of the consumers connected to the grid.

Renewable Energy Sources (RES) Segment

Table no. 38 RES Segment's results in the years 2025-2024

Item (PLN m)	2025	2024	Change in % (2025 / 2024)
Sales revenue	**939**	**987**	**95%**
Electricity	*840*	*864*	97%
property rights related to guarantees of origin of electricity (energy certificates)	*69*	*89*	78%
other revenue	*30*	*34*	88%
EBIT	368	497	74%
depreciation and impairment charges	-204	-187	109%
EBITDA	**572**	**684**	**84%**

In 2025, the sales revenue in the Renewable Energy Sources (RES) Segment had come in lower by 5% year on year, i.e. a decrease by PLN 48 million. This decline had been driven primarily by the lower revenue from the sales of the electricity certificates of origin (guarantees of origin) and electricity. At the same time, EBIT and EBITDA had dropped by 26% and 16%, respectively.

The following factors had, in particular, an impact on the Segment's results:

- - PLN 96 million: a decline in the margin on electricity, resulting primarily from the lower electricity sales prices;
- - PLN 13 million: a lower result on the sales of the electricity certificates of origin (guarantees of origin;
- - PLN 3 million: the other factors, including in particular the higher operating costs.

The decline of the EBIT in 2025 had additionally been affected by the higher depreciation costs associated with the commissioning of the new power generating units.

Change in EBITDA of the RES Segment in the years 2024-2025

Major investment projects (CAPEX)

Major investment projects (CAPEX) in the RES Segment are described in section 2.4 of this report.

The scope of the investment projects carried out confirms the steadfast implementation of the renewable energy sources expansion (growth) strategy and a further diversification of the Group's generation portfolio.

Heat Segment

Table no. 39 Heat Segment's results in the years 2025-2024

Item (PLN m)	2025	2024	Change in % (2025 / 2024)
Sales revenue and the compensation payments	**2 328**	**2 302**	**101%**
Electricity	*497*	*590*	*84%*
heat	*1 734*	*1 544*	*112%*
property rights related to the guarantees of origin of electricity (energy certificates)	*12*	*23*	*52%*
services – capacity market	*27*	*25*	*108%*
compensation payments	*41*	*109*	*38%*
other	*17*	*11*	*155%*
EBIT	**151**	**161**	**94%**
depreciation and impairment charges	-145	-141	103%
EBITDA	**296**	**302**	**98%**

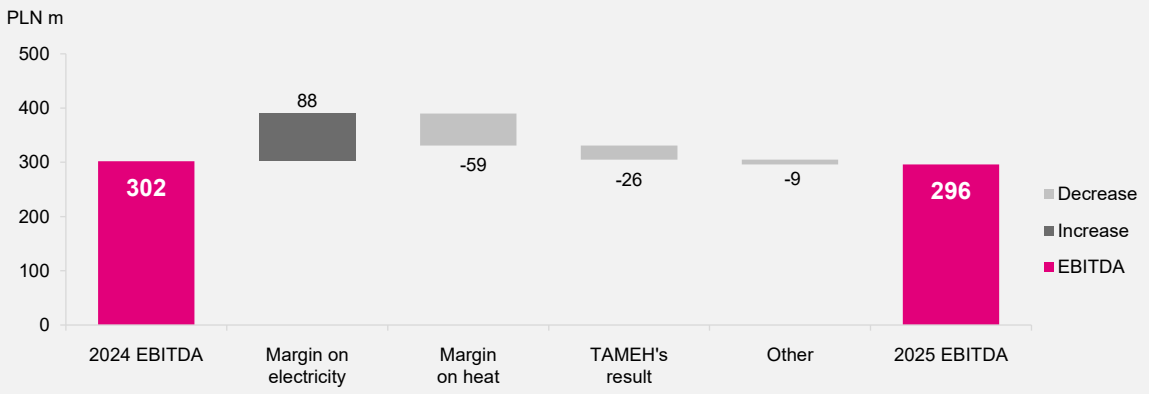
In 2025, the sales revenue in the Heat Segment had been higher by 1% as compared to 2024. This growth had been driven primarily by the higher revenue from the heat sales, as a result of a larger volume of the heat sold and transmitted, which had been a consequence of the lower outdoor temperatures year on year.

At the same time, the EBITDA and EBIT results of the Heat Segment had come in lower in 2025 than in the same period of the prior year. The results posted had been impacted, in particular, by the following factors:

- + PLN 88 million: a higher margin on the heat sales, driven primarily by a larger volume of the heat sold and distributed as well as the lower heat production costs,
- - PLN 59 million: a lower margin on the electricity sales, as a consequence of the lower electricity sales prices, partially offset by a lower unit cost of the production thereof,
- - PLN 26 million: an impact of a one off event, a lower TAMEH result, as a consequence of the positive impact, in 2024, of the accounting settlement of the loss of the joint control over TAMEH Czech s.r.o.,
- - PLN 9 million: the other factors, including, in particular, the recognition (booking) of an impairment write down related to the accounts receivable.

In addition, the decline of the EBIT result in 2025 had been driven by the higher depreciation related to the shortening of the economic useful life of the property, plant and equipment (fixed assets), the classifying the newly commissioned assets as the property, plant and equipment, and the reversal of the impairment write downs related to the non-financial assets.

Figure no. 29 Change in EBITDA of the RES Segment in the years 2024-2025



Major investment projects (CAPEX)

Major investment projects (CAPEX) in the Heat Segment are described in section 2.4 of this report.

Supply and Wholesale Trading Segment

Table no. 40 Supply and Wholesale Trading Segment's results in the years 2025-2024

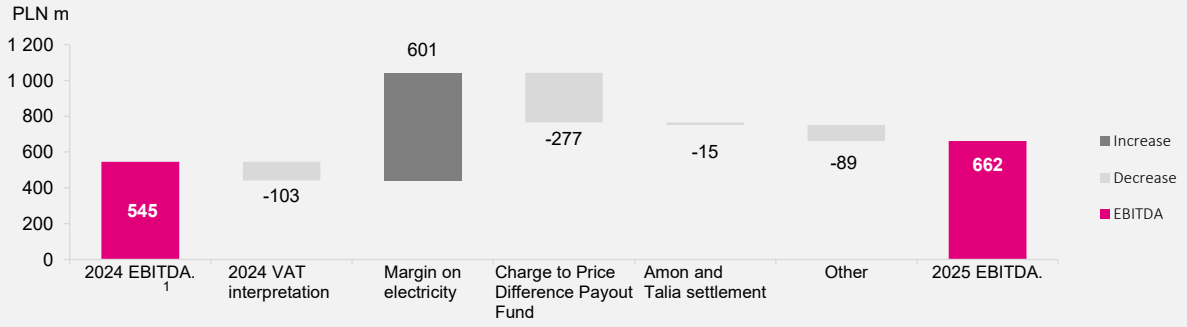
Item (PLN m)	2025	2024 (Adjusted data)	Change in % (2025 / 2024)
Sales revenue and the compensation payments	**26 193**	**29 311**	**89%**
electricity, including:	15 393	17 117	90%
revenue from retail electricity supply	12 882	15 209	85%
distribution service (passed on)	5 053	4 465	113%
greenhouse gas emission allowances	3 522	3 809	92%
compensation payments	1 040	2 283	46%
Fuels	895	1 366	66%
other revenue, including trading services	290	271	107%
EBIT	**651**	**537**	**121%**
depreciation and impairment charges	-11	-8	138%
EBITDA	**662**	**545**	**121%**

In 2025, the sales revenue and the compensation payments in the Supply and Wholesale Trading Segment had been lower by 11% as compared to 2024, i.e. a decrease by PLN 3 118 million. This drop had been driven, first and foremost, by the lower retail electricity sales revenue as a consequence of the lower supply volume resulting from the lower demand and a lack of the renewals of the contracts by some of the business and SME customers, as well as the materially lower amount of the compensation payments obtained. In 2025, the compensation payments had represented only 46% of the amount received in the same period of the prior year, as a result of the discontinuation of the compensation payments mechanism for the local government units and the SME sector, as well as a lower level of the tariff prices relative to the maximum price for the households.

In spite of the decline of the revenue, the EBITDA and EBIT results of the Supply and Wholesale Trading Segment had been higher in 2025 than in the same period of 2024. The EBITDA result had been impacted, in particular, by the following factors:

- - PLN 103 million: not including the release of the provision related to the 2024 interpretation by the tax authorities regarding settlement of VAT in the 2025 financial statements
- - PLN 277 million: provision for a payment to the Price Difference Payout Fund relate to the proceeding carried out by the President of ERO;
- + PLN 747 million: higher margin on electricity supply
- - PLN 146 million: provision established in 2025 for onerous contracts in the Households Segment resulting from the G tariff approved by the President of ERO
- - PLN 62 million: expired overpayments from Clients redeemed in 2024, redeemed receivables due to penalties and higher asset impairment write down in 2025;
- - PLN 42 million: other factors.

Figure no. 30 Change in EBITDA of the Supply and Wholesale Segment in the years 2024-2025



[1]*Adjusted data.*

Major investment projects (CAPEX)

The total capital expenditures in the Sales and Wholesale Trading Segment had clocked in at PLN 3 million in 2025.

Generation Segment

Table no. 41 *Generation Segment's results in the years 2025-2024*

Item (PLN m)	2025	2024	Change in % (2025 / 2024)
Sales revenue	**8 070**	**8 215**	**98%**
Electricity	6 608	6 921	95%
services – capacity market	876	802	109%
Heat	292	284	103%
by-products of the combustion process and by-products of the mining process	127	115	110%
Biomass	98	61	161%
Other	69	32	216%
EBIT	**661**	**-1 046**	**-**
depreciation and impairment charges	-287	-1 792	16%
EBITDA	**948**	**746**	**127%**

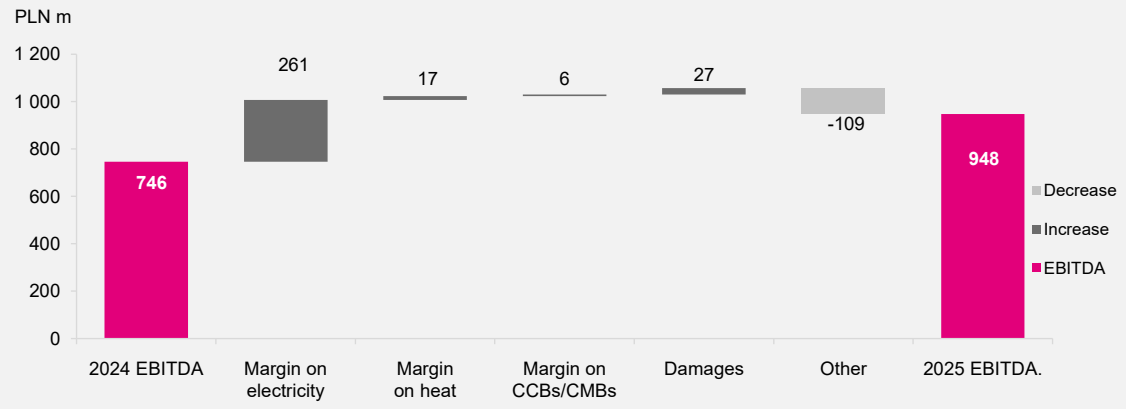
In 2025, the sales revenue in the Generation Segment had been lower by 2% as compared to 2024, i.e. a decrease by PLN 145 million. This drop had been driven, first of all, by the lower revenue from the electricity sales, as a consequence of the market price declines. This fall had been partially offset by the higher revenue from the capacity market, resulting from the repricing of the multi year contracts.

The EBITDA and EBIT results of the Generation Segment had been higher in 2025 than in the prior year. The improvement of the results had been impacted, in particular, by the following factors:

- + PLN 261 million: the higher margin on the electricity sales, resulting from a larger supply volume attributable to the higher futures market contracting and an elevated demand from the system operator. The level of the margin had been negatively affected by the lower electricity sales prices, partially offset by the lower prices of the hard coal and the CO_2 emission allowances,
- + PLN 17 million: the higher margin on the heat sales, resulting from a lower unit production cost driven by the lower hard coal prices, and from the larger heat supply volume as a consequence of the lower outdoor temperatures year on year;
- + PLN 6 million: the higher margin on the sales of the combustion by-products (UPS) and the mining by-products (UPW), achieved due to a larger volume of the ash and aggregate sales;
- + PLN 27 million: the compensation received for a loss of the profits related to the outages of the generating units;
- - PLN 109 million: the other factors, including the higher balance of the provisions related to the decommissioning and demolition of the infrastructure assets, and the settlement of the grants recognized (booked) in 2024, which have an impact on the comparability of the earnings.

In addition, the improvement in the EBIT result in 2025 had been driven by the impairment write downs related to the non-financial assets, which had burdened the Segment's earnings in the prior year.

Figure no. 31 Change in EBITDA of the Generation Segment in the years 2024-2025



Major investment projects (CAPEX)

Major investment projects (CAPEX) in the Generation Segment are described in section 2.4 of this report.

Other Operations

Table no. 42 Other Operations Segment's results in the years 2025-2024

Item (PLN m)	2025	2024 (Adjusted data)	Change in % (2025 / 2024)
Sales revenue	**1 496**	**1 450**	**103%**

support services	613	565	108%
customer service	420	394	107%
street lighting	175	169	104%
aggregates	174	188	93%
other revenue	114	134	85%
EBIT	**140**	**128**	**109%**
depreciation and impairment charges	-266	-284	94%
EBITDA	**406**	**412**	**99%**

In 2025, the sales revenue of the Other Operations segment had come in at PLN 1 496 million, and they had been higher by 3%, i.e. an increase by PLN 46 million, as compared to 2024. This growth had been driven primarily by the higher revenue from the sales of the support services provided to TAURON Group's subsidiaries and the higher street lighting services sales revenue, partially offset by the lower aggregates sales revenue posted during the same period.

Major investment projects (CAPEX)

The total capital expenditures in the Other Operations Segment had clocked in at PLN 414 million in 2025.

The major expenditure items had been related to:

- PLN 201 million: the IT investment projects at the TAURON Obsługa Klienta (Customer Service) subsidiary,
- PLN 72 million: the maintenance and expansion of the street lighting,
- PLN 55 million: the construction of the fiber optic network,
- PLN 24 million: CSIRE (Central System for Exchange of Information on the Energy Market) for the Supply Line Business.

The structure of the capital expenditures incurred confirms the segment's focus on the development of the technological capabilities (competences) and on the provision of the support for the customer service processes and the Group's operations.

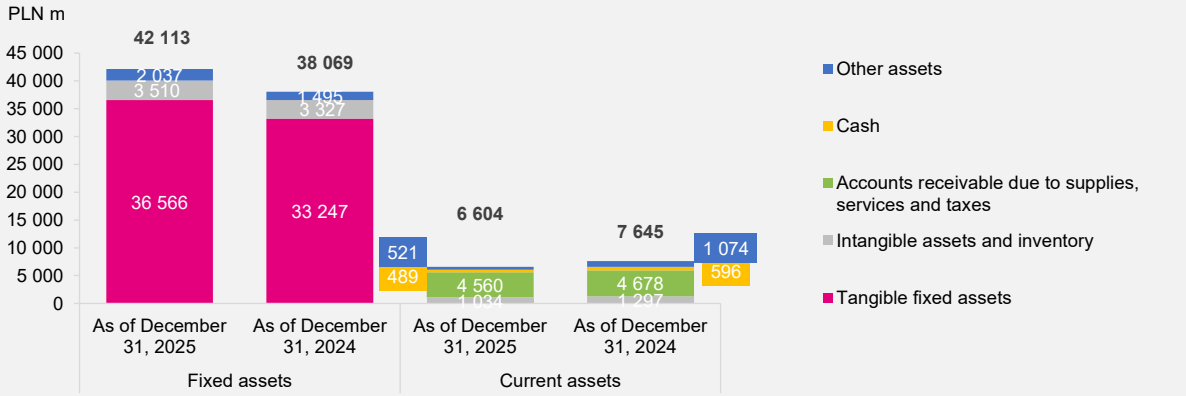
6.4. Characteristics of the structure of assets and liabilities in the consolidated statement of financial position

Table no. 43 Consolidated statement of financial position – assets (material items) as of December 31, 2025, and as of December 31, 2024

	As of December 31, 2025		As of December 31, 2024		Change in % (2025 / 2024)
	PLN m	Structure in %	PLN m	Structure in %	
ASSETS					
Fixed assets	42 113	86.4%	38 069	83.3%	111%
Tangible fixed assets	36 566	75.1%	33 247	72.7%	110%
Current assets	6 604	13.6%	7 645	16.7%	86%
Cash and equivalents	489	1.0%	596	1.3%	82%
Fixed assets and the group's assets for disposal, classified as held for trade	5	0.0%	5	0.0%	100%
TOTAL ASSETS	**48 717**	**100.0%**	**45 714**	**100.0%**	**107%**

As of December 31, 2025, TAURON Capital Group's statement of financial position shows the balance sheet total that is higher by 7% as compared to the balance sheet total as of December 31, 2024.

Figure no. 32 Change in the structure and level of the assets as of December 31, 2025, and as of December 31, 2024



The fixed assets (non-current assets) had dominated TAURON's asset structure (mix), accounting for 86.4% of the total assets. The value of the fixed assets had gone up by 11%, i.e. by PLN 4 044 million, mainly as a result of intensification of the investment projects carried out and the increases of the value of:

- the property, plant and equipment (tangible fixed assets) by 10%, i.e. by PLN 3 319 million, mainly in the Distribution Segment by 10%, i.e. by PLN 2 397 million and in the RES Segment by 19%, i.e. by PLN 756 million,
- the other non-financial assets by 194%, i.e. by PLN 647 million, mainly due to a change in the balance sheet item related to the advance payments on the fixed assets under construction and the intangible assets by 230%, i.e. by PLN 643 million, including, among other things, in connection with the construction of the wind and photovoltaic farms (an increase by PLN 595 million).

At the same time, the current assets had decreased in value by 14%, i.e. by PLN 1 041 million. This decline had been the net result of the following changes:

- a decrease in the value of CO_2 emission allowances held for redemption by 54%, i.e. by PLN 177 million, along with an increase in the value of electricity certificates of origin (guarantees of origin) by PLN 44 million, i.e. by 126%,
- a decrease in the value of inventory, primarily of the hard coal by 14%, i.e. by PLN 130 million,
- a decrease in the value of the accounts receivable due from the consumers by 1%, i.e. by PLN 33 million,
- a decrease in the value of the corporate income tax related accounts receivable by 52%, i.e. by PLN 67 million and a decrease of the other tax related accounts receivable by 4%, i.e. by PLN 18 million,
- a decrease in the value of the derivative financial instruments by 60%, i.e. by PLN 96 million,
- a decrease in the value of the other financial assets by 57%, i.e. by PLN 423 million, mainly the accounts receivable due to the compensations for the energy trading subsidiaries by 66%, i.e. by PLN 394 million, and the accounts receivable due to the dividend from TAMEH Holding Sp. z o.o. by 100%, i.e. by PLN 32 million,
- a 20% decrease in the value of the other non-financial assets by 20% i.e. by PLN 34 million,
- a decrease in the value of the cash and cash equivalents by 18%, i.e. by PLN 107 million.

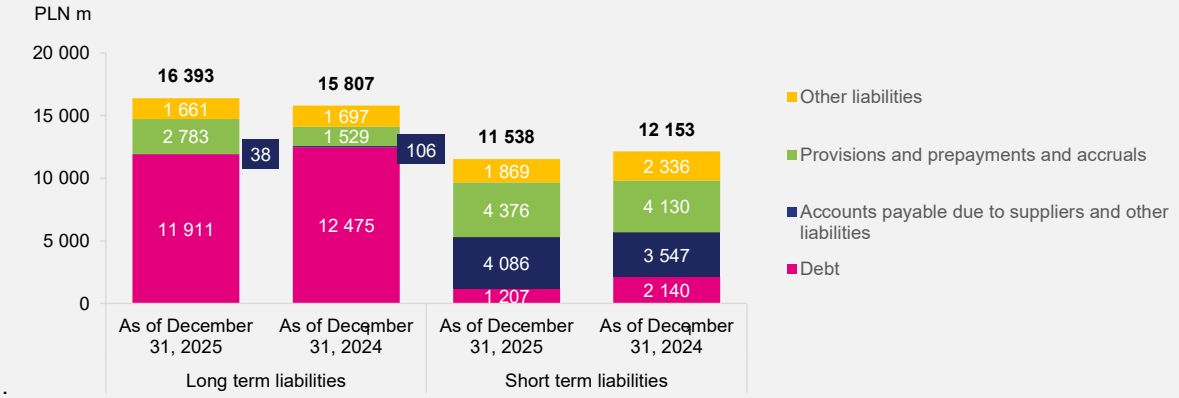
The changes in the structure (mix) of the assets reflect a shift in the weight of the balance sheet towards the fixed assets (non-current assets), associated with the implementation of the capital expenditure (CAPEX) program, along with a reduction in the level of the current assets during the same period.

Table no. 44 Consolidated statement of financial position – equity and liabilities (material items) as of December 31, 2025 and as of December 31, 2024

Statement of financial position (PLN m)	As of December 31, 2025		As of December 31, 2024		Change in % (2025 / 2024)
	PLN m	Structure in %	PLN m	Structure in %	
EQUITY AND LIABILITIES					

Equity attributable to shareholders of the parent entity	20 783	42.7%	17 713	38.7%	117%
Non-controlling shares	3	0.0%	41	0.1%	7%
Total equity	20 786	42.7%	17 754	38.8%	117%
Long term liabilities	16 393	33.6%	15 807	34.6%	104%
Liabilities due to debt	11 911	24.4%	12 475	27.3%	95%
Short term liabilities	11 538	23.7%	12 153	26.6%	95%
Liabilities due to debt	1 207	2.5%	2 140	4.7%	56%
Total liabilities	27 931	57.3%	27 960	61.2%	100%
TOTAL EQUITY AND LIABILITIES	**48 717**	**100.0%**	**45 714**	**100.0%**	**107%**

Figure no. 33 Change in the structure and level of the long term liabilities and the short term liabilities as of December 31, 2025, and as of December 31, 2024



The value of TAURON Group's long term liabilities as of the end of 2025 had come in at the level higher by 4%, i.e. by PLN 586 million, as compared to the values reported as of 31 December 2024, which had been the net result of the following changes:

- an increase in the value of the prepayments and accruals by 173%, i.e. by PLN 1 058 million, mainly related to the balance sheet item representing the settlement of the valuation of the loan from the funds available under the National Recovery and Resilience Plan (KPO) and of the subsidies received as part of European funds,
- an increase in the value of the provisions for the employee benefits by 17%, i.e. by PLN 119 million,
- an increase in the value of the provisions for the costs of the decommissioning and site restoration by 36%, i.e. by PLN 77 million,
- a decrease in the value of the liabilities due to the debt by 5%, i.e. by PLN 564 million,
- a decrease in the value of the liabilities due to the deferred corporate income tax by 4%, i.e. by PLN 62 million.

The value of TAURON Group's short term liabilities had gone down by 5%, i.e. by PLN 615 million, which had been the net result of the following changes:

- a decrease in the value of the liability due to the debt by 44%, i.e. by PLN 933 million,
- a decrease in the value of the accounts payable (trade payables) towards the suppliers by 5%, i.e. by PLN 103 million, and an increase in the value of the investment related liabilities (commitments) by 55%, i.e. by PLN 324 million;
- an increase in the value of the provisions for the employee benefits by 55%, i.e. by PLN 61 million, and of the other provisions by 170%, i.e. by PLN 401 million (including as a result of setting up, as of the balance sheet date falling on December 31, 2025, of a provision for the effects of the proceedings conducted by the President of the Energy Regulatory Office (ERO) with respect to the manner in which the write downs to the Price Difference Payout Fund had been calculated, in the amount of PLN 277 million),
- a decrease in the value of the provisions for the liabilities arising from the electricity certificates of origin (guarantees of origin) by 7%, i.e. by PLN 12 million, and of the provision for the

liabilities due to the CO_2 emission allowances by 1%, i.e. by PLN 47 million,

- a decrease in the value of the prepayments and accruals ,and government subsidies by 39%, i.e. by PLN 157 million,
- an increase in the value of the liabilities due to the corporate income tax by 1 965%, i.e. by PLN 452 million,
- a decrease in the value of the liabilities due to the other taxes and charges by 14%, i.e. by PLN 134 million, mainly due to the decline in the value of the VAT related liabilities;
- a decrease in the value of the derivative financial instruments by 31%, i.e. by PLN 116 million,
- a decrease in the value of the other financial liabilities by 36%, i.e. by PLN 269 million, which is related to the settlement, in 2025, of the liabilities due to the compensation payments recognized (booked) as of December 31, 2024, in the amount of PLN 311 million,
- a decrease in the value of the other non-financial liabilities by 7%, i.e. by PLN 82 million.

6.5. Overview of the economic and financial figures disclosed in the annual consolidated financial statement

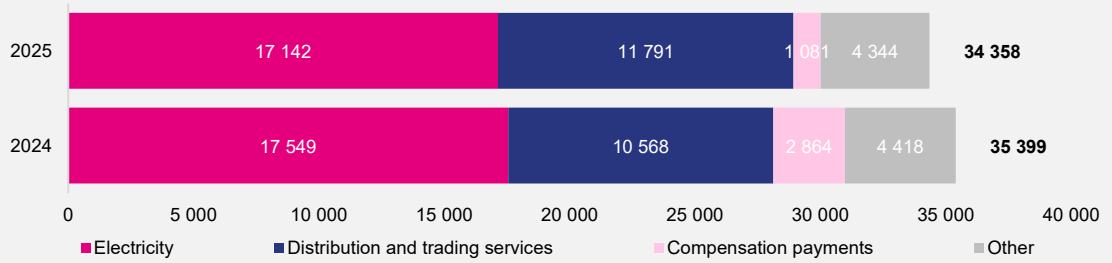
Consolidated statement of comprehensive income

Table no. 45 Annual consolidated statement of comprehensive income for the years 2025-2024

Statement of comprehensive income (PLN m)	2025	2024	Change in % (2025 / 2024)
Sales revenue	33 277	32 535	102%
Compensation payments	1 081	2 864	38%
Own cost of sales	(29 358)	(32 922)	89%
Other operating revenues and costs	35	90	39%
Share in the profits of the joint ventures	57	84	68%
Operating profit	**5 092**	**2 651**	**192%**
Operating profit margin (%)	*14,8%*	*7,5%*	*197%*
Cost of interest on debt	(634)	(672)	94%
Result on derivative financial instruments	(242)	(314)	77%
Other financial revenue and costs	37	221	17%
Pretax financial result	**4 253**	**1 886**	**226%**
Pretax financial result margin (%)	*12.4%*	*5.3%*	234%
Income tax	(938)	(1 296)	72%
Net financial result	**3 315**	**590**	**562%**
Net financial result margin (%)	9.6%	1.7%	565%
Total income for the period	3 068	398	771%
Net profit / loss attributable to:			-
Shareholders of the parent entity	3 313	585	566%
Non-controlling stakes (minority interests)	2	5	40%

EBIT and EBITDA			-
EBIT	5 092	2 651	192%
EBITDA	7 511	6 470	116%

Figure no. 34 Structure of TAURON Capital Group's revenue and the compensation payments for 2025 and 2024



In the financial year ended on December 31, 2025, TAURON Group had recorded a rise in the sales revenue as compared to last year, alongside a fall in the value of the compensation payments as compared to the prior year. A decrease in the compensation payments by 62%, i.e. by PLN 1 783 million, is a consequence of the different settlement rules applicable in the respective years, including the discontinuing of the consumption limit system and the introduction of a uniform maximum price for the households. The levels of the compensation payments are also affected by the G tariff price approved by the President of URE, which had been lower in 2025 than in the prior year. In addition, the narrowing of the range of the consumers entitled to the maximum price in 2025 had resulted in a significant reduction in the compensation payments for some of the institutional customers. An increase in the sales revenue by 2%, i.e. by PLN 742 million had been driven, first and foremost, by the higher revenue from the distribution and trading services by 12%, i.e. by PLN 1 223 million, coming in at PLN 11 791 million, as a consequence of a rise of the distribution and transmission service rates, as well as an increase of the heat sales revenue by 11%, i.e. by PLN 142 million, to come in at PLN 1 440 million, which had been brought about by the higher heat supply volume during the heating season.

At the same time, the electricity sales revenue had declined by 2%, i.e. by PLN 407 million, clocking in at PLN 17 142 million, and the gas sales revenue had fallen by 34%, i.e. by PLN 389 million, coming in at PLN 756 million, which had partially limited the growth momentum of the Group's total revenue. In the case of electricity, the decline had been driven primarily by the 5% lower average electricity sales price, in spite of the total electricity volume supplied being higher by 3% than in the prior year. On the other hand, in the gas segment, the decrease of the revenue had been a consequence of both. A decline of the average sales price by 11%, as well as a reduction of the supply volume by 26%.

The Group's operating costs in 2025 had been lower by 11%, i.e. by PLN 3 564 million, year on year, which had mainly been due to a 15% decline of the average price of both electricity as well as gas, and a 26% decrease of the purchased gas volume. In addition, the hard coal fuel costs had also declined as a result of a decrease in the unit consumption cost by 41%. A further material improvement factor had also been the absence of the significant impairment write downs related to the non-financial fixed assets impairment write downs, which had brought about a hit to the Group's earnings in the prior year in a total amount of PLN 1 549 million.

The above mentioned positive effects had partially been offset by:

- an increase in the depreciation and amortization costs by 6%, i.e. by PLN 142 million, as a consequence of the growth of the value of the Group's assets,
- an increase of the costs of the employee benefits by 13%, i.e. by PLN 413 million, resulting from a rise of the minimum wage in 2025, the implementation of the signed wage agreements and the setting up of a provision for the employees acquiring the retirement rights (entitlements),
- an increase in the costs of the distribution services by 6%, i.e. by PLN 204 million, related primarily to the higher tariff rates,
- recognition in 2025 a payment to the Price Difference Payment Fund resulting from the recognition as of the balance sheet date of a

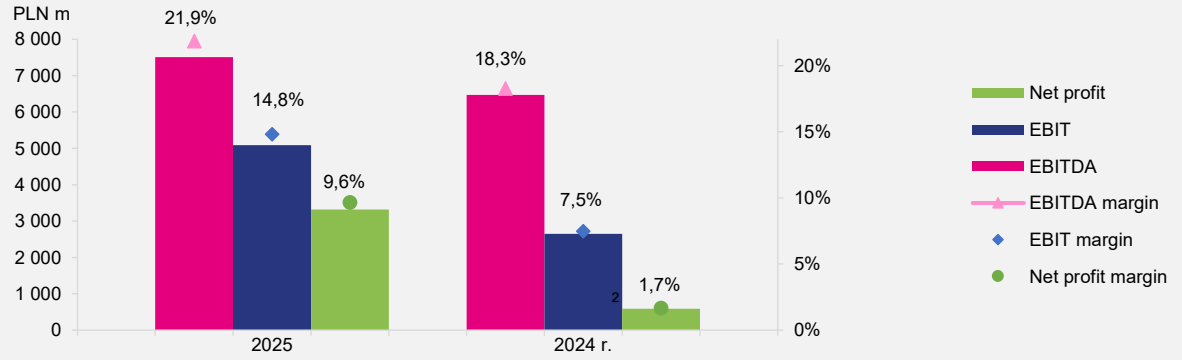
provision in the amount of PLN 277 million for the effects of proceedings conducted by the President of the Energy Regulatory Office regarding the manner in which TAURON Sprzedaż and TAURON Sprzedaż GZE make payments to the Price Difference Payment Fund (this event did not occur in the previous year)

- the establishment, as of the balance sheet date, of a provision for onerous contracts in the amount of PLN 146 million relating to the sale of electricity in the Household segment, in connection with the approval by the President of the Energy Regulatory Office of the tariff for customers in tariff group G, the level of which does not fully cover the costs incurred for the generation or purchase of the electricity necessary to fulfill these contracts.

In addition, in 2025 the Group had recognized (booked) a write down (charge) to the Price Difference Payout Fund by recognizing (booking) a provision in the amount of PLN 277 million, as of the balance sheet date, for the effects of the proceedings conducted by the President of the Energy Regulatory Office (ERO) with respect to the manner in which the TAURON Sprzedaż Sp. z o.o. (Ltd.) and TAURON Sprzedaż GZE Sp. z o.o. (Ltd.) subsidiaries had been making the write downs (charges) to the Price Difference Payout Fund, which had not taken place in the prior year.

In 2025, the EBITDA, EBIT and net profit margins had come in at 21.9%, 14.8% and 9.6%, respectively, which had represented the increases as compared to 2024 by 3.6 p.p., 7.3 p.p. and 7.9 p.p., respectively. The improvement in EBITDA had been driven by the 16% year on year growth of EBITDA, combined with a 62% decline in the compensation payments and a 2% increase in the sales revenue during the same period, which had collectively resulted in a lower denominator of the ratio. The significant improvement in EBIT and net profit had been a consequence of both the improvement in EBITDA as well as the absence in 2025 of the impairment write downs related to the fixed assets which had brought about a hit to the earnings in the prior year.

Figure no. 35 TAURON Capital Group's financial results and the level of the margins earned from the continuing operations in the years 2025 – 2024

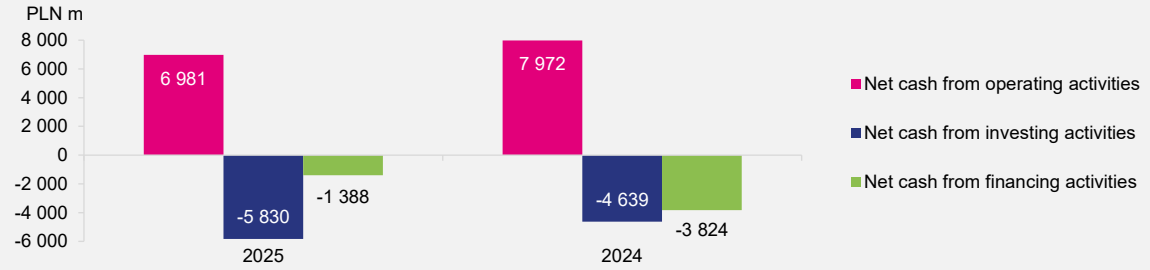


The total comprehensive income attributable to the shareholders of the parent entity posted in 2025 had come in at PLN 3 066 million, as compared to PLN 393 million generated in the prior year, and the net profit attributable to the shareholders of the parent entity in 2025 had clocked in at PLN 3 313 million, as compared to PLN 585 million posted in the same period of 2024.

Statement of cash flows

The total of all of the net cash flow streams from the operating, investing and financing activities had been negative in 2025, coming in at PLN (237) million.

Figure no. 36 Cash flows in the years 2025-2024



In 2025, TAURON Group had generated positive cash flows from the operating activities in the amount of PLN 6 981 million. The key source of the cash had been the high operating profit.

The level of the operating cash flows had been a consequence, in particular, of:

- EBITDA in the amount of PLN 7 511 million, representing the primary source of the generated cash,
- an adjustment for the share of the profit in the joint ventures of a non-cash nature in the amount of PLN 57 million,
- a positive change in the net working capital in the amount of PLN 258 million, driven mainly by:
  - a positive change in the balance of the accounts receivable by PLN 414 million, related to the change in the balance of the accounts receivable from the compensation payments due,
  - a positive change in the inventory level by PLN 79 million, mainly resulting from the consumption of the hard coal inventories for the production;
  - a negative change in the balance of the liabilities by PLN (552) million, primarily relating to the accounts payable, first and foremost, to the suppliers, the accounts payable due to the wages, due to the social security, the other financial and non-financial liabilities as well as the accounts payable due to the taxes (with the exclusion of the corporate income tax),
  - a positive change in the other short (non-current) assets and the long term assets, as well as the provisions in the total amount of PLN 658 million;
  - a negative change in the prepayments and accruals, and government subsidies (grants) by PLN (335) million;
  - a minor drop in the collateral posted with the Commodity Exchange Clearing House (IRGiT) by PLN 6 million,
- the payment of the corporate income tax in the amount of PLN 324 million;
- a negative fair value (mark to market) valuation of the derivative financial instruments in the amount of PLN (425) million, relating primarily to the foreign currency derivatives hedging the FX rate risk associated with the CO_2 emission allowances purchases;
- the other factors with a combined positive impact of PLN 18 million, including first and foremost the non-cash adjustments related to the recognition (booking) and use of the impairment write downs related to the inventory.

The cash flows from the investing activities had been negative, driven first of all by the capital expenditures on the property, plant and equipment (tangible fixed assets), which in 2025 had been higher by 27% than in 2024. The Distribution Segment had accounted for the largest share of the investment outlays, representing 61% of the Group's total capital expenditures.

The cash flows from the financing activities had also been negative, which had primarily been a consequence of the higher repayments of the financial obligations with respect to the new financing obtained. In 2025:

- the repayments of the credit facilities and loans had come in at PLN 3 347 million, and the redemption of the debt securities had clocked in at PLN 1 750 million,
- the proceeds from the new financing reached the level of PLN 4 377 million,
- the interest paid, taking into account the interest refunded, had come in at PLN 476 million,
- the repayments of the lease related liabilities had clocked in at PLN 133 million;
- the buyout of the non-controlling stakes (minority interests) had come in at PLN 37 million,
- the other payments had stood at PLN 22 million.

Table no. 46 The Group's' financial debt and TAURON Capital Group's net financial debt to EBITDA ratio as of December 31, 2025, and as of December 31, 2024

	As of December 31, 2025	As of December 31, 2024	Change in % (2025 / 2024)
Financial liabilities (PLN m)	10 826	11 749	92%
Net financial liabilities (PLN m)	10 337	11 153	93%
Net debt to EBITDA ratio	1.4x	1.7x	82%

The Company has been continuously monitoring the Group's leverage ratio, defined as the ratio of the net financial debt to EBITDA. TAURON's net financial debt, as defined in the individual financing agreements, generally encompasses the obligations to pay or return the funds arising from the credit facilities, loans, debt securities, as well as the financial leases (as defined under IAS 17 Leases). The subordinated bond related liabilities are excluded from this definition. The value of the net financial debt is additionally reduced by the cash and the short term investments with a maturity of up to one year.

As of the end of 2025, the net debt to EBITDA ratio had been lower than as of December 31, 2024. The improvement had been the result of the two key factors. Firstly, the decrease in the net financial debt by 7%, i.e. by PLN 816 million, which translated into the reduction of the leverage ratio by 0.1x. Secondly, the increase in EBITDA by 16%, i.e. by PLN 1 041 million, in 2025, as compared to 2024, had led to a further reduction of the ratio by 0.2x.

Taken together, these changes have confirmed the strengthening of the Group's financial profile and an improvement in its operational debt service capacity.

Figure no. 37 TAURON Capital Group's cash flows in 2025

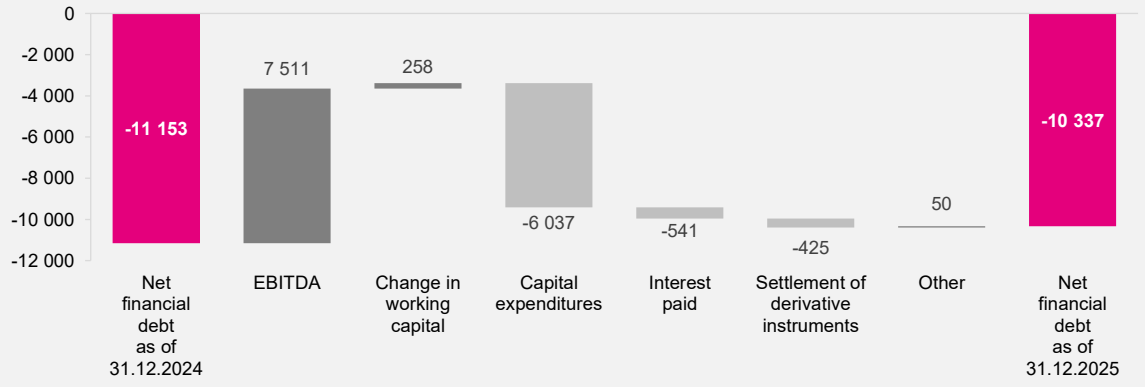
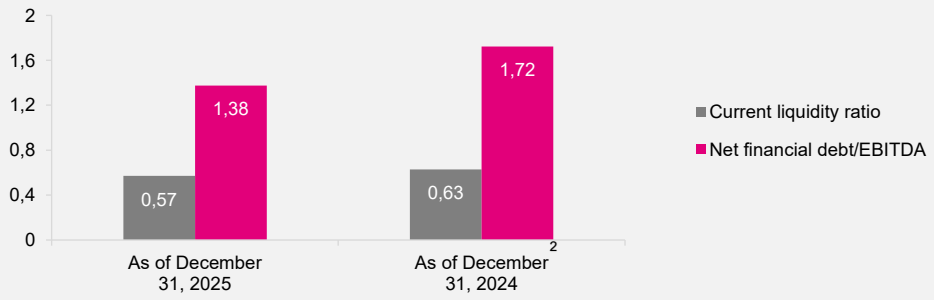


Figure no. 38 Current liquidity ratio and the net financial debt to EBITDA ratio as of December 31, 2025, and as of December 31, 2024



The financing agreements signed with the banks impose the legal and financial obligations on the Company (covenants) that are typical for this type of the transactions. The key covenant in the long term loan agreements and the domestic bond issuance programs is the net financial debt to EBITDA ratio, defining the ratio of the debt net of cash to the EBITDA generated.

This ratio is verified by the financial institutions on the basis of the consolidated financial data as of June 39 and December 31. The permissible level of the covenant, depending on the terms of the individual financing agreements, stands at 3.5 or 4.0.

As of December 31, 2025, TAURON Group's net debt to EBITDA ratio had stood at 1.4, materially below the applicable covenant limits, which had confirmed a safe leverage level.

6.6. Material off-balance sheet items

The material off-balance sheet items of TAURON Capital Group, as of December 31, 2025, include:

1. the lawsuits brought by the companies from the Wind Invest groups against TAURON and PEPKH, related to the termination of the long term contracts for the purchase of the electricity and the property rights by PEPKH,
2. the claim of the WorleyParsons consortium against the company Polskie Elektrownie Jądrowe (Polish Nuclear Plants) (formerly PGE EJ 1 sp. z o.o. (Ltd.)),
3. the claim of Huta Łaziska (Łaziska Steel Works) S.A. (Joint Stock Company) for the alleged damage caused by a failure to implement, by GZE S.A. (company taken over by TAURON), the decision of the President of the Energy Regulatory Office (ERO) related to the resumption of the electricity supply by GZE to Huta Łaziska (Łaziska Steel Works) S.A. (Joint Stock Company),
4. the lawsuit brought by Enea against TAURON concerning payment of PLN 17 million with statutory interest from June 30, 2015 until the payment date. The basis of the Enea claim includes the allegations related to the Company's unjust enrichment (benefit) in connection with the possible errors with respect to the determination of the metering and billing data by Enea Operator sp. z o.o. (Ltd.), constituting the basis for the settlements of Enea and the Company with PSE (TSO), due to an imbalance on the Balancing Market in the period from January to December 2012. On March 12, 2025 the Court of Appeals in Katowice issued a binding verdict repealing the claim of Enea in full. Enea has not brought in a cassation against this verdict. The Company has not created a provision for this case,
5. the administrative proceedings initiated by the President of the Office of Competition and Consumer Protection (UOKiK) and the President of the Energy Regulatory Office (ERO) against the Group's subsidiaries,
6. the contingent liabilities related to the possibility of the future costs to be incurred by TAURON Capital Group's subsidiaries due to the non contractual use of the real estate, i.e. the land on which the distribution grids, the district heating installations and the devices related thereto are located
7. the contingent liabilities associated with the arbitration proceedings related to the shares (interests) in TAMEH HOLDING Sp. z o.o. (Ltd.).

The detailed information related to the off-balance sheet items both in the subjective and objective terms, as well in terms related to the value thereof is presented in notes 56 and 57 to the Consolidated Financial Statements of TAURON Capital Group.

6.7. Differences between the financial results reported in the annual report and the forecasts of results for the given year published earlier

The Management Board of the Company did not publish any forecasts of the earnings of TAURON Capital Group for 2025. This decision was taken due to the considerable volatility of the market and a substantial number of factors negatively affecting the predictability thereof.

6.8. Key financial ratios and the Alternative Performance Metrics

The table below presents the key financial ratios of TAURON Capital Group, which constitute a material source of the information for the investors with respect to the financial and

operational standing of the Group. The Alternative Performance Measures presented below, as defined by the ESMA Guidelines on the Alternative Performance Measures, in the opinion of the Management Board, provide the additional supplementary information with respect to the financial performance (results) of the Group.

The ratios presented constitute the standard metrics commonly used in the financial analysis, the usefulness of which has been analyzed in terms of their ability to present the information on the financial efficiency (performance), cash flow generation and the level of the debt of TAURON Capital Group.

In 2025, there had been no changes to the methodology for determining of the individual metrics in relation to 2024, which ensures the full comparability of the data presented year on year.

Table no. 47 Key financial ratios of TAURON Capital Group's operations

Ratios	Definition	2025	2024
PROFITABILITY			
EBITDA margin	EBITDA / Sales revenue and the compensation payments	21.9%	18.3%
EBIT margin	Operating profit / Sales revenue and the compensation payments	14.8%	7.5%
Net Profitability	Net profit / Sales revenue and the compensation payments	9.6%	1.7%
Return on Equity (ROE)	Net profit / Equity as of the end of the period	15.9%	3.3%
LIQUIDITY			
Current liquidity ratio	Current assets / Short term liabilities	0.57	0.63
DEBT			
Total debt ratio	Total liabilities / total equity and liabilities	0.57	0.61
Net financial debt / EBITDA	(Financial liabilities - Cash) / EBITDA	1.4x	1.7x
OTHER RATIOS			
Earnings per share (EPS)	Net result attributable to shareholders of the parent entity / Number of the ordinary shares	1.89	0.33

In 2025, TAURON Group's profitability ratios had exhibited a varying degree of changes as compared to the prior year, reflecting both, the improvements in the operational efficiency as well as the impact of other than operational factors at the same time.

The EBITDA margin had gone up by 3.6 p.p. in 2025, coming in at the level of 21.9%. This growth had been a consequence of an improvement in EBITDA by 16%, i.e. by PLN 1 041 million, combined with a lower level of the compensation payments and an increase of the sales revenue during the same period, which, however, had not fully offset the decline in the compensation payments. The factors driving the changes in the constituent elements of the ratio are described in a greater detail in sections 6.3 and 6.5 of this report.

The EBIT margin had gone up by 7.3 p.p., clocking in at the level of 14.8%. This growth is driven by the higher EBIT result as compared to the prior year, which is a direct consequence of the improvement in the EBITDA result and the absence, in 2025, of the material impairment write downs related to the fixed assets which had brought about a hit to the earnings in the prior year.

The net profitability had also improved, year on year, by 7.9 p.p., coming in at the level of 9.6%. The increase if the ratio is a consequence of both the improvement in the EBIT operating result as well as a lower tax expense, which is the net effect of a decrease of the amount of the deferred tax by PLN 1 069 combined with an increase in the current corporate income tax expense by PLN 711 million. The decline in the deferred tax is associated with the increase, in 2024, in the level of the unrecognized asset due to the deferred corporate income tax, primarily in the Generation Segment.

The Return on Equity (ROE) ratio had gone up by 12.6 p.p. to the level of 15.9%. This improvement had been driven, first and foremost, by an increase in the net profit by 562%, i.e. by PLN 2 725 million, the reasons for which are described in the above paragraph on the net profitability. The equity had gone up, during the period under review, by 17.1%, i.e. by PLN 3 032 million; however, the change in

net profit had been the decisive factor impacting the level of the ratio.

The current liquidity ratio had come in at 0.57 in 2025, as compared to 0.63 in the prior year. This decline had been driven, first and foremost, by a reduction in the value of the current assets by PLN 1 041 million, with the biggest contributor to this decline being the settlement of the accounts receivable from the compensation payments to the electric utilities, resulting in a drop in the other financial assets by PLN 394 million. At the same time, the short term liabilities had also gone down by PLN 616 million, which, however, had a smaller impact on the change in the ratio. The changes to the individual current asset and short term liability items are described in detail in section 6.4 of this report. It should be emphasized that the lower current liquidity ratio levels are typical for the energy sector, due to the capital intensive nature of the business operations and the long term nature of the financing. It should also be noted that, as of the end of 2025, the Group has access to guaranteed financing in the amount of PLN 6.2 billion. The present level of the current liquidity ratio does not pose any risk (threat) to the Group's financial stability.

The overall debt (leverage) ratio and the net debt to EBITDA ratio illustrate the share of the liabilities in the financing of the Group. The current levels of these ratios enable the Group to obtain the external financing necessary for the implementation of its planned investment projects and confirm the Group's stable financial position. The net financial debt to EBITDA ratio, which is also one of the key financial covenants, had remained below the permissible levels (3.5x – 4.0x). Its improvement relative to 2024 had been driven by an increase in EBITDA by 16%, combined with a 7% decrease in the debt included in the calculation of this ratio during the same period.

The Earnings Per Share (EPS) had clocked in at PLN 1.89 in 2025, as compared to PLN 0.33 in the prior year. The increase in the EPS had been a direct consequence of the higher, by PLN 2 725 million, net profit attributable to the shareholders of the parent entity, with the number of the ordinary shares unchanged.

Table no. 48 Net financial debt reconciliation

Item (PLN m)	2025	2024
Cash and its equivalents	(489)	(596)
Long term financial debt	9 690	9 659
Long term credits and loans, and other	6 127	6 231
Long term liabilities due to the unsubordinated bonds issued	3 563	3 428
Short term financial debt	1 130	2 070
Short term credits and loans, and other	1 180	861
Short term liabilities due to the unsubordinated bonds issued	27	1 209
Total financial debt	10 820	11 729
Contingent liabilities treated as equivalent to debt in the financing documentation	6	20
Net financial debt	10 337	11 153

Table no. 49 Reconciliation of the result on the EBITDA level

Item (PLN m)	2025	2024
Net financial result	3 315	590
Income tax charged to the financial result	938	1 296
Costs of interest on debt	634	672
Financial revenue and other financial costs	205	93
EBIT from the operations	5 092	2 651

Depreciation	2 520	2 378
Impairment loss charged to the financial result	(101)	1 441
EBITDA	**7 511**	**6 470**

6.9. The most material financial and operating data for the last 5 years

Table no. 50 Financial data and operating data for the years 2021-2025

Key information	Unit	2021 (Adjusted data)	2022	2023 (Adjusted data)	2024	2025	Change in % (2025 / 2024)
STATEMENT OF COMPREHENSIVE INCOME							
Sales revenue	PLN m	25 614	37 341	41 977	32 535	33 277	102%
Compensation payments	PLN m	(9)	484	8 058	2 864	1 081	38%
Sales revenue and the compensation payments	PLN m	25 605	37 825	50 035	35 399	34 358	97%
Operating profit	PLN m	916	1 119	2 714	2 651	5 092	192%
Financial revenue (total)	PLN m	193	127	602	653	334	51%
Financial costs (total)	PLN m	(434)	(1 086)	(1 694)	(1 418)	(1 173)	83%
Pre-tax profit (loss) from continuing operations	PLN m	1 125	110	1 622	1 886	4 253	226%
Income tax	PLN m	(293)	(319)	(494)	(1 296)	(938)	72%
Net profit (loss) from continuing operations	PLN m	832	(209)	1 128	590	3 315	562%
Net profit (loss) from discontinued operations	PLN m	(447)	75	-	-	0	0%
Net profit (loss) from continuing and discontinued operations attributable to:	PLN m	385	(134)	1 128	590	3 315	562%
shareholders of the parent entity	PLN m	338	(134)	*1 123*	*585*	3 313	566%
non-controlling stakes (interests)	PLN m	47	0	*5*	*5*	2	40%
EBITDA from continuing and discontinued operations	PLN m	4 152	4 016	5 465	6 470	7 511	116%
STATEMENT OF FINANCIAL POSITION							
Fixed assets	PLN m	33 855	35 053	37 353	38 069	42 113	111%
Current assets	PLN m	6 220	10 267	11 785	7 645	6 604	86%
Total equity	PLN m	16 524	16 614	17 358	17 754	20 786	117%
Total liabilities	PLN m	23 551	28 706	31 780	27 960	27 931	100%
long term liabilities	PLN m	13 634	18 511	18 209	15 807	16 394	104%
short term liabilities	PLN m	9 917	10 195	13 571	12 153	11 537	95%
Net financial debt	PLN m	10 129	11 775	12 973	11 153	10 337	93%
Capital expenditures	PLN m	2 932	3 962	4 364	5 127	5 641	110%
CASH FLOW ACCOUNT							
Net cash from operating activities	PLN m	4 955	2 775	4 616	7 972	6 981	88%

Net cash from investing activities	PLN m	(3 103)	(3 976)	(4 794)	(4 639)	(5 830)	126%
Net cash from financing activities	PLN m	(2 003)	1 518	286	(3 824)	(1 388)	36%
Cash closing balance	PLN m	623	940	1 048	557	320	57%
RATIOS							
EBIT margin (EBIT / Sales revenue and the compensation payments)	%	4%	3%	5%	7%	15%	214%
EBITDA margin (EBITDA / Sales revenue and the compensation payments)	%	16%	11%	11%	18%	22%	122%
Net financial debt / EBITDA	multiple	2.4x	2.9x	2.4x	1.7x	1.4x	82%
Net earnings per share (attributable to shareholders of the parent entity)	PLN / share	0.19	-0.08	0.64	0.33	1.89	573%
OPERATING DATA							
Commercial coal production	Mg m	5.15	5.01	-	-	-	-
Net electricity production	TWh	14.30	14.16	11.65	10.56	11.24	106%
Net electricity production from RES	TWh	1.62	1.48	1.60	1.63	1.72	106%
Heat production	PJ	12.00	10.58	10.35	10.27	11.39	111%
Retail electricity supply	TWh	33.41	31.14	30.75	26.71	25.17	94%
Electricity distribution	TWh	53.97	53.68	51.30	51.67	52.05	101%
Number of customers (Distribution)	m	5.78	5.84	5.93	5.98	6.05	101%

[1] The values presented for the years 2021 - 2024 do not reflect the values in compliance with the IFRS and are not directly comparable due to the changes in the presentation (organization) of the data.

Table no. 51 TAURON Capital Group's EBITDA, broken down into Segments of Operations in the years 2021-2025[1]

EBITDA (PLN m)	**2021 (Adjusted data)**	**2022**	**2023 (Adjusted data)**	**2024 (Adjusted data)**	**2025**	**Change in % (2025 / 2024)**	**Change (2025 - 2024)**
Continuing operations							
Distribution	2 967	2 939	2 962	3 963	4 788	121%	825
RES	376	476	431	684	572	84%	(112)
Heat			123	302	296	98%	(6)
Supply and Wholesale Trading	(524)	594	454	545	662	121%	117
Generation	1 375	(779)	1 270	746	948	127%	202
Other operations	208	298	257	412	406	99%	(6)
Unassigned items	(134)	(313)	(32)	(182)	(161)	88%	21
EBITDA from continuing operations	4 268	3 215	5 465	6 470	7 511	116%	1 041

Discontinued operations							
Mining	(130)	781	-	-	-	-	-
Consolidation adjustments / Unassigned items	14	20	-	-	-	-	-
EBITDA from discontinued operations	(116)	801	-	-	-	-	-
EBITDA total from discontinued and continuing operations	**4 152**	**4 016**	**5 465**	**6 470**	**7 511**	**116%**	**1 041**

[1] *The values presented for the year 2024 do not reflect the values in compliance with the IFRS and are not directly comparable due to the changes in the organization of the Segments that had taken place in 2025, i.e. the transfer of the TNT subsidiary from the Supply and Wholesale Trading Segment to the Other Operations Segment. The values presented for the year 2023 do not reflect the values in compliance with the IFRS and are not directly comparable due to the changes in the organization of the Segments that had taken place in 2024, i.e. the spinning off of the Heat Segment from the Generation Segment. In addition, due to the loss, as of December 31, 2022, of the control by TAURON Group over the TAURON Wydobycie subsidiary as a result of the divestment of the shares thereof to the State Treasury, the results of the Mining Segment subsidiary for the years 2021 and 2022 are presented as a part of the discontinued operations*

Between 2021 and 2025, the Group had been steadfastly strengthening its financial and operational position, achieving a marked improvement in the profitability and financial stability while simultaneously increasing the scale of the investments. The sales revenue had grown from PLN 25.6 billion in 2021 to PLN 33.3 billion in 2025, with the highest level recorded in 2023 (PLN 42.0 billion). In the last two years of the period under review, the revenue had stabilized at the level of approximately PLN 32 – 33 billion.

At the same time, the Group had recorded a significant growth in its operating results. EBITDA had risen from PLN 4.2 billion in 2021 to PLN 7.5 billion in 2025, reaching the highest level in the period under review. The Distribution Segment had continued to be the key source of the stable growth, with its EBITDA rising from PLN 3.0 billion to PLN 4.8 billion. The positive trends had also been observed in the Supply and Wholesale Trading Segment as well as in the Generation Segment. The Renewable Energy Sources (RES) segment had been maintaining a stable level of performance level, posting a notable growth in 2024, which had been a reflection of the growing role of the low emission (carbon) sources in the portfolio of the Group's operations.

The improvement in the operating results had been translated into a material increase in the operating profit, which had grown from PLN 0.9 billion in 2021 to PLN 5.1 billion in 2025. As a result, the net profit, after a temporary decline in 2022, had reached its highest level in the period under review in 2025 – PLN 3.3 billion.

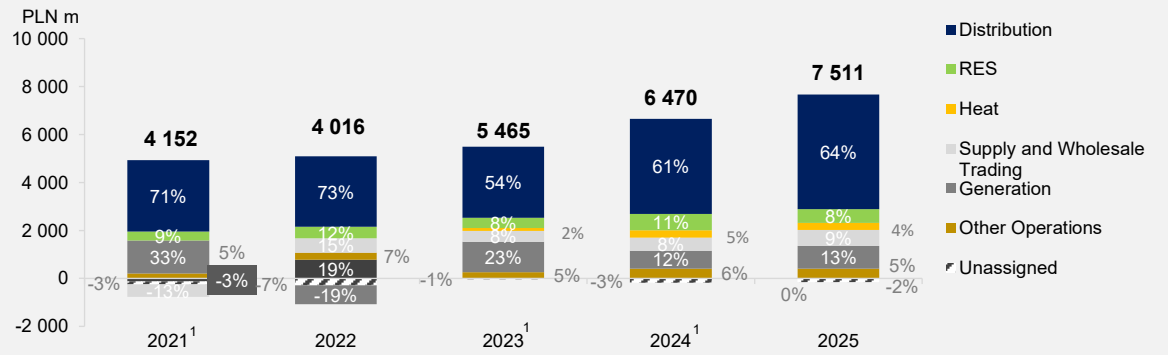
Throughout the years under review, the Group had pursued an intensive capital expenditure program providing the support for the infrastructure development and the transition of its asset portfolio. The capital expenditure had grown from PLN 2.9 billion in 2021 to PLN 5.6 billion in 2025, which had been reflected in the systematic increase in the value of the fixed assets from PLN 33.9 billion to PLN 42.1 billion.

At the same time, the Group had maintained a safe level of leverage and it had markedly improved its debt servicing capacity. The net financial debt had remained stable throughout the entire period under review, while the net financial debt to EBITDA ratio had fallen from 2.4x in 2021 to 1.4x in 2025.

The stability of the business model is also reflected in the key operating indicators. The electricity distribution volume had remained stable at approximately 51 – 54 TWh per year, while the number of the customers had grown from 5.78 million to 6.05 million. The production of the electricity from the renewable energy sources had seen a gradual growth over the period under review, while the retail electricity supply had followed a declining trend, reflecting the changes in the market structure and the energy consumers' behavior patterns.

The trends presented indicate the systematic strengthening of the Group's financial fundamentals, the growing scale of the regulated operations as well as the steadfast implementation of the investment (CAPEX) program providing the support for the long term growth and transition of the energy sector.

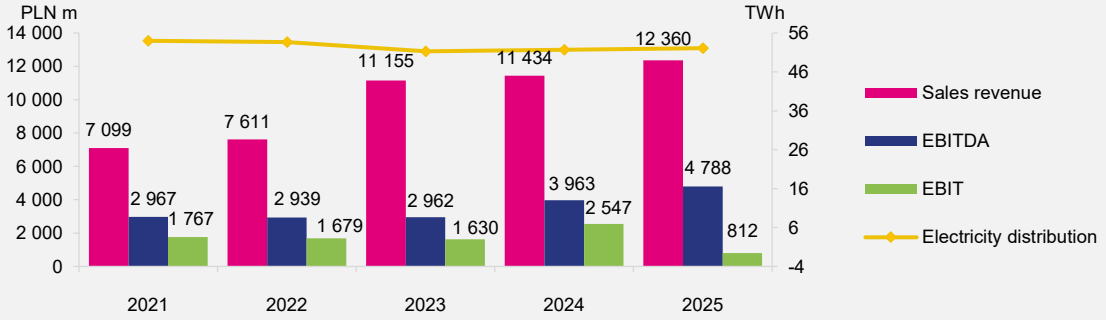
Figure no. 39 Structure of TAURON Capital Group's EBITDA in the years 2021-2025



[1] *Adjusted data.*

Key information for the years 2021-2025 by Segments of Operations

Figure no. 40 Distribution Segment's and Heat Segment's data for the years 2021-2025



[1] *Adjusted data.*

Figure no. 41 RES Segment's data for the years 2021-2025

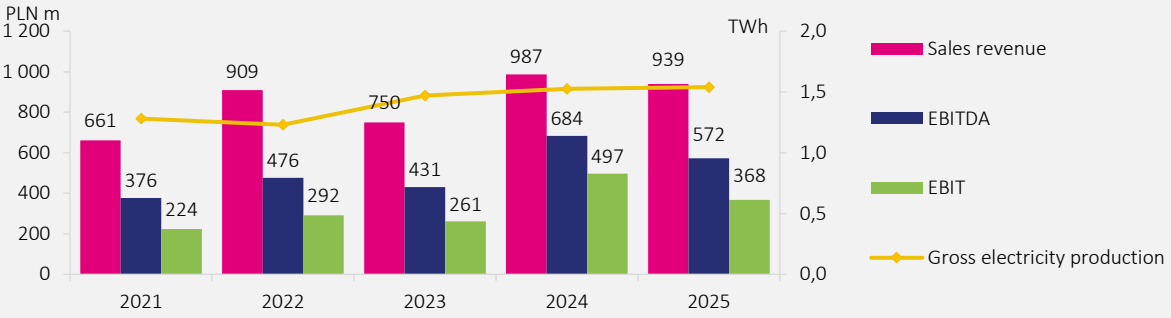


Figure no. 42 Generation Segment's and Heat Segment's data for the years 2021-2025

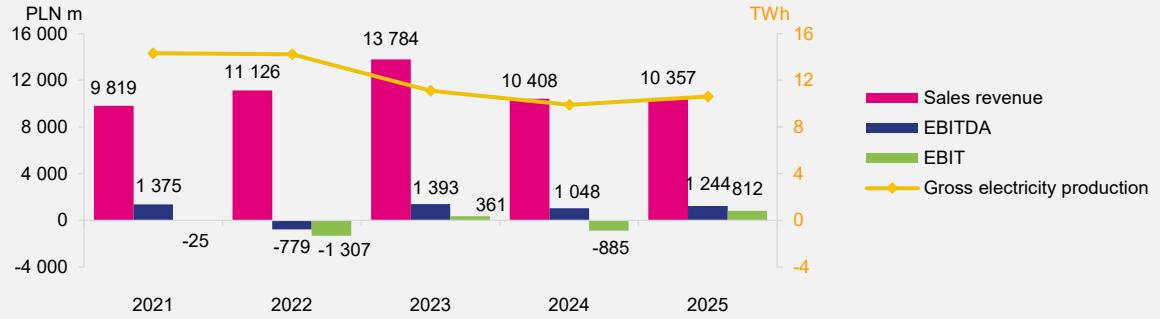
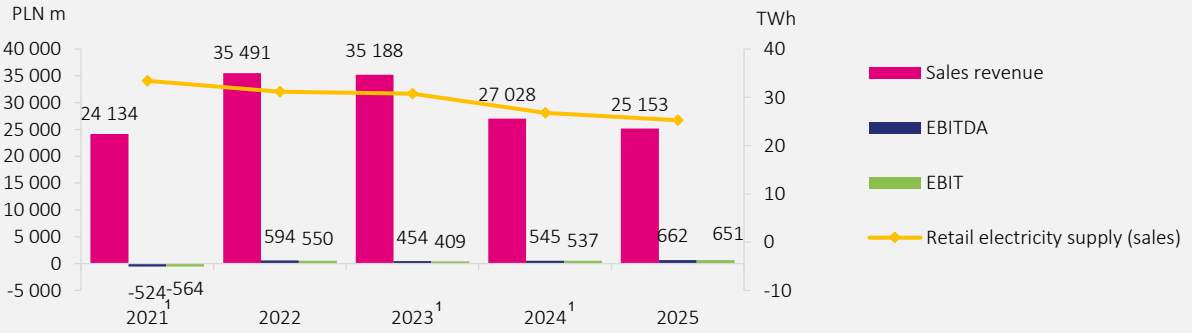
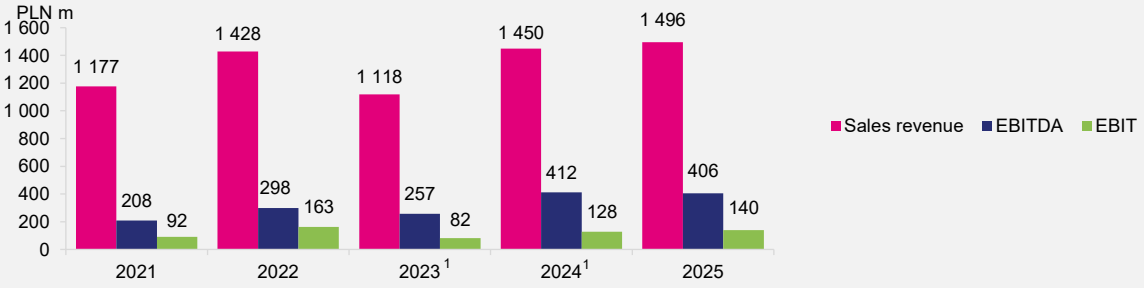


Figure no. 43 Supply and Wholesale Trading Segment's data for the years 2021-2025



[1] *Adjusted data.*

Figure no. 44 Other Operation Segment's data for the years 2021-2025



[1] *Adjusted data.*

The Group's position on the overall market

Between 2021 and 2025, the Group had maintained a strong and stable market position in the key areas of it business operations, while its market shares in the competitive business segments had been changing, a complex development driven by the market and regulatory factors as well as by the structural changes in the economy, in particular the transition of the energy sector.

The Group had maintained its most stable position in the electricity distribution segment, where its market share had continued to stand at approximately 36 – 37% throughout the entire period under review. This confirms the Group's significant role as the largest electricity distributor in the country.

In the electricity generation line of business, TAURON Group continues to be a key electricity producer in Poland. During the period under review, a gradual change in the market position had been visible – the share in the production of electricity had declined from 8 – 9% in the 2021 – 2022 time frame to approximately 6% in the 2024 – 2025 period, while the share in the installed capacity had fallen from 10% to 7%. This trend is a reflection of the structural changes taking place in the energy sector and the ongoing transition of the generation asset portfolio.

In the electricity supply segment, TAURON Group continues to be the second largest retail electricity supplier in Poland. However, the Group's market share had declined from 24% in 2021 to 19% in

2025, with a temporary stabilization in 2023. This change is a reflection of the growing competition in the electricity retail supply market and the evolving market structure (the expansion of the prosumer photovoltaics, the lower demand for the electricity among the business customers and the price freeze mechanisms affecting the demand structure and the customer market behavior patterns). In spite of the declining electricity supply volumes, TAURON Group had posted very good financial results (EBITDA) in 2025.

The long term trends indicate that the Group has been maintaining a strong and stable position in the regulated operations, while the market shares in the competitive business segments have continued to evolve, which is line with the directions of the transition of the energy sector and the strategic expansion (growth) of the Group's business operations.

Growth outlook by segments of operations

In the coming years, the Group will be continuing the transformation of its business model, focusing on the expansion (growth) of the regulated operations, increasing the share of the low- and zero emission (carbon) sources in the generation portfolio and implementing the capital expenditure program providing the support for the modernization of the energy infrastructure. The stable results from the regulated segments, the expansion of the renewable energy sources (RES) segment and the transition of the generation assets are expected to provide the support for the maintaining of a stable financial position of the Group and for the strengthening of the Group's long term earnings generation capacity.

The Distribution Segment has continued to be a stable and a predictable source of the Group’s earnings. The implementation of the capital expenditure program with respect to the expansion and modernization of the distribution grid should provide the support for a further growth of the regulatory asset base (RAB) and the financial results, while at the same time boosting the capacity to integrate the renewable energy sources into the power system.

The RES Segment has continued to be one of the Group's key areas of its expansion. The planned investments in the onshore wind farms, photovoltaic installations and the energy storage facilities should contribute to the growth in the electricity production volumes and provide the support for a further improvement in the segment's operating results.

In the Heat Segment, the coming years are expected to see the continuation of the transition of the generation portfolio towards the low- and zero emission (carbon) sources as well as the development of the efficient district heating systems. These measures should provide the support for a gradual improvement in the segment's operational efficiency and its financial results over the long term.

In the short term, the results of the Supply and Wholesale Trading Segment will continue to be dependent on the conditions prevailing on the wholesale electricity market and the regulatory environment, including the level of the tariffs for the households. Over the longer term, the development of new energy products and services for the customers, as well as the development of the digital sales channels, should provide the support for the improvement of the positive financial results of the segment.

The Generation Segment will be undergoing a further transition of the generation asset structure (mix), including a gradual reduction in the utilization of the hard coal fired units and an expansion of the new generation capacity, including the gas fired units. Over the medium and long term, these measures should provide the support for the improvement of the results of the segment while reducing its exposure to the high emission assets.

The Other Operations Segment is serving a supporting function for the Group's core business segments, focusing on the provision of the shared services and the development of the selected energy and infrastructure services. The centralization of the processes provides the support for the achievement of the organizational synergies and the streamlining (optimization) of the operating expenses across the Group.

6.10. Current and forecast financial and assets situation

The current financial and assets situation of TAURON Group is presented in sections 6.2, 6.3, 6.4 and 6.5 of this report.

Taking into account the current market situation, it is expected that the earnings of TAURON Capital Group in the coming years will be impacted by both the external factors, as well as by the actions taken inside the Group. The key directions of the Group’s

expansion and the challenges vary for each segment of operations.

Distribution Segment

The Distribution Segment continues to be a stable source of the Group revenue. Ensuring the secure and safe operation of the grid, the high reliability of the electricity supply and the achievement of he long term business objectives requires the incurring of the material capital expenditures, directed at the modernization and expansion of the infrastructure.

The planned investment projects include the modernization of the existing assets, changes in grid topology and technology, as well as an increase of the grid's flexibility, which is a prerequisite for an effective integration of the existing and future RES sources. In parallel, the measures are being implemented in order to improve the electricity transmission efficiency and the rational use of the resources. The segment is benefiting from the financing from the funds available as part of the National Recovery and Resilience Plan (KPO). The Segment's operations continue to be dependent on the decisions made by the President of the ERO and on the regulatory changes introduced at the national and at the EU level.

RES Segment

The RES Segment is expected to continue its expansion through the further investments in the onshore wind farms and the photovoltaic installations, and through the intensification of the work on the large scale (utility scale) energy storage facilities providing the support for the stability of the power system.

Of key importance for the expansion of the onshore wind energy is the planned amendment to the regulations, envisaging, among other things, a reduction in the minimum distance of the wind turbines from the residential buildings to 500 meters, a simplification of the planning procedures and the enabling of the repowering of the existing installations. The availability of the grid connection capacity has still continued to be a challenge, though a partial solution may be provided by the planned amendment to the energy law allowing for the staged grid connections.

The segment is also developing the energy storage technologies, both the battery based energy storage facilities as well as in the form of the pumped storage power plants. These investment projects are supported by the financial instruments offered on the preferential terms, including the funds coming from the Modernization Fund and from the National Recovery and Resilience Plan, although a dedicated support mechanism for the pumped storage power plants is still missing. It is assumed that the measures being implemented will translate into a growth in the electricity production volumes and improvement of financial results of the RES Segment.

Heat Segment

A material challenge in the coming years continues to be the transition of the district heating towards the low- and zero emission (carbon) sources. The renewal (overhaul) of the generation portfolio is being implemented as part of the decarbonization of the heat and electricity generation operations, primarily in the Silesia region. This process consists, first and foremost, of replacing the hard coal fired generating units with the low- and zero emission (carbon) sources, in particular with the gas fired generating units, the biomass fired generating units and the Power-to-Heat solutions, leading to the development of a new generation asset structure (mix).

The goal of the decarbonization under way is to obtain or maintain the status of the efficient district heating systems, which is a prerequisite for the continued market development, including the connecting of the new consumers to the network – particularly the newly erected residential buildings. The expansion of the efficient district heating systems is at the same time important element of process of reducing the low stack emissions. The Group is planning to consolidate its position as a reliable and leading heat supplier in the region, through an improvement of the technical and economic parameters, the reduction of the transmission losses, the development of the district heating market and the expansion of the product offering.

Supply and Wholesale Trading Segment

In the Supply and Wholesale Trading Segment, the development of the competitive advantage is assumed to be based on the analysis of the customer needs and the flexible responding to the market changes. The objective is to maintain the positive financial results and build value through the development of the customer relationships, transparent communication and the sales of the energy supply related products and services.

The segment's 2026 earnings will be materially impacted by the regulatory environment, including the level of the tariffs approved by the President of the Energy Regulatory Office (ERO) for the households. The situation on the wholesale market will continue to be a key factor, albeit a gradual stabilization after the periods of the high volatility is assumed to prevail. Over the longer term, the Group

is seeking to provide the customers with 100% clean energy by 2040, based on the in-house RES sources and the new long term energy allocation models. In parallel, the modern digital sales channels and solutions improving the quality of the customer service are being developed.

Generation Segment

In the Generation Segment, the transition of the conventional power generation is assumed to take place, taking into account the social conditions and challenges. In the short and medium term, the profitable operation of the hard coal fired generating units is planned based on capacity market mechanisms, followed by the gradual decommissioning of the unprofitable generating units. At the same time, the Group has continued to be prepared to spin off the hard coal based assets by 2030, or – in the absence of a spin off – to ensure their financial self sufficiency (ringfencing).

The transition also encompasses the repurposing of the assets being decommissioned and the preparation of the large scale investment options. In this context, a decision has been made to go ahead with the implementation of a project for a 600 MWe peaking gas fired unit in Jaworzno, which has obtained the support under the main capacity market auction for the 2030 – 2044 time frame. In addition, the construction of a new heat generation source for Jaworzno has been planned, encompassing, among other things, the cogeneration units, the electrode boilers, a heat accumulator and the gas and oil fired boilers. The activities related to the repurposing of the assets left behind following the decommissioning of the hard coal fired units are also being continued.

Other Operations

The Other Operations Segment is focused on the provision of the shared services, primarily for the Distribution and Supply segments, in particular in the area of customer service. The Segment is also providing the support for the Group's subsidiaries in the areas of finance, HR, IT, fleet management and the real estate management. The centralization of these processes enables the achievement of the synergies and the optimization (streamlining) of the operating expenses across the Group. The Other Operations Segment is also providing the services related to, among other things, the management and maintenance of the street lighting, the smart city products, e-mobility and the services focused on improving of the energy efficiency. In addition, the Other Operations Segment encompasses the quarrying (extraction) of stone (rocks) and the production of the sorbents, the production of the electricity with the use of the gas engines, as well as the provision of the brokerage services.

7. Information on the audit firm

On October 21, 2024, the Supervisory Board, taking into account the recommendation of the Audit Committee of the Supervisory Board, had made a selection of the audit firm PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt Sp. k. (Limited Liability Company Limited Joint Stock Partnership) (PwC) to conduct an audit and the review of the financial statements and the consolidated financial statements of the Company for the years 2025 - 2027. On January 14, 2025, TAURON had concluded an agreement with PwC and the subject of the agreement covered:

1. audit of the annual Standalone Financial Statements of the Company for the years 2025 - 2027,
2. audit of the annual Standalone Financial Statements of the Selected Subsidiaries for the years 2025 - 2027,
3. audit of the annual Consolidated Financial Statements for the years 2025 - 2027,
4. review of the interim, half year Standalone Financial statements of the Company for the periods ended on June 30, 2025, June 30, 2026, and June 30, 2027,
5. review of the interim, half year Consolidated Financial Statements for the periods ended on June 30, 2025, June 30, 2026, and June 30, 2027.

In addition, in accordance with the agreement, TAURON had exercised the option involving the ability to commission the financial audit services as well as the other permitted services including:

1. verification of the annual standalone consolidation packages of the selected subsidiaries of TAURON Capital Group for the years 2025 - 2027, required for the preparation of the annual Consolidated Financial Statements,
2. verification of the interim, half year standalone consolidation packages of the selected subsidiaries of TAURON Capital Group for the periods ended on June 30, 2025, June 30, 2026, and June 30, 2027, required for the preparation of the interim, half year Consolidated Financial Statements,
3. conducting of the agreed upon procedures with respect to the verification of the TAURON Dystrybucja subsidiary's report on the update of the Regulatory Asset Base (RAB) and the Regulatory Asset Base for the AMI System (AMI RAB) for the purpose of determining a reasonable rate of return on the capital employed by the President of the Energy Regulatory Office (ERO) for the years 2026 - 2028.
4. conducting of the evaluation of the Report on the Compensation for the years 2025 - 2027.

On January 7, 2025, TAURON had entered into an agreement with PwC for the conducting of the mandatory attestation (certification) of TAURON Capital Group's sustainability reporting for the years 2025, 2026 and 2027. The agreement in question had been entered in on an optional basis, giving TAURON the possibility to commission the above mentioned service.

In accordance with the amendment to the Accounting Act of September 29, 1994, which had entered into force on January 1, 2025, the selection of an audit firm to certify (attest) the sustainability reporting shall be made by the body approving the entity's financial statements, unless the articles of association, agreement, or other legal provisions binding on the entity shall provide otherwise. In accordance with the current wording of the Company's Articles of Association, the body authorized to select an audit firm with respect to the above services is the Supervisory Board.

In connection with the above, on July 7, 2025, based on the recommendation of the Audit Committee, the Supervisory Board had made a selection of PwC as the audit firm to conduct the attestation (certification) of the sustainability reporting of TAURON Capital Group for the years 2025 - 2027.

On July 10, 2025, the Management Board of TAURON had placed an order for the certification (attestation) of TAURON Group's sustainability reporting for 2025.

In the years 2022 - 2024, PwC and the companies from the PwC network had been providing the consulting and training services for the Company, in accordance with the applicable legal regulations and without prejudice to the level of the impartiality and the independence of the PwC audit firm.

The financial statements of TAURON and the financial statements of TAURON Capital Group's selected subsidiaries for the comparable year 2024 had been audited by the audit firm Ernst & Young Audyt Polska Spółka z ograniczoną odpowiedzialnością Sp. k. (Limited Liability Company Limited Joint Stock Partnership).

The total amount of the compensation of the audit firms for the year 2025 had come in at PLN 4 272 000, of which the compensation of the audit firm PWC had clocked in at PLN 3 997 000.

Table no. 52 The amount of the compensation of the audit firms for the services provided for TAURON Capital Group's subsidiaries

Services provided for TAURON Capital Group's subsidiaries	Year ended on December 31, 2025 (PLN '000)	Year ended on December 31, 2024 (PLN '000)
Mandatory audit, including:	2 852	2 384
consolidated financial statements	404[1]	409
standalone financial statements of the parent entity	365[2]	354
standalone financial statements of the subsidiaries	2 083[1]	1 621[4]
Other certifying (attestation) services provided with respect to the parent entity - the review of the financial statements	337	460
Other certifying (attestation) services provided with respect to the parent entity - the evaluation of the annual report of the Supervisory Board on the compensation	45	25
Other certifying (attestation) services provided with respect to the subsidiaries, including a verification of the consolidation packages	338	307
Attestation (certification) of TAURON Capital Group's sustainability reporting	700	470
Tax advisory services	0	0
Other services (including training) provided for TAURON Capital Group	0	0
Total	**4 272**	**3 646**

[1] *Of he amount of PLN 404 000 includes compensation of the audit firm Ernst & Young Audyt Polska limited liability limited partnership of PLN 74 000 relating to services performed for 2024.*
[2] *Of he amount of PLN 365 000 includes compensation of the audit firm Ernst & Young Audyt Polska limited liability limited partnership of PLN 15 000 relating to services performed for 2024.*
[3] *Of the amount of PLN 2 083 000 relating to the audit of standalone financial statements of subsidiaries, compensation of PLN 1,952 thousand relates to the audit firm PwC and compensation of PLN 131 000 relates to other audit firms.*
[4] *Of the amount of PLN 1 621 000 relating to the audit of standalone financial statements of subsidiaries, compensation of PLN 1 521 000 relates to the audit firm Ernst & Young Audyt Polska limited liability limited partnership and compensation of PLN 100 thousand relates to other audit firms.*

8. Financial resources and instruments

8.1. Proceeds from the issuance of securities

The Company did not issue any securities in 2025.

8.2. Financial instruments

The use of the financial instruments in order to eliminate the price fluctuations, credit risk, material cash flow disruptions, and a loss of the financial liquidity

TAURON Capital Group's financial risk management is centralized at TAURON, which allows for optimizing of the process and minimizing of the costs.

As part of the financial risk management in 2025 TAURON had continued to hedge the risk of the volatility of the cash flows resulting from its debt based on the WIBOR reference rate by continuing the interest rate swap (IRS) hedging transactions that it had entered into earlier.

In addition, in 2025, TAURON had hedged its FX exposure arising from the trading operations (first of all due to the purchase of the CO_2 emission allowances), as well as from the investing activities related to the implementation of the projects in the field of the renewable energy sources by concluding the forward type contracts. In 2025, TAURON had also been continuing the strategy of hedging its foreign currency exposure generated by the interest payments on the financing obtained in EUR by concluding the forward and the CIRS type contracts. The goal of such transactions was to hedge against the risk of the cash flow volatility stemming from the FX rate fluctuations.

With respect to the hedging of the credit risk, TAURON Capital Group did not use any financial instruments.

As part of the efforts aimed at eliminating the price risk (a loss of margin), the contracting of the electricity sales is followed by the contracting of the CO_2 emission allowances. Such a method of hedging the positions allows for minimizing of the risk of the CO_2 costs not being covered by the contracted electricity price. The basis for determining the CO_2 sales price for the emission allowances volume defined this way is the CO_2 price on the power exchange from the time when the CO_2 volume is contracted

On the other hand, as part of the liquidity loss risk management, the instruments referred to in section 8.3 of this report are used.

The objectives and methods of the financial risk management

TAURON Capital Group is managing the FX risk and the interest rate risk based on *TAURON Group's Financial Risk Management Policy* as well as the Risk Tolerance approved by the Management Board, the Global Financial Risk Limit including the decomposition thereof into the individual financial risk types. The goal of the activities is to reduce the sensitivity of the cash flows to the financial factors and to minimize the financial costs and the hedging costs with the use of - in the cases when it is justified - the derivative instruments that enable the use of the hedging accounting.

With respect to the financial risks the Group also identifies and actively manages the liquidity risk through a financial liquidity management policy using the financial resources described in section 8.3.

TAURON is also managing the risk of the financing that is understood as: a lack of the ability to obtain the new funding, an increase of the cost of the funding and the risk of the termination of the existing financing agreements. In order to mitigate such a risk, TAURON is conducting a policy of obtaining the funding with an adequate advance notice in relation to the planned date of the use thereof, among other things by providing access to the programs of guaranteed financing or by accumulating the funds on the Group's accounts. Such a policy is to enable a flexible choice of the financing sources, taking advantage of the favorable market conditions, as well as reducing the risk of the need to take on the new liabilities under the adverse financial terms. It also covers the standardizing of the key provisions of the financing agreements, including the covenants.

8.3. Assessment of the financial resources management

TAURON conducts corporate policy with respect to financial management In a way that enables effective management of this area throughout the entire TAURON Capital Group. The main tools enabling the effective management include the adequate internal corporate regulations, as well as the cash pool service in place within TAURON Capital Group and the intra Group loans. The financial management model is supported by TAURON Capital Group's Financial Risk Management Policy and TAURON Capital Group's Insurance Policy, while TAURON is performing the function of the entity that is setting the directions of the measures to be undertaken, enabling the setting of the relevant limits of the risk exposure.

In accordance with the adopted financing policy TAURON is responsible for obtaining the financing for TAURON Capital Group's subsidiaries, after the Company's approval has been granted, the project financing or the financing instruments offered on the preferential terms may be obtained directly by the Capital Group's subsidiaries. The funds obtained both internally (from TAURON Capital Group's subsidiaries generating the financial surpluses), as well as externally (from the financial market), are subsequently transferred to TAURON Capital Group's subsidiaries that are reporting the need for the financing or to the subsidiaries dedicated to carry out the indicated projects.

The conducted policy with respect to the acquiring of the funding enables increasing of the availability of the financing for the general corporate purposes and the capital expenditures (CAPEX), reducing of the cost of the external capital, curtailing of the establishing of the number and forms of the collaterals (pledges) on the assets of TAURON Capital Group as well as the covenants required by the financial institutions, and also leads to the reduction of the administrative (overhead) costs. The corporate financing model also enables acquiring of the funding sources that are not available for the individual subsidiaries. The Company is also using the funding method based on the project finance formula with respect to the RES projects, including an option to exclude the financing obtained by TAURON's selected special purpose vehicles (SPV) for the implementation of the RES investment projects from the net debt / EBITDA ratio calculation (which increases the options of obtaining the debt financing, providing the support for the implementation of TAURON,s strategy). Under this formula the funds are obtained directly by the SPV companies implementing the investment projects, while TAURON is performing the arrangement (organizational) functions.

The other key element having an impact on the financial management efficiency is the financial liquidity management, implemented through, among other things, the determination of the liquidity position of TAURON Capital Group's subsidiaries and the implementation of the liquidity controlling processes. TAURON Capital Group manages the cash flows efficiently and maintains an adequate liquidity by optimizing the level of the flows and the cash balances at the subsidiaries. The above mentioned activities enable the selection of the optimal moment (timing) of the obtaining of the funding, the determining of its maturity date, as well as the maintaining of an adequate level of the liquidity reserve.

To optimize TAURON Capital Group's financial liquidity management and the decision making processes, a Liquidity Committee is in place at TAURON which is responsible for, among other things, approving of the liquidity position of the subsidiaries, ongoing monitoring and for issuing of the management guidelines for the subsidiaries.

The liquidity management is supported by the cash pool mechanism, with its overarching goal being to ensure the ongoing financial liquidity and to curb the costs of the external financing, by enabling the use of the Group's subsidiaries' financial surpluses to cover the needs of the entities facing the short term funding deficits.

Both, the financing policy, as well as the liquidity management policy are aimed at increasing the efficiency of managing the Group's finances as well as at eliminating the risk of losing the financial liquidity. Providing access to the guaranteed sources of financing as well as diversifying of the financing instruments allow the Group to maintain the ability to meet its obligations in the short term as well as in the long term.

In addition, the Group has agreements in place to provide the collateral for the liabilities towards IRGiT (Warsaw Commodity Exchange Clearing House) and the bank guarantee programs that allow for issuing of the guarantees to provide the collaterals (pledges) for the Group's subsidiaries within the centralized bank limits, which has curtailed the costs of obtaining of the guarantees and has simplified the procedures.

The Company and TAURON Capital Group had maintained a full capacity to pay its accounts payable on time in 2025.

9. Statement on the application of corporate governance

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9. Statement on the application of corporate governance

Pursuant to § 72, clause 7, sub-clause 5) of the *Regulation of the Minister of Finance of June 6, 2025 on the current and periodic (interim) information disclosed by the issuers of securities and the conditions to acknowledge as equivalent the information required by the legal regulations of a non-member state* (i.e. Journal of Laws of 2025, item 755), the Management Board of the Company presents the statement on the application of corporate governance in 2025.

9.1. Applied set of corporate governance principles

In 2025, the Company had been subject to the corporate governance principles, described in the Best Practice of the WSE (GPW) Listed Companies 2021 (Best Practice), adopted by the Supervisory Board of the WSE (GPW) by way of the resolution no. 13/1834/2021 of March 29, 2021, which had come into force on July 1, 2021.

The text of the Best Practice document is published on the WSE (GPW) website at the following address: https://www.gpw.pl/dobre-praktyki2021.

The up to date information on the application by the Company of the principles outlined in the Best Practice document is posted on the Company's website at the following address: https://www.tauron.pl/tauron/relacje-inwestorskie/informacje-o-spolce/lad-korporacyjny.

Information on the change in the scope of the Company's application of the principles outlined in the Best Practice in 2025

Seeking to apply the broadest possible scope of the Best Practice, in 2025 the Company had begun applying Principle **3.7.** (pertaining to the principles of the subordination and the compensation of the persons in charge of the risk management and compliance as well as in charge of the internal audit at TAURON Group's subsidiaries of material importance for its operations).

The updated information on the Company's application of the principles outlined in the Best Practice 2021 had been posted on the Company's website at the above mentioned address on December 15, 2025.

Description of the manner in which the Company is applying the principles outlined in the Best Practice

DPSN Principle	Description of How the Company Applies the Principles of Best Practice for GPW Listed Companies in 2025
Principles Relating to Information Policy and Communication with Investors	
Chapter 1 of Best Practice 2021 sets out principles relating to proper communication with stakeholders and the pursuit of a transparent and reliable information policy.	
principle 1.1.	In 2025, the Company used various channels to communicate with capital market participants. All information required by applicable regulations is posted and continuously updated on the Company's website. The Company maintained ongoing contacts with investors (institutional and individual) as well as analysts from brokerage houses and investment banks. It communicated with them during conferences held after the publication of each periodic report, individual meetings arranged at the request of investors and analysts, and regularly organized chats for individual investors. Detailed information on conferences and key events is contained in section 3.8 of this report. The Company's website at https://www.tauron.pl/tauron/relacje-inwestorskie/kontakt-dla-inwestorow contains contact details for investors, including an available e-mail address as well as a contact form.
principle 1.2.	The Company prepared and published periodic reports containing financial results on the Company's website at the above address as soon as practicable after the end of the reporting period. In order to reduce investor uncertainty regarding the Company's financial position, prior to the publication of each periodic report in 2025, the Company published estimated financial and operating results.
principle 1.3.	In 2025, the operative document was the TAURON Group Strategy for 2025–2035. It continues strategic actions in the area of ESG, i.e. the transformation of the TAURON Group towards decarbonization, sustainable development and social responsibility for present and future generations. The Strategy takes into account matters such as:

	environmental matters, containing metrics and risks related to climate change and sustainable development issues, social and employee matters, relating inter alia to actions taken and planned to ensure gender equality, proper working conditions, respect for employees' rights, dialogue with local communities, and customer relations. In the context of its commitment to climate and responsible use of resources, the TAURON Group adopted in the Strategy, as one of the three most important performance indicators, the so-called "greening level". The Group's long-term goal is to achieve climate neutrality by 2040. The Strategy indicates inter alia that by 2040, 100% clean energy will be supplied to customers, while simultaneously improving the customer satisfaction index. With regard to employee matters, diversity, inclusiveness and equality in the workplace will be ensured. Regional development will be based on the principle of partnership, taking into account new functions for post-industrial areas. Sponsorship activities and CSR will also be oriented towards the environment, local communities and employees. In the area of corporate governance, it was emphasized that management will be based on best practices, including modern and transparent business models and the principles of Best Practice for GPW Listed Companies. Detailed information on the new Strategy is contained in section 2.4 of this report. The website https://www.tauron.pl/tauron/o-tauronie/raportowanie-esg contains information on the sustainable development of the TAURON Group, including inter alia ESG data and TAURON Group codes and policies relating to environmental, social and corporate governance matters.
principle 1.4.	In order to ensure proper communication with stakeholders regarding its adopted business strategy, the Company has posted on the websites https://nowaenergia.tauron.pl/ and https://www.tauron.pl/tauron/o-tauronie/raportowanie-esg information on the assumptions of its Strategy, measurable targets, including in particular long-term targets, and planned actions. The Company will publish information on the progress of implementation of strategic targets, defined by means of financial and non-financial metrics.
principle 1.4.1.	The information on the ESG strategy posted on the website explains inter alia: how climate-related matters are taken into account in the decision-making processes of the Company and entities in its group, indicating the resulting risks.
principle 1.5.	The Company discloses expenditure incurred by it and its group on support for culture, sport, charitable institutions, media, social organizations, trade unions, etc. in this Management Board Report on the operations of TAURON Polska Energia S.A. and TAURON Capital Group for the financial year 2025, within section 12.6.
principle 1.6.	In 2025, the Company organized conferences for investors, analysts and media representatives following each publication of financial results. These conferences were made available online in real time to all interested parties. During the results conferences, representatives of the Company's Management Board presented and commented on the financial and operating results achieved, the adopted strategy and its implementation, as well as the most significant events affecting the operations of the Company and TAURON Capital Group, and the outlook for the future. During the meetings organized, the Company's Management Board publicly provided explanations and answers to questions asked. Recordings of the conferences organized are available at the following link: https://www.tauron.pl/tauron/relacje-inwestorskie/nagrania.
principle 1.7.	Investors may direct their questions in writing, by e-mail or via the contact form available on the website https://www.tauron.pl/tauron/relacje-inwestorskie/kontakt-dla-inwestorow/formularz. The Company has adopted a Procedure for the Transmission of Information regarding the Company and its subsidiaries for Investor Relations purposes, specifying timelines for individual actions. Responses are provided promptly, and in the case of matters requiring in-depth analysis/calculations, within 10 days.
Principles Relating to the Management Board and Supervisory Board	
Chapter 2 of Best Practice sets out the principles governing the performance of duties by the Management Board and Supervisory Board.	
principle 2.3.	At the end of the financial year 2025, all Members of the Supervisory Board, with the exception of Arkadiusz Jówko, met the independence criteria set out in the Act of May 11, 2017 on statutory auditors, audit firms and public oversight, and had no actual and material connections with a shareholder holding at least 5% of the total number of votes in the Company.
principle 2.4.	During the period covered by this report, all votes of the Supervisory Board and Management Board were conducted by open ballot.
principle 2.5.	The Rules of the Supervisory Board and the Rules of the Management Board of the Company provide for the possibility of recording a dissenting opinion in the minutes by voting Members of the Management Board and Supervisory Board. During the period covered by this report, no Member of the Management Board or Supervisory Board recorded a dissenting opinion in the minutes.
principle 2.6. and 2.7.	Serving on the Management Board of the Company constituted the primary area of professional activity of the Members of the Management Board, and the prior consent of the Supervisory Board was required on each occasion for Members of the Management Board to serve on the Supervisory Boards of companies outside the capital group.
principle 2.8.	Members of the Supervisory Board were able to devote the necessary amount of time to performing their duties.
principle 2.9. and 2.10.	The Chairman of the Supervisory Board did not chair the work of the Audit Committee, and administrative and financial resources were allocated commensurate with the size and financial position of the Company in order to ensure the efficient functioning of the Supervisory Board.
principle 2.11.	On April 15, 2025, the Supervisory Board prepared and subsequently submitted for approval to the Annual General Meeting the Supervisory Board Report of TAURON Polska Energia S.A. for the financial year 2024, which contained all the information specified in principle 2.11. The above report was approved by resolution of the Annual General Meeting of 25 June 25, 2025.
Principles Relating to Internal Systems and Functions	
Chapter 3 of Best Practice 2021 relates to the efficient operation of internal systems and functions within the Company as tools for exercising oversight.	
Principle 3.1.	In 2025, the Company maintained effective systems of: internal control, risk management and compliance oversight, as well as an effective internal audit function, appropriate to the size of the Company and the type and scale of its operations. In this regard, the Company has in place: *Internal Audit Rules for the TAURON Group, developed for the purpose of effective performance of the internal audit function within the TAURON Group,*

	TAURON Group Compliance Policy, which defines the principles of operation of the compliance management system within the TAURON Group, in particular: the purpose, structure, tools, stages and areas of compliance management, *Corporate Risk Management Strategy for the TAURON Group, the purpose of which is to ensure consistency in the management of individual risk categories, defining the key principles, standards and tools of the ERM System architecture.*
principle 3.2.	The Company has separate units responsible for the tasks of each system or function. The Director responsible for audit is responsible for the internal control and internal audit system, the Director responsible for risk is responsible for risk management, and the Director responsible for compliance is responsible for compliance oversight of the Company's activities.
principle 3.3.	In 2025, the Company employed a Director responsible for audit, who led the internal audit function in accordance with the internationally recognized standards for the professional practice of internal auditing. In this regard, in performing the internal audit function within the TAURON Group, employees of the Audit Area and audit units are guided by the provisions of the Global Internal Audit Standards published by the Institute of Internal Auditors IIA Poland.
principle 3.4.	The compensation of persons responsible for risk management and compliance, and of the person heading internal audit, was made dependent on the achievement of assigned tasks rather than on the short-term results of the Company. The above principle has been incorporated into the Bonus System Rules under the MBO for Employees of the Company, which states that the targets set for employees in the director bonus group who are responsible for risk management, compliance and heading internal audit may not be dependent on the short-term results of the Company.
principle 3.5.	The person responsible for risk management and compliance reports directly to the Vice President of the Management Board for Finance, and the person responsible for compliance management reports to the President of the Management Board.
principle 3.6.	The provisions of the Internal Audit Rules for the TAURON Group emphasize the independence of the Director responsible for audit and are consistent with the requirements of Best Practice for GPW Listed Companies regarding the functional reporting of this position to the Supervisory Board of the Company. In accordance with the Company's applicable Organizational Rules, the Director responsible for audit reports organizationally to the President of the Management Board.
principle 3.7.	In 2025, actions were taken aimed at applying principles 3.4., 3.5. and 3.6. also by companies of the TAURON Group that are material to the TAURON Group, through amendments to internal regulations or the employment contracts of individual employees with respect to compensation principles. As a result, on 15 December 2025, the information on the status of application of Best Practice for GPW Listed Companies was updated to indicate that principle 3.7. is also applied.
principle 3.8.	In 2025, the Audit Committee continuously monitored the effectiveness of the internal control, risk management, compliance and internal audit function systems. At its meeting on 14 March 2025, the Director responsible for audit presented to the Audit Committee an assessment of the effectiveness of the systems and functions referred to in principle 3.1. At its meeting on April 9, 2025, the Audit Committee discussed the effectiveness of the systems and functions referred to in principle 3.1., adopted the relevant report and recommended to the Supervisory Board of the Company that the matters referred to in the above report be included in the Supervisory Board Report of TAURON Polska Energia S.A. for 2025. At its meeting on 15 April 2025, the Supervisory Board of the Company conducted an annual assessment of the effectiveness of the above systems and functions for 2024 and adopted the Supervisory Board Report of TAURON Polska Energia S.A. for 2024, within which such assessment was indicated.
principle 3.9.	Pursuant to the TAURON Group Compliance Policy, the Director responsible for compliance prepares, after the end of each quarter but no later than by the 30th day following its end, a written report for the Audit Committee on the scope of tasks completed by the compliance units within the TAURON Group, with the proviso that data for the last quarter of a given year are presented in the TAURON Group Compliance Report. Pursuant to the Corporate Risk Management Strategy for the TAURON Group, the Director responsible for risk at TAURON is responsible for preparing, at least on a monthly basis, a report covering in particular information on risks identified at the level of the TAURON Group and information on compliance with the Risk Tolerance. The report is transmitted to members of the Risk Committee, and after the end of each quarter it is received by members of the Company's Management Board. The frequency of reporting to the Supervisory Board of the Company and the Audit Committee at TAURON follows from the applicable corporate governance principles.
principle 3.10.	In 2026, the Company plans to carry out an independent assessment of the functioning of internal audit. By the date of preparation of this report, a process has been initiated to select an external independent auditor to conduct a review and assessment of the internal audit function. On February 11, 2026, the Audit Committee approved the content of the request for proposal, the list of potential service providers and the criteria for selecting the service provider.
Principles Relating to the General Meeting and Shareholder Relations	
Chapter 4 of Best Practice sets out the principles for conducting General Meetings and other principles designed to encourage shareholders to engage in the affairs of the company.	
principle 4.2.	In 2025, the Company determined the venue, date and format of the General Meeting in a manner enabling the broadest possible participation of shareholders. In 2025, only the Annual General Meeting was held, convened with appropriate notice, which took place on June 25, 2025 in Katowice.
principle 4.3. and principle 4.4.	The Company provided a publicly accessible live broadcast of the General Meeting proceedings in 2025 and enabled media representatives to attend the General Meeting. The broadcast and materials relating to the General Meeting are available at: https://www.tauron.pl/tauron/relacje-inwestorskie/walne-zgromadzenie.
principle 4.5.	In 2025, the General Meeting was convened by the Management Board pursuant to the provisions of the Commercial Companies Code, which performed all required actions to convene, organize and conduct the General Meeting. In 2025, no General Meeting was convened pursuant to Article 399 § 2–4 or Article 400 § 3 of the Commercial Companies Code.
principle 4.6.	With respect to the General Meeting of the Company that took place in 2025, draft resolutions of the General Meeting submitted by the Company and proposed by shareholders, which concerned matters and decisions other than procedural in nature, contained a statement of reasons.
principle 4.7.	The Supervisory Board gave a positive opinion on all draft resolutions submitted by the Management Board for inclusion on the agenda of the General Meeting that took place in 2025.
principle 4.8.	Pursuant to the Rules of the General Meeting, shareholders should submit draft resolutions of the General Meeting on matters placed on the agenda of the General Meeting no later than 3 days before the General

	Meeting. In 2025, draft resolutions were submitted by a shareholder 7 days before the date of the General Meeting.
principle 4.9.1. and principle 4.9.2.	Furthermore, pursuant to the Rules of the General Meeting, shareholders intending to propose candidates for members of the Supervisory Board should provide the Company with the reasons for the candidacies along with the candidates' professional curricula vitae and a complete set of materials relating to them within a timeframe enabling the remaining shareholders to review them before the General Meeting and to make a decision on the election of a Supervisory Board member with due deliberation, but no later than 3 days before the General Meeting. Information received from shareholders is made available by the Company immediately to the remaining shareholders in the manner specified in the notice of the General Meeting for making documentation and draft resolutions available that are to be submitted to the General Meeting. A shareholder proposing candidates for members of the Supervisory Board submits to the Company, together with the reasons for the candidacy, a declaration by the candidate as to whether or not such candidate meets the independence criteria set out in the Act of May 17, 2017 on statutory auditors, audit firms and public oversight, and as to the existence or non-existence of actual and material connections of such candidate with a shareholder holding at least 5% of the total number of votes in the Company. In 2025, the appointment of persons to the supervisory board and the appointment of a new-term supervisory board were not on the agenda of the General Meeting; however, the procedural principles adopted in the Rules of the General Meeting remained in force.
principle 4.10.	In 2025, there was no situation in the Company in which the exercise of rights by any shareholder and the manner of exercising such rights led to interference with the proper functioning of the Company's governing bodies.
principle 4.11.	In 2025, Members of the Management Board and Supervisory Board of the Company participated in the General Meeting proceedings in a composition enabling them to comment on the matters on the agenda of the General Meeting and to provide substantive answers to questions asked during the General Meeting. In addition, the statutory auditor examining the financial statements of the Company and the TAURON Group participated in the Annual General Meeting proceedings. The Management Board presented to the participants of the Annual General Meeting the financial results of the Company and other material information contained in the financial statements subject to approval by the General Meeting.
principle 4.12.	Pursuant to the Rules of the General Meeting, a resolution of the General Meeting on a rights issue specifies the issue price or the mechanism for its determination, or obliges the authorised body to determine it before the record date for pre-emptive rights, within a timeframe enabling an investment decision to be made. In 2025, no General Meeting resolutions on rights issues were adopted.
principle 4.13.	Pursuant to the Rules of the General Meeting, a resolution on a new share issue with the exclusion of pre-emptive rights that simultaneously grants a priority right to subscribe for new shares to selected shareholders or other entities may be adopted if at least the conditions specified in principle 4.13. are met. In 2025, no General Meeting resolutions on new share issues with the exclusion of pre-emptive rights were adopted.
principle 4.14.	The Company seeks to distribute profit by paying a dividend. Retaining all profit within the Company is possible where the conditions specified in principle 4.14. are met. Pursuant to the dividend policy set out in the Strategy and published on the Company's website, the decision regarding the payment of a dividend by the Company will be made by the General Meeting of the Company following receipt of a recommendation from the Management Board, which, when determining the recommended dividend level, will take into account the circumstances specified in the above principle. In 2025, the Management Board recommended to the General Meeting that the Company's profit be distributed by allocating it in its entirety to the reserve capital. The recommendation was justified by the ongoing investments generating measurable benefits for shareholders, the need to generate sufficient cash for dividend payments, the aim of ensuring optimal financing of operating and investment activities, and the need to maintain an investment grade rating and to achieve a level of reserve capital of at least one third of the share capital in accordance with Article 396 § 1 of the Commercial Companies Code. The Company's Management Board decided to recommended payment of dividend from net profit for 2025 in the amount of PLN 0.20 per share, which gives the total amount of dividend of PLN 350,509,878.80, Detailed information is presented in 3.2 hereof.

Principles Relating to Conflicts of Interest and Related-Party Transactions

Chapter 5 of Best Practice sets out procedures for managing conflicts of interest and entering into related-party transactions in conditions where a conflict of interest may arise.	
principle 5.1.	Pursuant to the Rules of the Management Board and the Rules of the Supervisory Board of TAURON Polska Energia S.A., Members of the Management Board or Supervisory Board inform the Management Board or Supervisory Board, as applicable, of an actual or potential conflict of interest, and do not participate in the consideration of any matter in which a conflict of interest may affect them. In 2025 and up to the date of preparation of this report, individual instances of a potential conflict of interest arose and, in connection therewith, Members of the Management Board and Supervisory Board recused themselves from participation in the consideration of the relevant matters and did not participate in the decision-making process in those matters.
principle 5.2.	Pursuant to the Rules of the Management Board of TAURON Polska Energia S.A., if a Member of the Management Board or Supervisory Board considers that a decision of the Management Board or Supervisory Board, as applicable, is contrary to the interests of the Company, such Member should request that his or her dissenting opinion on the matter be recorded in the minutes of the Management Board or Supervisory Board meeting. In 2025, there were no instances of Members of the Management Board or Members of the Supervisory Board recording dissenting opinions in the minutes of Management Board or Supervisory Board meetings.
principle 5.3.	Pursuant to the procedures implemented in the Company, no shareholder is privileged over the remaining shareholders with respect to related-party transactions. This also applies to transactions entered into by shareholders of the Company with entities belonging to its group. In this regard, the Procedure for Entering into Related-Party Transactions within the TAURON Group applies.
principle 5.4.	Pursuant to the Articles of Association of the Company, a resolution of the General Meeting authorising the Management Board of the Company to take actions aimed at acquiring shares to be redeemed specifies the conditions for the acquisition of shares by the Company (buyback), ensuring respect for the rights of all shareholders. During the period covered by this report, the General Meeting of the Company did not adopt any resolutions in the above regard.
principle 5.5.	Where a transaction between the Company and a related party requires the approval of the Supervisory Board, before adopting a resolution granting such approval the Supervisory Board assesses whether it is necessary to first obtain an opinion from an external party to carry out a valuation of the transaction and an analysis of its economic effects, as provided for in the Rules of the Supervisory Board of TAURON Polska Energia S.A.

	On January 22, 2025, the Supervisory Board of the Company approved the Company's entry into a material related-party transaction with TAURON Dystrybucja, relating to the provision of unsecured financing to that company in the form of an intragroup loan of up to PLN 11.0 billion with the possibility of increasing it to a maximum amount of PLN 39.6 billion, with a repayment period of no longer than December 16, 2049, to finance the costs of developing and adapting the power grid to the needs of the energy transition and climate change, on terms consistent with the draft intragroup loan agreement. The conclusion of the intragroup loan agreement was one of the conditions that TAURON was required to fulfil in order to draw down the first tranche under the loan agreement from the funds of the National Recovery and Resilience Plan (KPO), entered into by TAURON with Bank Gospodarstwa Krajowego. The funds obtained from the bank were required to be transferred in their entirety to TAURON Dystrybucja without undue delay, on terms no less favorable than the terms of the bank loan agreement for TAURON, i.e. without additional benefits for TAURON.
principle 5.6. and 5.7.	Where entry into a related-party transaction requires the approval of the General Meeting, the Supervisory Board prepares an opinion on the merits of entering into such a transaction and in that case assesses the need to first obtain an opinion from an external party, as referred to above. Where the decision on entry by the Company into a material related-party transaction is made by the General Meeting, before such decision is made the Company provides all shareholders with access to information necessary to assess the impact of such transaction on the interests of the Company, including by presenting the opinion of the Supervisory Board referred to above. Pursuant to the model adopted by the Company, entry into a material related-party transaction requires the approval of the Supervisory Board of the Company and does not require the approval of the General Meeting. The Company publishes on its website a list of material related-party transactions prepared in accordance with Article 90i of the Act of 29 July 2005 on public offerings, conditions for introducing financial instruments to an organized trading system and public companies: https://www.tauron.pl/tauron/relacje-inwestorskie/wykaz-istotnych-transakcji.
Principles Relating to Compensation	
Chapter 6 of Best Practice sets out transparent, fair, consistent and non-discriminatory principles for the compensation of management.	
principle 6.1.	In the Company, during the period covered by this report, the compensation of Members of the Management Board and Supervisory Board and key managers was, in the Company's assessment, sufficient to attract, retain and motivate persons with the competencies necessary for proper management of the Company and the exercise of oversight over it. The level of compensation was commensurate with the tasks and duties performed by individual persons and the associated responsibility.
principle 6.5.	The level of compensation of Members of the Supervisory Board was not dependent on the short-term results of the Company. Detailed information on the compensation system for Members of the Management Board and Supervisory Board of the Company operating in 2025 and the compensation amounts for 2025 is presented in Chapter 10 of this report.

9.2. Set of abandoned principles of corporate governance

The Company did not apply the following principles provided in the Best Practice in 2025:

DPSN Principle	Explanation of the Reasons for Non-Application of Principles
principle 1.4.2. – relating to the disclosure of the value of the pay equity indicator for employees, calculated as the percentage difference between the average monthly compensation (including bonuses, awards and other supplements) of women and men for the last year, and information on actions taken to eliminate any inequalities in this area, together with a presentation of the related risks and the time horizon within which pay equality is planned to be achieved.	*Although the Company does not ensure application of this principle, it nonetheless strives for equal rights of employees in every aspect of employment, including in the area of compensation of women and men. The Company conducts analyses of the gender pay gap indicator, which is calculated on the basis of the definition set out in ESRS S1-16 (i.e. the difference in the average level of compensation between female and male employees, expressed as a percentage of the average level of compensation of male employees). The indicator is published in the sustainability reporting of TAURON Capital Group.*
principle 2.1. – relating to the adoption of a diversity policy for the Management Board and Supervisory Board, adopted by the Supervisory Board or General Meeting as applicable, setting out diversity objectives and criteria, including in relation to gender, field of education, specialist knowledge, age and professional experience, and specifying the timeline and method for monitoring the achievement of those objectives. With regard to gender diversity, the condition for ensuring diversity in the Company's governing bodies is minority representation in a given body at a level of no less than 30%.	*Although the Company does not have a Diversity Policy for the Management Board and Supervisory Board, actions are being taken aimed at introducing diversity into the composition of the Management Board and Supervisory Board. On May 24, 2021, with the aim of seeking to ensure gender diversity in the composition of the Supervisory Board, the General Meeting adopted amendments to the Rules of the General Meeting of the Company, recommending that persons making decisions on the election of members of the Supervisory Board ensure the versatility of the body by electing persons providing diversity, enabling inter alia the achievement of the target minimum minority representation level set at no less than 30%.* *At the end of the financial year 2025, diversity in terms of gender at a level of 33.3%, field of education, specialist knowledge, age and professional experience was ensured in the composition of the Supervisory Board of the Company.* *In the composition of the Management Board of the Company at the end of the financial year 2025, diversity in terms of gender was not ensured; however, diversity in terms of age, field of education, specialist knowledge and professional experience was ensured. Members of the Management Board of the Company are selected through an announced*

	qualification process conducted in accordance with the principle of equal opportunities and non-discrimination, aimed at verifying and assessing the qualifications of candidates and identifying the best candidate for a seat on the Management Board of the Company.
principle 2.2. – providing that persons making decisions on the election of members of the Management Board or Supervisory Board of the Company should ensure the versatility of these bodies by electing persons providing diversity, enabling inter alia the achievement of the target minimum minority representation level, set at no less than 30%, in accordance with the objectives set out in the adopted diversity policy referred to in principle 2.1.	*Although the Company does not have a Diversity Policy for the Management Board and Supervisory Board, the Company's shareholders seek to ensure the versatility of the composition of the Management Board and Supervisory Board. Further explanations are provided in the description of principle 2.1. above.*
principle 4.1. – relating to enabling shareholders to participate in the general meeting using electronic means of communication, if justified by the expectations reported to the company by shareholders, provided it is able to ensure the technical infrastructure necessary for conducting such a general meeting.	*The Company continuously monitors changes in the shareholder structure that could affect the manner of communication during the general meeting. In addition, if the Company receives requests from shareholders to hold the general meeting using electronic means of communication, the Company will verify the technical capabilities ensuring a general meeting that is safe for shareholders and the Company, and in the absence of contraindications the Company will take actions in accordance with this recommendation. In 2025, the Company received no requests to enable participation in the General Meeting using electronic means of communication.*
principle 6.2. – relating to the structuring of incentive programs in such a way that they make the level of compensation of members of the management board and key managers dependent inter alia on the actual, long-term position of the company with regard to financial and non-financial results, long-term value growth for shareholders and sustainable development, as well as the stability of the company's operations.	*The level of variable compensation of Members of the Management Board and key managers of the Company is dependent on the annual consolidated financial results of the Company and on the long-term position of the Capital Group with regard to non-financial results. The compensation principles for Members of the Management Board, which provide inter alia for making variable compensation dependent on annual results, were adopted by the General Meeting of the Company on 24 May 2022.* *On June 25, 2025, the Compensation Policy for the Management Board and Supervisory Board of TAURON Polska Energia S.A. was amended by updating the list of example general management objectives constituting a component of variable compensation, namely:* *1. maintaining the investment grade credit rating of TAURON Polska Energia S.A.,* *2. implementation of the Capital Group's strategy, including:* *1) dynamic development of distribution,* *2) profitable growth in RES and energy storage capacity,* *3) improving customer service quality,* *4) development of products and services and customer contact channels,* *5) transformation of electricity and heat generation,* *6) building an efficient organization that incorporates raising the level of digital maturity,* *3. sustainable development of the Capital Group through management based on ESG best practices, including responsible use of natural resources and positive impact on society,* *4. implementation of initiatives supporting the professional development of women.* *The amendment of the above compensation principles is independent of the Management Board of the Company and requires a decision of the shareholders adopted in the form of a relevant resolution by the General Meeting of the Company.*
principle 6.3. – providing that if a management options program is one of the incentive programs in a company, the implementation of the options program should be conditional on the achievement by eligible persons, within a period of at least 3 years, of pre-determined, realistic and appropriate financial and non-financial targets and sustainable development targets, and that the established acquisition price of shares by eligible persons or the settlement price of options may not deviate from the share price prevailing at the time the program was adopted.	*The compensation and bonus system in place at the Company for Members of the Management Board and key managers does not provide for linking compensation to instruments linked to the Company's shares.* *The current compensation model for Members of the Management Board of the Company consists of a fixed component, which constitutes the basic monthly salary, and a variable component, which constitutes supplementary compensation for the financial year of the Company.* *Notwithstanding the above, the compensation of Members of the Management Board of the Company with respect to the variable component is dependent on elements that have a direct impact on the value of the Company. The achievement of the specified financial and non-financial targets (including in the area of sustainable development) by the Members of the Management Board has an impact on the share price of the Company. These elements are listed in the description of the derogation from principle 6.2.* *At present, given the adopted compensation model, it is not possible to indicate when principle 6.3. will be applied.*
principle 6.4. – providing that the supervisory board carries out its tasks on a continuous basis and therefore the compensation of board members may not	*Members of the Supervisory Board receive a fixed monthly compensation, regardless of the number of meetings convened and regardless of the participation of Members of the Supervisory Board in the work of committees, including the Audit Committee.*

be dependent on the number of meetings held. The compensation of committee members, in particular those of the audit committee, should take into account the additional workload associated with work on those committees.	*The compensation of Members of the Supervisory Board is determined taking into account the role performed on the Supervisory Board (an increased compensation multiplier applies to the Chairman of the Supervisory Board). No additional compensation has been established for members of committees appointed by the Supervisory Board.* *At present, given the established compensation model, it is not possible to indicate when principle 6.4. will be fully applied.*

The other principles included in the Best Practice had been applied by the Company in 2025, with a caveat that until December 15, 2025, the Company had not applied principle 3.7, as discussed more broadly in section 9.1 of this report

In 2025, there had been no incidental violations of the applicable Best Practice principles.

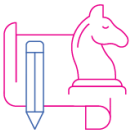
9.3. Main characteristics of the internal controls and risk management systems in relation to the process of drawing up the financial statements and the consolidated financial statements

The internal control (audit) and risk management system with respect to the process of drawing up the financial statements and the consolidated financial statements is implemented on 3 levels:

LEVEL I

General principles of managing **Sthe Company and TAURON Capital Group**

Pursuant to the adopted internal regulations TAURON Capital Group's subsidiaries are operating based on the organizational regulations and have defined organizational structures in place, where the applicable business units are assigned the responsibility for the activities with respect to drawing up of the financial statements and the consolidated financial statements. Such units are obliged to perform the ongoing control that is built into the tasks performed and the functional control of their activities. Based on TAURON Capital Operational Group's Business Model put in place the Process Documentation of the Mega-process Accounting is in force, as part of which, among other things, the processes associated with the financial reporting of the Company and TAURON Capital Group are outlined. The process documentation defines the responsibilities of the business units within the reporting processes. The Process Documentation defines the responsibilities of the business units as part of the reporting processes. The Process Documentation is subject to the necessary updates in the case of an occurrence of the events that require the changes to be implemented, such as, for example, the changes to the legal regulations or the reorganization related to the changes at TAURON Capital Group.



LEVEL II

Risk management

TAURON Capital Group has put the Risk Area in place, whose role is to oversee and establish TAURON Capital Group's risk management system. These functions are implemented within the Company by the Enterprise and Business Continuity Risk Management, Market Risk and Credit Risk Teams. The goal of the risk management is to ensure an improvement of the predictability of the attaining of the strategic objectives by TAURON Capital Group, including the stable generation of the financial results through an adequately early identification of the threats (risks) allowing for the preventive activities to be undertaken. The risk management standards applicable at TAURON Capital Group have been defined in TAURON Group's Enterprise Risk Management Strategy and in the policies for managing the specific risks. The ERM system encompasses all of TAURON Capital Group's lines of business and the business processes carried out within TAURON Capital Group, including the process of drawing up of the financial statements. The risks associated with this process are managed, monitored and reported as part of the ERM System. The goal of the

standardization is to ensure the consistency in managing of the individual risk categories, by defining the general principles, standards and tools of the system's architecture. The oversight of the ERM system at TAURON Capital Group is performed by the Risk Committee, which as an expert team, on a permanent basis and continuously, initiates, analyzes, monitors, controls (audits) and supports the functioning of TAURON Capital Group's risk management system.

The detailed information on the risk management system is provided in section 11.1. of this report.

LEVEL III

Internal audit

The Internal Audit (Control) Area is in place at TAURON Capital Group, with the goal to provide the support for the achievement of TAURON Capital Group's objectives by providing the objective assurance and advice to the supervisory boards and the management boards of the subsidiaries, carrying out the planned and the ad hoc audit tasks, and providing the support for the organization in maintaining an effective TAURON Capital Group's Internal Control System by defining the Group's internal audit principles, verifying the control mechanisms and evaluating the effectiveness thereof.

The audit activities are carried out by the employees of the Internal Audit Area at TAURON and the employees of the subsidiaries in the organizational units responsible for an internal audit. The model of functioning of the Internal Audit Area at TAURON Capital Group is based on the centralization of the process of planning and coordination of the audit tasks and a functional subordination of the personnel employed at the subsidiaries in the organizational units responsible for an internal audit. The organization of the Internal Audit Area is aimed at enabling the scope of the audits to cover the entire business operations of the organization, both from the point of view of the needs of TAURON Capital Group and those of the individual subsidiaries. The direct, as part of the organizational structure, reporting to the President of the Management Board allows the Area to maintain the necessary independence and objectivity needed to effectively perform its duties. The Executive Director for Internal Audit has also been provided with the possibility of a periodic reporting directly to the Audit Committee as a standing committee appointed within the Supervisory Board of TAURON. This empowerment is implemented in the applicable Organizational Regulations of the Company.

In addition, a model for a periodic Evaluation of the Internal Control System is also in place at TAURON Capital Group whose goal is to provide the Company's Management Board and the Audit Committee of the Company's Supervisory Board with the independent and objective information on the functioning of the control mechanisms in the business processes. The Evaluation of the Internal Control System is carried out annually and it includes an assessment of the adequacy, the implementation and the effectiveness of the selected control mechanisms related to the risks assessed as material for the Internal Control System, as well as a review of the recommendations made as part of the previously completed evaluations.

The most important aspects related to the internal controls and risk management with respect to the process of drawing up the financial statements and the consolidated financial statements

Supervision over the application of the consistent (uniform) accounting rules by TAURON Capital Group's subsidiaries when developing the reporting packages for the purpose of drawing up of TAURON Capital Group's consolidated financial statements

In order to ensure the consistent accounting principles based on the International Financial Reporting Standards (IFRS), approved by the European Union, the Accounting Policy of TAURON Polska Energia S.A. Capital Group (Accounting Policy) has been developed and implemented by TAURON Capital Group. This document shall be accordingly updated in case there are changes to the legal regulations. The rules defined in the Accounting Policy shall be applicable to TAURON's standalone financial statements and TAURON Capital Group's consolidated financial statements. TAURON Capital Group's subsidiaries shall be obligated to apply the Accounting Policy when preparing the reporting packages that provide the basis for drawing up of TAURON Capital Group's consolidated financial statements.

In addition, TAURON Capital Group has developed and implemented an intra group regulation that comprehensively regulates issues related to the rules and deadlines for preparing the reporting packages for the purpose of the consolidated financial statements. The reporting packages shall be validated by the holding company's Consolidation and Reporting Team and by an independent certified auditor during an audit or review of TAURON Capital Group's consolidated financial statements.

Procedures used to authorize and provide opinions on the Company's financial statements and TAURON Capital Group's consolidated financial statements

The Company has implemented the financial statements' authorization procedures. The quarterly, half year and full year financial statements of the Company and TAURON Capital Group's consolidated financial statements shall be approved by the Company's Management Board prior to being published. The full year financial statements of TAURON and TAURON Capital Group's consolidated financial statements shall be additionally presented for evaluation to the Company's Supervisory Board prior to being published. The Company's Vice President of the Management Board for Finance (Chief Financial Officer) shall oversee the preparation of financial statements, while the Management Boards of the subsidiaries included in the consolidation shall be responsible for preparing the reporting packages for TAURON Capital Group's consolidated financial statements.

The Supervisory Board's structure includes the Audit Committee of the Supervisory Board of TAURON Polska Energia S.A.

The detailed information on the composition, competences and description of the operations of the Audit Committee of the Supervisory Board of TAURON Polska Energia S.A. is presented in section 9.11. of this report.

IT systems as well as the financial and accounting processes

TAURON Capital Group's subsidiaries maintain accounting books (ledgers) which constitute the basis for preparing financial statements using ERP grade financial and accounting computer systems, enabling system audits of the correctness of the document flow and classifying of the business events. The consolidated financial statements are prepared using an IT tool used to consolidate financial statements, providing system control with respect to the consistency (integrity) and timeliness of preparing the consolidation data.

TAURON Capital Group's subsidiaries have implemented the IT and organizational solutions that provide control of access to the financial and accounting system and ensure the adequate protection and archiving of the accounting books. The access to the IT systems is restricted based on the applicable access rights assigned to the authorized personnel. The control mechanisms are applied in the process of granting and changing the access rights to the financial and accounting systems. The authorizations granted are also subject to periodic verification.

The accounting functions at TAURON Group's subsidiaries are to a significant degree integrated – the financial and accounting services for the majority of TAURON Capital Group's subsidiaries are performed by CUW-R (Shared Cervices Center – Accounting) and as a result of that TAURON Capital Group's financial and accounting processes are to a large degree uniform. The subsidiaries have adjusted their own procedures to the flow of the financial and accounting processes, taking into account the specifics of the individual segments. The accounting processes as well as the financial and accounting services for the subsidiaries that are a part of the Generation segment are carried out by the TAURON Wytwarzanie S.A. subsidiary, which is a reflection of the Group's readiness to potentially spin off the hard coal fired generation assets.

TAURON Capital Group's Operational Model in place clearly splits the responsibilities with respect to the financial and accounting processes between the Company (designated as the Corporate Centre) and the subsidiaries and CUW R, indicating that the Corporate Centre is the owner of the processes associated with the accounting and reporting of TAURON Capital Group. With respect to the tasks performed by the Corporate Centre, the strategic functions associated with the development of the model of the operations and standards of TAURON Capital Group with respect to the accounting and supervision of the implementation of standards in the accounting area at the subsidiaries and CUW R have been indicated. In addition, it has been indicated that the Company as the Corporate Centre shall be responsible for drawing up the Company's financial statements and the consolidated financial statements of TAURON Capital Group. A clear split of the responsibilities and a strong emphasis on the fulfillment of the supervisory functions by the Corporate Centre in relation to CUW R and the subsidiaries is, among other things, aimed at improving the process of preparing the financial statements.

Subjecting the Company's financial statements and TAURON Capital Group's consolidated financial statements to an audit and reviews by an independent certified auditor

The Company's full year financial statements and TAURON Capital Group's full year consolidated financial statements are subject to an audit by a certified auditor. The Company's interim abbreviated financial statements and TAURON Capital Group's interim abbreviated consolidated financial statements for the first half year periods of the given financial year are subject to an audit by a certified auditor. In 2024, the Company had conducted a proceeding for the selection of an audit firm, as a result of which the Company's Supervisory Board had selected an entity authorized to audit and review the financial statements as well as the consolidated financial statements of the Company and to audit the financial statements of TAURON Capital Group's selected subsidiaries for the years 2025 – 2027 with the selected company being PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt Spółka komandytowa (Limited Liability Company Limited Joint Stock Partnership). The contract with the above mentioned entity authorized to audit the financial statements covers, in particular, the completing of the audit of the Company's financial statements and of TAURON Capital Group's consolidated financial statements for the years 2025 - 2027, as well as the completing of the review (audit) of the Company's interim financial statements and TAURON Capital Group's interim consolidated financial statements for the 6 - month periods ending on June 30, 2025, June 30, 2026 and June 30, 2027.

The rule related to the changing of the audit firm of the Company and TAURON Capital Group

The Company has in place the Policy for selecting an audit firm to conduct an audit and review of the financial statements and the consolidated financial statements of TAURON Polska Energia S.A., adopted by the Audit Committee of the Company's Supervisory Board, which includes the following rule:

1. maximum duration of the continuous audit engagements (mandates) carried out by the same audit company or an entity related to that audit company or any member of the network operating in the EU countries that such audit companies are members of, shall not exceed 10 years,
2. following the elapse of the 10-year duration of the mandate (engagement) neither the audit company, nor any member of its network operating within the European Union shall conduct an audit of the Company for the subsequent 4 years,
3. a key certified auditor shall not conduct an audit of the Company for a period longer than 5 years,
4. a key certified auditor may again conduct an audit of the Company after at least 3 years have elapsed from the completion of the last audit.

9.4. Shareholders holding substantial blocks of shares

According to the best of the Company's knowledge, the structure of the shareholders holding directly or indirectly through their subsidiaries at least 5% of the total number of the votes at the General Meeting of the Company as of January 1, 2025, as of December 31, 2025 and as of the date of drawing up of this report is as follows:

Table no. 53 Shareholders holding directly or indirectly through their subsidiaries at least 5% of the total number of the votes at the General Meeting of the Company as of January 1, 2025

Shareholders	Number of shares held	Percentage share in the share capital	Number of votes held [1]	Percentage share in the total number of votes
State Treasury	526 848 384	30.06%	526 848 384	30.06%
KGHM Polska Miedź S.A. (Polish Copper Mining Company)	182 110 566	10.39%	182 110 566	10.39%
Nationale-Nederlanden Otwarty Fundusz Emerytalny (Open Pension Fund) [2]	98 630 000	5.63%	98 630 000	5.63%
Helikon Long Short Equity Fund Master ICAV [3]	74 127 629	4.23%	74 127 629 / 138 737 427 [4]	4.23% 7.92%

[1] In accordance with the provisions of the Company's Articles of Association, the voting rights of the shareholders holding more than 10% of the total votes in the Company are limited in such a way that none of them may exercise more than 10% of the total votes in the Company at the General Meeting of the Company. The cumulative votes of the shareholders between whom there is a relationship of dominance or dependence within the meaning of the provisions of the Company's Articles of Association are subject to the relevant reduction. The above restriction on the voting rights does not apply to the State Treasury and the entities dependent on the State Treasury during the period in which the State Treasury and the entities dependent on the State Treasury hold a number of the shares in the Company entitling them to exercise at least 25% of the total votes in the Company.
[2] In accordance with the list of the shareholders holding at least 5% of the number of the votes at the Company's Ordinary General Meeting on June 25, 2025,
[3] According to the notification from Helikon Long Short Equity Fund Master ICAV received on September 3, 2024.
[4] The number of the votes in the Company relating to the financial instruments other than the shares.

Table no. 54 Shareholders holding directly or indirectly through their subsidiaries at least 5% of the total number of the votes at the General Meeting of the Company as of December 31, 2025

Shareholders	Number of shares held	Percentage share in the share capital	Number of votes held [1]	Percentage share in the total number of votes
State Treasury	526 848 384	30.06%	526 848 384	30.06%
KGHM Polska Miedź S.A. (Polish Copper Mining Company)	182 110 566	10.39%	182 110 566	10.39%
Nationale-Nederlanden Otwarty Fundusz Emerytalny (Open Pension Fund) [2]	98 630 000	5.63%	98 630 000	5.63%
Helikon Long Short Equity Fund Master ICAV [3]	74 127 629	4.23%	74 127 629 / 138 737 427 [5]	4.23% 7.92%
The Goldman Sachs Group, Inc. [4]	27 670 985	1.58%	27 670 985./ 77 096 892.[5]	1.58% 4.4%

[1]In accordance with the provisions of the Company's Articles of Association, the voting rights of the shareholders holding more than 10% of the total votes in the Company are limited in such a way that none of them may exercise more than 10% of the total votes in the Company at the General Meeting of the Company. The cumulative votes of the shareholders between whom there is a relationship of dominance or dependence within the meaning of the provisions of the Company's Articles of Association are subject to the relevant reduction. The above restriction on the voting rights does not apply to the State Treasury and the entities dependent on the State Treasury during the period in which the State Treasury and the entities dependent on the State Treasury hold a number of the shares in the Company entitling them to exercise at least 25% of the total votes in the Company.
[2] In accordance with the list of the shareholders holding at least 5% of the number of the votes at the Company's Ordinary General Meeting on June 25, 2025,
[3] According to the notification from Helikon Long Short Equity Fund Master ICAV received on December 9, 2024.
[4] According to the notification from The Goldman Sachs Group, Inc. received on May 6, 2025.
[5] The number of the votes in the Company relating to the financial instruments other than the shares.

Table no. 55 Shareholders holding directly or indirectly through their subsidiaries at least 5% of the total number of the votes at the General Meeting of the Company as of the date of drawing up of this report

Shareholders	Number of shares held	Percentage share in the share capital	Number of votes held [1]	Percentage share in the total number of votes

State Treasury	526 848 384	30.06%	526 848 384	30.06%
KGHM Polska Miedź S.A. (Polish Copper Mining Company)	182 110 566	10.39%	182 110 566	10.39%
Nationale-Nederlanden Otwarty Fundusz Emerytalny (Open Pension Fund) [2]	98 630 000	5.63%	98 630 000	5.63%
Helikon Long Short Equity Fund Master ICAV [3]	74 127 629	4.23%	74 127 629 / 138 737 427 [5]	4.23% 7.92%
The Goldman Sachs Group, Inc. [4]	21 536 648	1.23%	21 536 648 / 91 686 544.[5]	1.23% 5.23%

[1]In accordance with the provisions of the Company's Articles of Association, the voting rights of the shareholders holding more than 10% of the total votes in the Company are limited in such a way that none of them may exercise more than 10% of the total votes in the Company at the General Meeting of the Company. The cumulative votes of the shareholders between whom there is a relationship of dominance or dependence within the meaning of the provisions of the Company's Articles of Association are subject to the relevant reduction. The above restriction on the voting rights does not apply to the State Treasury and the entities dependent on the State Treasury during the period in which the State Treasury and the entities dependent on the State Treasury hold a number of the shares in the Company entitling them to exercise at least 25% of the total votes in the Company.
[2] In accordance with the list of the shareholders holding at least 5% of the number of the votes at the Company's Ordinary General Meeting on June 25, 2025,
[3] According to the notification from Helikon Long Short Equity Fund Master ICAV received on December 9, 2024.
[4] According to the notification from The Goldman Sachs Group, Inc. received on March 18, 2026.
[5] The number of the votes in the Company relating to the financial instruments other than the shares.

In 2025 and by the date of drawing up of this report the Company had received the following notifications related to the changes in the holdings of TAURON shares and the financial instruments linked to TAURON shares:

1. a notification received on January 22, 2025, from The Goldman Sachs Group, Inc., according to which on January 17, 2025, the Goldman Sachs Group Inc.'s entities had topped the 5% threshold of the total number of the votes in the Company (in total, based on the number of the shares and the financial instruments other than the shares held). The said notification had been amended by The Goldman Sachs Group, Inc. on February 11, 2025. In accordance with the amended notification, as of January 17, 2025, The Goldman Sachs Group, Inc.'s entities had held the financial instruments entitling them, in total, to 5.51% of the total number of the votes in the Company (96 604 765 votes), out of which 3.20% of the total number of the votes (56 165 891 votes) had beeb related to the financial instruments other than the equity shares, and 2.31% of the total number of the votes (40 438 874 votes) had been related to the shares in the Company.
2. a notification received on May 5, 2025, from The Goldman Sachs Group, Inc., on the reduction of the share in the total number of the votes in the Company to the level below 5% which had taken place on April 30, 2025. As of April 30, 2025, The Goldman Sachs Group, Inc.'s entities had held the financial instruments entitling them, in total, to 4.70% of the total number of the votes in the Company (82 424 667 votes), out of which 3.12% of the total number of the votes (54 753 682 votes) had been related to the financial instruments other than the equity shares, and 1.58% of the total number of the votes (27 670 985 votes) had been related to the shares in the Company.
3. a notification received on May 6, 2025, from The Goldman Sachs Group, Inc., according to which on May 1, 2025, The Goldman Sachs Group Inc.'s entities had topped the 5% threshold of the total number of the votes in the Company (in total, based on the number of the shares and the financial instruments other than the shares held). In accordance with the notification, as of May 1, 2025, The Goldman Sachs Group, Inc.'s entities had held the financial instruments entitling them, in total, to 5.98% of the total number of the votes in the Company (104 767 877 votes), out of which 4.4% of the total number of the votes in the Company (77 096 892 votes) had been related to the financial instruments other than equity shares, and 1.58% of the total number of the votes (27 670 985 votes) had been related to the shares in the Company.
4. notification received on March 18, 2026, from The Goldman Sachs Group, Inc., pursuant to which, as of March 11, 2026, entities within the group of The Goldman Sachs Group, Inc. had held, in aggregate, the financial instruments entitling them to 6.46% of the total number of the votes in the Company, of which 5.23% of the total number of the votes in the Company (91 686 544 votes) had been related to financial instruments other than shares, and 1.23% of the total number of the votes (21 536 648 votes) had been related to the shares of the Company.

9.5. Holders of the securities entitling to the special control rights

The Company had not issued any securities that would grant special control rights with respect to the Company. No changes had been reported in this regard in 2025.

9.6. Restrictions on exercising the right to vote

The restrictions on exercising of the right to vote are included in § 10 of the Company's Articles of Association which are available on the Company's website at the following address: https://www.tauron.pl/tauron/relacje-inwestorskie/informacje-o-spolce/dokumenty-spolki.

The above mentioned restrictions on the exercising of the right to vote have been formulated in the following manner:

1. The right to vote of the shareholders holding more than 10% of the total votes in the company shall be limited so that none of them can exercise more than 10% of the total votes in the company at the General Meeting of the Company.
2. The restriction on the exercising of the voting right mentioned in clause 1 above shall not apply to the State Treasury and the entities controlled thereby in the period during which the State Treasury, together with the entities controlled thereby, hold a number of the company's shares that entitle them to exercise at least 25% of the total votes in the Company.
3. The votes of the shareholders who have a parent / subsidiary relationship within the meaning of § 10 of the Articles of Association (Shareholder Cluster) shall be aggregated; in case the aggregate number of their votes exceeds 10% of the total votes in the Company it shall be subject to a reduction. The rules of the votes' aggregation and reduction are defined in the clauses 6 and 7 below.
4. A shareholder, within the meaning of § 10 of the Articles of Associations, shall be any party (entity, person), including its parent and subsidiary company, entitled directly or indirectly to a voting right at the General Meeting of the Company on the basis of any legal title; it shall also be applicable to a party (entity, person) that does not hold the company's shares, and in particular to a user, lien holder, party (entity, person) entitled on the basis of a depositary receipt under the regulations of the Act of July 29, 2005 on the trading of financial instruments, as well as a party (entity, person) entitled to take part in the General Meeting of the Company in spite of disposing of its shares after the date of establishing (registering) the right to take part in the General Meeting of the Company.
5. A parent company and a subsidiary company, for the purposes of § 10 of the Company's Articles of Association, shall be understood, accordingly, as a party (entity, person):
   1) with a status of a controlling undertaking, controlled undertaking or, at the same time, both the status of a controlling undertaking and controlled undertaking within the meaning of the Act of February 16, 2007, on the protection of competition and consumers, or
   2) with a status of a parent company, higher level parent company, subsidiary company, lower level subsidiary company, co-controlled company or one that has both the status of a parent company (including a higher level parent company) and the status of a subsidiary (including a lower level subsidiary company and a co-controlled company) within the meaning of the Act of September 29, 1994 on accounting, or
   3) which has (parent company) or one which is under (subsidiary company) controlling influence within the meaning of the Act of September 22, 2006, on transparency of financial relationships between public bodies and public undertakings and on financial transparency of some undertakings, or
   4) whose votes due to the Company's shares owned directly or indirectly are subject to aggregation with votes of another party (entity, person) or other parties (entities, persons) on the conditions defined in the Act of July 29, 2005 on a public offering and conditions of introducing financial instruments to an organized trading system and on public companies in connection with holding, disposing of or acquiring the substantial blocks of the Company's shares.
6. The aggregation of the votes is based on totaling of the number of the votes held by the individual shareholders that are the members of the Shareholders' Cluster.

7. A reduction of the votes involves decreasing of the total number of the votes in the Company that the shareholders that are members of the Shareholders' Cluster, are entitled to exercise at the General Meeting of the Company to the level of 10% of the total votes in the Company. A reduction of the votes shall take place in accordance with the following rules:
   1) the number of the votes of a shareholder who holds the largest number of votes in the Company among all of the shareholders that are the members of the Shareholders' Cluster shall be reduced by a number of the votes equal to a surplus above 10% of the total votes in the Company held by all of the shareholders that are the members of the Shareholders' Cluster,
   2) if, in spite of the reduction mentioned in clause 1) above, the total number of the votes that the shareholders that are the members of the Shareholders' Cluster are entitled to exceeds 10% of the total votes in the Company, a further reduction of the votes held by the other shareholders that are the members of the Shareholders' Cluster shall be made. A further reduction of the individual shareholders' votes shall take place in an order established on the basis of the number of the votes that the individual shareholders that are the members of the Shareholders' Cluster hold (from the highest to the lowest one). A further reduction shall take place until the total number of the votes held by the shareholders that are the members of the Shareholders' Cluster does not exceed 10% of the total votes in the Company,
   3) in any case a shareholder whose voting rights have been reduced shall have the right to exercise at least one vote,
   4) a restriction on the exercising of the voting right shall also apply to a shareholder absent at the General Meeting of the Company.
8. Each shareholder who is going to take part in the General Meeting of the Company, in person or through a proxy, shall be obliged to, without a separate notice mentioned in clause 9 below, notify the Management Board or the Chairperson of the General Meeting of the Company that she or he holds, directly or indirectly, more than 10% of the total votes in the Company.
9. Notwithstanding the provisions of clause 8 above, in order to establish the basis for aggregating and reducing the votes, a Company's shareholder, Management Board, Supervisory Board and the individual members of such bodies shall have the right to demand that a shareholder of the Company provide information whether she or he is a party (entity, person) having the status of a parent or subsidiary company towards another shareholder within the meaning of § 10 of the Company's Articles of Association. The entitlement mentioned in the preceding sentence shall also include the right to demand the revealing of the number of the votes that the Company's shareholder holds on its own or jointly with other shareholders of the Company.
10. A party (entity, person) that has failed to fulfill or has fulfilled the information disclosure obligation mentioned in clauses 8 and 9 above improperly, shall, until a failure to fulfill the information disclosure obligation has been remedied, be able to exercise its voting right with respect to one share only; the exercising of the voting rights with respect to the other shares by such party (entity, person) shall be null and void.

In 2025, no changes had been made to the existing restrictions in place.

9.7. Restrictions on the transfer of the ownership right to the securities

As of December 31, 2025, and as of the date of drawing up of this report the Company's Articles of Association do not envisage any restrictions on the transfer of the ownership right to the Company's securities.

However, in accordance with the *Act of July 24, 2015 on the control of certain investments* (Journal of Laws of 2024, item 1459), an entity intending to purchase or achieve a material shareholding or purchase the dominating control over TAURON, which is, in accordance with the *Regulation of the Council of Ministers of December 18, 2024, on the list of entities subject to protection and their competent control bodies* (Journal of Laws of 2024, item 1892), an entity subject to protection, shall, each time, be obligated to submit a notification to the control body – the competent Minister of the State Assets of its intention to do so, unless such an obligation rests on other entities.

In addition, in accordance with the *Act of December 16, 2016, on the principles of the management of state assets* (Journal of Laws of 2024, item 125, as subsequently amended), the shares or rights attached to the shares in TAURON that are owned by the State Treasury may not be sold.

9.8. Rules on appointing and dismissing of the Members of the Management Board and the Members of the Supervisory Board of TAURON Polska Energia S.A.

Management Board of TAURON Polska Energia S.A.

The rules on appointing and dismissing of the Members of the Company's Management Board

The Management Board of the Company shall be composed of 1 to 6 persons, including the President and the Vice Presidents. The Members of the Management Board of the Company shall be appointed and dismissed by the Company's Supervisory Board for a common term of office lasting 3 full financial years, except for the 1st term of office that had lasted 2 years.

The term of office (tenure) of a Member of the Management Board shall expire, at the latest, as of the date of the General Meeting which approves the financial statements for the last full financial year of the Member of the Management Board's term of office. In accordance with the Company's Articles of Association, each of the Members of the Management Board can be dismissed or suspended from office by the Company's Supervisory Board or the General Meeting of the Company.

In accordance with the Company's Articles of Association the Members of the Management Board shall be appointed by the Supervisory Board based on the conducted qualification (recruitment) proceedings whose goal is to verify and evaluate the candidates' qualifications and select the best candidate.

A candidate for a Member of the Management Board must meet the requirements set out in § 16, clauses 3 and 4 of the Company's Articles of Association.

A candidate for a Member of the Management Board of the Company may be a person who meets all of the following conditions:

1. holds a university degree or a university degree obtained abroad and recognized in the Republic of Poland, pursuant to the separate regulations,
2. has had at least 5 years of employment on the basis of a labor contract, call-up, selection, appointment, cooperative employment contract, or a provision of services on the basis of any other contract or by way of a self-employment,
3. has had at least 3 years of experience of holding the managerial or independent positions or resulting from the self-employment,
4. meets the requirements, other than those listed in items 1 – 3, specified in the separate regulations, and in particular does not violate the restrictions or prohibitions on holding the position of a member of a management body at the commercial companies.

A Member of the Management Board of the Company cannot be a person who:

1. performs the function of a social collaborator or is employed in the office of a deputy, a senator, a combined deputy and senator office or the office of a Member of the European Parliament under a labor contract or performs work on the basis of a job performance contract (contract of mandate) or other contract of a similar nature,
2. is a member of a political party authority representing the political party externally and is authorized to take on any obligations on its behalf,
3. is employed by a political party on the basis of a labor contract or performs work on the basis of a job performance contract (contract of mandate) or other contract of similar nature,
4. holds an elected position in a company's trade union organization or in a trade union organization of a company (subsidiary) that is a part of the capital group,
5. his or her social or income generating activity gives rise to a conflict of interest with respect to the company's activities.

In accordance with the *Regulations of the qualification (recruitment) proceedings for the positions of the Members of the Management Board of TAURON Polska Energia S.A.*, in addition to the above mentioned conditions, a candidate for a position of a Member of the Management Board should hold a security clearance authorizing access to the classified information marked "secret (classified)" within the meaning of the Act of August 5, 2010, on the protection of the classified information, or express consent to undergo the security clearance procedure provided for obtaining access to the classified information marked "secret (classified)", in the event of having been appointed to be a Member of the Management Board.

> **In 2025, no recruitment process had been conducted for the positions on the Company's Management Board.**

Information on the recruitment process for the position of the Vice President of the Management Board of the Company for Trading conducted after the balance sheet date

In connection with a vacancy in the composition of the Management Board of the Company, on March 9, 2026, the Supervisory Board announced the opening of a recruitment process for the position of the Vice President of the Management Board for Trade on the Company's website and in the Public Information Bulletin of the Ministry of State Assets.

In the published announcement, the Supervisory Board set out the rules and procedure of the recruitment process, the date and venue for the recruitment interviews, the scope of topics to be covered in the interviews, and the requirements and method for evaluating candidates.

Within the deadline specified in the announcement, 6 candidacy applications for the above mentioned position were received at the Company's registered office.

As part of the recruitment process conducted, the Supervisory Board verified the applications against the formal requirements set out in the announcement, assessed the candidates to determine which of them best met the requirements necessary to serve on the Management Board of the Company,

and also conducted a qualification interview with the selected candidate.

On the basis of the recruitment process conducted, on March 24, 2026 the Supervisory Board of the Company selected the best candidate for the position of Vice President of the Management Board for Trading and appointed Krzysztof Zawadzki to the Management Board of the Company with effect from 25 March 2026.

The information on the results of the recruitment process was published on the Company's website.

The diagram showing the division of the competences (responsibilities) of the Members of the Management Board of the Company is presented in section 9.11 of this report.

Supervisory Board of TAURON Polska Energia S.A.

Rules on appointing and dismissing of the Members of the Supervisory Board of the Company

> **The Supervisory Board of the Company shall be composed of 5 to 9 persons, appointed for a common term of office lasting 3 full financial years, except for the first term of office that had lasted 1 financial year.**

The term of office (tenure) of a Member of the Supervisory Board shall expire, at the latest, as of the date of the General Meeting which approves the financial statements for the last full financial year of the Member of the Supervisory Board's term of office. In accordance with the Company's Articles of Association, the Members of the Company's Supervisory Board shall be appointed and dismissed by the General Meeting, subject to the following:

1. during the time when the State Treasury, together with the State Treasury controlled entities within the meaning of § 10, clause 5 of Company's Articles of Association, hold a number of the Company's shares that entitle

them to exercise at least 25% of the total votes in the Company, the State Treasury shall be entitled to appoint and dismiss the Members of the Company's Supervisory Board in the number equal to half of the maximum number of the members of the Company's Supervisory Board defined in the Company's Articles of Association (in the case such number is not integral it shall be rounded down to an integral number, for example 4.5 shall be rounded down to 4) and increased by 1, provided that the State Treasury:

1) shall be obliged to vote at the General Meeting of the Company on establishing the number of Members of the Company's Supervisory Board that would correspond to the maximum number of Members of the Company's Supervisory Board defined in the Company's Articles of Association in case such a motion is submitted to the Company's Management Board by a shareholder or shareholders who hold a number of votes that entitle them to exercise at least 5% of the total number of the votes in the Company,

2) shall be excluded from the voting at the General Meeting of the Company on appointing and dismissing of the other members of the Company's Supervisory Board, including the independent members of the Company's Supervisory Board; this shall not, however, apply to the case when the Company's Supervisory Board cannot act due to its membership being smaller than required by the Company's Articles of Association, and the shareholders present at the General Meeting of the Company, other than the State Treasury, do not supplement the composition of the Company's Supervisory Board in accordance with the distribution of the seats in the Company's Supervisory Board, as described in this clause above,

2. during the time when the State Treasury, together with the State Treasury controlled entities within the meaning of § 10, clause 5 of the Company's Articles of Association, hold a number of the Company's shares that entitle them to exercise less than 25% of the total number of the votes in the Company, the State Treasury, represented by the minister competent to exercise the rights related to the State Treasury's shares, shall be entitled to appoint and dismiss one member of the Company's Supervisory Board,
3. appointing and dismissing of the members of the Company's Supervisory Board by the State Treasury pursuant to the above mentioned clauses 1 or 2 shall take place by means of a statement to be submitted to the Company.

The Minister competent to exercise the rights in respect of the shares held by the State Treasury, as part of the statutory powers vested onto the State Treasury, shall appoint as a Member of the Supervisory Board a person who, pursuant to the *Act of December 16, 2016, on the principles of the management of the state assets*, has obtained a positive opinion of the Council for the companies with a State Treasury shareholding and the state owned legal entities and meets the requirements set forth in the above mentioned Act related to, among other things, education background and the qualifications.

In accordance with the Regulations of the General Meeting, the above mentioned criteria shall not be required for the Members of the Supervisory Board appointed by the General Meeting of the Company.

In accordance with the Articles of Association of the Company, at least two Members of the Supervisory Board of the Company should meet the independence criteria specified in the *Act of May 11, 2017, on the certified auditors, audit firms and the public oversight*, as well as should not have the actual and the material ties to a shareholder holding at least 5% of the total number of the votes in the Company.

Pursuant to the *Act of May 11, 2017, on the certified auditors, audit companies and the public oversight*, the majority the members of the audit committee, including the head thereof, should be independent and at least one member of the audit committee should have the knowledge and the skills with respect to the accounting or auditing of the financial statements and at least one member of the audit committee should have the knowledge and the skills with respect to the industry that the company is operating in.

The Members of the Company's Supervisory Board shall submit to the Company, prior to their appointment as the Members of the Supervisory Board, a written statement on the compliance with the independence criteria listed in the above mentioned act, as well as on the existence or the non-existence of the actual and the material ties to a shareholder holding at least 5% of the total number of the votes in the Company. In the case that a situation occurs where the independence criteria are not fulfilled, a Member of the Supervisory Board shall be obliged to inform the Company promptly thereof.

The detailed information on the independence of the Members of the Supervisory Board of the Company is presented in section 9.11. of this report.

The detailed information on the changes to the composition of the Supervisory Board of the

Company in 2025 and by the date of drawing up of this report is presented in section 9.11. of this report..

9.9. Procedure of amending TAURON Polska Energia S.A.'s Articles of Association

The amendments to the Company's Articles of Association shall be made in accordance with the provisions of the Code of Commercial Companies, in particular: an amendment to the Company's Articles of Association shall take place by way of a resolution of the General Meeting of the Company, passed by the majority of three fourths of the votes, and shall, subsequently, require issuing of a decision by a competent court on the entering of the amendment into the register of entrepreneurs (business register). The consolidated text of the Company's Articles of Association, including the amendments passed by the General Meeting, shall be adopted by the Supervisory Board of the Company by way of a resolution.

In accordance with the Company's Articles of Association, a material amendment to the subject of the Company's business operations shall require the majority of two thirds of the votes in the presence of the persons representing at least half of the share capital.

The current text of the Company's Articles of Association can be found on the Company's website at the following address: https://www.tauron.pl/tauron/relacje-inwestorskie/informacje-o-spolce/dokumenty-spolki.

Information on the amendments to the Company's Articles of Association in 2025

On July 3, 2025, the District Court for Katowice-Wschód in Katowice, 8th Commercial Division of the National Court Register, entered into the Register of Entrepreneurs of the National Court Register amendments to the Company's Articles of Association adopted by the Ordinary General Meeting of the Company on June 25, 2025.

On July 7, 2025, the Company's Supervisory Board had adopted a consolidated text of the Company's Articles of Association, incorporating the amendments adopted by the Company's Ordinary General Meeting.

The amendments to the Articles of Association of TAURON Polska Energia S.A. had mainly been related to the issues associated with the sustainable development reporting and granting to the Company's Supervisory Board of the powers in this area, including, among other things, the selection of an audit firm to certify (attest) such reporting, the issuing of the opinions on the results of the double materiality assessments as well as the supervising of the implementation of the sustainable development goals.

TAURON had disclosed the information on the content of the resolution of the Ordinary General Meeting (GM) of the Company on the amendments to the Company's Articles of Association in current report no. 23/2025 of June 25, 2025.

TAURON had disclosed the information on the registration of the amendments to the Company's Articles of Association in current report no. 25/2025 of July 3, 2025, while the consolidated text of the Articles of Association of TAURON Polska Energia S.A. had been published in current report no. 26/2025 of July 7, 2025.

9.10. General Meeting of TAURON Polska Energia S.A. and the shareholders' rights

General Meeting of TAURON Polska Energia S.A.

The Company's General Meeting of Shareholders' procedures and its empowerments are defined in the Company's Articles of Association and in the Regulations of the General Meeting of the Shareholders of TAURON Polska Energia S.A. (GM Regulations) which are available on the Company's website at the following address: http://www.tauron.pl/tauron/relacje-inwestorskie/informacje-o-spolce/dokumenty-spolki.

Procedures of the General Meeting of the Company

A General Meeting (GM) shall be convened by way of a notice published on the Company's website at the following address: https://www.tauron.pl/tauron/relacje-inwestorskie/walne-zgromadzenie and in a manner defined for disclosing the current information by the public companies, i.e. by way of the current report (regulatory filing). In the case a General Meeting (GM) is convened by an entity or a body other than the Management Board of the Company pursuant to the regulations of the Code of Commercial Companies, as convening of a General Meeting requires the Management Board's cooperation, the Management Board of the Company shall be obliged to perform any activities defined by the law in order to convene, organize and conduct the General Meeting (GM).

A General Meeting of TAURON Polska Energia S.A. shall, in line with the Company's Articles of Association, take place either at the Company's registered office or in Warsaw.

A General Meeting shall be opened by the Chair of the Company's Supervisory Board, and in the case he or she is absent, the following persons shall be entitled to open the General Meeting in the following order: the Vice Chair of the Company's Supervisory Board, the President of the Company's Management Board, a person designated by the Company's Management Board or a shareholder who has registered at the General Meeting such a number of shares that grant the right to exercise the largest number of votes. Subsequently, the Chair of the General Meeting shall be elected from among the persons entitled to take part in the General Meeting.

A General Meeting shall pass the resolutions irrespective of the number of the shares represented at the General Meeting, unless the regulations of the Code of Commercial Companies, as well as the provisions of the Company's Articles of Association state otherwise.

A General Meeting may order a pause in the meeting by the majority of two thirds of the votes. The pauses shall not last longer than 30 days in total. A pause in the GM session may take place only in the exceptional situations, every time indicated, on a case by case basis, in the justification to the resolution, drawn up based on the reasons presented by a shareholder requesting the pause to be ordered. A GM resolution related to the ordering of a pause shall clearly indicate the date (time) of the resumption of the session, however, such a date (time) must not create a barrier for the participation of the majority of the shareholders in the resumed meeting, including the minority shareholders.

Competence of the General Meeting of the Company

Table no. 56 Competence of the General Meeting of the Company as of December 31, 2025, and as of the date of drawing up of this report

Matters that require a resolution of the General Meeting of the Company
1. Reviewing and approving of the financial statements of the Company and of the consolidated financial statements of the Capital Group for the previous financial year as well as of the Report of the Management Board on the Company's operations (Directors' Report) and the Report of the Management Board on the operations of the Capital Group.
2. Granting of the acknowledgement (discharge) of the fulfillment of the duties to the members of the Company's corporate bodies (authorities),
3. Distribution of the profit and covering of the loss,
4. Appointing and dismissing of the Members of the Company's Supervisory Board,
5. Suspending of the Members of the Company's Management Board in the performance of their duties,
6. Establishing of the amount of the compensation for the Members of the Company's Supervisory Board, subject to § 29, clause 4 of the Company's Articles of Association,
7. Establishing of the principles of determining the compensation and the amount of the compensation of the Members of the Company's Management Board taking into account the provisions of the Act of June 9, 2016, on the principles of determining compensation of the management personnel of certain companies,
8. Adopting, not less often than every four years, of the compensation policy for the Members of the Management Board and of the Supervisory Board of the Company, taking into account the requirements of the Act of July 29, 2005, on the public offering and the conditions for introducing financial instruments to an organized trading system and on the public companies,
9. Selling and leasing out of the Company's enterprise or its organized part as well as establishing of a limited pledge (property right) thereupon,
10. Concluding of a credit, loan, surety agreement or of any other similar agreement by the Company with a member of the Management Board, Supervisory Board, proxy, liquidator (receiver) or for the benefit of any of such persons. Concluding of a credit, loan, surety or of any other similar agreement by a subsidiary with a Member of the Management Board, the Supervisory Board, a proxy, a liquidator (receiver, administrator) or for the benefit of any of such persons,
11. Increasing and decreasing of the Company's share capital,

12. Issuing of the convertible bonds or the senior bonds as well as the registered securities or bearer securities entitling the holder thereof to subscribe or take up the shares,
13. Purchasing (buyback) of own shares in the cases required by the regulations of the Code of Commercial Companies,
14. Mandatory buyback of the shares (squeeze out) in accordance with the provisions of art. 418 of the Code of Commercial Companies,
15. Setting up, using and liquidating the reserve capitals,
16. Use of the supplementary capital,
17. Provisions related to the claims to repair damage (redress claims) caused while establishing the Company or performing of the management or supervision (oversight) functions,
18. Merger, transformation and the division of the Company,
19. Redemption (retirement) of the shares,
20. Amendment to the Company's Articles of Association and a change of the subject of the Company's business operations,
21. Dissolving and liquidating of the Company.
22. Providing an opinion on the report on the compensation of the Members of the Management Board and the Members of the Supervisory Board, referred to in § 20, clause 1, item 17 of the Company's Articles of Association,
23. Approving of the report on the activities of the Supervisory Board, referred to in § 20, clause 1, item 3 of the Company's Articles of Association.

In accordance with the provisions of the Code of Commercial Companies the decision on the issue and repurchase of the shares shall be included within the competence of the General Meeting.

Ordinary General Meeting of the Company in 2025

The Ordinary General Meeting of the Company had been held on June 25, 2025, and it had adopted the resolutions with respect to, among other things:

1. the approval of the Report of the Supervisory Board of TAURON Polska Energia S.A. for the financial year 2024, the Financial Statements of TAURON Polska Energia S.A. for the year ended on December 31, 2024, drawn up in accordance with the International Financial Reporting Standards (IFRS) approved by the European Union, the approval of the Consolidated Financial Statements of TAURON Polska Energia S.A. Capital Group for the year ended on December 31, 2024, drawn up in accordance with the International Financial Reporting Standards (IFRS) approved by the European Union, the Report of the Management Board on the operations of TAURON Polska Energia S.A. and TAURON Capital Group for the financial year 2024, taking into account TAURON Group's sustainable reporting,
2. distribution of the net profit for the financial year 2024 by allocating it in full to the Company's reserve capital,
3. the providing of the positive opinion on the Report on the compensation of the Members of the Management Board and the Members of the Supervisory Board of TAURON Polska Energia S.A. for the year 2024,
4. the granting and the non-granting of the acknowledgement (discharge) of the fulfillment of their duties by the individual Members of the Company's Management Board, who had held their positions in the financial year 2023 and 2024,
5. the granting of the acknowledgement (discharge) of the fulfillment of their duties by the Members of the Company's Supervisory Board who had held their positions in the financial year 2024,
6. the amendment of the Company's Articles of Association, with respect to the issues specified in section 9.9 of this report
7. the amendment of the Resolution no. 30 of the Ordinary General Meeting of the Company of May 24, 2022 on the principles of determining the compensation for the Members of the Management Board of TAURON Polska Energia S.A.,
8. the amendment of the *Compensation Policy for the Members of the Management Board and the Members of the Supervisory Board of TAURON Polska Energia S.A.*,
9. the principles of determining the compensation for the Members of the Supervisory Board, as discussed in more detail in Section 10 of this report.

TAURON had disclosed the information on the convening of the Ordinary General Meeting (OGM) of the Company, the content of the draft resolutions and on the changes to the agenda of the Ordinary General Meeting

(OGM) of the Company in current reports no. 19/2025 and no. 20/2025 of May 29, 2025, no. 21/2025 of June 3, 2025, as well as no. 22/2025 of June 18, 2025.

TAURON had disclosed the information on the content of the resolutions subjected to the vote at the Ordinary General Meeting (OGM) of the Company in current report: no. 23/2025 of June 25, 2025.

TAURON had disclosed the list of the shareholders holding at least 5% of the votes at the Ordinary General Meeting (OGM) of the Company in current report: no. 24/2025 of June 27, 2025.

Shareholders' rights and the manner of exercising thereof

The rights of TAURON's shareholders and the manner of exercising thereof stem mainly from the provisions of the Code of Commercial Companies, the provisions of the Company's Articles of Association and the Regulations of the General Meeting. They include, among other things, the right to convene a General Meeting, take part in and vote at the General Meeting as well as submit the draft resolutions. The detailed description of the main rights of TAURON's shareholders is provided in the table below. The restrictions on the exercising of the rights to vote are presented in detail in section 9.6 of this report.

Table no. 57 Description of the shareholders' rights related to the General Meeting of the Company in accordance with the Company's Articles of Association, Code of Commercial Companies and the Regulations of the General Meeting

	Rights of the Shareholders	Description of the rights of the shareholders
1.	Convene a General Meeting (GM)	The shareholders representing at least 1/20 of the share capital of the Company, may request convening of an Extraordinary General Meeting. Such a request should include a concise justification. It may be submitted to the Company's Management Board in writing or in an electronic form, to the e-mail address walnezgromadzenie@tauron.pl, provided by the Company on its website under the *Relacje inwestorskie* (Investor Relations) tab. The shareholders representing at least a half of the share capital or at least half of all of the votes in the Company may convene an Extraordinary General Meeting (GM) and appoint a chair person of such General Meeting.
2.	Include matters (items) in the agenda of the General Meeting	The shareholders representing at least 1/20 of the share capital of the Company, may request that certain matters (items) be included in the agenda of the forthcoming General Meeting. Such a request, including a justification or a draft resolution related to the proposed item of the agenda, should be submitted to the Company's Management Board not later than 21 days prior to the set date of the General Meeting in an electronic form to the e-mail address walnezgromadzenie@tauron.pl or in writing to the Company's address.
3.	Become acquainted with the list of the shareholders	The shareholders may become acquainted with the shareholders' list at the Company's Management Board's seat for 3 weekdays preceding directly the date of the General Meeting. The shareholders may also request that the list of the shareholders be sent to them free of charge to the address provided for the electronic deliveries or by the electronic mail, providing the address to which the list should be sent.
4.	Participate in the General Meeting	Only the persons who are the Shareholders 16 days prior to the date of the General Meeting (date of registering to take part in the General Meeting) shall have the right to take part in the General Meeting. In order to participate in the General Meeting the shareholders should submit a request to issue a name bearing affidavit conforming the right to take part in the General Meeting to an investment (brokerage) company that is handling their securities account. Such a request should be submitted not earlier than following the announcement (notice) on the convening of the General Meeting and not later than on the first weekday following the day of registering to take part in the General Meeting.
5.	Represent a shareholder by a proxy (power of attorney)	The shareholders may take part in the General Meeting as well as exercise the voting right in person or through a proxy (power of attorney). The shares' co-owners may take part in the General Meeting and exercise the voting right only through a joint representative (proxy). A proxy (power of attorney) may represent more than one shareholder and vote differently based on the shares of each shareholder.
6.	Elect the Chair Person of the General Meeting	The shareholders shall elect the Chairperson of the General Meeting from among the persons entitled to take part in the General Meeting. Each of the participants of the General Meeting shall have the right to propose one candidate. The Chairperson shall be elected by a secret ballot, by an absolute majority of the votes. In the case there is just one candidate proposed to be the Chairperson, the election can take place by acclamation.
7.	Elect the Returning Committee	Each shareholder may propose no more than 3 candidates to be the members of the Returning Committee to be elected by the General Meeting, and vote for the maximum of 3 candidates.
8.	Submit a draft resolution	During the General Meeting the shareholders shall have the right, until the discussion on the given item of the agenda is closed, to submit a proposal of the changes to the content of a draft resolution proposed for adoption by the General Meeting, as part of the given item of the agenda.
9.	Raise an objection	The shareholders who have voted against a resolution and, after the General Meeting has adopted it, want to raise their objection thereto, should, immediately after the results of the voting

	have been announced, raise their objection and request it be included in the minutes of the meeting before proceeding to the next item of the agenda. In the case such an objection is raised later, which however shall not take place later than by the time the General Meeting is closed, the shareholders shall indicate against which resolution passed by the General Meeting they are raising their objection. The shareholders raising their objection against a resolution of the General Meeting may request their concise justification of the objection be recorded in the minutes of the meeting.

9.11. Management Board and Supervisory Board of TAURON Polska Energia S.A. and the committees thereof

Management Board of TAURON Polska Energia S.A.

The 7th term of office of the Management Board of the Company, which had begun its run on March 7, 2024, had been under way in 2025. In accordance with the Company's Articles of Association, a common term of office shall last 3 full financial years.

The Management Board of the Company had held a total of 63 meetings and had adopted 393 resolutions in the financial year 2025.

ESRS 2 GOV-1 §21 (a) – (b), (d)

The composition of the Company's Management Board as of December 31, 2025, and as of the date of drawing up of this report

As of January 1, 2025, the Management Board of the Company had been composed of the following persons: Grzegorz Lot (President of the Management Board), Piotr Gołębiowski (Vice President of the Management Board for Trading), Michał Orłowski (Vice President of the Management Board for Asset Management and Development) and Krzysztof Surma (Vice President of the Management Board for Finance).

Table no. 58 The composition of the Company's Management Board as of December 31, 2025, and as of the date of drawing up of this report

The composition of the Company's Management Board as of December 31, 2025		The composition of the Company's Management Board as of the date of drawing up of this report	
Grzegorz Lot	President of the Management Board (CEO)	Grzegorz Lot	President of the Management Board (CEO)
Michał Orłowski	Vice President of the Management Board for Asset Management and Development	Michał Orłowski	Vice President of the Management Board for Asset Management and Development
Krzysztof Surma	Vice President of the Management Board for Finance (CFO)	Krzysztof Surma	Vice President of the Management Board for Finance (CFO)
		Krzysztof Zawadzki	Member of the Supervisory Board delegated to perform the duties of the Vice President of the Management Board for Trading

The persons representing the employees and other persons performing the work for the Company are not members of the Management Board of the Company.

The composition of the Management Board of the Company as of December 31, 2025, and as of the date of drawing up of the report, does not provide for the gender diversity, while it does provide for the diversity in terms of age, education background, specialist knowledge and work experience in the sectors in line with the subject of the Company's business operations. The scope of diversity of the Company's Management Board remained unchanged as compared to December 31, 2024.

The changes to the composition of the Company's Management Board in 2025 and by the date of drawing up this report

Table no. 59 The changes to the composition of the Company's Management Board in 2025 and by the date of drawing up of this report [1]

Date	
December 17, 2025	The Supervisory Board of the Company had dismissed Piotr Gołębiowski from the Company's Management Board, effective as of December 17, 2025.

January 1, 2026 (an event that took place after the balance sheet date)	On December 17, 2025, the Supervisory Board of the Company had taken the decision to delegate, effective as of January 1, 2026, a Member of the Company's Supervisory Board, Krzysztof Zawadzki, to temporarily perform the duties of a Member of the Management Board of the Company, entrusting him with the performance of the duties of the Vice President of the Management Board for Trading for the period of not longer than three months running from the date of the delegation.
March 24, 2026 (an event that took place after the balance sheet date)	On March 24, 2025, the Supervisory Board of the Company had taken the decision to appoint, effective as of March 25, 2026, Krzysztof Zawadzki to the position of the Vice President of the Management Board for Trading.

[1] *The Company had disclosed the information on the changes to the composition of the Management Board of the Company in current reports no. 45/2025 of December 17, 2025, and in no. 9/2026 of March 24, 2026.*

There had been no other changes to the composition of the Management Board of the Company in 2025 and by the date of drawing up of this report.

ESRS 2 GOV-1 §21 (c)

Experience and competences of the Members of the Company's Management Board who continue to hold their positions on the Company's Management Board as of the date of drawing up of this report

Grzegorz Lot – the President of the Management Board (CEO)

A graduate of the Silesian University of Technology in Gliwice (Politechnika Śląska w Gliwicach), with a major in Mechanics and Machine Building with a specialization in the innovative processes and management in the energy industry. He completed the Post-graduate Management Studies in Enterprise Management at the Silesian University of Technology in Gliwice, the International Management and Marketing Studies at Brno University of Technology, the International Management and Finance Studies at the Katowice University of Economics (Uniwersytet Ekonomiczny w Katowicach) and the Master of Business Administration studies at The Brennan School of Business of Dominican University, River Forest Illinois, USA.

Grzegorz Lot has been associated with the energy sector for more than 28 years. He has a number of years of experience in developing effective sales and marketing strategies and change management, and he is an expert with respect to, among other things, the design and implementation of the new products and services, marketing campaigns, contact channels as well as the IT tools and systems. He has led and implemented a number of projects related to improving the efficiency of processes.

From January 2023 to March 2024, Grzegorz Lot had held the position of the Vice President of the Management Board of Polenergia Sprzedaż sp. z o.o. (Ltd.). From 2020 to 2022, he had held the position of the Vice President of the Management Board of Polenergia Dystrybucja sp. z o.o. (Ltd.), and had, at the same time, served as a Member of the Management Board of Polenergia Sprzedaż sp. z o.o. (Ltd.).

In the years 2012 - 2019, he had been associated with TAURON Group, holding the position of the Vice President of the Management Board of TAURON Sprzedaż sp. z o.o. (Ltd.) and TAURON Sprzedaż GZE sp. z o.o. (Ltd.), as well as the Executive Director for Customer Affairs at TAURON Polska Energia S.A.

From 1997 to 2012, he had worked at Vattenfall Group's subsidiaries as, among other things, the Head of the Development Department, the Head of the Human Resources Planning and Strategy Department, Project Manager, Customer Service Director, the Sales and Marketing Director, the Vice President of the Management Board.

Grzegorz Lot has served on the supervisory boards of a number of companies operating in the energy sector, in particular those of the subsidiaries of Vattenfall Group and TAURON Group.

He is currently serving on the supervisory boards of TAURON Group's subsidiaries: TAURON Dystrybucja S.A. and TAURON Obsługa Klienta sp. z o.o. (Ltd.), as well as on the supervisory boards of such companies as: Elektrociepłownia Stalowa Wola S.A. (Joint Stock Company), Knauf Jaworzno III sp. z o.o. (Ltd.) and PEC – Gliwice Sp. z o.o. (Ltd.).

Michał Orłowski – the Vice President of the Management Board for Asset Management and Development

A graduate of the Wroclaw University of Technology (Politechnika Wrocławska) with a major in management and a graduate of the Wroclaw University of Economics (Uniwersytet Ekonomiczny we Wrocławiu) with a major in corporate finance and accounting. He holds the title of CFA (Chartered Financial Analyst (Chartered Financial Analyst).

He has been associated with the energy sector for more than 11 years. He has extensive experience with respect to, among other things, preparing the business strategies, evaluating the investment and development projects, the merger and acquisition processes, due diligence, and creating the business plans for a number of companies operating in Central Europe and in the Middle East.

From November 2021 to 2024, Michał Orłowski had worked at The Boston Consulting Group, most recently holding the position of the Principal.

From 2016 to 2021, he had worked at TAURON Polska Energia S.A., holding, among other things, such positions as the Executive Director for Mergers, Acquisitions and Disinvestment, the Deputy Executive Director for Investments, and the Head of the Project Analysis and Evaluation Team. From 2014 to 2016 he had worked at The Boston Consulting Group, and from 2013 to 2014 he had been a market analyst at Fortum Power and Heat Polska sp. z o.o. (Ltd.).

Michał Orłowski has served on the supervisory boards of a number of TAURON Group's subsidiaries.

He is currently serving on the supervisory boards of TAURON Group's subsidiaries: TAURON Ekoenergia sp. z o.o. (Ltd.), TAURON Inwestycje sp. z o.o. (Ltd.), TAURON Wytwarzanie S.A. and TAURON Ciepło sp. z o.o. (Ltd.), as well as on the supervisory boards of such companies as: Elektrociepłownia Stalowa Wola S.A. (Joint Stock Company) and Przedsiębiorstwo Energetyki Cieplnej sp. z o.o. (Ltd.) in Tychy.

Krzysztof Surma – the Vice President of the Management Board for Finance (CFO)

A graduate of the Cracow University of Economics (Akademia Ekonomiczna w Krakowie), with a major in finance and banking, specialization: corporate finance. He also completed the Master of Business Administration studies for Financiers at Kozminski University (Akademia Leona Koźmińskiego), the post-graduate studies in the Practical Application of the International Financial Reporting Standards at the Warsaw School of Economics (Szkoła Główna Handlowa w Warszawie) and the Manager Development Program organized by the ICAN Institute. He is a member of the Association of Chartered Certified Accountants (ACCA).

Krzysztof Surma has been associated with the energy sector for 24 years. He has extensive experience with respect to, among other things, the processes related to the centralizing of the financial and insurance areas, obtaining of the external financing, implementation of the strategic projects involving a reorganization and a consolidation of the capital groups of companies.

In the years 2001 - 2009 he had worked at Południowy Koncern Energetyczny S.A., including, among other things, holding the position of the Head of the Risk and Insurance Department (2005 - 2009).

From May 2009 to August, 2021, he had been the competent Director for Finance at TAURON Polska Energia S.A. Since August 2021, Krzysztof Surma has been holding the position of the Vice President of the Management Board for Finance of TAURON Polska Energia S.A.

He has served on the management boards and the supervisory boards of a number of TAURON Group's subsidiaries.

He is currently serving on the supervisory boards of TAURON Group's subsidiaries: TAURON Ciepło sp. z o.o. (Ltd.) and TAURON Wytwarzanie S.A. (Joint Stock Company), as well as on the Supervisory Board of TAMEH HOLDING sp. z o.o. (Ltd.).

Krzysztof Zawadzki – the Vice President of the Management Board for Trading

A graduate of the Faculty of Finance and Banking at the University of Economics in Katowice. He has also completed the post graduate studies in the International Financial Reporting Standards organized by the Warsaw School of Economics and Ernst & Young Academy of Business, as well as the post graduate studies in accounting and finance and taxation at the Warsaw School of Economics. Krzysztof Zawadzki has also completed the doctoral studies at the University of Economics in Krakow and the post graduate studies in business valuation and financial modeling at the Kozminski University in Warsaw. He is a certified auditor.

From 1996 to 2007, he had been employed at Południowy Koncern Energetyczny S.A., where he had held, among other things, the positions of a Heating Market Analysis Specialist, the Chief Economic and Financial Specialist, and the Deputy Chief Accountant. Since 2007, he had been associated with TAURON Polska Energia S.A.: in the years 2007 - 2009, he had held the position of the Director of the Accounting and Tax Department, and the Proxy, and from 2009 to 2015, he had held the position of the Vice President of the Management Board for Economic and Financial Affairs. In 2016, he had held the position of the Member of the Management Board for Finance at KOPEX S.A. (Joint Stock Company). From 2016 to 2018, he had held the position of the Member of the Management Board for Finance at SARE S.A. (Joint Stock Company). In the years 2018 - 2019, he had been the Financial Director at inARGO S.A. (Joint Stock Company) in the restructuring process. In the years 2019 - 2020, he had held the position of the Financial Director at Euvic Solutions S.A. (Joint Stock Company). In the years 2020 - 2021, he had held the position of the President of the Management Board at ELQ S.A. (Joint Stock Company). From March 2021 to December 2025, he had held the position of the Director of Economic and Financial Affairs at EUVIC S.A.

Between 1998 and 2022, he had served on the supervisory boards of the numerous companies, including Columbus Energy S.A., CHK S.A., EO Networks S.A., Enea Centrum Sp. z o.o. (Ltd.), Euvic Energia Sp. z o.o. (Ltd.), CPD S.A., TAURON Obsługa Klienta Sp. z o.o. (Ltd.), TAURON Wytwarzanie S.A., TAURON Wydobycie S.A., Elektrownia Stalowa Wola S.A., Enion Energia Sp. z o.o. (Ltd.), Miejskie Przedsiębiorstwo Wodociągów i Kanalizacji Sp. z o.o. (Ltd.), Ciepło-Service Sp. z o.o. (Ltd.) and Ekopec Sp. z o.o. (Ltd.).

Experience and competences of the former Member of the Company's Management Board who ha had held the position in 2025

Piotr Gołębiowski – the Vice President of the Management Board for Trading who had held the position on the Company's Management Board in 2025 during the 01.01.2025 – 17.12.2025 time frame

A graduate of the Electrical Faculty of the Silesian University of Technology in Gliwice (Politechnika Śląska w Gliwicach). He also completed the Post-graduate International Management and Finance Studies at the Katowice University of Economics (Uniwersytet Ekonomiczny w Katowicach), the International Management and Marketing Post-graduate Studies at Brno University of Technology, the Strategic Leadership Academy program organized by ICAN Institute and the Master of Business Administration studies at The Brennan School of Business of Dominican University, River Forest Illinois, USA.

Piotr Gołębiowski is a manager with more than 29 years of experience in the energy sector, gained at Górnośląski Zakład Elektroenergetyczny S.A. (Joint Stock Company), TAURON Group, and Vattenfall Sales Poland.

He has been specializing mainly in the issues related to the wholesale and retail trading on the energy markets, the asset hedging transactions and the risk management in the energy industry.

Description of the procedures of the Company's Management Board

The Management Board of the Company shall act on the basis of the Code of Commercial Companies and other legal regulations, the provisions of the Company's Articles of Association as well as the provisions of the *Regulations of the Management Board of TAURON Polska Energia Spółka Akcyjna* (Regulations of the Management Board) with its registered office in Katowice which are available on the Company's website at the following address: https://www.tauron.pl/tauron/relacje-inwestorskie/informacje-o-spolce/dokumenty-spolki. When performing their duties the Members of the Company's Management Board shall be acting in accordance with the principles provided in the Best Practice.

Two Members of the Management Board or one Member of the Management Board together with a proxy shall be entitled to make the valid statements on behalf of the Company. In case the Management Board includes one person, one Member of the Management Board or a proxy shall be entitled to make the valid statements on behalf of the Company.

The meetings of the Management Board of the Company shall be convened by the President of the Management Board or a Vice President of the Management Board designated thereby. The meetings of the Management Board shall also be convened on the motion of the majority of the Vice Presidents of the Management Board as well as on the motion of the Chair of the Supervisory Board. The meetings shall be held at the Company's registered office on the date set by the person that has convened the meeting. In the justified cases the meetings of the Management Board may be held outside the Company's registered office. The President of the Management Board or a Vice President of the Management Board designated thereby shall chair the meetings of the Management Board.

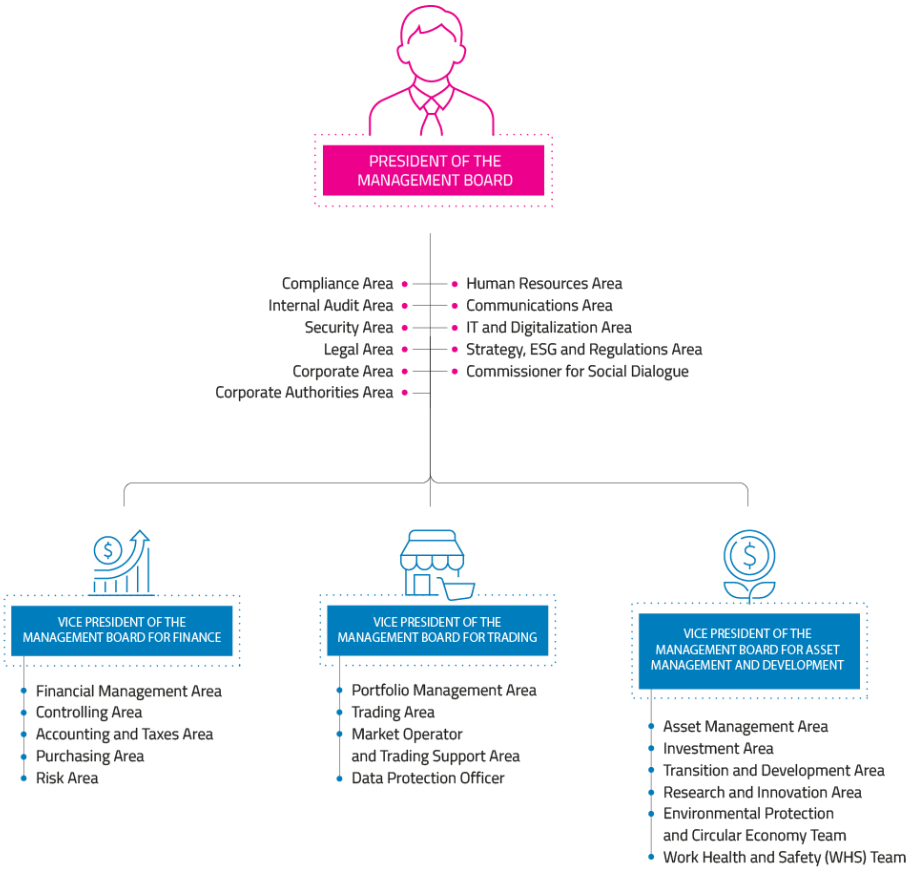
The Management Board shall vote in an open ballot, unless otherwise provided for in the legal

regulations. The result of the ballot shall be recorded in the minutes of the meeting.

The resolutions of the Management Board shall be passed by an absolute majority of the votes in the presence of at least the majority of the Members of the Management Board. In case of an equal number of the votes the President of the Management Board shall have a casting vote. A Member of the Management Board shall inform the Management Board of any conflict of interest that has arisen or the possibility of the arising thereof and shall not participate in the reviewing of the matter or the voting on a resolution in a matter in which a conflict of interest may arise in relation thereto. The Management Board may pass resolutions by voting in writing or using the means of the direct remote communications. The resolution shall be valid when all of the Members of the Management Board have been notified of the content of the draft resolution and at least the majority of the Members of the Management Board participated in adopting the resolution. The voting in accordance with the above procedures shall be ordered by the President of the Management Board or a Member of the Management Board designated thereby, including setting the final deadline for casting of the votes by the Members of the Management Board. The Members of the Management Board voting against the resolution may submit a dissenting opinion to the minutes, which shall be recorded in the minutes of the meeting along with the justification thereof. The decisions of the Management Board which are the decisions on the ongoing matters (daily business) that do not require a resolution shall be recorded only in the minutes of the meetings.

The internal division, among the Members of the Management Board, of the tasks and responsibilities for the individual business areas of the Company's operations, as defined in the Organizational Regulations and including the independent (autonomous) work positions, as well as the organizational units reporting directly to the Executive Directors, whose work is managed (supervised) by the Members of the Company's Management Board, is defined by the Company's Management Board *Resolution No. 149/VII/2024 of April 29, 2024 regarding the assignment of individual organizational units of the Company and independent work positions directly reporting to the Members of the Management Board of TAURON Polska Energia S.A.* The structure of the Company's business areas reporting to the individual Members of the Company's Management Board is posted on the Company's website at the following address: https://www.tauron.pl/tauron/o-tauronie/wladze-spolki.

Figure no. 45 Diagram (flowchart) showing the division of the responsibilities of the Members of the Company's Management Board, as of December 31, 2025



On December 23, 2025, the Supervisory Board of the Company had approved an amendment to the Organizational Regulations consisting in a liquidation of the Research and Innovation Area. This amendment will enter into force as of April 1, 2026.

Competence of the Company's Management Board

The Management Board shall conduct the Company's affairs and represent the Company in all of the court and out of court proceedings. Any matters related to the conducting of the Company's affairs, not assigned, based on the legal regulations or the provisions of the Company's Articles of Association, to the scope of competence of the General Meeting (GM) or of the Supervisory Board, shall be within the scope of competence of the Management Board of the Company.

As of December 31, 2025, and as of the date of drawing up of this report, in accordance with the Company's Articles of Association and the Regulations of the Management Board, all of the issues that go beyond the regular scope of the Company's ordinary activities shall require a resolution of the Management Board of the Company, in particular, the issues listed in the below table.

Table no. 60 Competence of the Company's Management Board as of December 31, 2025, and as of the date of drawing up of this report

Matters that require a resolution of the Company's Management Board
1. Adopting and amending of the Regulations of the Company's Management Board,
2. Adopting and amending of the Company's enterprise organizational regulations,
3. Establishment and liquidation of the branches,
4. Appointing of a proxy,
5. Taking on the credits and loans,
6. Approving of the annual material and financial plans of the Company and of the Capital Group as well as of the Capital Group's Corporate Strategy,
7. Assuming of the contingent liabilities within the meaning of the Act of September 29, 1994 on accounting, including granting of the guaranties and sureties by the Company as well as issuing of the bills of exchange, subject to the provisions of § 20, clause 2, items 3 and 4 of the Company's Articles of Association,
8. Making of the donations, cancelling of the interest or releasing from a debt (debt forgiving), subject to the provisions of § 20, clause 2, items 11 and 12 of the Company's Articles of Association,
9. Purchase of the real estate, perpetual usufruct or of the shares in real estate or in perpetual usufruct, subject to the provisions of § 20, clause 2, item 1 of the Company's Articles of Association,
10. Purchase of the fixed assets excluding the real estate, perpetual usufruct or a share in the real estate or perpetual usufruct with the value equal to or exceeding PLN 40 000, subject to the provisions of § 20, clause 2, item 1 of the Company's Articles of Association,
11. Disposal (control) of the fixed assets including the real estate, perpetual usufruct or a share in the real estate or perpetual usufruct with the value equal to or exceeding PLN 40 000, subject to the provisions of § 20, clause 2, item 2 of the Company's Articles of Association,
12. Defining of the way the voting right will be exercised at the General Meeting of the Shareholders or the Meeting of the Shareholders (Partners) of the companies in which the Company holds shares, on the matters within the scope of competence of the General Meeting of the Shareholders or the Meeting of the Shareholders (Partners) of such companies, subject to the provisions of § 20, clause 3, items 9 and 10 of the Company's Articles of Association,
13. Defining of the principles of conducting of the sponsorship activities,
14. Adopting of the annual plan of the sponsorship activities,
15. Matters which the Company's Management Board refers to the Company's Supervisory Board or the General Meeting of the Company for a review.
16. Adopting of the basic internal regulations related to the activities of the Company's enterprise, not reserved for the Supervisory Board's competence.
17. Determining of the direction of the Company's financial and credit policies and the payroll policies.
18. Approving of the results of the double materiality assessment, including the material sub-topics arising from the assessment of the impacts, risks and opportunities (IRO).
19. Approving of the transition plan for the purposes of climate change mitigation.
20. Adopting of TAURON Group's model of functioning, including: Business Model, Operational Model, TAURON Group's Management Model.
21. Adopting of the annual report on TAURON and TAURON Group's activities including the sustainability reporting, TAURON's annual, interim semi annual and quarterly financial statements, and TAURON Capital Group's annual, semi annual and quarterly financial statements.
22. Granting of the approval for the signing of a letter of intent or other document of a similar nature with an estimated value of more than PLN 1 million.
23. Granting of the general and generic powers of attorney, with the exception of the powers of attorney authorizing the taking of the specific legal actions and the powers of attorney for a court litigation.

24. Appointing and dismissing of the executive directors pursuant to the Organizational Regulations.
25. Appointing and dismissing of the members of the bodies of the companies in which TAURON holds interests or shares and other legal entities and organizational units on the basis of TAURON's special powers provided for in the agreements or articles of association of such entities.
26. Appointing of TAURON's candidates to be the members of the supervisory bodies of the companies in which TAURON holds interests or shares and other legal entities and organizational units.
27. Recommending of the changes in the composition of the management board of a subsidiary (or another company with TAURON's shareholding) in the case the body making the change is the subsidiary's supervisory board.
28. Recommending of the changes in the composition of the bodies of the companies in which the subsidiaries hold interests / shares and have an impact on the changes in the composition of the bodies.
29. Conversion of TAURON's registered shares into the bearer shares.
30. Convening of the General Meeting and putting forward of a petition in writing to convene a meeting of the Supervisory Board.
31. Joining by TAURON of the industry organizations or other entities with a similar subject of operations as well as withdrawing by TAURON from such organizations.
32. Establishment of the committees functioning within TAURON Group's structures, including the committee in charge of the ESG matters, investment committee, risk committee, liquidity committee.
33. Appointing and dismissing of the members of the established committees referred to in item 32 above and adopting of the regulations for their activities.
34. Adopting of the policies related to the operations and functioning of TAURON Group, including those related to the sustainable development.
35. Matters the consideration of which in the form of a resolution is required by the company's internal regulations.
36. Appointing of the person performing the labor law related activities.
37. Other matters, provided that the Management Board deems it justified to consider them in this manner.

Main areas of the activities of the Management Board of the Company in 2025

Table no. 61 Main areas of the activities of the Management Board of the Company in 2025

Main areas of the activities of the Management Board of the Company in 2025
Management Board
with respect to the strategy and implementation of the investment projects, including, among other things:
1. adopted the Material and Financial Plan of the Company and the Material and Financial Plan of TAURON Group for 2025, and submitted them to the Supervisory Board for an approval,
2. approved the Investment Committee's decision with respect to the launch of an Investment Program entitled the *Heat Line of Business Decarbonization Program*,
3. approved the Investment Committee's decision with respect to the granting of a consent for the commencement of the projects related to the construction of the battery energy storage facilities,
4. approved the Investment Committee's decision with respect to the granting of a consent for the commencement of the planning stage related to the project under the name the *Construction of a cogeneration heat source in Łagisza, Będzin*,
5. approved the decision of the Investment Committee with respect to the commencement of the implementation stage of the project under the name the *Construction of a boiler house for the needs of the technological (process) steam of the 910 MW unit and the heat for the city of Jaworzno,*
6. approved the decisions of the Investment Committee with respect to the commencement of the planning stages of the projects under the name the *Energy Transition of the Tychy Combined Heat and Power Plant* and the *Energy Transition of the Katowice Combined Heat and Power Plant*,
7. granted a consent for the launch of the project under the name *TAURON Group's Research and Development Center*,
8. granted a consent for the launch of the project under the name the *Combined systems for the use of the coal mine water geothermal energy and solar energy storage for the low carbon high temperature heating*,
9. launched the projects related to the acquisition of the wind farms,
10. filed a petition to the Supervisory Board in order to determine the manner of exercising of the right to vote at the Extraordinary General Meeting of the Shareholders (Partners) of the TAURON Obsługa Klienta subsidiary with respect to the granting of a consent for the acquisition of the fixed assets as part of the implementation of the *Implementation of SWI CSIRE for the Supply Line of Business* Program,
11. filed a petition to the Supervisory Board in order to determine the manner of exercising of the right to vote at the Extraordinary Meeting of the Shareholders (Partners) of the TAURON EKONERGIA subsidiary with respect to the granting of a consent for the acquisition of the fixed assets as part of the implementation of the project under the name: *EW Pilchowice I – modernization of the hydro power plant*,,
12. filed a petition to the Supervisory Board in order to determine the manner of exercising of the right to vote at the Extraordinary General Meeting of the TAURON Wytwarzanie subsidiary with respect to the granting of a consent for the acquisition of the fixed assets as part of the implementation of the task under the name the *Construction of a boiler house for the needs of the technological (process) steam of the 910 MW unit and the heat for the city of Jaworzno*,

13. determined the manner of exercising the right to vote at the Extraordinary General Meeting of the TAURON Dystrybucja subsidiary with respect to the acquisition of the fixed assets necessary for the implementation of the grid project under the name: the *Modernization of the 110 kV switchgear at the 400/110 kV Tucznawa substation*;

with respect to the financing of the business operations of TAURON Capital Group, including, among other things:

1. concluded an annex to the loan agreement with BGK of December 17, 2024, related to the funds from the National Recovery and Resilience Plan, increasing the amount of the loan from PLN 11 billion to PLN 15.87 billion to be used to finance the eligible expenses incurred by the TAURON Dystrybucja subsidiary for the development and adaptation of the power grid to the needs of the energy transition and climate change,
2. entered into the loan agreements with BGK related to the funds from the National Recovery and Resilience Plan for the amounts of:
    1) PLN 310 million and PLN 110 million, to be used to finance the expenses incurred by a subsidiary, i.e. TAURON Dystrybucja, for the implementation of the project the *Digital transition of TAURON Dystrybucja S.A. in response to the challenges for a smart, sustainable, and secure power grid*,
    2) PLN 268.7 million, to be used to finance the expenses incurred by a subsidiary, i.e. TAURON Zielona Energia, for the construction of the photovoltaic farms;

with respect to the management of TAURON Capital Group, including, among other things:

1. determined the composition of the management boards and the supervisory boards of the companies in which TAURON holds an equity stake,
2. defined the principles of the compensation of the members of the management boards and of the supervisory boards of TAURON Capital Group's subsidiaries,
3. set the management objectives for the members of the management boards of TAURON Capital Group's subsidiaries,
4. determined the manner of exercising of the right to vote at the General Meetings of the Shareholders and the General Meetings of the Partners of the companies with TAURON's equity stake with respect to the matters falling within the competence of the General Meetings of the Shareholders or the General Meetings of the Partners of those companies, subject to the competence of the Supervisory Board in this respect,
5. filed a petition to the Supervisory Board in order to determine the manner of exercising of the right to vote at the General Meetings of the Shareholders and the General Meetings of the Partners of TAURON Capital Group's subsidiaries with respect to the matters related to the amendments to the articles of association / contracts / founding deeds, spin offs, mergers, acquisition of the fixed assets, compensation of the members of the corporate authorities, an increase of the share capital;

with respect to the development of the corporate governance at TAURON Capital Group, including, among other things.:

1. adopted the new text of *TAURON Group's Business Model* and *TAURON Group's Operating Model*,
2. adopted the new text of *TAURON's Organizational Regulations* and *TAURON's organizational structure* and filed a petition to the Supervisory Board for an approval of the Organizational Regulations,
3. adopted the *TAURON Group's Digital Transformation Plan* and filed a petition to the Supervisory Board for an approval thereof,
4. adopted the amended *Information on the status of the application by TAURON Polska Energia S.A. of the principles included in the Set of Best Practices of the WSE Listed Companies 2021*,
5. approved *TAURON Group's Compliance Plan for 2025*,
6. adopted the internal and the intra corporate regulations related to the individual areas of the business operations of TAURON and of TAURON Capital Group,

with respect to the periodic reporting and the obligations related to the end of the financial year, including, including, among other things:

1. adopted the annual report on the operations of TAURON and TAURON Capital Group as well as the annual, semi annual and quarterly financial statements of TAURON and TAURON Capital Group,
2. adopted the Report of the Management Board on the oversight of the implementation of the investment projects at TAURON Group in 2024 and filed a petition to the Supervisory Board for its approval thereof,
3. adopted and submitted to the Supervisory Board the Report on the representation (entertainment) related expenses, the expenses for the legal services, marketing services, public relations and the social communication services as well as for the management consulting services incurred in 2024,
4. filed a petition to the General Meeting with respect to the distribution of the profit for the financial year 2024 and filed a petition to the Supervisory Board for it to provide its evaluation thereof,
5. filed a petition to the Audit Committee of the Supervisory Board with respect the adoption of a recommendation for the Supervisory Board related to the selection of an audit firm to carry out the mandatory certification (attestation) of TAURON Capital Group's sustainability reporting for the years 2025 - 2027,
6. approved the results of the double materiality assessment conducted at TAURON Capital Group for the purpose of the sustainable development reporting for 2025 and filed a petition to the Supervisory Board for it to provide its opinion thereupon,

with respect to the sponsorship and promotional activities, including, among other things:

1. adopted *TAURON Group's Sponsorship, Promotion and CSR Strategy for the years 2025 - 2035* and filed a petition to the Supervisory Board for it to provide its opinion thereupon,
2. adopted the *Plan of the corporate social responsibility (CSR) projects for the year 2025, effective in the year 2026* and filed a petition to the Supervisory Board for it to provide its opinion thereupon
3. adopted the *Plan for the conducting of the sponsorship activities by TAURON Group in 2025* and filed a petition to the Supervisory Board for it to provide its opinion thereupon,

4. adopted the *Plan for the conducting of the promotional activities by TAURON Group in 2025,*
5. adopted the Annual Report on the implementation of the Plan for the conducting of the sponsorship activities by TAURON Group in 2025 and filed a petition to the Supervisory Board for it to provide its opinion thereupon,
6. filed a petition to the Supervisory Board for it to grant its consent for the conclusion of the sponsorship agreements exceeding the net amount of PLN 500 000

Supervisory Board of TAURON Polska Energia S.A.

The 7th term of office of the Supervisory Board of the Company, which had begun its run on April 3, 2024, had been under way in 2025. In accordance with the Company's Articles of Association, a term of office of the Supervisory Board shall be common and it shall last 3 full financial years. The Supervisory Board of the Company had held a total of 11 meetings and had adopted 96 resolutions in the financial year 2025.

During 7 meetings, all of the Members of the Supervisory Board of the Company had been present. During 4 meetings, 1 Member of the Supervisory Board of the Company had been absent. The absences of the Members of the Supervisory Board of the Company had been excused by way of the relevant resolutions of the Supervisory Board of the Company.

ESRS 2 GOV-1 §21 (a) – (b), (d)

The composition of the Company's Supervisory Board as of December 31, 2025, and as of the date of drawing up of this report

As of January 1, 2025, the Company's Supervisory Board had been composed of the following members: Sławomir Smyczek (Chair of the Supervisory Board), Natalia Klima-Piotrowska (Vice Chair of the Supervisory Board), Piotr Kołodziej (Secretary of the Supervisory Board), Mariusz Bąbol (Member of the Supervisory Board), Michał Hulbój (Member of the Supervisory Board), Beata Kisielewska (Member of the Supervisory Board) and Leszek Koziorowski (Member of the Supervisory Board).

Table no. 62 The composition of the Company's Supervisory Board as of December 31, 2025, and as of the date of drawing up of this report

The composition of the Company's Supervisory Board as of December 31, 2025,		The composition of the Company's Supervisory Board as of the date of drawing up of this report	
Ilona Malik	Chair of the Supervisory Board	Ilona Malik	Chair of the Supervisory Board
Natalia Klima-Piotrowska	Vice Chair of the Supervisory Board	Natalia Klima-Piotrowska	Vice Chair of the Supervisory Board
Tomasz Majka	Secretary of the Supervisory Board	Tomasz Majka	Secretary of the Supervisory Board
Mariusz Bąbol	Member of the Supervisory Board	Mariusz Bąbol	Member of the Supervisory Board
Michał Hulbój	Member of the Supervisory Board	Michał Hulbój	Member of the Supervisory Board
Arkadiusz Jówko	Member of the Supervisory Board	Arkadiusz Jówko	Member of the Supervisory Board
Beata Kisielewska	Member of the Supervisory Board	Beata Kisielewska	Member of the Supervisory Board
Leszek Koziorowski	Member of the Supervisory Board	Leszek Koziorowski	Member of the Supervisory Board
Krzysztof Zawadzki	Member of the Supervisory Board		

The persons representing the employees and other persons performing the work for the Company are not the members of the Supervisory Board of the Company.

As of December 31, 2025, the share of women and men in the composition of the Supervisory Board of the Company had come in at the level of 1:2 (33.3% female and 66.7% male). As of the date of drawing up of this

report, the ratio of women to men in the composition of the Supervisory Board of the Company had stood at 3:5 (37.5% female and 62.5% male).

The composition of the Supervisory Board of the Company as of December 31, 2025, and as of the date of drawing up of the report, had also provided for the diversity in terms of age, education background, specialist knowledge and work experience.

As of December 31, 2024, the share of women and men in the composition of the Supervisory Board of the Company had come in at the level of 2:5 (28.57% female and 71.43% male). At the same time the composition of the Supervisory Board of the Company had provided for the diversity in terms of age, education background, specialist knowledge and work experience

The changes to the composition of the Company's Supervisory Board in 2025, as well as by the date of drawing up of this report

Table no. 63 The changes to the composition of the Company's Supervisory Board in 2025, as well as by the date of drawing up of this report [1]

Date	
February 17, 2025	The Minister of the State Assets, acting pursuant to § 23, section 1, clause 3) of the Company's Articles of Association, had appointed Arkadiusz Jówko to be a Member of the Company's Supervisory Board, effective as of February 17, 2025.
November 13, 2025	The Minister of the State Assets, acting pursuant to § 23, section 1, clause 3) of the Company's Articles of Association, had dismissed Sławomir Smyczek and Piotr Kołodziej from the Company's Supervisory Board, and had appointed Ilona Malik, Tomasz Majka and Krzysztof Zawadzki to be the Members of the Company's Supervisory Board, effective as of November 13, 2025.
November 17, 2025.	The Supervisory Board of the Company had elected Ilona Malik to be the Chair of the Supervisory Board of the Company and had elected Tomasz Majka to be the Secretary of the Supervisory Board of the Company.
January 1, 2026 (an event that took place after the balance sheet date)	On December 17, 2025, the Supervisory Board of the Company had taken the decision to delegate, effective as of January 1, 2026, a Member of the Company's Supervisory Board, Krzysztof Zawadzki, to temporarily perform the duties of a Member of the Management Board of the Company, entrusting him with the performance of the duties of the Vice President of the Management Board for Trading for the period of not longer than three months running from the date of the delegation. The above mentioned delegation period ended on March 24, 2026.
March 24, 2026 (an event that took place after the balance sheet date)	On December 17, 2025, the Supervisory Board of the Company had taken the decision to delegate, effective as of January 1, 2026, a Member of the Company's Supervisory Board, Krzysztof Zawadzki, to temporarily perform the duties of a Member of the Management Board of the Company, entrusting him with the performance of the duties of the Vice President of the Management Board for Trading for the period of not longer than three months running from the date of the delegation. In connection with his appointment to the Management Board of the Company as the Vice President of the Management Board for Trading, Krzysztof Zawadzki resigned from his membership in the Supervisory Board of the Company with effect as of March 24, 2026, including from the position of the Vice-President of the Management Board for Trading as part of the above mentioned temporary delegation to perform this function.

[1] *The Company had disclosed the information on the changes to the composition of the Supervisory Board in current reports: no. 6/2025 of February 17, 2025. no. 37/2025 of November 13, 2025, no. 45/2025 of December 17, 2025 and no. 8/2026 of March 24, 2026.*

There had been no other changes to the composition of the Supervisory Board of the Company in 2025 and by the date of drawing up of this report.

ESRS 2 GOV-1 §21 (e)

Information on the independence of the Members of the Company's Supervisory Board

In accordance with the Company's Articles of Association and in line with the rule 2.3 of the Best Practice at least two Members of the Company's Supervisory Board should meet the requirements of independence listed in the *Act of May 11, 2017 on certified auditors, audit firms and public oversight*, and also should not have the actual and material ties to a shareholder holding at least 5% of the total number of the votes in the Company.

The Members of the Company's Supervisory Board shall, in line with the rule 4.9.2 of the Best Practice 2021, submit a written statement with respect to the compliance with the requirements for the members of the audit committee listed in the above mentioned act as well as with respect to the existence of the actual and material ties to a shareholder holding at least 5% of the total number of the votes in the Company.

In the case a situation occurs where there is a change with respect to the compliance with the above mentioned requirements and the ties with a shareholder, the given Member of the Supervisory Board shall be obliged to inform the Company promptly thereof.

The information on the compliance by the Members of the Supervisory Board of the Company with the independence requirements is posted on the

Company's website at the following address: https://www.tauron.pl/tauron/o-tauronie/wladze-spolki.

After the balance sheet date, in order to update the information on the compliance by the Members of the Supervisory Board with the independence requirements, as well as on the existence or the non-existence of the actual and material ties to a shareholder holding at least 5% of the total number of the votes in the Company, the Members of the Supervisory Board have submitted the up to date statements on the independence and the ties thereof.

As of 31 December 2025, the criteria of independence and a lack of the ties to a shareholder, referred to in rule 2.3 of the Best Practice, had been complied with by 88.89% of the Members of the Supervisory.

As of the date of drawing up of this report, they had been complied with by 100% of the Members of the Supervisory Board.

Table no. 64 Compliance by the Members of the Company's Supervisory Board with the independence requirements and a lack of the existence of the actual and material ties to a shareholder holding at least 5% of the total number of the votes in the Company referred to in the Best Practice, in 2025 and by the date of drawing up of this report

		Period of holding a seat on the Company's Supervisory Board in 2025 and by the date of drawing up of this report	Compliance with the independence requirements and a lack of the actual and material ties to a shareholder
1.	Ilona Malik	since 13.11.2025 until now	Complies
2.	Natalia Klima-Piotrowska	since 01.01.2025 until now	Complies
3.	Tomasz Majka	since 13.11.2025 until now	Complies
4.	Mariusz Bąbol	since 01.01.2025 until now	Complies
5.	Michał Hulbój	since 01.01.2025 until now	Complies
6.	Arkadiusz Jówko	since 17.02.2025 until 14.01.2026 since 15.01.2026 until now	Did not comply Complies
7.	Beata Kisielewska	since 01.01.2025 until now	Complies
8.	Leszek Koziorowski	since 01.01.2025 until now	Complies
9.	Krzysztof Zawadzki	since 13.11.2025 until 31.12.2025 [1]	Complied
10.	*Sławomir Smyczek*	*since 01.01.2025 until 13.11.2025*	*Complied*
11.	*Piotr Kołodziej*	*since 01.01.2025 until 13.11.2025*	*Complied*

On December 17, 2025, the Company's Supervisory Board decided to delegate, as of January 1, 2026, Supervisory Board Member Krzysztof Zawadzki to temporarily perform the duties of a Member of the Company's Management Board, entrusting him with the duties of the Vice President of the Management Board for Trading for a period of no longer than three months from the date of delegation. The above delegation period ended on March 24, 2026, following his resignation from the Supervisory Board and appointment to the Company's Management Board as Vice President of the Management Board for Trading..

ESRS 2 GOV-1 §21 (c)

Experience and competences of the Members of the Supervisory Board who continue to hold their seats on the Company's Supervisory Board as of the date of drawing up of this report

Ilona Malik – the Chair of the Supervisory Board

A graduate of the Faculty of Law and Administration of the Jagiellonian University (Uniwersytet Jagielloński). Registered as a legal advisor with the District Chamber of the Legal Advisors in Kraków. She has completed, among other things, the ICAN Institute management program in Warsaw – Management and Postgraduate Studies in the Competition Law at the Institute of the Legal Sciences of the Polish Academy of Sciences.

As a legal counsel, Ilona Malik has a number of years of experience in providing services to the capital groups and the publicly listed companies, as well as in the conducting of the acquisition, financial, investment, and privatization projects in sectors such as energy, telecommunications, IT and petrochemicals. She has led a number of the reorganization processes.

She has held numerous managerial positions in the legal services and reorganization process related areas, including as the Head of the Organizational and Legal Team at the L. Rydygier Provincial Specialist Hospital in Kraków, the Director of the Privatization Office at Nafta Polska S.A., and the Legal Coordinator at Kopex S.A.

From 2009 to the end of 2015, Ilona Malik had been involved in the energy sector, working at TAURON Polska Energia S.A. in the following positions: IPO Coordinator, and subsequently a Legal Counsel in the Legal Department, the Head of the Court Proceedings Office and the Director of the Reorganization Department. As the Head of the Court Proceedings Office, she had been responsible for providing the legal services for the strategic projects implemented within TAURON Group.

From 2016 to 2025, until she took up the position of the Director of the Department of Mining and Metallurgy (Steel Making) at the Ministry of Industry, she had run a law firm specializing in the legal services for the financial, investment, and the acquisition related projects.

In the years 2024 - 2025, she had been holding the position of the Deputy Director of the Legal Office at the Industrial Development Agency S.A. (Agencja Rozwoju Przemysłu S.A.), and since March 2025, she has been Director of the Department of Mining and Metallurgy (Steel Making) at the Ministry of Energy.

She has a number of years of experience gained at the corporate bodies of the following companies, among other things: Jastrzębskie Zakłady Remontowe sp. z o.o. (Ltd.), VISTULA Group S.A. (Joint Stock Company), Krakchemia S.A., ZAK S.A., TAURON Sweden Energy AB, TAURON Wytwarzanie Serwis sp. z o.o.

She has been a member of the Company's Supervisory Board since November 13, 2025.

She is serving as the Chair of the Supervisory Board, the Chair of the Nominations and Compensation Committee, and a Member of the Strategy Committee of the Supervisory Board of the Company.

Natalia Klima-Piotrowska – the Vice Chair of the Supervisory Board

A graduate of the Faculty of Law and Administration of the University of Silesia in Katowice (Uniwersytet Śląski w Katowicach). An attorney at law registered on the list of the attorneys at law of the Bar Association in Katowice since 2006, a mediator registered on the list of the Mediation Center at the Supreme Bar Council and the Mediation Center of the Bar Association in Katowice. A Member of the Regional Bar Council in Katowice, the Chair of the Human Rights Commission at the Supreme Bar Council, a member of the Women's Team at the Supreme Bar Council, a member of the Prof. Zbigniew Hołda Association (Stowarzyszenie im. Prof. Zbigniewa Hołdy), a member of the Expert Council of the Faculty of Law and Administration of the University of Silesia, a member of the delegation of the Supreme Bar Council to the Council of Bars and Law Societies of Europe. She gained professional experience in the tax departments of Arthur Andersen sp. z o.o. (Ltd.) and Ernst & Young sp. z o.o. (Ltd.), and subsequently at the law firms Adwokaci i Doradcy sp. j. and Popiołek, Adwokaci i Doradcy Kancelaria Adwokatów i Radców Prawnych sp. j. in Katowice. Having passed the bar exam, she managed her own law firm (private practice), and since 2012 she has been a partner at Piotrowscy Spółka Partnerska Adwokatów, which provides the legal assistance to the entrepreneurs, municipal companies and the private individuals. She specializes in the real estate law, the real estate management, the civil and family law, as well as the human rights protection cases.

Natalia Klima-Piotrowska was listed in the Forbes Women magazine's ranking of the top 25 lawyers in business in 2022, and in 2023 she was awarded the title of the Equality Leader of the Silesian province in a competition organized by the Women's Congress Association together with the British Embassy and the Forbes Women magazine. In 2020, she had been awarded the Attorney at Law Social Activist prize in the poll of the Defensor Iuris Association (Stowarzyszenie Defensor Iuris), and in 2017 she had won the First Honorable Mention in the 2017 Woman Attorney at Law competition.

She has been a Member of the Supervisory Board of the Company since January 25, 2024.

On the Company's Supervisory Board, she is serving as the Vice Chair of the Supervisory Board, she is the Head of the Strategy Committee and a Member of the Nominations and Compensation Committee of the Company's Supervisory Board. She had also used to be a Member of the Audit Committee of the Supervisory Board of the Company.

Tomasz Majka – Secretary of the Supervisory Board

A graduate of the Faculty of the Polish Philology at the Jagiellonian University (Uniwersytet Jagielloński). A scholarship holder at the University of San Ambrogio in Milan. He has completed a number of courses and training programs, including in management, marketing and HR.

A lecturer the field of management at the Jagiellonian University, the Faculty of Management and Social Communication, as well as at the Małopolska University of Economics in Tarnów. Tomasz Majka has experience and the professional qualifications in restructuring, implementing the turnaround programs, and the pilot projects in the commercial companies and the public institutions. He is the author of the numerous feasibility studies, strategies, business plans and audits. He has organized a sales network in Central Asia and Eastern Europe for the Polish manufacturing and trading companies, as well as organized and managed the expansion of the largest online sales network in Poland. Tomasz Majka has served as an advisor to the Ukrainian government on the development of tourism.

In the years 1998 - 1999, Tomasz Majka had served as the Deputy Governor of Tarnów Province and an Advisor to the Minister at the Ministry of Transportation and Maritime Economy, in the years 1999 - 2009 he had held the position of the Vice President of the Management Board of the Polish Tourism Development Agency S.A., from 2009 to 2014, he had been the Director of the Branch at Totalizator Sportowy sp. z o.o., from 2013 to 2015, he had served as the Chairman of the Supervisory Board of Transgaz S.A., in the years 2014 – 2015, he had been the Vice President of the Management Board and the Commercial Director at Biomasa Grupa TAURON sp. z o.o., and in the years 2015 – 2016, he had held the position of the President of the Management Board and the General Director at Biomasa Grupa TAURON sp. z o.o. Subsequently, in the years 2016 – 2017, the Deputy Director responsible for the Reforms at Koleje Lwowskie – Ukraińska Zaliznicia (UZ) and an Advisor to the Management Board of UZ for the European Integration. From 2017 to 2024, Tomasz Majka had been the President of the Management Board of Tozyma sp. z o.o. Since 2017, he has been running his own business in the field of economic (business) consulting.

He has been a Member of the Company's Supervisory Board since November 13, 2024,.

On the Company's Supervisory Board he is currently serving as the Secretary of the Company's Supervisory Board and is a Member of the Audit Committee of the Supervisory Board of the Company.

Mariusz Bąbol – a Member of the Supervisory Board

A graduate of the Faculty of Law, Administration and Economics at the University of Wrocław. A legal counsel, a member of the District Chamber of the Legal Counsels in Łódź. He has completed the judicial training and has passed a judicial exam. In 1997, he had begun serving as a judge of the District Court in Radomsko, and subsequently assumed the position of the Chair of the Civil Division of the District Court in Radomsko. In 2000 - 2001, he had been delegated to the adjudicating panel of the District Court in Piotrków Trybunalski. Attended the postgraduate studies at the University of Łódź in the field of the European Law. A graduate of Executive MBA Legal studies. A participant of the numerous training courses and the courses on the legal, economic and business topics.

A co-founder of the Bąbol, Bzowski, Klimek Kancelaria Radców Prawnych i Adwokatów law firm that specializes in the civil law and commercial companies law. Mariusz Bąbol is also conducting business activities in the field of the legal advice, real estate trading, construction, business consulting as part of a private legal practice (individual business activity), and also as part of the civil partnerships as well as the limited liability companies and the joint stock companies, including: NYELETI CREATIVES sp. z o.o. sp. k. as a partner, proxy, KBB INVEST sp. z o.o. sp. k. as a partner, proxy, BELZACKA PT DEVELOPMENT sp. z o.o. sp. k. as a managing partner, MACHALEWSKI sp. j. as a managing partner.

Mariusz Bąbol holds a seat on the Supervisory Boards of the following companies: NITROERG S.A. (the Vice Chairman of the Supervisory Board), BIPROMET S.A. (a Member of the Supervisory Board), and in the past at CONSORTIO LEX sp. z o.o. (a Member of the Supervisory Board).

He has been a Member of the Supervisory Board of the Company since September 3, 2024.

On the Company's Supervisory Board, he had used to be a Member of the Nominations and Compensation Committee of the Company's Supervisory Board. He is currently a Member of the Strategy Committee of the Supervisory Board of the Company.

Michał Hulbój – a Member of the Supervisory Board

A graduate of the SGH Warsaw School of Economics (Szkoła Główna Handlowa w Warszawie) with a major in finance and banking. He holds a stockbroker's license and has also passed two exams as part of the CFA program.

He had gained professional experience as a participant of the management training at Bank Millennium, and subsequently as an equity analyst at Millennium Dom Maklerski (Millenium Brokerage House), PTE PZU and AIG PTE. From 2008 to 2010, he had worked as an equity portfolio manager at PTE PZU. At the end of 2010, he had become the Director of the Equity Product Management Team at Skarbiec TFI. In 2012, he had worked as the Director of the Analyses Department at Erste Securities Poland. Since February 2013, he had taken the position of a Member of the Management Board, the Director of the Asset Management Office at Forum TFI. From 2014 to 2018, he had held the position of the CEO at Cresco Sp. z o.o. (Ltd.).

Michał Hulbój had served on the Supervisory Boards of the following companies: Herkules S.A., AB Kauno Tiltai, Libet S.A., Nowa Gala S.A., Trakcja S.A., Biazet S.A., EMC Instytut Medyczny S.A. He had served as the Head of the Audit Committee at Herkules S.A. and as a Member of the Audit Committee at: Libet S.A., Nowa Gala S.A., Trakcja S.A. and Instytut Medyczny S.A. He was the chair of the Supervisory Board and the Chair of the Nominations and Compensation Committee at Develia S.A. where he had also held the position of acting President of the Management Board for a period of six months.

He is currently serving as the Chair of the Supervisory Board and the Audit Committee at AC S.A. and sits on the Supervisory Boards of the following companies: Mo-Bruk S.A. Orzeł Biały S.A., Remak-Energomontaż S.A., Develia S.A., and Onde S.A.

Since April 3, 2024 he has been a Member of the Supervisory Board of the Company. On the Company's Supervisory Board, he is serving as a Member of the Audit Committee and a Member of the Strategy Committee of the Supervisory Board of the Company.

Arkadiusz Jówko – a Member of the Supervisory Board

A graduate of the Faculty of Law and Administration of the University of Warsaw in Warsaw. He has completed the auditor's apprenticeship at the Supreme Chamber of Audit. In addition, he has completed the numerous post graduate studies, including, among other things, at the Warsaw School of Economics in the field of the Internal Audit and Financial Control at the Public Finance Sector Units and at the Leon Koźmiński Academy in the field of Management in the Public Administration. Arkadiusz Jówko has also completed the post graduate studies Executive Master of Business Administration at the University of Economics and Humanities in Warsaw. He has passed the exam for the candidates for the members of the supervisory bodies at the companies in which the State Treasury holds an equity stake.

Since January 2024 until January 2026, Arkadiusz Jówko had been holding the position of the Director of the Department of Oversight I at the Ministry of the State Assets in Warsaw. Currently he is a Member of the Management Board of TOWER Inwestycje sp. z o.o. oraz Ogrodowa Inwestycje sp. z o.o. From 2021 to 2024, he had been managing his own business venture, providing the services, among other things, in the field of conducting and organizing of the internal and the external audits. From 2008 to 2021, he had been employed at the Warsaw Capital City Hall Office as the Deputy Director of the Audit Office, as well as the Deputy Director of the Waste Management Office. From 1999 to 2008, he had been working at the Supreme Chamber of Audit as a legal advisor. From 1998 to 2006, he had been a researcher at the University of Natural Sciences and Humanities in Siedlce.

Arkadiusz Jówko has been a Member of the Supervisory Board of the Company since February 17, 2025.

On the Company's Supervisory Board, he is serving as a Member of the Nominations and Compensation Committee of the Supervisory Board of the Company.

Beata Kisielewska – a Member of the Supervisory Board

A certified auditor, she is a graduate of the Silesian University of Technology in Gliwice (Politechnika Śląska w Gliwicach), with a major in management and marketing, specializing in business management, and a graduate of the Katowice Business University (Górnośląska Wyższa Szkoła Handlowa), with a major in management and marketing, specializing in accounting and finance, where she has additionally been awarded an IES International Education Society certificate. She is a graduate of the post graduate studies in the tax strategy at the Katowice University of Economics (Akademia Ekonomiczna w Katowicach) and of the MBA studies at Wyższa Szkoła Biznesu in Nowy Sącz.

From 1998 to 2005 Beata Kisielewska had worked at the Cooperative Bank in Jastrzębie-Zdrój, including holding the position of the Chief Accountant. From 2005 to 2019 she had been employed at Getin Noble Bank S.A. as the Director of the Accounting Department. She has experience related to the bookkeeping and drawing up of the financial statements. Among other things, she had participated in the projects related to the implementation of the IFRS and the mergers of companies. In addition, since 2005 she has been involved in the audits of the financial statements and she has worked with a number of the audit firms, including, among other things, PKF, BDO, KPFK dr Piotr Rojek. Currently she is working at ATAC Auditors and Partners Sp. z o.o. (Ltd.) as a certified auditor and the Vice President of the Management Board. She specializes in the audits of the financial statements of the public interest entities and the services for the joint stock companies and the limited liability companies as well as for the financial institutions. Since 2022, she has been a Member of the Supervisory Board and a Member of the Audit Committee at the Cooperative Bank in Jastrzębie-Zdrój.

Beata Kisielewska has been a Member of the Supervisory Board of the Company since April 3, 2024.

On the Company's Supervisory Board, she is serving as a Head of the Audit Committee of the Company's Supervisory Board of the Company.

Leszek Koziorowski – a Member of the Supervisory Board

A graduate of the Faculty of Law and Administration of the University of Warsaw (Uniwersytet Warszawski), He is registered on the list of the attorneys at law of the Warsaw Bar Association (Okręgowa Izba Radców Prawnych w Warszawie).

From the beginning of his professional career, Leszek Koziorowski has been associated with the capital market. From 1994 to 1999 at the Securities Commission (Komisja Papierów Wartościowych - KPW), initially at the Office of the Brokerage Houses and Trust Funds (Biuro Domów Maklerskich i Funduszy Powierniczych), subsequently as an advisor to the Chair of the Securities Commission (KPW).

During his work at the Securities Commission (KPW), he had also been holding the position of the Deputy Chairman of the Examination Commission for the Investment Advisors.

Currently at GESSEL, KOZIOROWSKI Kancelaria Radców Prawnych i Adwokatów sp. p., where he has created and manages the capital market law department – an employee since 1999, a partner since 2002.

He had been an arbitrator at the Stock Exchange Court at the Warsaw Stock Exchange (Sąd Giełdowy przy Giełdzie Papierów Wartościowych w Warszawie).

From 2013 to 2024, Leszek Koziorowski had been a member of the Corporate Governance Committee at the Warsaw Stock Exchange (Komitet Ładu Korporacyjnego przy Giełdzie Papierów Wartościowych w Warszawie), where he had been a co-author of the Best Practice of the WSE Listed Companies 2016 and of the latest: the Best Practice of the WSE Listed Companies 2021.

He had been holding the position of the Chair and a Member of the Supervisory Boards at a number of private and public joint stock companies, for example, IGLOTEX S.A. (the Chair of the Supervisory Board), ESALIENS TFI S.A. (the Chair of the Supervisory Board), Zakłady Odzieżowe BYTOM S.A., TETA S.A. (the Chair of the Supervisory Board), TAURON Polska Energia S.A. (from 2010 to 2017 and since 2021).

Leszek Koziorowski has been awarded a number of honorable mentions and indicated as a leader and a recommended lawyer in the field of the capital market law in the rankings of the Rzeczpospolita daily, Chambers and others.

An author of the numerous publications in the field of the capital market law and the history of the joint stock companies and the stock exchange.

Leszek Koziorowski has been a Member of the Supervisory Board of the Company since May 24, 2021. On the Company's Supervisory Board, he is serving as a Member of the Nominations and Compensation Committee of the Supervisory Board of the Company.

Experience and competences of the former Members of the Supervisory Board who had held their seats on the Company's Supervisory Board in 2025

Sławomir Smyczek – the Chair of the Supervisory Board who had held his seat on the Company's Supervisory Board in 2025, in the 01.01.2025 – 13.12.2025 time frame.

Professor, Ph.D. The Head of the Department of Consumption Research at the Katowice University of Economics (Uniwersytet Ekonomiczny w Katowicach). He is a national representative in the Asian Marketing Association MAGScholar and in the European Universities Network DUKENET, of which he had been the President in the years 2017 - 2019. Since 2022, he has served as the Chair of the Silesian Universities Network (SUN) and since 2016 he has been a member of the Scientific Committee of the Polish Scientific Marketing Society.

Sławomir Smyczek is an author of more than 200 publications in the field of the consumer behavior and the consumer rights. He is an expert with respect to the consumer market, a lecturer at the numerous foreign universities and a consultant in the field of the partnership marketing and the loyalty programs. In 2023, he had been appointed to be a member of the Scientific Advisory Committee for the Financial Ombudsman. He had held a seat on the supervisory boards of Azoty-Adipol S.A. (Joint Stock Company), Aster ZAK Sp. z o.o. (Ltd.) and Futuria Sp. z o.o. (Ltd.).

On the Company's Supervisory Board, Sławomir Smyczek had been serving as the Chair of the Supervisory Board of the Company, the Head of the Nominations and Compensation Committee as well as a Member of the Strategy Committee of the Supervisory Board of the Company.

Piotr Kołodziej – the Secretary of the Supervisory Board who had held his seat on the Company's Supervisory Board in 2025, in the 01.01.2025 – 13.12.2025 time frame

A graduate of the Electrical Department of the Silesian University of Technology in Gliwice (Politechnika Śląska w Gliwicach). He has also completed the postgraduate studies in the field of the electrical power engineering, the microcomputer systems and business management. A participant of the Vattenfall Executive Management Program in Stockholm.

Piotr Kołodziej has many years of management experience in the power sector. He had been working: from 1970 to 1996 at Zakład Energetyczny Gliwice (Gliwice Power Unit), from 1996 to 2001 at Górnośląski Zakład Elektroenergetyczny S.A. as a Member of the Management Board responsible for the technical affairs and electricity trading, from 2001 to 2007 at Vattenfall Distribution S.A. as the President of the Management Board (CEO), from 2002 to 2009 at Vattenfall Poland as a Member of the Board of Directors, from 2009 to 2011 at Vattenfall Europe AB as a Member of the Management Board. From 2008 to 2012 he had been holding the position of the President of the Management Board (CEO) at TAURON Dystrybucja GZE S.A., where he had implemented the customer oriented standards and a high operational efficiency.

From 2012 to 2015, he had held the position of the President of the Management Board (CEO) of TAURON Dystrybucja S.A., where he had implemented a number of the reorganization, restructuring and IT projects. Subsequently, Piotr Kołodziej had been holding the management and advisory positions at TAURON (2015 - 2017), and from 2017 to 2021, he had held the position of the President of the Management Board

(CEO) of Spółka Ciepłowniczo - Energetyczna Jaworzno III Sp. z o.o. (Ltd.), From 2022 to 2024 he had been an advisor to the Management Board of Smart EPC Sp. z o.o. Since 2024 Piotr Kołodziej has been the Chair of the Supervisory Board of PEC – Gliwice sp. z o.o. (Ltd.)

On the Company's Supervisory Board, he had been serving as the Secretary of the Supervisory Board, the Head of the Audit Committee and a Member of the Strategy Committee and a Member of the Nominations and Compensation Committee of the Supervisory Board of the Company.

Description of the procedures of the Company's Supervisory Board

The Supervisory Board of the Company shall act on the basis of the Code of Commercial Companies and other legal regulations, the provisions of the Company's Articles of Association, as well as the provisions of the *Regulations of the Supervisory Board of TAURON Polska Energia S.A. with its registered office in Katowice* which are available on the Company's website at the following address: http://www.tauron.pl/tauron/relacje-inwestorskie/informacje-o-spolce/dokumenty-spolki. When performing their duties the Members of the Company's Supervisory Board shall be acting in accordance with the principles provided in the Best Practice.

The Members of the Supervisory Board of the Company, when performing the functions and duties assigned thereto, shall be guided in their conduct, including in the making of their decisions, by the independence of their own opinions and judgments, while acting in the interest of the Company.

The Supervisory Board of the Company shall work by way of a debate, analyzing the situation of the Company and the Group against the background of the industry and the market on the basis of the materials provided thereto by the Management Board of the Company as well as the internal systems and functions of the Company, and also the materials obtained from outside of the Company, taking advantage of the results of the works of its Committees.

The main form of the Supervisory Board performing an oversight of the Company's business operations shall be the meetings of the Supervisory Board. The Supervisory Board shall perform its obligations collectively. The meetings of the Company's Supervisory Board shall be convened by the Chair of the Supervisory Board or the Vice Chair of the Supervisory Board by presenting a detailed agenda of the meeting:

1. in accordance with the decisions taken by the Supervisory Board,
2. of his or her own initiative,
3. at a request of each Member of the Supervisory Board,
4. at a request of the Management Board.

The Chair or the Vice Chair of the Supervisory Board shall convene a meeting with an agenda in accordance with the request, which shall be held no later than two weeks from the date of the receipt of the request. In the event that the Chair or the Vice Chair of the Supervisory Board fails to convene a meeting of the Supervisory Board in the manner specified above, the person making the request may convene the meeting independently.

The meetings of the Supervisory Board shall be held at the Company's registered office. In the justified cases a meeting may be convened at a different venue.

In order to convene a meeting all of the Members of the Company's Supervisory Board shall be invited in writing at least 7 days before the date of the Supervisory Board's meeting. Due to important reasons the Chair of the Supervisory Board may shorten this period to 2 days, defining the way the invitations should be distributed. The notifications of the Supervisory Board's meeting shall be sent by the electronic mail. In the notification of the Supervisory Board's meeting the Chair shall define the date of the meeting, the time, the venue of the meeting and the detailed draft agenda, as well as the manner of using of the means of the direct remote communication during the meeting. The Supervisory Board of the Company shall meet on as needed basis, however not less frequently than once every 2 months. The Supervisory Board may hold its meetings without convening a formal meeting if all of the Members of the Supervisory Board are present and nobody objects against the fact of holding the meeting or against the agenda of the meeting.

A change of the proposed agenda of the meeting may occur when all of the Members of the Company's Supervisory Board are present at the meeting and no one raises an objection against the changed agenda of the meeting. An issue not included in the agenda of the meeting should be included in the agenda of the next meeting.

A participation in a meeting of the Supervisory Board shall be mandatory for a Member of the Supervisory Board. A Member of the Supervisory Board shall provide information on the reason for his / her absence in writing. Excusing an absence of a Member of the Supervisory Board shall require a resolution of the Company's Supervisory Board. The participation of the Members of the Company's Management Board in the Supervisory Board meetings shall be mandatory if they have been invited by the person convening the meeting of the Supervisory Board. Other persons may also take part in the meetings if they have been invited in the above mentioned way.

The Supervisory Board may seek the opinions of experts using the knowledge of the Company's employees, including in particular, the legal counsels who provide the regular legal assistance for the benefit of the Company.

The Supervisory Board may also appoint the independent experts in order to obtain an opinion and make the appropriate decision, as well as invite them to the meetings of the Supervisory Board. In

the case a transaction of the Company with a related entity requires an approval of the Supervisory Board of the Company, prior to adopting a resolution on the granting of such a consent, the Supervisory Board shall assess whether it is necessary to first seek an opinion of an external entity that will carry out the valuation of the transaction and the analysis of its economic effects. If the conclusion of the transaction with a related entity requires the approval of the General Meeting, the Supervisory Board of the Company shall draw up an opinion on the legitimacy of concluding such a transaction and in such a case it shall assess the need for a prior seeking of an opinion of an external entity. In the cases referred to above, the Supervisory Board of the Company shall adopt a resolution to commission the selected expert to carry out the work, obliging the Management Board of the Company to conclude the applicable agreement.

The meetings of the Supervisory Board shall be chaired by the Chair of the Supervisory Board, and in the case of his or her absence, by the Vice Chair of the Supervisory Board. For important reasons, with the consent of the majority of the Members of the Supervisory Board present at the meeting, the person chairing the meeting shall be obliged to subject to a vote a motion to interrupt the meeting and set the date of resuming the meeting of the Company's Supervisory Board. The Supervisory Board shall make its decisions in the form of resolutions. The Supervisory Board's resolutions shall be passed mainly during the meetings thereof. The Supervisory Board shall pass resolutions if at least half of its members are present at the meeting and all of its members have been invited in the appropriate manner defined in the Regulations of the Supervisory Board. Subject to the mandatory legal regulations in force, including the Code of Commercial Companies and the provisions of the Company's Articles of Association, the Supervisory Board shall pass resolutions by an absolute majority of votes of the persons present at the meeting where the absolute majority of votes shall be understood as more votes cast "for" than "against" and "abstain". Resolutions shall not be passed on the matters not included in the agenda unless all of the Members of the Supervisory Board are present and nobody raises an objection. This shall not apply to the resolutions on excusing a Supervisory Board's Member's absence at the meeting. The resolutions shall be voted on in an open ballot. A secret ballot shall be ordered only in the cases pursuant to the provisions of the law.

In accordance with the Company's Articles of Association, the Supervisory Board may pass its resolutions in writing or using the means of the direct remote communications. Passing a resolution in such a way shall require a prior notification of all of the Members of the Supervisory Board of the content of the draft resolution and the participation of at least half of the Members of the Supervisory Board in passing the resolution. The Company's Supervisory Board may pass resolutions this way as long as no Member of the Company's Supervisory Board raises an objection. When voting on a resolution in the above mentioned way a Member of the Company's Supervisory Board shall indicate his/her vote, i.e. "for", "against" or "abstain". A resolution with a note that it has been passed in writing or by voting using the means of the direct remote communications shall be signed by the Chair of the Supervisory Board. The resolutions passed this way shall be presented at the forthcoming meeting of the Supervisory Board along with the result of the voting.

A participation in a meeting of the Company's Supervisory Board using the means of the direct remote communications, i.e. a conference call or a video conference, shall be allowed. In the case the Members of the Company's Supervisory Board take part in a meeting of the Company's Supervisory Board using the means of the direct remote communications, the resolutions shall be passed if at least half of the Members of the Company's Supervisory Board take part in the voting.

The Members of the Supervisory Board shall take part in the meetings and exercise their rights and responsibilities (duties) in person, and while performing their duties they shall be obliged to act with due diligence. The Members of the Supervisory Board shall be obliged to keep confidential the information related to the Company's activities that they have acquired in connection with holding their seat or on another occasion.

The Supervisory Board may delegate its individual members to perform certain supervision (oversight) activities on their own as well as establish the ad hoc (temporary) or standing (permanent) committees of the Supervisory Board to perform certain supervision (oversight) activities. A delegated Member of the Supervisory Board and the committee of the Supervisory Board should, at least once in each quarter of the financial year, provide the Supervisory Board with the information on the supervision (oversight) activities undertaken and the results thereof.

The Supervisory Board may delegate its members, for a period not longer than three months, to temporarily perform the duties of the Members of the Management Board who have been dismissed, have submitted their resignation or if for other reasons they cannot perform their functions. The above mentioned delegation shall require obtaining of a consent of the Member of the Supervisory Board who is to be delegated.

The Company's Supervisory Board may appoint from among its members the standing or temporary

(ad hoc) working groups (teams), committees to perform the specific actions. The standing committees of the Company's Supervisory Board shall be:

1. Audit Committee of the Supervisory Board of TAURON Polska Energia S.A. (Audit Committee),
2. Nominations and Compensation Committee of the Supervisory Board of TAURON Polska Energia S.A. (Nominations and Compensation Committee),
3. Strategy Committee of the Supervisory Board of TAURON Polska Energia S.A. (Strategy Committee).

The composition, tasks and procedures of the operation of the above mentioned committees shall be defined in the regulations thereof passed by the Supervisory Board.

Competence of the Company's Supervisory Board

The Supervisory Board of the Company shall continuously oversee the Company's activities in all of the areas of its business operations.

Table no. 65 Competence of the Company's Supervisory Board in accordance with the Company's Articles of Association and the Regulations of the Supervisory Board of TAURON Polska Energia S.A., as of December 31, 2025, and as of the date of drawing up of this report

Matters that require a resolution of the Company's Supervisory Board

Competences related to providing of the opinions

1. Evaluating of the Company's Management Board's report on the Company's operations (Directors' Report) as well as the financial statements for the last financial year with respect to the compliance thereof with the books, documents as well as with the factual status. This shall also apply to the Capital Group's consolidated financial statements,
2. Evaluating of the Company's Management Board's recommendations on the distribution of the profit or the covering of the loss,
3. Drawing up once a year and submitting to the General Meeting of a report on the activities of the Supervisory Board containing at least
   1) results of the evaluations mentioned in items 1 and 2 above,
   2) information on: the composition of the Company's Supervisory Board and its Committees, including an indication which Members of the Supervisory Board comply with the criteria of independence listed in the Act of May 11, 2017 on certified auditors, audit firms and public oversight, as well as those that not to have the actual and material ties to a shareholder holding at least 5% of the total number of votes in the Company, and also the information on the composition (membership) of the Supervisory Board in the context of the diversity thereof,
   3) summary of the activities of the Company's Supervisory Board and its Committees,
   4) evaluation of the Company's situation on the consolidated basis, including an assessment of the adequacy and effectiveness of the internal controls, risk management, standards or applied practices compliance systems and the internal audit functions applied by the Company, including the information on the steps that the Company's Supervisory Board took in order to perform such an evaluation, including all of the significant control mechanisms, in particular the ones related to the reporting and the business operations,
   5) assessment of the application of the principles of the corporate governance by the Company and the method of the fulfilment of the information disclosure obligations in relation to the application thereof, defined in the Regulations of the Stock Exchange and in the provisions related to the current and periodic (interim) information (disclosures, regulatory filings) filed by the issuers of the securities, along with the information on the steps that the Company's Supervisory Board has taken in order to perform such an assessment,
   6) assessment of the rationality (legitimacy) of the expenditures incurred by the Company and its group in order to support (promote) culture, sports, charity institutions, media, social organizations, trade unions, etc.,
   7) information on the degree of the implementation of the diversity policy in relation to the Management Board of the Company and the Supervisory Board of the Company, including the implementation of the objectives and the criteria of diversity, including, among other things, in such areas as gender, education background, specialist knowledge, age and the professional experience,
   8) evaluation of the manner in which the Management Board draws up or submits to the Supervisory Board the information, documents, reports or the explanations requested in accordance with the procedure set forth in Article 382, § 4 of the Code of Commercial Companies,
   9) information on the total compensation payable by the Company for all of the studies (analyses) commissioned by the Supervisory Board to its advisors during the financial year.
4. Drawing up, once a year, of a report on the compensation of the Members of the Management Board of the Company and the Supervisory Board of the Company in accordance with the requirements defined in the *Act of July 29, 2005, on a public offering and conditions of introducing financial instruments to an organized trading system and on public companies*,
5. Providing of the opinion on the Capital Group's Corporate Strategy and the supervision of the implementation of the goals set out therein, with a particular emphasis on the sustainable development goals,
6. Supervision of the implementation of the goals set out in the Corporate Strategy of the Capital Group, with a particular emphasis on the sustainable development goals,
7. Providing of the opinion on the rules of the conducting of the sponsorship activities,
8. Providing of the opinion on the annual plan of the conducting of the sponsorship activities as well as on the annual report on the implementation thereof,
9. Providing of the opinions on the reports drawn up, by the Company's Management Board, on the entertainment expenses, the expenditures on the legal services, marketing services, public relations and the social communication services as well as the advisory services related to the management,
10. Providing of the opinions on the Company's Management Board's petitions regarding the matters referred to in § 35 of the Company's Articles of Association, excluding the motions related to the Members of the Company's Supervisory Board,
11. Providing of the opinions on the draft resolutions placed by the Management Board of the Company on the agenda of the General Meeting,
12. Providing of the opinions on the changes of the rules of divesting of the fixed assets, defined in § 38^1 of the Company's Articles of Association.

13. Providing of the opinions on the results of the double materiality assessment, including the material sub-topics stemming from the assessment of the impacts, risks and opportunities (IRO),
14. Providing of the opinions on the transition plan for the purpose of the climate change mitigation.

Competences that include

1. Selecting of an audit firm to carry out an audit and a review of the Company's financial statements and the Capital Group's consolidated financial statements, as well as selecting of an audit firm to carry out an attestation (certification) of the sustainable development reporting,
2. Defining of the scope and the deadlines for submitting of the Company's and the Capital Group's annual material and financial plan by the Company's Management Board,
3. Approving of the Company's and the Capital Group's material and financial plan by the Company's Management Board
4. Adopting of the consolidated text of the Company's Articles of Association, drawn up by the Company's Management Board,
5. Approving of the Regulations of the Company's Management Board,
6. Approving of the organizational regulations of the Company's enterprise,
7. Approving of the capital group's compensation policy,
8. Purchasing of the real estate asset components within the meaning of the *Act of September 29, 1994, on accounting,* with the value exceeding:
   1) PLN 20 000 000 or
   2) 5% of the total assets within the meaning of the *Act of September 29, 1994, on accounting,* determined on the basis of the last approved financial statements,
   3) subject to the provisions of § 20, clause 5 of the Company's Articles of Association,
9. Granting of an approval for the disposing of the fixed asset components, within the meaning of the A*ct of September 29, 1994, on accounting,* classified as the intangible and legal assets, tangible fixed assets or the long term investments, including making a contribution to a company or cooperative if the market value of such components exceeds PLN 20 000 000 or 5% of the total assets within the meaning of the *Act of September 29, 1994, on accounting*, determined on the basis of the last approved financial statements, subject to the provisions of § 20, clause 5 of the Company's Articles of Association, as well as handing over these components for use to another entity for a period longer than 180 days in a calendar year, based on a legal transaction, if the market value of the subject of the legal transaction exceeds PLN 500 000 or 5% of the total assets, where the handing over of such components for use in the case of:
   1) lease, tenancy and other contracts for the transfer of an asset for use by other entities for a fee – the market value of the subject of the legal action shall be understood as the value of the services for: one year - if the asset was transferred on the basis of an agreement concluded for an indefinite period of time, the entire duration of the agreement - in the case of the contracts concluded for a defined period of time,
   2) loan contracts and other free of charge contracts for the handing over of an asset for use by other entities - the market value of the subject of legal transaction shall be understood as the equivalent of the benefits that would be due if the lease or tenancy agreement were concluded, for: one year - if the asset is handed over under the contract concluded for an indefinite period of time, the entire duration of the contract - in the case of the contracts concluded for a defined period of time,
10. Granting of an approval for the assuming of the contingent liabilities, including the granting of the guaranties and sureties by the Company with the value exceeding the equivalent of PLN 20 000 000,
11. Granting of an approval for the issuing of the bills of exchange with the value exceeding the equivalent of PLN 20 000 000,
12. Granting of an approval for the making of an advance payment on account of the expected dividend,
13. Granting of an approval for the taking up or purchasing of the shares or interests in another company with the value exceeding:
    1) PLN 20 000 000 or
    2) 5% of the total assets within the meaning of the *Act of 29 September 29, 1994 on accounting,* determined on the basis of the last approved financial statements,
14. Granting of an approval for the selling of the shares or interest in another company with the market value exceeding:
    1) PLN 20 000 000 or
    2) 10% of the total assets within the meaning of the *Act of 29 September 1994, on accounting*, determined on the basis of the last approved financial statements,
15. Granting of an approval for the concluding of an agreement for the legal services, marketing services, public relations and the social communications services as well as the advisory services related to the management, if the amount of the total net compensation envisaged for the services provided in total under such an agreement or under other agreements concluded with the same entity exceeds PLN 500 000, on a yearly basis,
16. Granting of an approval for the amending of an agreement for the legal services, marketing services, public relations and the social communications services as well as the advisory services related to the management, increasing the compensation above the amount mentioned in item 15 above,
17. Granting of an approval for the concluding of the agreements for the legal services, marketing services, public relations and the social communications services as well as the advisory services related to the management, under which the maximum compensation amount (cap) is not envisaged,
18. Granting of an approval for the concluding of a donation agreement or of another agreement with the similar consequences of the value exceeding PLN 20 000 or 0.1% of the total assets within the meaning of the *Act of September 29, 1994, on accounting*, determined on the basis of the last approved financial statements,
19. Granting of an approval for the relieving from the debt (debt forgiving) or from another agreement with the similar consequences of the value exceeding PLN 50 000 or 0.1% of the total assets within the meaning of the *Act of September 29, 1994, on accounting*, determined on the basis of the last approved financial statements,
20. Granting of an approval for the concluding of a material transaction with a related entity within the meaning of the *Act of July 29, 2005 on a public offering and conditions of introducing financial instruments to an organized trading system and on public companies*,
21. Granting of an approval for the establishment of the Company's branches abroad,
22. Defining of the manner of the exercising of the right to vote at the General Meetings of the Shareholders or the General Meetings of the Partners of the companies in which the Company holds more than 50% of the shares or interests, with respect to the following matters:
    1) selling and leasing out of the company's enterprise or its organized part as well as establishing of a limited pledge (property right) thereupon if the value thereof exceeds the PLN equivalent of EUR 5 000 000,
    2) dissolving and liquidating of the company
23. Defining of the manner of exercising of the right to vote by a representative of TAURON during the GMs of the companies (subsidiaries) with respect to which the Company is a dominating entrepreneur (parent company) within the meaning of art. 4 section 3 of the *Act of February 16, 2007, on competition and consumer protection*, with respect to the following issues:
    1) a company setting up another company,
    2) a change to the Articles of Association or the shareholders agreement and the subject of the company's operations,
    3) merging, transforming, splitting, dissolving and liquidating of a company,
    4) increasing or decreasing of the company's share capital,
    5) selling and leasing out of the company's enterprise or its organized part and establishing of a limited pledge (property right) thereupon,
    6) redeeming (retiring) of the interests or the shares,
    7) determining of the compensation of the members of the Management Boards and the members of the Supervisory Boards,
    8) a provision related to the claims for remedying the damage inflicted when setting up a company or performing the management or supervision thereof,
    9) matters mentioned in art. 17 of the Act of December 16, 2016, on the principles of state assets management, subject to § 15, clause 4 of the Company's Articles of Association, with the exception of the matters relating to the legal transactions referred to in § 20, clause 5 of

the Company's Articles of Association, and with the exception of the matters regarding an acquisition or a disposal of the fixed assets constituting or intended to constitute the assets necessary to conduct the business operations with respect to the distribution of the electricity by a company that is an operator of the power distribution system.

Competences related to the Management Board

1. Appointing and dismissing of the Members of the Management Board of the Company,
2. Establishing of the principles of the compensation and the amounts of the compensation for the Members of the Company's Management Board, subject to § 18 of the Company's Articles of Association, according to which the General Meeting shall adopt the compensation policy as well as it shall establish the principles for the determining of the compensation and the amount of the compensation for the members of the Management Board,
3. Suspending of the Members of the Company's Management Board from office due to important reasons,
4. Delegating of the Members of the Company's Supervisory Board to temporarily perform the duties of the Members of the Company's Management Board who cannot perform their duties and establishing of their compensation subject to the provision that the total compensation of the delegated person as a Member of the Company's Supervisory Board's as well as on account of being delegated to temporarily perform the duties of a Member of the Company's Management Board shall not exceed the compensation established for the Member of the Company's Management Board to replace whom the Member of the Company's Supervisory Board has been delegated,
5. Conducting of a recruitment process for a position of a Member of the Company's Management Board,
6. Conducting of a competition in order to select a person with whom an agreement to perform the management board functions (services) in the Company shall be concluded and the concluding of such an agreement to perform the management board functions (services) in the Company,
7. Granting of an approval for the Members of the Company's Management Board to take up the positions in the governing bodies (authorities) of other companies.

Other competences of the Supervisory Board of the Company

1. Approving of the Company's Management Board's annual report on the supervision (oversight) over the implementation of the investment projects.
2. Drawing up of the reports on the overseeing of the implementation of the investment projects by the Company's Management Board, including the purchases of the fixed assets, and in particular the providing of the opinions on the correctness and effectiveness of the expenditures related thereto.
3. Approving of the reports drawn up by the Company's Management Board on :
   1) entertainment expenses, expenditures on the legal services, marketing services, public relations and the social communications services, as well as the advisory services related to the management,
   2) applying of the best practice defined by the Chairman of the Council of Ministers (Prime Minister) on the basis of art. 7, clause 3 of the *Act on the principles of state assets management* with respect to the corporate governance, corporate social responsibility and the sponsorship activities,
4. Adopting of the regulations describing in detail the Company's Supervisory Board's procedures.

The main areas of the activities of the Supervisory Board of the Company in 2025

Table no. 66 Main issues that the Company's Supervisory Board had been dealing with during its meetings in 2025

Main issues that the Company's Supervisory Board and its committees had been dealing with during the meetings in 2025

Supervisory Board

with respect to its competences related to the providing of the opinions / assessments:

1. completed an evaluation of the Financial Statements of TAURON and the consolidated financial statements of TAURON Capital Group for the year 2024, with respect to their consistency with the books and documents, as well as with the factual situation and completed an assessment of the Management Board's proposal (petition) submitted to the General Meeting of the Company regarding the distribution of the profit for the financial year 2024,
2. completed an evaluation of the *Report of the Management Board on the operations of TAURON Polska Energia S.A. and TAURON Capital Group for the financial year 2024* that included the sustainable development reporting,
3. provided a positive opinion on the Report of the Company on the entertainment expenses, the expenditures on the legal services, marketing services, public relations and the social communications services as well as the advisory services related to the management incurred in 2024,
4. provided a positive opinion on: the *Annual Report on the implementation of the Plan of conducting of the sponsorship activities by TAURON Group in 2024*, the amended *Plan of the conducting of the sponsorship activities by TAURON Capital Group in 2025*, as well as the new *Plan of the conducting of the sponsorship activities by TAURON Capital Group in 2026,*
5. provided a positive opinion on the results of TAURON Group's double materiality assessment for the purpose of the 2025 sustainable development reporting,
6. provided a positive opinion on *TAURON Group's Sponsorship and CSR Strategy for the years 2025 - 2035.*

with respect to its competences:

1. adopted the *Report of the Supervisory Board of TAURON Polska Energia S.A. for the year 2024,*
2. adopted the *Report on the compensation of the Members of the Management Board and of the Supervisory Board of TAURON Polska Energia S.A. for the year 2024* and submitted it to the General Meeting of the Company in order for it to provide an opinion thereupon,
3. approved the *Material and Financial Plan of TAURON Group for the year 2025* and the *Material and Financial Plan of TAURON for the year 2025*,
4. made a decision on the selection of an audit firm to conduct an attestation (certification) audit and review of TAURON Capital Group's sustainable development reporting for the years 2025 - 2027,
5. approved the new text of the *Organizational Regulations of TAURON Polska Energia S.A.,*
6. approved the *TAURON Group's Digital Transformation Plan*,

7. granted its consent for the concluding of the agreements for the legal services, marketing services, services with respect to the interpersonal relations (public relations) and the social communications services as well as for the advisory (consulting) services related to the management, if the amount of the total net compensation envisaged for the services provided under the given agreement or under other agreements concluded with the same entity exceeded PLN 500 000, on a yearly basis,

8. defined the manner of the exercising of the right to vote during the General Meetings of the Shareholders of the Company / General Meetings of the Partners of the companies (subsidiaries) with respect to which TAURON is a dominating entrepreneur (parent company) within the meaning of art. 4, clause 3 of the Act of February 16, 2017, on competition and consumer protection, with respect to the following issues: the amendments to the Articles of Association / agreements / founding deeds aimed at adapting of the content thereof to the emended Code of Commercial Companies, merging, acquiring of the fixed assets, the compensation of the members of the corporate authorities (bodies), increasing of the share capital,

9. monitored the ongoing / annual activities of the Committees of the Supervisory Board of the Company and supplemented the compositions thereof.

with respect to the oversight of the ongoing operations of the Company and TAURON Capital Group:

1. analyzed the current economic and financial situation of the Company and of TAURON Capital Group, including the implementation of the material and financial plan, leverage (debt) ratio, utilization of the electricity generation potential, projected revenues and profits in the individual lines of business, processes of acquiring of the financing for TAURON Group,

2. discussed TAURON Group's key corporate and specific (idiosyncratic) risks,

3. granted its consent for the assumption by TAURON of the contingent liabilities in the form of granting of the sureties to secure the liabilities of the TAURON Sprzedaż subsidiary towards Polska Spółka Gazownictwa sp. z o.o, (Ltd.) as well as in the form of the bank guarantees issued under the guarantees line agreements,

4. discussed the report on the certification (attestation) of the sustainable development reporting of the Company and of TAURON Group for the financial year 2024,

5. discussed the opinion of the Social Council of TAURON Capital Group on the information relevant to the employees on the sustainable development and the methods of obtaining and verifying it,

6. discussed the Report on the implementation at TAURON Group of the guidelines related to the support for the professional development of women with respect to the implementation of EU Directive 2022/2381, the so-called Women on Boards,

7. became acquainted with the Gender Balance, Diversity, Equal Opportunities, and Inclusion Policy of TAURON Polska Energia S.A. and TAURON Capital Group,

8. became acquainted with the information on the amount of the funds spent from the loan extended under the National Recovery Plan, to be used to finance the investments in the power grids and other distribution assets, including in particular the status of the implementation of the individual investment projects and their sources of financing,

9. discussed the information on the transformation of the TAURON Wytwarzanie subsidiary,

10. discussed the results of the audit and fact finding activities carried out within TAURON Group

with respect to the competences related to the Management Board:

1. set the detailed common Management Objectives for the Members of the Management Board of the Company of the 7th term of office to be accomplished in 2025, and determined the weightings of these objectives and the objective criteria for their achievement and settlement,
2. adopted the motions to the Ordinary General Meeting of TAURON with respect to the granting of the acknowledgement of the fulfillment of the duties (discharge) of the Members of the Management Board of the Company,
3. completed an evaluation of the implementation (accomplishment) of the Management Objectives in 2024 and determined the amount of Variable Compensation due to the Members of the Management Board of the Company,
4. dismissed the Vice-President of the Management Board for Trading from the position on the Management Board of TAURON of the 7th common term of office and delegated a Member of the Supervisory Board to temporarily perform the duties of the Vice President of the Management Board for Trading, as well as determined the principles and the amount of the compensation for the delegated Member of the Supervisory Board.

With respect to the oversight of the correctness and efficiency of the spending of the funds related to the implementation of the investment projects by the Management Board of the Company, including the purchasing of the fixed assets

1. approved the Report of the Management Board of TAURON Polska Energia S.A. on the oversight of the implementation of the investment projects at TAURON Group in 2024 and accepted the Report of the Supervisory Board of TAURON Polska Energia S.A. on the oversight of the implementation by the Management Board of the investment projects including the purchasing of the fixed assets in 2024, and raised no objections with respect to the spending of the funds related to the implementation of the investment projects in 2024,
2. became familiar with the up to date information on the status of the implementation of the strategic investment projects by the subsidiaries, including the investments in the renewable energy sources (RES), the construction of the battery energy storage systems and the gas fired peaking power generation units.

Committees of the Supervisory Board of TAURON Polska Energia S.A. and the description of their activities

The Committees of the Supervisory Board are advisory and opinion providing bodies acting collectively as a part of the Company's Supervisory Board structure and perform the support and the advisory functions for the Supervisory Board. The tasks of the Committees of the Supervisory Board

are carried out by submitting of the motions, recommendations, opinions and the statements related to the scope of their tasks to the Supervisory Board, by way of the resolutions passed. The Committees of the Supervisory Board are independent of the Management Board of the Company.

The **Audit Committee** of the Supervisory Board shall be composed of 3 to 5 members, the **Nominations and Compensation Committee** of the Supervisory Board shall, in accordance with the new text of the Regulations of the Nominations and Compensation Committee, be composed of 3 to 6 members, while the **Strategy Committee** of the Supervisory Board shall be composed of 3 to 7 members. The activities of the individual Committees shall be managed by the Heads (Chairpersons) thereof.

The meetings of the Committees of the Supervisory Board shall be convened by the Head (Chairperson) of the given Committee on his or her own initiative or upon the motion of a member of the Committee or the Chair of the Supervisory Board and they shall be held on an as needed basis. In the case of the Audit Committee the meetings shall be convened not less often than at least once a quarter. The Head of the given Committee may invite the Members of the Company's Supervisory Board, who are not members of the specific Committee, the members of the Management Board of the Company and the employees of the Company as well as other persons working or cooperating with the Company and also the members of the Management Borads of Group's subsidiaries and the certified auditor to take part in the meetings of the Committees. The Head of the specific Committee or a person appointed by him or her shall submit the motions (conclusions), recommendations and the reports to the Supervisory Board.

The Committees of the Supervisory Board shall pass the resolutions if at least half of their members are present at the meeting and all of the members have been duly invited. The resolutions of the Committees of the Supervisory Board shall be adopted by an absolute majority of the votes of the persons present at the meeting, where the absolute majority of the votes shall be understood as more votes cast "for" than the "against" and the "abstain" votes in total. The Committees of the Supervisory Board may pass the resolutions in writing or by using the means of the direct remote communication.

The Members of the Committees of the Supervisory Board may also participate in the meetings of the Committees and vote on the resolutions being passed by using the means of the direct remote communication, i.e. the tele- or video conferences.

The Company's Management Board shall be informed of the recommendations and the assessments submitted to the Supervisory Board by the given Committee of the Supervisory Board. Every year, the Committees of the Supervisory Board shall provide to the public, via the Company, the information on their memberships, the number of the meetings held and the participation in the meetings during the year, as well as on their main activities.

The Management Board of the Company shall provide the individual Committees with the possibility of using the services of the external advisers to the extent required to perform the responsibilities of the Committees.

A detailed description of the activities of the Committees of the Supervisory Board is included in the regulations of the individual Committees of the Supervisory Board of the Company.

Audit Committee of the Supervisory Board of TAURON Polska Energia S.A.

The members of the Audit Committee had been appointed by the Supervisory Board of the Company from among the members thereof.

The Audit Committee had held a total of 7 meetings and had adopted 16 resolutions in the financial year 2025. All of the Members of the Audit Committee had been present at all of the meetings.

The composition of the Audit Committee

Table no. 67 The composition of the Audit Committee as of December 31, 2025 and as of the date of drawing up of this report

The composition of the Audit Committee as of December 31, 2025		The composition of the Audit Committee as of the date of drawing up of this report	
Krzysztof Zawadzki	Head of the Audit Committee	Beata Kisielewska	Head of the Audit Committee
Michał Hulbój	Member of the Audit Committee	Michał Hulbój	Member of the Audit Committee

Beata Kisielewska	Member of the Audit Committee	Tomasz Majka	Member of the Audit Committee
Natalia Klima-Piotrowska	Member of the Audit Committee		

The changes to the composition of the Audit Committee in 2025 and by the date of drawing up of this report

As of January 1, 2025, the Audit Committee had been composed of the following Members of the Supervisory Board of the Company: Piotr Kołodziej (Head of the Audit Committee), Michał Hulbój, Beata Kisielewska and Natalia Klima-Piotrowska.

Table no. 68 The changes to the composition of the Audit Committee in 2025 and by the date of drawing up of this report

Date	
November 13, 2025	Piotr Kołodziej's membership in the Audit Committee had expired as a consequence of his dismissal from the membership the Company's Supervisory Board by the Minister of the State Assets, acting pursuant to § 23, section 1, clause 3) of the Company's Articles of Association.
November 17, 2025	The Company's Supervisory Board had supplemented the composition of the Audit Committee, by appointing Krzysztof Zawadzki to be a member of the Audit Committee. The Audit Committee had elected Krzysztof Zawadzki to be the Head of the Audit Committee of the Company's Supervisory Board.
January 1, 2026 (an event that took place after the balance sheet date)	On December 17, 2025, the Supervisory Board of the Company had taken the decision to delegate, effective as of January 1, 2026, a Member of the Company's Supervisory Board, Krzysztof Zawadzki, to temporarily perform the duties of a Member of the Management Board of the Company, entrusting him with the performance of the duties of the Vice President of the Management Board for Trading for the period of not longer than three months running from the date of the delegation.
January 16, 2026 (an event that took place after the balance sheet date)	Natalia Klima-Piotrowska had submitted a statement on her resignation from the membership of the Audit Committee of the Company's Supervisory Board. The Company's Supervisory Board had supplemented the composition of the Audit Committee, by appointing Tomasz Majka to be a member of the Audit Committee of the Company's Supervisory Board In connection with the delegating of the up to then Head of the Audit Committee of the Company's Supervisory Board to temporarily perform the duties of a Member of the Management Board of the Company, the Audit Committee had entrusted Beata Kisielewska with the performance of the duties of the Head of the Audit Committee for the period of the delegation.
March 25, 2026 (an event that took place after the balance sheet date)	In connection with the resignation of Krzysztof Zawadzki from the membership in the Supervisory Board of the Company, the Audit Committee elected Beata Kisielewska to serve as the Chair of the Audit Committee

There had been no other changes to the composition of the Audit Committee in 2025 and by the date of drawing up of this report.

Information on the independence and the professional qualifications of the Members of the Audit Committee

In accordance with the *Act of May 11, 2017, on certified auditors, audit companies and public oversight*, the majority of the members of the audit committee, including the head thereof, should be independent of the Company and at least one member of the audit committee should have the knowledge and the skills with respect to accounting or auditing of the financial statements and at least one member of the audit committee should have the knowledge and the skills with respect to the industry that the company is operating in.

In 2025, the composition of the Audit Committee had been in compliance with the statutory requirements defined in the above mentioned act.

The evaluation of the independence and the statutory requirements with respect to having the knowledge and the skills of the individual Members of the Audit Committee had been carried out by the Company's Supervisory Board based on the relevant statements submitted by the Members of the Audit Committee.

The qualifications of the Members of the Audit Committee with respect to the accounting or auditing of the financial statements, as well as the industry that the Company is operating in, are based on the education background and the skills held by the Members of the Audit Committee.

Table no. 69 Compliance of the Members of the Audit Committee with the independence requirements and the requirements with respect to the knowledge and the skills held in 2025 and by the date of drawing up of this report

First and last name	Period of performing the function (tenure) in the Audit Committee in 2025 and by the date of drawing up of the report	Compliance with the independence requirements and the requirements with respect to the knowledge and the skills held
1. Beata Kisielewska	since 01.01.2025 until now	Independent. Beata Kisielewska has the knowledge and the skills with respect to accounting and auditing of the financial statements. She is a certified auditor and a graduate of the Katowice Business University (Górnośląska Wyższa Szkoła Handlowa), with a major in the management and marketing, specializing in accounting and finance, where she was awarded the IES International Education Society certificate. She is currently employed at ATAC Audytorzy i Partnerzy Sp. z o.o. (Ltd.) as a certified auditor and the Vice President of the Management Board. She specializes in the audits of the financial statements of the public interest entities and the services for the joint stock companies and the limited liability companies as well as for the financial institutions.
2. Krzysztof Zawadzki	since 17.11.2025 until 31.12.2025 in the period from 01.01.2026 until 24.03.2026 delegated to temporarily perform the duties of the Vice President of the Management Board for Trading	Independent. Dependent. Krzysztof Zawadzki has the knowledge and the skills with respect to accounting and auditing of the financial statements stemming from the education and the qualifications held (he is a certified auditor, a graduate of the Faculty of Finance and Banking at the University of Economics in Katowice; he completed the post graduate studies in the International Financial Reporting Standards organized by the Warsaw School of Economics and Ernst & Young Academy of Business, as well as the post graduate studies in accounting and finance and taxation at the Warsaw School of Economics. Krzysztof Zawadzki has completed the doctoral studies at the University of Economics in Krakow and the post graduate studies in business valuation and financial modeling at the Kozminski University in Warsaw) as well as from the professional experience, including a number of years of serving on the management boards and holding of the managerial positions responsible for the economic, financial, and tax issues. He has the knowledge and the skills related to the industry in which the Company is operating, stemming from his professional experience (a number of years of holding of the positions on the management boards and holding the management positions in the companies operating in the energy sector).
3. Michał Hulbój	since 01.01.2025 until now	Independent. Michał Hulbój has the knowledge and the skills with respect to accounting and auditing of the financial statements based on his education background (he is a graduate of the SGH Warsaw School of Economics with a major in the finance and banking. He holds a stockbroker's license and has successfully passed two exams as part of the CFA program) and experience (a number of years of employment in the entities operating in the financial sector).
4. Tomasz Majka	Since 16.01.2026 until now	Independent. He has the knowledge and the skills in the industry in which the Company is operating, stemming from his professional experience (serving on the management board of a company operating in the energy sector).
5. Piotr Kołodziej	*since 01.01.2025 until 13.11.2025*	*Independent.* *Piotr Kołodziej had the knowledge and the skills with respect to the industry that the Company is operating in based on the education background (he is, among other things, a graduate of the Electrical Faculty of the Silesian University of Technology (Politechnika Śląska), he also completed the post graduate studies in the electrical power engineering) and experience (having served on the management boards and having held the management positions in the companies operating in the power industry).*
6. Natalia Klima-Piotrowska	*since 01.01.2025 until 16.01.2026*	*Independent.*

Tasks and competences of the Audit Committee

In 2025, the Audit Committee had been carrying out the tasks and competences defined in the currently applicable legal regulations and in the *Regulations of the Audit Committee of the Supervisory Board of TAURON Polska Energia S.A.* adopted by the Supervisory Board.

Table no. 70 Competences of the Audit Committee as of December 31, 2025, and as of the date of drawing up of this report

Competences of the Audit Committee

1. Monitoring of the Company's financial reporting process, the capital group's sustainable development reporting, including the compliance with the electronic reporting requirements referred to in art. 63zc of the act of 29 September 1994 on accounting and the process of identifying by the Company of the information presented in accordance with the sustainable development reporting standards referred to in the above mentioned act, the effectiveness of the internal control, risk management, compliance and the internal audit systems, in particular with respect to the financial reporting and the sustainable development reporting of the capital group, performing of the financial review (audit) activities, in particular conducting of an audit of the financial statements or an attestation (certification) of the sustainable development reporting by an audit firm, taking into account any conclusions (motions) and findings of the Polish Audit Supervision Committee stemming from an audit performed at an audit firm.

2. Controlling (verifying) and monitoring of the independence of the certified auditor and the audit firm, in particular in the case other services than the auditing of the financial statements and attesting (certifying) of the sustainability reporting are provided for the benefit of the Company by the audit firm,

3. Performing of the evaluation of the independence of the certified auditor and granting of an approval for the performance thereby of the permitted services that do not constitute an audit of the Company or an attestation (certification) of the sustainable development reporting by the Company,

4. Developing of the policy for the selecting of an audit firm to carry out an audit of the financial statements,

5. Developing of the policy for the provision by the audit firm conducting the audit, by the entities related to such an audit firm and by a member of the audit firm's corporate network, of the permitted services that do not constitute an audit (non-audit services),

6. Defining of the procedure for the selecting of an audit firm by the Company,

7. Developing of the policy for the selecting of an audit firm to carry out an attestation (certification) of the sustainable development reporting,

8. Developing of the policy for the provision by the audit firm conducting an attestation (certification) of the sustainable development reporting, by the entities related to such an audit firm and by a member of the audit firm's corporate network, of the permitted services that do not constitute an attestation (certification) of the sustainable development reporting,

9. Presenting to the Supervisory Board, for the purpose of selecting the audit firm responsible for performing the statutory audit or the review of the financial statements, of the recommendation, referred to in Art. 130, clauses 2 and 3 of the Act of May 11, 2017 on certified auditors, auditing companies and public oversight and in Art. 16, clause 2 of the Regulation (EU) No 537/2014 of the European Parliament and of the Council of April 16, 2014 on specific requirements regarding statutory audit of public interest entities (…), in line with the policies referred to above in items 4 and 5,

10. Informing the Supervisory Board of the results of an audit or of an attestation (certification) of the sustainable development reporting and explaining how the audit has contributed to the accuracy (fairness, reliability) of the Company's financial reporting, the Company's sustainable development reporting for the capital group, and also what the role of the Audit Committee in the audit or attestation (certification), respectively, process has been,

11. Presenting of the recommendations aimed at ensuring of the accuracy (fairness, reliability) of the process of the Company's financial reporting and the sustainable development reporting for the capital group,

12. Performing of other activities vested with the audit committees as its responsibilities pursuant to the Act and the Regulation mentioned in item 9 above and the Act of September 29, 1994, on accounting.

The main areas of the activities of the Audit Committee in 2025

Table no. 71 Main issues that the Audit Committee had been dealing with during its meetings in 2025

Main issues that the Audit Committee had been dealing with during its meetings in 2025
Audit Committee
1. monitored the Company's financial reporting process, including having completed an analysis of the reliability (fairness, accuracy) of the financial information presented by the Company in terms of its compliance with the books and documents, as well as with the factual situation, and made the relevant recommendations to the Supervisory Board based on the assessment of the information contained in the following documents: the Financial statements of TAURON for the financial year ended on December 31, 2024, the Consolidated financial statements of TAURON Capital Group for the financial year ended on December 31, 2024, the Report of the Management Board on the operations of TAURON Polska Energia S.A. and TAURON Capital Group for the year 2024, taking into account the sustainable development reporting of TAURON Group and the Petition of the Management Board to the General Meeting with respect to the distribution of the net profit for the financial year 2024, as well as the Extended consolidated reports: the quarterly reports of TAURON Capital Group for the first quarter of 2025 and for the third quarter of 2025, the report of TAURON Group for the first half of 2025,
2. cooperated with the certified auditor with respect to: auditing of the financial statements of TAURON and of the consolidated financial statements of TAURON Capital Group for the financial year 2024, the review of the interim, abbreviated financial statements of the Company and of the consolidated financial statements of TAURON Capital Group for the first half of 2025, the process of auditing the financial statements of TAURON and the consolidated financial statements of TAURON Capital Group for the financial year 2025, an assessment of the risk of a loss of the audit firm's authorization to perform the financial auditing activities, the position with respect to the recognition (booking) of the provisions for the onerous contracts in the financial statements of TAURON Group's subsidiaries,
3. cooperated with the auditors conducting the certification (attestation) of the sustainable development reporting, including discussing of the material issues related to the certification (attestation) of the sustainable development reporting for 2024 and became acquainted with the results of the certification (attestation) of the sustainability reporting for 2024,
4. discussed and adopted the Policy to be applied to select an audit firm to conduct the certification (attestation) of the sustainable development reporting and the Policy for the provision, to TAURON Group, by the audit firm conducting the certification (attestation) of the sustainable development reporting, by the entities affiliated with that audit firm and by a member of the audit firm's network, of the permitted services other than the sustainable development reporting certification (attestation),

5. adopted a recommendation for the Supervisory Board with respect to the selection of an audit firm to conduct the certification (attestation) of the sustainable development reporting based on the procurement procedure conducted and the report containing the conclusions of the procedure to be applied to select an audit firm to conduct an audit and a review of the financial statements and the consolidated financial statements of TAURON Polska Energia S.A. for the years 2025 - 2027,
6. made an assessment of the threats (risks) and the safeguards with respect to the auditor's independence and became familiar with the information with respect to the performance of the activities stemming from the Procedure for ensuring the compliance, within TAURON Group, with the requirement related to the independence of the audit firm conducting the audit and the review of the financial statements and the consolidated financial statements of TAURON Polska Energia S.A.,
7. adopted and presented to the Supervisory Board the assessment of the financial statements, the Report of the Management Board on the Operations of the Company and TAURON Capital Group for the year 2024, taking into account the sustainable development reporting and the proposal (motion) of the Management Board with respect to the distribution of the net profit for the financial year 2024 and the assessment of the Company's situation, taking into account the adequacy and effectiveness of the Company's internal control, risk management, compliance and internal audit systems in place,
8. analyzed the financial results of the Company and TAURON Capital Group for the year 2024, for the first quarter of 2025, for the first half of 2025 and for the third quarter of 2025,
9. became familiar with and made an assessment of the new text of the Accounting Policy of TAURON Polska Energia S.A. Capital Group,
10. monitored the issues related to the Internal Audit Area, including: the discussing of the implementation of the Plan of the Audit Tasks at TAURON Group in 2024, including the conclusions and the observations as well as the post audit recommendations and stipulations issued, became familiar with the Plan of the Audit and Control Tasks at TAURON Group for 2025, as well as with the results of the Report on the Assessment of the Internal Control System for 2024, provided an opinion on the Internal Audit Strategy at TAURON Group, including the Self Assessment of the Internal Audit function at TAURON Group, as well as periodically analyzed the current information related to the scope of the audit tasks carried out by the Internal Audit Area,
11. monitored the issues in the area of the key corporate and specific risks as well as the risks related to the process of the sustainable development reporting at TAURON Group,
12. monitored the ensuring of the compliance of TAURON Group's business operations, taking into account the aspects related to the sustainable development and analyzed the information on the results of the investigations conducted in connection with the reports of the potential irregularities received by the Company,
13. became familiar with TAURON's Compliance Report for 2024 and TAURON Group's Compliance Plan for 2025.
14. discussed and presented to the Supervisory Board the Report on the Periodic Assessment of the Transactions entered into with the Related Parties for the period from July 1, 2024 to December 31, 2024, the Report on the Periodic Assessment of the Transactions entered into with the Related Parties for the period from January 1, 2025 to June 30, 2025,
15. became familiar with the quarterly information with respect to the Purchasing (Procurement) Area related to the awarding of the contracts (purchase orders) at TAURON Group's subsidiaries within the scope of its competence with respect to the monitoring of the effectiveness of the internal control system, and discussed the results of the analyses related to the correctness and the time consuming nature of the individual stages of the purchasing (procurement) procedures at TAURON Group's subsidiaries, along with the information on the new purchasing (procurement) procedures implemented at TAURON Group,
16. monitored the process of spending of the funds obtained from the National Recovery Plan (NRP) for the implementation of the investment projects, including having become acquainted with the information related to the control and security systems used as part of the conducting of the oversight of the correctness of the spending of the funds obtained from the National Recovery Plan (NRP) as well as of the performance of TAURON Dystrybucja's obligations related to the settlement thereof,
17. discussed the debt collection process used, became familiar with the current data on the indebtedness of TAURON Group's customers and the proposals for improving of this process,
18. adopted and submitted to the Supervisory Board the Report on its Activities in 2024 and adopted the Plan of the Work for 2025,

The main assumptions of the policy for selecting an audit firm to conduct the audit and of the policy for the provision, by the audit firm conducting the audit, by the entities related to such an audit firm and by a member of the audit firm's corporate network, of the permitted services that do not constitute an audit (non-audit services)

The following regulations, drawn up in connection with the requirements of the Act of May 11, 2017, on certified auditors, auditing companies and public oversight, adopted by the Audit Committee, shall be in force at TAURON Capital Group:

1. *Policy for the selection of the audit firm to conduct the audit and review of the financial statements and the consolidated financial statements of TAURON Polska Energia S.A.,*
2. *Procedure for the selection of the audit firm to conduct the audit and review of the financial statements and the consolidated financial statements of TAURON Polska Energia S.A.*
3. *Policy for the provision for TAURON Group of the permitted services that do not constitute an audit (non-audit services), by the audit firm conducting the audit of the annual financial statements and the consolidated financial statements of TAURON Polska Energia S.A., the entities related to such an audit firm and by a member of the audit firm's corporate network.*

The Policy for the selection of the audit firm to conduct the audit and review of the financial statements and the consolidated financial statements of TAURON Polska Energia S.A. is aimed at ensuring the compliance of the selection of the audit firm to conduct the audit and review of the Company's financial statements with the legal regulations. The policy defines, in a clear manner,

the principles and rules of the process for the selection of the audit firm to audit the reports of TAURON as a public interest entity, the principles of the procedure for the selection of the audit firm, the principles of the drawing up of the recommendations of the Audit Committee related to the selection of the audit firm, as well as the principles of a rotation of the audit firm conducting the audit and review of the financial statements and the consolidated financial statements of TAURON. The most important assumptions adopted in the policy include the fact that the process for the selection of the auditor shall be based on the applicable legal regulations, ensuring of the transparency and objectivity of the process for the selection of the auditor and including in the process of the requirements necessary for the timely and correct performance of the audit services for the benefit of the Company. The policy also includes a description of the emergency mechanisms in the event that the audit firm loses its authorization to conduct the financial audits (reviews).

The Procedure for the selection of the audit firm to conduct the audit and review of the financial statements and the consolidated financial statements of TAURON Polska Energia S.A. is aimed at ensuring the compliance of the process for the selection of the audit firm with the applicable legal regulations, as well as ensuring that the audit and review of the financial statements are conducted at a high quality level, within a specified time frame, while ensuring independence, objectivity, transparency and the credibility of the audit firm and of the certified auditors. The procedure defines in detail and accurately the individual stages of the process to select the audit firm, including indicating of the corporate authorities (bodies) and the organizational units responsible for such stages. In addition, the procedure defines the general conditions for the participation in the proceedings and the criteria for the selection of the audit firm as well as the time frame of the auditor selection process. The most important assumptions made in the procedure include adopting of a clear and transparent, based on the legal regulations, split of the responsibilities in the process for the selection of the auditor, as well as defining of the transparent and non-discriminatory conditions for the participation in the tender procedure and the criteria for the selection of the audit firm that the Company may apply.

The Policy for the provision for TAURON Group of the permitted services that do not constitute an audit (non-audit services), by the audit firm conducting the audit of the annual financial statements and the consolidated financial statements of TAURON Polska Energia S.A., the entities related to such an audit firm and by a member of the audit firm's corporate network is aimed at defining of the clear rules aimed at complying with the requirement of the independence of the audit firm conducting the audit of the Company, in the case such a firm or the entities that are the members of its corporate network are providing the non-audit services. This policy defines the principles related to the provision for the benefit of TAURON Capital Group's entities, by the audit firm conducting the audit at TAURON, the entities related to the audit firm and a member of the audit firm's corporate network, of the additional non-audit services or non-review services, in particular the conditions for the admissibility of the provision of the permitted services, the principles of the Audit Committee conducting of an assessment of the threats (risks) to and the safeguards of the independence of the audit firm, as well as the control mechanisms with respect to observing the principles of the independence of the certified auditor at TAURON Capital Group. The most important assumptions adopted in the policy include the defining of the clear rules for the Audit Committee to conduct an assessment of the threats (risks) to and the safeguards of the independence of the audit firm and expressing of the approval for the provision of the non-audit services, based on the compliance with the legal regulations and the purposefulness of the provision of such services.

The above mentioned Policies and the Procedure had not been subject to changes in 2025.

The main assumptions of the policy for selecting an audit firm to conduct the attestation of the sustainable development reporting and of the policy for the provision, by the audit firm conducting the attestation of the sustainable development reporting, by the entities related to such an audit firm and by a member of the audit firm's corporate network, of the permitted services that do not constitute an attestation (certification) of the sustainable development reporting audit (non-attestation services)

At the meeting on March 14, 2025, the Audit Committee, in connection with the new obligations imposed by the Act of May 11, 2017, on certified auditors, auditing companies and public oversight, had adopted:

1. *Policy for the selection of the audit firm to conduct the attestation of the sustainable development reporting audit of TAURON Group,*
2. *Policy for the provision for TAURON Group of the permitted services that do not constitute an attestation (certification) of the sustainable development reporting audit, by the audit firm conducting the attestation (certification) of the sustainable development reporting audit by the*

entities related to such an audit firm and by a member of the audit firm's corporate network.

The Policy for the selection of the audit firm to conduct the attestation (certification) of the sustainable development reporting audit of TAURON Group is aimed at the ensuring the compliance of the selection of the audit firm to conduct the attestation (certification) of the sustainable development reporting audit of the Company with the legal regulations. The policy defines the principles and rules of the process for the selection of the audit firm to conduct the attestation (certification) of the sustainable development reporting of the Company as a public interest entity, the principles of the procedure for the selection of the audit firm to conduct the attestation (certification) of the sustainable development reporting of the Company, the principles of the procedure for the selection of the audit firm and the principles of the drawing up of the recommendations of the Audit Committee related to the selection of the audit firm.

The Policy for the provision for TAURON Group of the permitted services that do not constitute an attestation of the sustainable development reporting audit, by the audit firm conducting the attestation (certification) of the sustainable development reporting audit by the entities related to such an audit firm and by a member of the audit firm's corporate network is aimed at the defining of the clear rules aimed at complying with the requirement of the independence of the audit firm conducting the attestation of the sustainable development reporting audit of the Company, in the case such a firm or the entities that are the members of its corporate network are providing the non-attestation services. The most important assumptions adopted in the policy include the defining of the clear rules for the Audit Committee to conduct an assessment of the threats (risks) to and the safeguards of the independence of the audit firm and expressing of the approval for the provision of the non-attestation services, based on the compliance with the legal regulations and the purposefulness of the provision of such services.

In accordance with the provisions of the *Policy for the selection of the audit firm to conduct the attestation of the sustainable development reporting audit of TAURON Group*, the provisions of the Procedure for the selection of the audit firm to conduct the audit and the review of the financial statements and the consolidated financial statements of TAURON Polska Energia S.A. shall be applied accordingly to conduct the procedure to select the audit firm to conduct the attestation (certification) of the sustainable development reporting.

Controlling and monitoring of the independence of the auditor

Controlling and monitoring of the independence of the audit firm by the Audit Committee shall take place on the basis of the legal provisions and the regulations adopted by the Audit Committee, in particular:

1. *Policy for the provision for TAURON Group of the permitted services that do not constitute an audit (non-audit services), by the audit firm conducting the audit of the annual financial statements and the consolidated financial statements of TAURON Polska Energia S.A., the entities related to such an audit firm and by a member of the audit firm's corporate network,*
2. *Policy for the provision for TAURON Group of the permitted services that do not constitute an attestation (certification) of the sustainable development reporting, by the audit firm conducting the attestation (certification) of the sustainable development reporting by the entities related to such an audit firm and by a member of the audit firm's corporate network.*

In addition, the Company has implemented the *Procedure with respect to ensuring, within TAURON Group, the compliance with the requirement of independence of the audit firm conducting the audit and review of the financial statements and the consolidated financial statements of TAURON Polska Energia S.A.* (Procedure), which is aimed at the ensuring of the correct and timely performance by the Company of the activities required for the processes of controlling and monitoring of the independence of the audit firm and the entities that are the members of its corporate network by the Audit Committee.

The auditor's independence shall be assessed by the Audit Committee each time as part of the reviewing of the interim (semi annual) and the annual financial statements and the consolidated financial statements of the Company. For the purpose of the above mentioned assessment, in accordance with the Procedure, in the case of the interim (semi-annual) and the annual financial statements, the Company shall obtain, from the audit firm, a statement on the compliance with the independence criteria referred to in the Act of May 11, 2017, on certified auditors, audit firms and public oversight. This statement shall be subject to an assessment by the Audit Committee.

The auditor's independence shall be assessed by the Audit Committee each time the Company or its subsidiary is intending to commission the permitted services to be performed by the audit firm or a member of the corporate network that such an audit firm is a part of. In such a situation, the Audit Committee shall, each time, assess the threats (risks) to and safeguards protecting the

independence of the certified auditor and the audit firm. The assessment of the threats (risk) to and the safeguards protecting the independence of the certified auditor and the audit firm carried out by the Audit Committee in accordance with the above mentioned Policies shall include:

1. a verification whether the given service is included in the list of the permitted services,
2. a verification whether the requirements regarding the maximum limit (cap) of the compensation allowed by the legal regulations for the provision of the services other than an audit (non-audit services) are met,
3. checking whether the subject of the permitted service to be commissioned to the certified auditor or the audit firm, an entity related to that audit firm or a member of the corporate network that the certified auditor or the audit firm is a part of, is not related to the Company's tax policy,
4. an assessment of the statement on the compliance with the independence criteria obtained by the Company, in accordance with the Procedure, from the certified auditor or the audit firm that is to perform the permitted services, valid as of the date of the assessment,
5. an analysis of the substantive justification for the performance of the service by the certified auditor or the audit firm conducting the audit, an entity related to that audit firm or an entity that is a part of its corporate network, indicating the key factors impacting the rationale (legitimacy) behind such a selection.

The Procedure implemented at the Company shall define the activities, the organizational units responsible for the performance thereof and the deadlines for the completion of the activities aimed at ensuring, within TAURON Group, of the compliance with the requirement of the independence of the audit firm conducting the audit and the review of the Company's financial statements and the consolidated financial statements, as well as the attestation (certification) of the sustainable development reporting. In particular, the Procedure shall define the principles of the intra group communication with respect to the selection of the audit firm to conduct the audit of the Company's financial statements or the attestation (certification) of the sustainable development reporting, as well as the principles and the deadlines for obtaining, from the audit firm, of the statements on the compliance with the independence principles. The Procedure also sets forth the principles and the deadlines for the Company to collect and verify the information on the agreements entered into by TAURON Capital Group's subsidiaries with the audit firm conducting the audit and review of the Company's financial statements and the consolidated financial statements or the attestation (certification) of the sustainable development reporting, as well as with the members of the corporate network that such an audit firm is a part of. In addition, the Procedure shall regulate the principles and the deadlines for the collection of the information with respect to the transactions entered into with the audit firm conducting the audit and review of the Company's financial statements and the consolidated financial statements of the Company, as well as with the members of the corporate network that such an audit firm is a part of, registered (logged) by TAURON Capital Group's subsidiaries. At least once a year, the Company shall prepare the information on the performance of the activities stemming from this procedure and submit it to the Audit Committee for an evaluation.

Permitted non-audit services provided by an audit company

The following permitted non-audit services had been provided for TAURON and TAURON Capital Group's subsidiaries in 2025 by the audit firm PwC auditing the financial statements for that year:

1. confirmed in writing verification of the annual and interim (semi annual) standalone consolidation packages of TAURON Capital Group's selected subsidiaries required to draw up the annual and interim consolidated financial statements,
2. conducting of the agreed upon procedures for the verification of the report of the TAURON Dystrybucja subsidiary in connection with the requirement to estimate the Regulatory Asset Base (RAB) and the Regulatory Asset Base (RAB) for the AMI System for the purpose of determining of the justified return on the capital employed by the President of the ERO.
3. an assessment of the annual report of the Supervisory Board on the compensation of the Management Board and the Supervisory Board of TAURON Polska Energia S.A., drawn up in accordance with art. 90g of the Act on a public offering and conditions of introducing financial instruments to an organized trading system and on public companies.

In connection with the provision of the above mentioned services, the Audit Committee has performed an evaluation of the threats (risks) to and the safeguards of the independence of the audit firm PwC and expressed its approval for the provision of the above mentioned services.

Recommendations of the Audit Committee related to the selection of the audit firm

In 2024, the Supervisory Board of the Company had made a decision on the selection of the audit firm to audit and review the financial statements and the consolidated financial statements of TAURON for the years 2025 - 2027. The selection decision had been made based on the recommendation of the Audit Committee that had met the applicable legal requirements and had been drawn up as a result of the Company's public procurement proceedings, in accordance with the applicable criteria, including an indication, at the same time, of the other alternative entity to perform such activities and providing of the justification for the preferences behind the selection of the recommended audit firm.

As a consequence of the decision made on January 14, 2025, TAURON had entered into an agreement with PwC to audit and review TAURON's standalone and consolidated financial statements, audit the financial statements of TAURON's selected subsidiaries, assess the annual reports of the Supervisory Board of the Company on the compensation of the Company's Management Board and Supervisory Board, and provide other permitted services for the years 2025 - 2027.

On January 7, 2025, TAURON had entered into an agreement with PwC to perform a mandatory certification (attestation) of TAURON Capital Group's sustainable development reporting for the years 2025 - 2027 on the basis of the above mentioned public procurement procedure. The agreement in question had been entered into on an optional basis, providing TAURON with the possibility to commission the above mentioned service.

On July 7, 2025, based on the recommendation of the Audit Committee, the Supervisory Board of the Company had made the selection of the audit firm PwC as the entity to perform the certification (attestation) of TAURON Capital Group's sustainable development reporting for the years 2025 - 2027. On July 10, 2025, the Management Board of TAURON had commissioned the certification (attestation) of TAURON Group's sustainable development reporting for the year 2025.

Nominations and Compensation Committee of the Supervisory Board of TAURON Polska Energia S.A.

The members of the Nominations and Compensation Committee had been appointed by the Supervisory Board of the Company from among the members thereof.

> **The Nominations and Compensation Committee had held a total of 7 meetings and had adopted 10 resolutions in the financial year 2025. All of the Members of the Nominations and Compensation Committee had been present at 4 meetings, while the individual Members of the Nominations and Compensation Committee had been absent at 3 meetings; with the absences thereof having been excused based on the relevant resolutions.**

The composition of the Nominations and Compensation Committee

As of January 1, 2025, the Nominations and Compensation Committee had been composed of the following Members of the Supervisory Board of the Company: Sławomir Smyczek (Head of the Nominations and Compensation Committee), Mariusz Bąbol, Natalia Klima-Piotrowska, Piotr Kołodziej and Leszek Koziorowski.

Table no. 72 The composition of the Nominations and Compensation Committee as of December 31, 2025, and as of the date of drawing up of this report

The composition of the Nominations and Compensation Committee as of December 31, 2025		The composition of the Nominations and Compensation Committee and as of the date of drawing up of this report	
Ilona Malik	Head of the Nominations and Compensation Committee	Ilona Malik	Head of the Nominations and Compensation Committee
Mariusz Bąbol	Member of the Nominations and Compensation Committee	Arkadiusz Jówko	Member of the Nominations and Compensation Committee

Arkadiusz Jówko	Member of the Nominations and Compensation Committee	Natalia Klima-Piotrowska	Member of the Nominations and Compensation Committee
Natalia Klima-Piotrowska	Member of the Nominations and Compensation Committee	Leszek Koziorowski	Member of the Nominations and Compensation Committee
Leszek Koziorowski	Member of the Nominations and Compensation Committee		

The changes to the composition of the Nominations and Compensation Committee in 2025 and by the date of drawing up of this report

Table no. 73 The changes to the composition of the Nominations and Compensation Committee in 2025 and by the date of drawing up of this report

Date	
March 24, 2025.	The Company's Supervisory Board had supplemented the composition of the Nominations and Compensation Committee, by appointing Arkadiusz Jówko to be a member of the Nominations and Compensation Committee
November 13, 2025	Sławomir Smyczek's and Piotr Kołodziej's memberships in the Nominations and Compensation Committee had expired as a consequence of their dismissal from the memberships in the Company's Supervisory Board by the Minister of the State Assets, acting pursuant to § 23, section 1, clause 3) of the Company's Articles of Association.
November 17, 2025	The Company's Supervisory Board had supplemented the composition of the Nominations and Compensation Committee, by appointing Ilona Malik to be a member of the Nominations and Compensation Committee. The Nominations and Compensation Committee of the Company's Supervisory Board had elected Ilona Malik to be the Head of the Nominations and Compensation Committee of the Company's Supervisory Board.
January 16, 2026 (an event that took place after the balance sheet date)	Mariusz Bąbol had submitted a statement on his resignation form the membership in the Nominations and Compensation Committee of the Company's Supervisory Board.

There had been no other changes to the composition of the Nominations and Compensation Committee in 2025 and by the date of drawing up of this report

Tasks and competences of the Nominations and Compensation Committee

The tasks and competences of the Nominations and Compensation Committee, as of December 31, 2025, and as of the date of drawing up of this report, are presented in the below table.

Table no. 74 Competences of the Nominations and Compensation Committee, as of December 31, 2025, and as of the date of drawing up of this report

Competences of the Nominations and Compensation Committee
1. Recommending to the Supervisory Board of a recruitment (qualification) procedure for the positions of the Members of the Management Board of the Company,
2. Evaluating of the candidates for the Members of the Management Board and providing the Supervisory Board with the opinions in this respect,
3. Recommending to the Supervisory Board of a form (template) and content of the agreements to be entered into with the Members of the Management Board,
4. Recommending to the Supervisory Board of a compensation and bonus system for the Members of the Management Board,
5. Recommending to the Supervisory Board of the need to suspend a Member of the Management Board due to important reasons,
6. Recommending to the Supervisory Board of the need to delegate a Member of the Supervisory Board to temporarily perform the duties of the Members of the Management Board who are not able to perform their duties, along with a compensation proposal.

The main areas of the activities of the Nominations and Compensation Committee in 2025

Table no. 75 Main issues that the Nominations and Compensation Committee had been dealing with during its meetings in 2025

Main issues that the Nominations and Compensation Committee had been dealing with during its meetings in 2025
Nominations and Compensation Committee

1. recommended that the Supervisory Board should establish the detailed Management Objectives for the Members of the Management Board of the Company to be accomplished in 2025, along with the determination of the weights of these objectives as well as the objective and measurable criteria for the implementation and the accountability thereof,
2. recommended that the Supervisory Board should evaluate the accomplishment in 2024 of the Management Objectives set for the Members of the Management Board of the 7th common term of office and the amount of the Variable Compensation due to the Members of the Management Board of the Company as well as the amount of the Variable Compensation due to the Members of the Management Board of the Company as well as the amount of Variable Compensation due to the Members of the Company's Management Board of the 6th term of office who had held their positions in 2023,
3. recommended that the Supervisory Board should dismiss the Vice President of the Management Board for Trading and delegate a Member of the Supervisory Board to temporarily perform the duties of the dismissed Member of the Management Board of the Company, as well as determine the principles and the amount of the compensation for the delegated Member of the Supervisory Board,
4. adopted and submitted to the Supervisory Board a report on its activities in 2024.

Strategy Committee of the Supervisory Board of TAURON Polska Energia S.A.

The members of the Strategy Committee had been appointed by the Supervisory Board of the Company from among the members thereof.

> **The Strategy Committee had held a total of 4 meetings and had adopted 4 resolutions in the financial year 2025. All of the Members of the Strategy Committee had been present at all of the meetings.**

The composition of the Strategy Committee

As of January 1, 2025, the Strategy Committee had been composed of the following Members of the Supervisory Board of the Company: Natalia Klima-Piotrowska (Head of the Strategy Committee), Piotr Kołodziej and Sławomir Smyczek.

Table no. 76 The composition of the Strategy Committee as of December 31, 2025, and as of the date of drawing up of this report

The composition of the Strategy Committee as of December 31, 2025		The composition of the Strategy Committee as of the date of drawing up of this report	
Natalia Klima-Piotrowska	Head of the Strategy Committee	Natalia Klima-Piotrowska	Head of the Strategy Committee
Michał Hulbój	Member of the Strategy Committee	Mariusz Bąbol	Członek Komitetu Strategii
Ilona Malik	Member of the Strategy Committee	Michał Hulbój	Member of the Strategy Committee
		Ilona Malik	Member of the Strategy Committee

The changes to the composition of the Strategy Committee in 2025 and by the date of drawing up of this report

Table no. 77 The changes to the composition of the Strategy Committee in 2025 and by the date of drawing up of this report

Date	
November 13, 2025	Sławomir Smyczek's and Piotr Kołodziej's memberships in the Strategy Committee had expired as a consequence of their dismissal from the memberships in the Company's Supervisory Board by the Minister of the State Assets, acting pursuant to § 23, section 1, clause 3) of the Company's Articles of Association.
November 17, 2025	The Company's Supervisory Board had supplemented the composition of the Strategy Committee, by appointing Ilona Malik to be a member of the Strategy Committee.
January 16, 2026 (an event that took place after the balance sheet date)	The Company's Supervisory Board had supplemented the composition of the Strategy Committee, by appointing Mariusz Bąbol to be a member of the Strategy Committee.

There had been no other changes to the composition of the Strategy Committee in 2025 and by the date of drawing up of this report.

Tasks and competences of the Strategy Committee

Table no. 78 Competences of the Strategy Committee as of December 31, 2025, and as of the date of drawing up of this report

Competences of the Strategy Committee
1. Evaluating of the Company's and TAURON Capital Group's Strategy and presenting of the results of such an evaluation to the Supervisory Board,
2. Recommending to the Supervisory Board of the scope and the deadlines for the submission of the long term (multi year) strategic plans by the Management Board,
3. Evaluating of the impact of the planned and the currently undertaken strategic investment projects on the Company's assets,
4. Monitoring of the implementation of the strategic investment tasks,
5. Evaluating of the activities related to the use (control, disposing) of the Company's material assets,
6. Providing of the opinions on the strategic documents submitted to the Supervisory Board by the Management Board

The main areas of the activities of the Strategy Committee in 2025

Table no. 79 Main issues that the Strategy Committee had been dealing with during its meetings in 2025

Main issues that the Strategy Committee had been dealing with during its meetings in 2025
Strategy Committee
1. adopted and submitted to the Supervisory Board: the approved *Report of the Management Board on the oversight over the investment projects at TAURON Group in 2024* and the *Report of the Supervisory Board on the oversight of the Management Board's implementation of the investment projects, including the purchase of the fixed assets in 2024*,
2. on a regular basis analyzed the progress of TAURON Group's digital transformation,
3. became familiar with the current information on the implementation of the investment projects at TAURON Dystrybucja with the use of the funds coming from the National Recovery Plan (NRP) loan,
4. discussed the activities of the Wholesale Trading Business Unit (BU), including the sales volumes, the market and the regulatory environment, the risk management, as well as the role of the BU in the RES transition,
5. discussed the activities of the Supply BU, including the actual implementation of the plan, the financial forecasts, the strategic indicators, as well as the regulatory environment,
6. discussed the concept and the financial aspects of the Energy Storage Facility Project – the Rożnów II Pumped Storage Power Plant,
7. discussed the R&D project portfolio and the sources of the financing thereof,
8. discussed the concept of establishing of a TAURON Group Research and Development Center,
9. discussed the information on the activities of the Customer Service BU, including the implementation of the KPIs, strategic objectives, IT, accounting and HR in the Shared Services Center (SSC - CUW).
10. became familiar with the information on the number of the remote readout meters installed in the first quarter of 2025,
11. conducted a visit to the selected work stations in the Trading Division, the 30 MW Piotrków wind farm, the Rożnów Hydroelectric Power Plant, and the site of the planned pumped storage power plant and the server room at TAURON Obsługa Klienta (Customer Service),
12. adopted and submitted to the Supervisory Board the Report on its Activities in 2024 and adopted the Plan of Work for 2025.

9.12. Diversity policy with respect to the composition (membership) of the Company's authorities

The Company does not have a separate diversity policy with respect to the Members of the Management Board and the Members of the Supervisory Board in place. The measures are being taken in order to introduce the diversity in the composition (membership) of the Management Board and the Supervisory Board. On May 24, 2021, the General Meeting, having in mind the goal of striving to ensure the diversity with respect to the men and women on the Supervisory Board, had passed the amendments to the Rules of Procedure of the Company's General Meeting recommending that those making decisions on the election of the members of the Supervisory Board should ensure the comprehensive membership of the body by electing such people to be the members thereof who ensure the diversity, enabling, among other things, the achieving of the target with respect to the minimum minority participation rate set at no less than 30%.

The members of the Supervisory Board of the Company shall be elected by the General Meeting of the Company and the Minister competent to exercise the rights related to the shares of the State Treasury as part of the statutory powers of the State Treasury.

The Members of the Management Board of the Company shall be appointed by the Supervisory Board of the Company on the basis of a publicly announced recruitment proceedings, conducted in accordance with the principles of ensuring equal opportunities and non-discrimination, aimed at verifying and assessing of the qualifications of the candidates and selecting the best candidate, as well as conducted in accordance with the rules and requirements set out in the Company's Articles of Association and the Act of December 16, 2016, on the principles of the state assets management.

The announcement of the recruitment proceedings shall be published on the Company's web site at the following address: https://www.tauron.pl and in the Public Information Bulletin of the Minister competent to exercise the rights related to the shares of the State Treasury. Anyone who meets the requirements set out in § 16, clauses 3 and 4 of the *Company's Articles of Association* may enter the recruitment process. Based on the candidates' education and experience, the Supervisory Board evaluates and selects the best candidates for the Members of the Company's Management Board.

WOMEN ON BOARDS

In order to implement the objectives 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, known as "Women on Boards", the Company has taken steps aimed at adopting and implementing within TAURON Capital Group the Gender Balance, Diversity, Equal Opportunities and Inclusiveness Policy of TAURON Polska Energia S.A. and TAURON Capital Group.

The draft Policy was developed on the basis of the requirements set out in the above-mentioned Directive of the European Parliament and of the Council. It aims to promote diversity, equal opportunities and inclusiveness, counter discrimination and support diverse teams throughout TAURON Capital Group. It contains in particular provisions relating to equal treatment of employees, the application of a transparent recruitment process and equal access to professional development and promotion for employees.

The document also provides for provisions related to taking actions aimed at seeking to ensure that persons of the underrepresented gender are represented on the Company's Management Board and Supervisory Board at a level close to the percentage thresholds specified in the "Women on Boards" Directive.

Pursuant to the Directive, by 30 June 2026 companies should seek to achieve the target of 40% representation of the underrepresented gender among non-executive directors (understood as Members of Supervisory Boards) or 33% among all directors (understood as Members of Supervisory Boards and Management Boards), with the aim of improving the overall gender balance in company governing bodies.

Following the transposition of the "Women on Boards" Directive into Polish law through amendments to the Act on public offerings, conditions for introducing financial instruments to organized trading system and public companies, and the Act on implementation of certain European Union provisions on equal treatment, the Company will review the draft Policy to ensure its compliance with applicable law and will initiate the procedure for convening the General Meeting in order to adopt and implement it within TAURON Capital Group.

As of 31 December 2025, the percentage of persons of the underrepresented gender was as follows:

1. on TAURON's Supervisory Board – 33.33% and among all of the Members of the Supervisory Board and Management Board – 25%;

2. on the Supervisory Boards of subsidiaries of TAURON Capital Group (52 subsidiaries of TAURON Polska Energia S.A.) – 43.06%, and among all of the Members of Supervisory Boards and Management Boards – 36.94%.

As part of an initiative supporting the professional development of women inspired by the provisions of the "Women on Boards" Directive, the **Women's Club – TAURONOVA** was established within the TAURON Group. Its primary goal is to encourage action to strengthen the position of women in the organization, support the process of building a culture of sustainable development, and promote equality and partnership. It is also a space for sharing experiences and mutual support conducive to the achievement of this goal. The Club is open in format and any female or male employee of the TAURON Group may join, with the directions of activity set by the Program Board comprising female Members of the Supervisory Board of TAURON Polska Energia S.A., the Equal Treatment Officer, Executive Directors of TAURON Polska Energia S.A. and female Members of the Management Boards of key subsidiaries.

10. Policy of compensation of the Members of the Management Board and the Supervisory Board

10.1. Compensation system for the Members of the Management Board and the key managers

General information on the adopted compensation system for the Members of the Management Board of TAURON Polska Energia S.A.

The principles of the compensation of the Members of the Management Board in 2024 had been in line with the *Policy of Compensation of the Members of the Management Board and of the Supervisory Board* (Compensation Policy) adopted by the Extraordinary General Meeting (EGM) of the Company by way of the resolution no. 5 of September 3, 2024, taking into account the amendments adopted by the Ordinary General Meeting (OGM) of the Company by way of the resolution no. 45 of June 25, 2025.

The above mentioned principles had also been in line with the resolution no. 30 of the Ordinary General Meeting of the Company of May 24, 2022, the resolution of the Supervisory Board no. 123/VII/2024 of September 13, 2024, *on determining the compensation of the Members of the Management Board of TAURON Polska Energia S.A., and the Act of June 9, 2016, on the principles of determining the compensation of persons managing certain companies* (Journal of Laws of 2020, item 1907), as well as the Best Practice.

The Company shall draw up a report on the compensation of the Members of the Management Board and of the Supervisory Board of the Company for the individual financial years in accordance with the requirements defined in art. 90g of the *Act of July 29, 2005, on a public offering and conditions of introducing financial instruments to an organized trading system and on public companies* and shall publish such reports on the Company's web site at the following address: https://www.tauron.pl/tauron/relacje-inwestorskie/walne-zgromadzenie.

The subject of the Report on the Compensation are the principles of determining and the structure of the compensation of the Members of the Management Board and of the Supervisory Board of the Company in the individual financial years, with a particular emphasis on the amount of the total compensation of the individual Members of the Management Board, broken down into the fixed and the variable compensation components dependent on the accomplishment of the specific management objectives, along with the amount of the additional cash benefits and non-cash benefits granted to the Members of the Management Board and the amount of the benefits received by the Members of the Management Board in connection with the termination of the contract for the provision of the management services and the compliance with the non compete clause.

The Compensation Policy, along with the resolution of the General Meeting (GM) of the Company on the adoption thereof is published on the Company's web site at the following address: https://www.tauron.pl/tauron/relacje-inwestorskie/informacje-o-spolce/dokumenty-spolki.

The overarching objectives of the Compensation Policy shall include:

1. ensuring of a consistent and motivational compensation system for the Members of the Management Board of the Company,
2. linking of the compensation principles with the monitoring of the implementation of the adopted strategic plans and the business objectives, in particular the ones related to the accomplishment of the goals of the sustainable development (ESG), the long term interests of the Company and the implementation of the financial plans,
3. setting of the level of the compensation of the Members of the Company's Management Board in a way that it is linked with the accomplishment of the management objectives set,
4. increasing of the Company's value through the development of the most senior management staff,
5. improving of the compensation system that would result in the implementation of the Company's business strategy and the directions of its expansion,
6. contributing to the accomplishment of the goals of the sustainable development, in particular

curtailing of the negative environmental impacts and ensuring of the stable growth of the Company.

The model of the compensation covered by the Compensation Policy assumes a two component system for determining of the compensation of the Members of the Management Board of the Company, where the total compensation of a Member of the Company's Management Board shall be composed of a fixed part constituting the monthly base compensation and a variable part constituting the supplementary compensation for the Company's financial year, dependent on the achieving of the specific management KPI objectives.

In 2025, the monthly Fixed Compensation for the President of the Management Board (CEO) and the other Members of the Management Board has been determined by the Supervisory Board in the amounts ranging from 7 to 15 times the base of the assessment referred to in article 1, section 3, item 11) of the Act of June 9, 2016, on the principles of determining the compensation of persons managing certain companies, taking into account the applicable detailed legal regulations impacting the amount thereof, i.e. the Act of November 21, 2024, on the special solutions for the implementation of the 2025 Budget Act.

The average monthly compensation in the enterprise sector with the exclusion of the profit sharing awards in the fourth quarter of 2016 had been used to determine the Fixed Compensation for the Members of the Management Board in 2025. The above mentioned amount of the Fixed Compensation had been in effect from January 1, 2017, to December 31, 2025.

From January 1, 2026, in connection with the Act of November 7, 2025 on special measures for the implementation of the 2026 budget act, which indicated that the basis for calculation shall be PLN 4 535.89, the Supervisory Board has changed the amount of the Fixed Compensation of the Members of the Management Board.

The Variable Compensation shall be paid out subject to the achievement by a Member of the Management Board of the Management Objectives in accordance with a resolution of the Supervisory Board, following the approval of the Management Board's report on the Company's operations and the Company's financial statements for the previous financial year and the granting by the Company's General Meeting of the discharge (acknowledgement) for the fulfillment of the duties performed by the given Member of the Management Board. The amount of the Variable Compensation shall be dependent on the degree of the accomplishment of the Management Objectives.

The maximum amount of the Variable Compensation shall not exceed 100% of the Management Board Member's annual Fixed Compensation in the financial year for which the calculation of the Variable Compensation due is made.

The detailed Management Objectives to be accomplished in the given fiscal year shall be set by the Supervisory Board, along with the determination of the weights thereof as well as the objective and measurable criteria for their accomplishment and settlement (KPIs), based on the general Management Objectives indicated by the Extraordinary General Meeting (EGM) of the Company in the resolution No. 5 of September 3, 2024, on the adoption of the updated *Policy of Compensation of the Members of the Management Board and of the Supervisory Board at TAURON Polska Energia S.A.* and by the Company's Ordinary General Meeting in the resolution No. 44 of June 25, 2025, on the principles of determining the compensation of the Members of the Management Board of TAURON Polska Energia S.A.

The Variable Compensation of the Members of the Management Board of the Company shall depend on the accomplishment of the targets that are a pre-condition for the payout, the achievement of the financial indicators (metrics): EBITDA and the Net Debt to EBITDA ratio, as defined in the Material and Financial Plan for the given financial year, as well as the accomplishment of the non financial goals including, in particular: the implementation of the adopted Strategy, the directions of its development and the financial plans, taking into account the long term interests of the Company, as well as the attainment of the sustainable development goals and the developing of the Company's new organizational culture.

The Members of the Management Board of the Company are not covered by the bonus program based on the Company's share capital, nor do they receive compensation or awards for the holding of the positions in the governing bodies of TAURON Capital Group's subsidiaries.

General information on the adopted System of the Compensation of the Members of the Management Board of TAURON Capital Group's Subsidiaries

At all of TAURON Capital Group's subsidiaries with respect to which TAURON is a parent company within the meaning of art. 4, clause 3 of the *Act of February 16, 2007, on the protection of competition*

and consumers, (Journal of Laws of 2024, item 1616), the principles of the compensation of the members of the management bodies shall be applied in accordance with the *Act of June 9, 2016, on the principles of determining compensation of the management personnel of certain companies* (Journal of Laws of 2020, item 1907). The above is defined in the Principles of determining the compensation of the members of the corporate bodies (authorities) of the Subsidiaries adopted by the Management Board of TAURON.

The principles of the compensation of the members of the management bodies of the subsidiaries shall be, similar as in the case of TAURON, based on a two component system for determining the compensation, where the total compensation shall be composed of a fixed part and a variable part dependent on the fulfilling of the specific, results based criteria, i.e. the achieving of the management objectives. The management objectives shall address, among other things, the individual strategic directions and assumptions related to the implementation of TAURON's Strategy, which shall be operationalized and cascaded down to the subsidiaries. This shall also include the accomplishment of the sustainable development related goals. Linking of the compensation's variable part to the achieving of the management objectives set to be accomplished shall be of material importance in TAURON Capital Group's sustainable management process and shall be aimed at prioritizing the directions of the expansion of the individual subsidiaries.

The compensation of the Members of the Management Boards of TAURON Capital Group's subsidiaries is determined taking into account the scale (magnitude) of the given subsidiary's business operations, in particular:

1. average annual headcount,
2. annual net revenue (turnover) from the sales of the goods, products and the services, as well as from the financial operations,
3. total assets on the balance sheet as of the end of the year.

Based on the above mentioned criteria, the categories of the subsidiaries are defined and they determine the amount of the fixed compensation of the members of the management bodies (authorities) of the subsidiaries.

The principles of the compensation of the Members of the Management Boards of TAURON Capital Group's subsidiaries are published on the Company's web site at the address: https://www.tauron.pl/tauron/BIP/informacja-korporacyjna.

General information on the adopted System of Compensation of the Key Managers

The principles related to the compensation and the bonus system for the key managers and the other employees of the Company are defined in the Regulations of the Compensation of the Employees of TAURON Polska Energia S.A., adopted for application by the Management Board of the Company.

TAURON Group's Principles of Compensation had been in force at 12 of TAURON Capital Group's subsidiaries in 2025, constituting the guidelines for the most material subsidiaries of TAURON Capital Group with respect to the personnel compensation systems, in particular taking into account the bonus system for the key managers based on the management by objectives system, consistent throughout entire TAURON Capital Group, representing a combination of the planning process, the efficiency (performance) measurement process and the evaluation process. The following subsidiaries have been excluded from the application of the above mentioned rules: TAURON Wytwarzanie, TAURON Serwis and Bioeko Grupa TAURON sp. z o.o. (Ltd.)

The compensation and bonus award system for the key managers in force envisages that the level of the compensation should be tied to the financial condition of TAURON Capital Group and the Company over one year's time frame, in connection with the accomplishment of the strategic goals.

The overarching assumption of the compensation system in place is to ensure the optimal and motivating compensation level, based on the value and type of work in the given position, as well as the quality of work and effects achieved by the employees.

The structure of the compensation is composed of the following elements:

1. a fixed part – that constitutes the base compensation (salary) determined in accordance with the table of the level (tier) categories applicable at the Company and the monthly rates of the personal level (tier). The allocated level of the basic compensation (salary) reflects the value and the type of the work as well as the quality of the employee's work, defined based on the assessment of the employee's competence level,
2. a variable part - which is dependent on the work performance results, defined based on the level of the accomplishment of the targets and the tasks within the Management By Objectives (MBO) bonus award system,
3. benefits (entitlements) - which are defined in the internal regulations of the Company.

The MBO bonus award system based on the market principles of awarding of the bonuses ensures the

focusing of the activities of the key managers on attaining of the objectives aimed at implementing the Strategy, with the sustainable development goals constituting an integral part thereof, as well as the strategic objectives and expansion (growth) directions of TAURON Capital Group's individual subsidiaries. Such a system allows for cascading of the objectives defined by the Company's Management Board at TAURON Capital Group level and at the Company level, down to the concrete, parameterized tasks vested with the employees positioned at the lower levels of the organization. In addition, the MBO bonus award system has been linked with the process based management system implemented at TAURON Capital Group, among other things, by linking the objectives with the Mega-processes defined within TAURON Capital Group. Therefore, the Management by Objectives culture introduced reflects the specific features of the individual functions implemented by the Company and allows for the use of the mechanisms enabling a dialogue between the superior and the subordinate during the process of setting of the objectives and assessing of the accomplishment of the objectives, which translate into the attaining of the overall efficiency throughout the entire organization. At the same time, this tool enables the precise correlating of the KPIs defined for the Members of the Management Board of the Company with the objectives set for the given year for the key managers of the Company. An initial assessment of the accomplishment of the objectives takes place after the elapse of the first 6 months of the year, while the Members of the Management Board of the Company make the final assessment of the accomplishment of the objectives by the key managers after the year has ended.

In addition, there is a bonus award system for the trading area (and the units directly cooperating therewith) in place, the purpose of which is to motivate the personnel to achieving the higher revenues for TAURON Capital Group. The trading bonus award system covers the key managers from the trading and controlling area, where the bonus mechanism awards them an additional bonus only after exceeding their designated annual trading (commercial, financial) plans.

Non-financial components of the compensation due to the Members of the Management Board of TAURON Polska Energia S.A. and the key managers

Non-financial components of the compensation of the Members of the Management Board of the Company

In accordance with the concluded contracts for the provision of the management services and the adopted Compensation Policy, the Members of the Management Board of the Company shall be eligible for the additional cash and non-cash benefits including:

1. a participation in the individual training sessions and in other forms of education, limited to a net amount of PLN 15 000.00 per annum,
2. a participation in the Employee Pension Program in accordance with the rules in place at the Company,
3. a housing allowance up to a gross amount of PLN 3 000.00 per month in the case of a permanent residence at a considerable distance from the registered office of the Company,
4. a provision of a company car for use, including for the private use, under the terms defined in a resolution of the Supervisory Board,
5. a coverage of the medical services in the form of the medical packages in accordance with the rules in place at the Company,
6. a coverage by the group insurance policy, in accordance with the rules in place at the Company,
7. a coverage of the costs related to the purchase of a D&O liability insurance policy.

Non-financial components of the compensation of the key managers

The personnel employed at the key positions by the Company shall be entitled to take advantage of the following benefits and the non-financial components of the compensation offered by the Company:

1. Employee Pension Program managed by the employer (under the condition of being employed by the Company or by one of TAURON Capital Group's subsidiaries over a period of at least 1 year),
2. a medical package financed with the Company's funds,
3. a subsidy for the electricity,
4. a company car allocated for their exclusive use,
5. a housing allowance in a gross amount of PLN 2 500.00 per month in the case when, due to the distance between the employer's registered office and the employee's permanent place of residence, it is necessary to rent accommodation, and the availability of the

employee is required due to the nature of his / her work and the scope of their responsibilities.

10.2. Amount of the compensation of the Members of the Management Board of TAURON Polska Energia S.A.

The compensation of the Members of the Management Board of TAURON Polska Energia S.A.

The total compensation of the Members of the Management Board of the Company paid out in 2025, broken down into the fixed and the variable components, as well as the other non-financial benefits, is presented in the below table.

Table no. 80 Compensation of the Members of the Management Board of the Company paid out in 2025, broken down into the individual components (excluding the markups, in PLN):

Lp	First and last name and the period of holding a position in 2026	Total compensation [1] (WC)	Fixed compensation (WS)	Variable compensation for the year 2023	Variable compensation for the year 2024	Other benefits (Other)	Ratio WS/WC	Ratio Other/WC (~%)	TOTAL (WC + Other)
1	Grzegorz Lot President of the Management Board 01.01.2025 – 31.12.2025	1 442 237.95	792 680.40	-	649 557.55	69 223.60 [2,3,4]	55%	5%	1 511 461.55
2	Michał Orłowski Vice President of the Management Board 01.01.2025 – 31.12.2025	1 346 088.75	739 835.04	-	606 253.71	58 350.08 [2,3,4]	55%	4%	1 404 438.83
3	Krzysztof Surma Vice President of the Management Board 01.01.2025 – 31.12.2025	2 199 365.16	739 835.04	717 639.99	741 890.13	119 680.07[2,3,4]	34%	5%	2 319 045.23
4	Piotr Gołębiowski [5] Vice President of the Management Board 01.01.2025 – 17.12.2025	1 318 245.50	711 991.79	-	606 253.71	69 018.53 [2, 3]	54%	5%	1 594 828.86
		6 305 937.36	2 984 342.27	717 639.99	2 603 955.10	316 272.28			6 829 774.47

[1] Total fixed and variable compensation.
[2] Employee Pension Program (Pracowniczy Program Emerytalny – PPE)
[3] Medical package.
[4] Individual training sessions and other forms of education.
[5] In connection with the termination of the contract for the provision of the management services, the dismissed Member of the Management Board had been paid the following benefits: the severance pay in the amount of PLN 184 958.76, the value equivalent to the unused vacation time in the amount of PLN 22 606.07. In addition, a compensation is due for compliance with the non compete clause, the payment of which is subject to the conditions specified in the agreement (as of the date of this report, in 2026, the compensation in the total amount of PLN ……... The maximum value of the non compete clause will be PLN 369 917.52)..

The Variable Compensation for 2024 had been paid out following the approval, by the Ordinary General Meeting of the Company on June 25, 2025, of the financial statements and of the Report of the Management Board on the Company's operations for 2024 and the granting of the acknowledgement (discharge) of the fulfillment of the duties in 2024 for the Members of the Management Board. The Supervisory Board had performed an evaluation of the level of the achievement of the specific financial and non-financial Management Objectives set for the Members of the Management Board to accomplish in 2024.

The Supervisory Board had performed an evaluation of the level of the achievement of the specific financial and non-financial Management Objectives set for the Members of the Management Board to accomplish in 2024, assuming that they had been achieved at the level of 100%.

The Members of the Management Board of the Company had not received any compensation or bonuses for the holding of the positions on the corporate bodies (authorities) of TAURON Capital Group's subsidiaries in 2025.

All of the Members of the Management Board of the Company had received in 2025 their compensation in accordance with the applicable contract for the provision of the management services in compliance with the *Act of June 9, 2016, on the principles of determining the compensation of the management personnel of certain companies*

(Journal of Laws of 2020, item 1907) and the Compensation Policy.

The compensation of the former Members of the Management Board paid out in 2025

Table no. 81 Compensation of the former Members of the Management Board of the Company paid out in 2025

First and last name	Variable compensation for the year 2023	Other benefits	TOTAL (PLN '000)
1. Patryk Demski	717 639.99	-	717 639.99
2. Bogusław Rybacki	717 639.99	-	717 639.99
3. Tomasz Szczegielniak	717 639.99	35 882.00 [1]	753 521.99
TOTAL	2 152 919,97	35 882,00	2 188 801,97

[1] *Employee Pension Program*

In 2025, the former Members of the Management Board of the Company had been paid out the Variable Compensation for 2023 in connection with the adoption by the Ordinary General Meeting of the Company on June 25, 2025, of the resolution on the granting of the acknowledgement (discharge) of the fulfillment of the duties of the Members of the Management Board of the Company performed at the Company in the period from January 1, 2023 to December 31, 2023.

The Supervisory Board had performed an evaluation of the level of the achievement of the specific financial and non-financial Management Objectives set for the Members of the Management Board to accomplish in 2023, assuming that they had been achieved at the level of 97%.

Information on the obligations towards the former Members of the Management Board of the Company due to the pensions or the benefits of similar nature

The Company does not have any obligations towards the former Members of the Management Board of the Company due to the pensions or the benefits of similar nature.

10.3. Agreements concluded with the Members of the Management Board that envisage a compensation in case of their dismissal from the position held

The contracts for the provision of the management services concluded both with the Members of TAURON's Management Board, as well as with the Members of the Management Boards of TAURON Capital Group's individual subsidiaries, envisage, in the case of the termination of or the withdrawal from the contract by the Company for the reasons other than defined therein, a payout of the severance payment in the amount of three times the fixed part of the compensation, on the condition they have held their position over a period of at least 12 months prior to the termination of the contract.

In addition, due to the Members of TAURON's Management Board, as well as the Members of the Management Boards of TAURON Capital Group's individual subsidiaries having access to the confidential information the disclosure of which could expose the Company and TAURON Capital Group's subsidiaries to the losses, the contracts for the provision of the management services include the non compete clauses applicable after the expiry of the term of office. Pursuant to the above mentioned contracts the Members of the Management Board shall be obliged to refrain from conducting of the competitive activities for a specified period of time in return for the compensation due thereto.

10.4. Information on the changes to the compensation policy during the last financial year

As of June 25, 2025, the Compensation Policy whose consolidated text had been adopted by the Ordinary General Meeting of the Company by way of the Resolution no. 45 of June 25, 2025, has been in effect.

In connection with the adoption on June 25, 2025, by the Ordinary General Meeting of the Company of Resolution No. 44 on amending Resolution No. 30 of the Ordinary General Meeting of the Company of May 24, 2022, on the principles for determining the compensation of the Members of the Management Board of TAURON Polska Energia S.A., it had been necessary to implement the amended Management Objectives into the Compensation Policy in order to comply with the applicable resolutions of the General Meeting.

The earlier text of the Compensation Policy had been adopted by the Extraordinary General Meeting (EGM) of the Company by way of Resolution No. 5 of September 3, 2024, following a review completed by the Management Board, in accordance with Article 90e(4) of the Act on Public Offering. The amendments to the Compensation Policy introduced in 2025 had updated the provisions, in particular those concerning the catalog of the examples of the general management objectives, the achievement of which would have an impact on the award of the Variable Compensation to the Members of the Management Board.

10.5. System of the compensation of the Members of the Supervisory Board of TAURON Polska Energia S.A..

The principles of the compensation of the Members of the Supervisory Board of the Management Board in 2025 had been in line with the Compensation Policy in force in 2025 and the resolution no. 6 of the Extraordinary General Meeting (EGM) of the Company of December 15, 2016, as amended by the resolution no. 6 of the Extraordinary General Meeting (EGM) of the Company of November 21, 2019, and since June 25, 2025, the resolution no. 46 of the Ordinary General Meeting (OGM) of the Company of June 25, 2025, on the principles of determining the compensation of the Members of the Supervisory Board, had been in force.

Until June 24, 2025, the Members of the Supervisory Board of the Company had been receiving the monthly compensation in the amount determined as a product of multiplying the assessment base referred to in art. 1, clause 3, item 11 of the Act of June 9, 2016, on the principles for determining the compensation of the management personnel of certain companies, and the multiplier:

1. for the Chair of the Supervisory Board – 1.7
2. for the other members of the Supervisory Board – 1.5

In connection with the provision set forth in article 1 of the act of January 16, 2024, on the special solutions for the implementation of the 2024 Budget Act, the basis for the determining of the compensation of the Members of the Supervisory Board in 2024, as referred to in article 1, clause 3, item 11 of the act of June 9, 2016, on the principles of determining the compensation of persons managing certain companies, had continued to be the average monthly compensation in the enterprise sector without the payouts due to the profit sharing in the fourth quarter of 2016.

On June 25, 2025, the Ordinary General Meeting had changed the amount of the monthly compensation of the Members of the Supervisory Board.

From June 25, 2025, the Members of the Supervisory Board had been receiving the monthly compensation in the amount determined as the product of multiplying the assessment base referred to in art. 1, clause 3, item 11 of the Act of June 9, 2016, on the principles of determining the compensation of the management personnel of certain companies, taking into account other legal acts amending or modifying the basis of the calculation, including the provisions of the acts on the special solutions for the implementation of the budget act for a given year, and a multiplier:

1. for the Chair of the Supervisory Board – 3.02
2. for the other Members of the Supervisory Board – 2.75.

The Members of the Supervisory Board shall be entitled to receive a fixed monthly compensation irrespective of the frequency of the meetings convened. The compensation shall not be due for a month during which a Member of the Supervisory Board of the Company had not been present at any of the formally correctly convened meetings, and the absence thereof had not been excused. The decision on excusing or a failure to excuse the absence of a Member of the Company's Supervisory Board at the meeting thereof shall be taken by the Supervisory Board of the Company by way of a resolution.

Pursuant to the Company's Articles of Association, TAURON shall cover the costs incurred in connection with the performance by the Members of the Supervisory Board of the functions entrusted therewith, in particular: the costs of the round trip between the place of the residence and the venue of the Supervisory Board's meeting or of a meeting of the Supervisory Board's Committee, the costs of the individual supervision and the costs of the accommodation and board.

10.6. Compensation of the Members of the Supervisory Board of TAURON Polska Energia S.A.

The total amount of the compensation understood as the value of the compensations due or paid out by the Company to the Members of the Supervisory Board of the Company had come in at the gross amount of PLN 930 000 in 2025.

Table no. 82 Compensation of the Members of the Supervisory Board of the Company in 2025

	First and last name	Period of holding a position on the Supervisory Board of the Company in 2025	Compensation (PLN '000)
1.	Ilona Malik	13.11.2025 – 31.12.2025	21 279.07
2.	Natalia Klima-Piotrowska	01.01.2025 – 31.12.2025	113 397.37
3.	Tomasz Majka	13.11.2025 – 31.12.2025	19 376.64
4.	Mariusz Bąbol	01.01.2025 – 31.12.2025	113 397.37
5.	Michał Hulbój	01.01.2025 – 31.12.2025	113 397.37
6.	Arkadiusz Jówko	17.02.2025 – 31.12.2025	103 017.03
7.	Beata Kisielewska	01.01.2025 – 31.12.2025	113 397.37
8.	Leszek Koziorowski	01.01.2025 – 31.12.2025	113 397.37
9.	Krzysztof Zawadzki	13.11.2025 – 31.12.2025	19 376.64
10.	Sławomir Smyczek	01.01.2025 – 13.11.2025	105 041.94
11.	Piotr Kołodziej	01.01.2025 – 13.11.2025	94 424.41
	Total		929 502.58

The Members of the Supervisory Board of the Company do not hold any positions in the authorities of the subordinated units.

Information on the obligations towards the former Members of the Supervisory Board of the Company due to the pensions or the benefits of similar nature

The Company does not have any obligations towards the former Members of the Supervisory Board of the Company due to the pensions or the benefits of similar nature.

11. Risk in TAURON Capital Group's operations

11.1. Risk management strategy

At TAURON Group risk is understood as an uncertain occurrence or a group of occurrences that, in case of materializing, will have an impact on achieving by TAURON Group of its defined strategic goals, both in a negative manner (a threat), as well as in a positive way (an opportunity). In line with its Strategy in place the Company is implementing the process of managing the risk related to the operations of TAURON Group. The primary goals of the risk management include ensuring the broadly understood security and safety of TAURON Group's operations. In particular, TAURON Group's risk management is to ensure an increased predictability of achieving its strategic goals, sustainable (stable) generation of its financial results, the protection of TAURON Group's current economic value, as well as to provide support for the decision making processes.

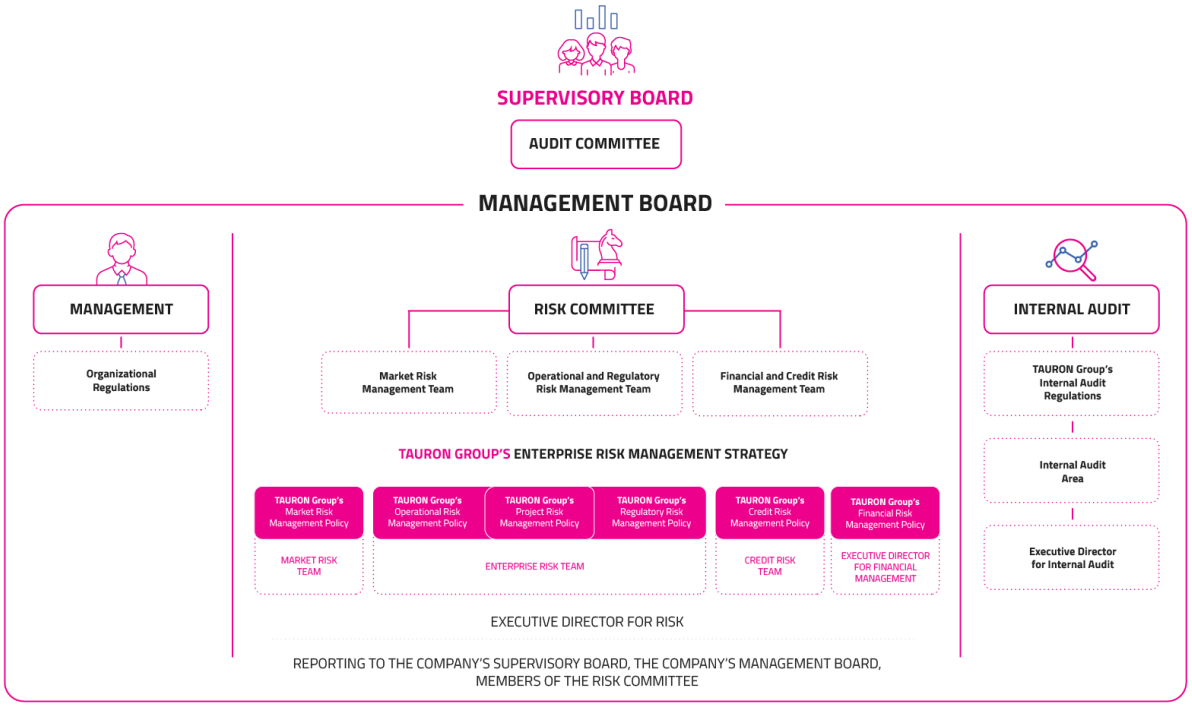
TAURON Group's risk management:

1. is based on the risk management process that provides the comprehensive and consistent rules – it is a continuous process that includes the risk identification, the risk assessment, the planning of the response to the risk, the implementation of the adopted response to the risk as well as the communications among the participants of the process,
2. covers all of the elements of the value chain,
3. provides the centralized risk measurement, monitoring and control function, as well as the ability to evaluate the full risk profile in the organization and the consistent risk management principles,
4. ensures the independence of the risk taking function from its control and monitoring,
5. ensures a clear split of the competences and the responsibilities, in particular by introducing the risk ownership function,
6. is overseen by the Risk Committee which, as an expert team, initiates, analyzes, monitors, controls and supports the functioning of the risk management system at TAURON Group on a permanent and continuous basis,
7. is a pro-active process, focused on an adequately early identification of the threats (risks), allowing for taking of the preventive measures,
8. is a systematic and continuously improved process which allows for aligning it on an ongoing basis to TAURON Group's specifics and its organizational structure, as well as to the changing environment
9. places an emphasis on developing of the awareness, training and encouraging personnel to use the knowledge of the risks in the daily activities,
10. co-forms TAURON Group's internal audit (control) system, constituting, along with the compliance ensuring function, an element of the Three Line Defense Model,
11. uses the tools that allow for an effective implementation of the process, i.e. a risk card (sheet), a risk register (log), a risk response plan, the volatility models, the scoring models and the risk limits,
12. is based on a risk model that defines a consistent classification of the risk, enabling its uniform and comprehensive recognition (handling) at TAURON Group's level.

The Enterprise Risk Management System (ERM System) is governed by *TAURON Group's Enterprise Risk Management Strategy* that defines the organization's corporate risk management framework and rules, and its goal is to ensure the consistency of managing the individual risk categories that are detailed in the separate regulations, aligned to the specifics of the individual threat (risk) groups. As part of the ERM Strategy, the Enterprise Risk Management Process (ERM Process) plays a central role, ensuring a comprehensive and coherent risk management principles, interconnected methodologically and informationally. The ERM process includes the continuous activities with respect to the risk identification, the risk assessment, the risk control and monitoring, planning as well as the implementation of the risk responses, also including the communication between the participants of the risk management process. As part of the ERM System, the following Specific Risks are identified within TAURON Group, for which the separate Policies tailored to the nature and the specifics of the given group of threats (risks) are defined.

Figure no. 46 Basic classification of the enterprise risk

Figure no. 47 The links between the various roles in the context of the ERM Strategy and the documents regulating the ERM System



During the reporting period, the risk response activities had been implemented at both the operational and strategic levels, which had been directed at minimizing the negative effects of the identified risks in both, the business aspects, as well as with respect to the business continuity, and, in particular, in 2025:

1. intensified risk control had been carried out due to the volatility of the market and the economic environment, as well as the risks of key importance to the Capital Group's operations,
2. the strategy for securing the commercial position in line with the commercial plans, the market and the regulatory conditions had been updated and adjusted,
3. monitoring of the regulatory environment had been carried out and responses had been undertaken in terms of preparing the analyses of the impact of the legislative projects on TAURON Group, participating in the consultations within the industry associations, preparing of the regulatory positions,
4. monitoring of the risk of exceeding the covenants included in the financing agreements had been carried out.

The development of TAURON Group's system of the risk control indicators, with a particular focus on the early warning indicators, had steadfastly been continued. There had also been an annual review and updating of the TAURON Group's risk registers (logs), with the aim to identify the new risk factors as well as to review and implement the mitigating actions, and to identify the material risks, opportunities and impacts (IROs) from the perspective of the sustainability aspects.

11.2. Risks in the individual segments of operations

Table no. 83 Risks in the individual Segments of operations

Segment	Description of the risk
	RES – The RES Segment is exposed to the market risk, the regulatory risk and the operational risk, as well as the substantial impact of the weather factors determining the volume of the electricity production. The volatility of the electricity prices, in particular during the periods of the high electricity generation by the photovoltaic and the wind installations has an impact on the level of the margins earned and it may lead to the price declines, including to the occurrence of the negative prices on the short term markets. Such developments curb the profitability rate of the existing assets and they have an impact on the profitability rate of the planned investment projects. The RES Segment's earnings are strongly dependent on the weather conditions that determine the volume of the production by the hydro, wind and photovoltaic power plants. The particularly high volatility is applicable to the hydro electric generation sources, where the volume of the production is dependent on the hydrological conditions and the quantity of the rainfall. An additional risk is the availability rate of the assets and the possibility of the occurrence of the failures brough about by the extreme weather events, which may lead to the temporary shutdowns of the units' operations and generate the additional repair costs. The RES Segment's expansion (growth) is also facing the regulatory restrictions, including the barriers related to the siting and the construction of the new installations, in particular the on shore wind farms. In spite of the partial liberalization of the regulations, the restrictions affecting the pace of the implementation of the projects are still in place.
	Distribution – The Distribution Segment is exposed to the macro economic risk, the regulatory risk as well as the operational risks that have a material impact on the level of the revenue and the costs of the functioning of the Distribution System Operator (DSO). The key risk is the volatility of the electricity supply volumes for the individual consumer groups as a consequence of the economic slowdown, the weather conditions, a growing energy efficiency as well as the rapid development of the prosumer energy. However, the impact of these factors is partially mitigated by the regulatory account mechanism, which stabilizes revenues in the medium term. The risk of the inability to cover the costs of the operations within the tariff in place is also of material importance, in particular the operating expenses and the costs of purchasing the electricity to cover the balancing difference. In the operational area, the key threat is the risk of a failure of the distribution infrastructure, resulting, among other things, from the increased frequency of the extreme weather events brought about by the climate change, which results in the additional costs of repairing the failures and affects the achievement of the quality indicators. In the medium term and in the long term, the Distribution Segment is also facing the regulatory risks that include the changes to the rules used to calculate the tariff (including the parameters such as the WACC or the level of the capital expenditures), the requirements related to the achievement of the quality indicators as well as the potential changes to the distribution tariff model. The credit risk, understood as a failure (default) of the contractors (counterparties) to meet their obligations arising from the provision of the distribution services continues to pose an additional threat (risk).
	Heat – The Heat Segment is exposed to the market risk, the regulatory risk as well as the operational risk, including, first and foremost, to a decline of the demand for the heat and a reduction in the contracted heat capacity due to the large scale thermal modernization works on the buildings and the higher outdoor temperatures during the heating season. In addition, the Heat Segment is also subject to the tariff risk, restricting the ability to pass on the cost of the business operations onto the final consumers. The implementation of the replacement investment projects in the heat segment also involves the need to achieve the compliance with the ever stricter environmental requirements and the adequate selection of the generation technologies, which elevates the regulatory risk as well as the investment related risk.
	Supply – The Supply Segment is exposed to the market risk, the regulatory risk as well as the risks stemming from the competitive and macro economic environment that may have a material impact on the level of the revenues and margins. The risk of the regulated tariff applicable for the households is of key importance, in particular with respect to the level of the costs taken into account in the sales price approved by the President of the Energy Regulatory Office (ERO). The additional uncertainty arises from the risk of the interpretation with respect to the amount of the write-offs (allowances) to the price difference fund. A material threat (risk) is the risk of not achieving the assumed electricity supply volume, as a consequence of, both, the growing competition, as well as the macro economic factors, such as the fluctuations of the demand for the electricity, the economic slowdown or the volatility of the electricity prices. The demand is also impacted by a change in the customer behaviors, an increase of the consumer awareness, as well as the regulatory pressure to curb the electricity consumption and slow down the pace of the electricity price increases. The Supply Segment is also facing the market risks due to the volatility of the prices of the electricity, gas and the related products. A drop in the liquidity on the electricity futures market and the changes to the electricity price profile stemming from the growing share of the renewable energy sources (RES) increase uncertainty in terms of the costs of hedging the sell position and balancing the customer portfolio. The additional, material threat (risk) continues to be posed by the credit risk related to the insolvency of the consumers, which may intensify in the case of the deterioration of the economic sentiment.
	Generation – The Generation Segment is exposed to the market risk, the regulatory risk as well as the operational risk that will have a material impact on the Segment's earnings in the coming years The key risk for the Generation Segment is the volatility of the prices of the electricity and the related products. In spite of the stabilization of the market conditions in 2025 and a decline of the prices and the volatility thereof, the market risk is expected to be elevated in 2026 as a result of the new balancing market rules and a greater price volatility on the SPOT market. The additional factor curtailing the profitability of the conventional units is a rising volume of the electricity production using the RES technologies and the imports of the electricity which leads to the pushing out of the conventional generation and the reduced demand for the fuels.

The higher share of the renewable energy sources brings about the need to adapt the operation of such conventional generation sources to the unstable (intermittent) production, the more frequent balancing on the short term markets, as well as it increases the exposure to the price risks. At the same time, the high cost of the fuels and the CO2 reduces the competitiveness of the conventional power generation.

The key operational risk continues to be the risk of not meeting the planned availability rate (dispatchability) of the generating units as a consequence of the units' failure rate, the high variability of the units' loads, the quality of the fuel. This may lead to the loss of the margin, the additional costs of the balancing as well as the risk of a failure to meet the capacity obligation and the penalties related thereto.

In the long term the segment is impacted by the assumptions of the EU Climate Policy, including the accelerated pace of the reduction in the greenhouse gas emissions and the gradual phasing out of the fossil fuel based generating units, which will result in a further deterioration of the profitability rate as well as the curtailing of the support systems.

Other Operations and Risks –The other organizational units that are a part of TAURON Group are first and foremost providing the support services for the main segments of operations. The key risks that are present in this line of business include ensuring the continuity, the availability and the security of the IT services, the compliance management, the personal data protection, as well as the physical security and the protection of the property (assets). In the context of the conflict in Ukraine, the security and the cyber security risks have become particularly relevant, including the risk of the restrictions with respect to the access to the IT/OT infrastructure, the Internet and the GSM networks, as well as the breaches of the critical infrastructure that may have an impact on the Group's business continuity.

At TAURON Group's level, the risk of financing related to the curtailment, by the financial institutions, of the support for the financing of the activities based on the fossil fuels continues to be material. In addition, the Group is exposed to the regulatory and political risks, in particular those resulting from the tightening of the EU climate policy, which increases the volatility of the national sectoral regulations and the number of the risks of the strategic importance. The risks related to the financial condition of the key counterparties (contractors), the sustainable development, the human resource management, the social expectations with regard to the wages and the court litigation under way also continue to be material.

11.3. Description of the most material risk categories and their mitigation methods

Table no. 84 Most material risk categories identified for TAURON Capital Group

Name and description of the risk	Risk trend and materiality	Main responses to the risk
Trading risk		
Market risk		
The threats (risks) or the opportunities related to a change in the prices on the wholesale electricity market and the energy related product markets, including the hard coal, gas, crude oil, the CO_2 emission allowances, the property rights, which have a negative impact on the financial results, as well as stemming from a lack of the supply of the above mentioned products on the market and the liquidity in the commodity markets.	➡ 🟧	1. Monitoring of the trading positions and of the use (consumption) of the risk limits. 2. Daily control (checking) of the compliance with the limits - *Value at Risk* and the volumes of the open positions. 3. Applying of the *Stop Loss* limits allowing for protecting (locking in) the generated result. 4. The use of the futures (forward) products allowing for the hedging of the future exposure to the trading risk. 5. Taking advantage of the effects of the diversification between the products and the trading portfolios as well as the use of the internal netting.
Financial and credit risk		
Interest rate risk, FX rate risk		
The threats (risks) or the opportunities related to an impact of the interest rates and / or the FX rates on TAURON Group's financial results.	➡ 🟨	1. Ongoing monitoring of the risk exposure in order to minimize the negative impacts of the changes to the interest rates and the FX rates. 2. Use of the risk limits (Value at Risk). 3. Transfer of the risk through the use of the hedging transactions.
Financial liquidity risk and financing risk		
The threats (risks) related to the lack of TAURON Group's ability to meet its obligations on an ongoing basis and the difficulties in accessing the capital, a change in the conditions for obtaining and servicing the financing already taken on and the planned one (including due to the tightening of the EU climate policy).	➡ 🟨	1. Diversification of the sources of financing including the arranging of the guaranteed financing programs as well as the securing of the alternative sources of financing. 2. Analyzing of the market and the availability of the sources of financing. 3. Ongoing communications with the financial institutions. 4. Arranging of the financing agreements ahead of the time the funding is needed.

Credit risk

The threats (risks) related to a deterioration of the financial condition of TAURON Group's customers and counterparties, and as a consequence, the possibility of an occurrence of the overdue accounts receivable and the pursuit of the accounts receivable by way of a court litigation and the improper performance of the obligations under the concluded contracts.	➡ 🟨	1. Applying of the assessment of the counterparties' credit rating (assigning of the ratings and the credit limits) at TAURON Group's individual subsidiaries. 2. The use of the credit collaterals for the customers with an unacceptable risk exposure. 3. Monitoring of the level (balance) of the Company's overdue accounts receivable. 4. The use of the continuous monitoring of the financial standing of the counterparties (business partners, contractors). 5. Conducting of the debt collection processes

Risks related to the environment (stakeholders)

Macro economic risk

The threats (risks) or the opportunities related to a change in the economic situation of the country, the instability of the financial markets, which may lead, in particular, to a change in the demand for the electricity, an increase / decrease in the cost of the operations of the enterprise (including the costs of the wages) and a change in the financial condition of the customers and the counterparties.	⬆ 🟧	1. Diversification of the revenue sources. 2. Market analysis and the application of the pre-emptive actions with respect to the anticipated crisis (downturn) or a slowdown of the GDP growth rate. 3. Actions taken as part of the response plans with respect to the individual risks at TAURON Group.

Tax risk

The threats (risks) related to the incorrect or untimely payment of the tax obligations and associated with the implementation of the regulatory changes.	➡ 🟨	1. Activities in accordance with the legal regulations (Corporate Income Tax Act). 2. Issuing of the opinions (providing feedback) with respect to the economic (business) events by TAURON Capital Group's tax advisors. 3. Jointly agreeing upon the positions at TAURON level. 4. Applying of the uniform accounting principles for the companies (subsidiaries) within the PGK (Tax Capital Group). 5. Monitoring of the ownership structure of the subsidiaries comprising PGK (Tax Capital Group).

Climate change risk

The threats (risks) or the opportunities related to the tightening of the EU climate policy, as well as of the environmental requirements resulting from the climate change, the activities supporting the energy efficiency (the expansion of the prosumer energy development, the support for the thermal insulation projects, the construction of the in-house energy and heat sources, the departure from the hard coal as fuel), a change in the conditions of TAURON Group's operations (the need to adapt the company to the challenges of the changes stemming from the climate change). The implications of the risk include: the headwinds / tailwinds or the volatility of the costs of raising the capital to finance the operations based on the fossil fuels, the need to incur the additional capital expenditures for adapting of the assets to the environmental requirements, an increase of the price of the CO_2 emission allowances, the decline of the demand for the products offered by TAURON Group's subsidiaries	➡ 🟥	1. Effective implementation of the Group's Strategy, monitoring and updating of the Strategy in case it is necessary. 2. Developing, implementing and updating of a transition / transformation plan for the climate change mitigation purposes. 3. Gradual adaptation of the production assets and the energy mix of TAURON Group to the generation of the renewable energy as well as to the zero and low emission electricity generation technologies. 4. Ongoing analysis and participation in the consultations related to the draft regulations, laws and other legal acts in place at the national level and at the European Union level. 5. Adaptation of the Investment Program to the Group's Strategy, the transition plan for the needs of the climate change mitigation process as well as to the European Union's climate related regulations. 6. Identifying and documenting of the material areas of impact of all of the types of TAURON Group's activities on the climate at all of the stages of the asset life cycle. 7. Taking into account of the climate change related risks as an additional criterion for evaluating of the new activities or investments, in particular taking into account of the physical risks when evaluating any new investment projects. 8. Disseminating of the environmental knowledge among the customers, partners, suppliers and the work force, including addressing of the issues related to the energy saving, promoting of the sustainable mobility and the climate change.

Risks related to the technology, infrastructure as well as security and safety

Environmental risk		
The threats (risks) related to the negative impact of the business operations conducted on the natural environment and the use of its resources, including, in particular, a loss of the control over the process that would enable the prevention of the overly excessive (above the applicable standards) pollution, damage, disruption or failures of the installations or equipment that would have a negative impact on the environment. The materialization of the risk results in the degradation of the natural environment and the penalties for a failure to meet the environmental requirements, the need to remove them, a curtailment of the production, the delays in the implementation of the investment projects, a contamination of the water sources in a way that makes their use impossible, a destruction of a habitat, facility or an area that is of value for nature – a nature restoration project related compensation, the restrictions on the further expansion of the business operations, a loss (impairment) of TAURON Group's image, a limitation of the possibility of using the financial aid programs. The risk also includes an increase in the environmental requirements stemming from the tightening of the EU's climate policy.	 	1. Application of TAURON Group's Environmental Policy. 2. Conducting of the business operations that have an impact on the environment in accordance with the principles of the sustainable development. 3. Monitoring of the proposed legal regulations in order to take the pre-emptive environmental measures as part of TAURON Group's business operations, and in particular with respect to the investment and asset management processes. 4. Working with all of the parties and the process participants in order to identify and minimize the impact on the environment. 5. Active searching for the technical and organizational solutions that would minimize the potentially adverse impact of TAURON Group's business operations on the environment. 6. Monitoring, documenting and monthly reporting of the selected values (parameters, metrics) to the Group level for the purpose of a management analysis, the development of the recommendations and an exchange of the "industry's environmental best practices", through which a continuous improvement of TAURON Group in the area of environmental protection is implemented. 7. Responding to the changing communication channels and the activity with respect to seeking of the environmental data by the stakeholders.
Weather risk		
The threats (risks) or the opportunities related to the volatile weather conditions, including the more frequent occurrence of the weather anomalies, leading, among other things, to a volatility of the volume of the electricity and the heat supply and distribution, a volatility of the production volume.	 	1. Gradual adaptation of the production assets to the consequences of the extreme weather phenomena and the volatility of the weather conditions, in particular in the Lines of Business sensitive (vulnerable) to these factors. 2. Monitoring and analysis of the new technological solutions curtailing the impact of the adverse weather conditions on the volume of the electricity produced. 3. Continuous technical supervision of the operation of the individual wind turbines conducted by the subsidiaries operating the farms.
Company assets (property) risk		
The threats (risks) related to the failures of the machinery and equipment, the failures of the (electricity, heat) distribution grid brought about, among other things, by the operation thereof, but also by the random (fortuitous) events, including those related to the extreme weather conditions (storms, floods, hurricane winds, heat waves, fires) as a consequence of, among other things, the climate change. The materialization of the risk has an impact on the availability (dispatchability) rates of the assets and results in the downtime related to the asset failures, the increased costs of the rectification thereof, the deterioration of the quality indicators and the impact on the regulated revenue. In addition, it may also lead to a failure to meet the capacity obligation, as a consequence resulting in the need to conclude the transactions on the secondary market or the payment of the financial penalties to the TSO (PSE). One of the consequences is also the need to balance the trading position.	 	1. Optimizing of the capital expenditures on the asset replacements, the ongoing monitoring of the condition of the machines, devices and the installations. 2. Recommending of the tasks to be included in the Investment Plan, with respect to the asset replacement investment projects in order to reduce the causes of the risk for the equipment with a nominal life cycle overrun. 3. Raising of the professional qualifications and the work culture of the personnel by organizing of the courses and the training. 4. Responding to the emergency situations by the technical personnel and the automatic process safety interlocks (safeguards). 5. Introducing of the IT tools with respect to improving of the monitoring and managing the failure indicators (rates, ratios). 6. Continuous monitoring of the availability (dispatchability) rate of the generating units and the demand side reduction facilities, as well as the shifting of the capacity obligations that require reserving to the dedicated intra group reserve units or to the external entities. 7. Gradual adaptation of the production assets to the consequences of the extreme weather phenomena and the volatility of the weather conditions, in particular in the Distribution Line of Business.
IT / OT risk		
The threats (risks) related to the IT / OT infrastructure security and safety, as well as the failures of the IT / OT infrastructure (including a ransomware attack).	 	1. Developing and maintaining of the plans aimed at ensuring the continuity of the IT / OT infrastructure's operation. 2. Periodic identifying and categorizing of the IT / OT resources based on the service restoration targets. 3. Use of the IT / OT solutions with the adequate technical parameters, ensuring an acceptable level of the reliability and performance of the

		operation (including also the UPS devices, the GSM modem, the mobile phones). 4. Planning and conducting of the training courses with respect to the IT / OT infrastructure's continuity of the operation and security.
Risk related to the purchasing of the energy related fuels		
The threats (risks) or the opportunities related to the possible necessity to purchase the hard coal at a higher / lower price than assumed in the budget plan (which may be due to a change in the production of the electricity and thermal energy by TAURON Group's generating units, as well as due to a failure to fulfill the concluded hard coal contracts in the minimum quantities). An additional risk factor is the supply of the hard coal on the market, in particular the hard coal with the adequate quality parameters, which, as a consequence, may lead to a failure to meet the level of the strategic reserves or, in an extreme scenario, the need to reduce the production output.	➡ ■	1. Maintaining of the required levels of the hard coal inventory in the stockpiles, 2. Securing of the additional hard coal volume under the SPOT contracts and, as a volume option, purchasing of the imported hard coal. 3. Use of the DAP / CPT formulas, allowing for the flexible response to the changing market conditions (increasing of the hard coal deliveries using the supplier's transportation). 4. Monitoring of the performance of the volumes specified in the contracts. 5. Long term hedging of TAURON Group's fuel position taking into account the current economic conditions. 6. Negotiations with the hard coal suppliers. 7. Searching for the new directions of the supplies.
Risks related to the workforce and the organizational culture		
Human resources risk		
Risks (threats) related to the labor issues, including the provision of the qualified personnel, diversity, participation, employment and working conditions, the relations with the trade unions and the respect for the right of freedom of association, the human capital management, the career path management and the recruitment, the training systems, the occupational health and safety, as well as, in the longer term, the need to ensure the adequate competences resulting from the energy transition process. The materialization of risks may result in the interruptions or the disruptions in the operational activities, the labor grievances, the industrial disputes, the strikes, a loss of the specialized staff and the difficulties in replacing them.	➡ ■	1. Conducting of the consultations with the social (work force) organizations operating at TAURON Group's subsidiaries. 2. Conducting of the social dialogue between the Management Board of TPE and the Social Council within the framework of the drafted "Agreement on the Cooperation as part of the Social Dialogue at TAURON Capital Group". 3. Functioning of the Social Dialogue Ombudsman, who is providing the support for an effective communication between the employers and the trade unions. 4. Caring for the development of the employees' competencies, including through a participation in the professional development training courses.
Risk of the social disputes		
The risk related to the collective disputes, the strikes, the social conflicts (the conflicts with the work force) being a consequence of a lack of the personnel's satisfaction with the economic and social situation.	➡ ■	1. Conducting of the public consultations regarding the planned changes. 2. Conducting of a policy of the dialogue with the social partners (work force). 3. Preparing and implementing of the motivational solutions. 4. Active internal communication with respect to the personnel matters.
Risk of a lack of due diligence		
The risk associated with a non-compliance with the procedures and a lack of due diligence by the employees in carrying out their professional duties.	➡ ■	1. A systematic periodic training of the employees. 2. An analysis of the repeated cases of errors and mistakes made by the employees, taking of the systemic remedial actions. 3. The implementation of the Internal Control (Audit) System and the control mechanisms for the processes carried out at TAURON Capital Group.
Risks related to the lack of compliance		
Legal risk (including the risk of non-compliance)		
The threats (risks) related to the changes to the legal provisions and the compliance therewith, the interpretation of the new laws and regulations, the requirements imposed by the regulator and the oversight authorities, as well as the legal disputes with the customers and the counterparties The negative consequences of the materialization of the risk may include the financial penalties, the criminal	➡ ■	1. Continuous monitoring of the regulatory environment and the changes to the legal regulations, including in the area of the social issues, the respect for the human rights, counteracting the corruption, the environment protection and the employee (labor) related issues. 2. Implementation of the changes to the internal regulations and the intra-corporate regulations.

and the civil law liability, a loss (impairment) of the image of the Group.		3. Setting up of the working groups tasked with the preparation and the implementation of the required changes stemming from the legal environment. 4. Cooperation with the authorities (regulators) overseeing the energy market and the capital market.
Risks related to the customers and the counterparties (business partners, contractors)		
Customer service risk		
The threats related to the non-compliance with the customer service standards leading to the customer dissatisfaction with the service, the customer complaints, a loss of the customers.	➡ ▪	1. Monitoring and analyzing of the external customer satisfaction indicators (metrics) and the indicators (metrics) related to the complaints. 2. Undertaking of the additional measures, for example, with respect to the internal regulations, defining of the standards of conduct as a result of the analysis of the indicators (metrics). 3. Developing of the key account managers' competences and skills.
Volume and margin risk		
The threats (risks) or the opportunities related to a change in the volume of the sales of the products offered by TAURON Group's subsidiaries, in particular as a result of the macro economic situation, the development of the energy efficiency solutions, the thermal insulation of the buildings, the growth of the prosumer energy, the impact of the climate factors causing a material deviation of the temperature versus the planned values. The implications of the materializing of the risk include the volatility of the revenue at the individual operating segments of TAURON Group due to the changes in the level of the demand.	⬆ ▪	1. Ongoing updating of the offering, launching of the sales of the multi package (multipakiet) type products. 2. Conducting of the marketing campaigns, acquiring of the new customers. 3. The activities focused on the retaining of the existing customers and acquiring of the new customers (expansion oriented activities).
Purchasing process risk		
The threats (risks) or the opportunities related to the purchasing proceedings conducted, their erroneous implementation, an unplanned change of the purchase costs, taking into account the methods used to prevent the violations of the human rights by the business partners, counteracting corruption and fraud (abuse) in the purchasing process and the compliance with the ethical and moral standards during the implementation thereof.	⬆ ▪	1. Application of the provisions of the Code of Conduct for the Counterparties (Contractors) of TAURON Group's subsidiaries. 2. Application of the provisions of TAURON Group's Anti-Corruption Policy. 3. Inclusion of the anti-corruption clauses in the contracts with the contractors (counterparties). 4. Application of TAURON Group's Respect for Human Rights Policy 5. Standardization of the rules of conducting of the proceedings in the purchasing process and the transparency thereof. 6. Building of the long lasting relationships with the contractors (counterparties) based on the trust and the mutual respect.
Risks related to the regulations		
Regulatory risk		
The threats (risks) or the opportunities related to the change of the existing regulations or the introduction of the new regulations that have an impact on the business operations of TAURON Group and the need to adapt to the regulatory changes, in particular those resulting from a significant increase (tightening) in the requirements of a specific regulation, including the environmental requirements stemming from the climate change, the support for the pro-climate activities (the expansion of the prosumer energy, the thermal insulation of the buildings, the development of the in-house generation sources). The implications of the materializing of the risk include, first and foremost: the volatility of the revenues in the individual operating segments of the Group, the volatility of the operating expenses as a result of the need to adapt to the legislative changes.	➡ ▪	1. Continuous monitoring of the regulatory environment and the changes to the legal regulations. 2. Active participation in the consultations with respect to the planned regulations (the industry organizations, the government agencies). 3. Active measures aimed at creating a regulatory environment in a manner favorable to TAURON Group. 4. Continuous cooperation with the authorities (regulators) overseeing the energy market and the capital market. 5. Consultations with the organizational (business) units with respect to the proposed regulations. 6. Internal consultations.

▪ Moderate materiality ▪ Medium materiality ▪ High materiality

12. Other material information and events

12.1. Material proceedings pending in front of the court, competent arbitration authority or public administration authority

Table no. 85 Summary of the material proceedings pending in front of the court, competent arbitration authority or public administration authority in the first three quarters of 2025

	Parties to the proceedings	Description of the proceedings including the value of the object of litigation and the Company's position
Proceedings involving TAURON		
1.	Plaintiff: Huta Łaziska Defendants: TAURON (as a legal successor to GZE) and the State Treasury represented by the President of the Energy Regulatory Office (ERO)	**Object of litigation**: a lawsuit for the payment of the compensation for the alleged damage caused by a non-performance by Górnośląski Zakład Elektroenergetyczny S.A. (GZE) of the decision of the President of the Energy Regulatory Office (ERO) of October 12, 2001, related to the resumption of the electricity supply to the plaintiff. **Value of the object of litigation**: PLN 182 060 000.00 **Initiation of the proceeding**: the lawsuit of March 12, 2007 **Company's position**: the Company considers the claims covered by the lawsuit as being without merit. On May 28, 2019, the Regional Court in Warsaw issued a ruling on the dismissal of Huta Łaziska S.A.'s lawsuit in whole. Huta Łaziska had filed an appeal complaint on July 25, 2019, appealing against the above mentioned ruling in whole. Based on the ruling of the Court of Appeal in Warsaw of February 9, 2022, the appeal of Huta Łaziska had been dismissed. The ruling is final (legally binding. On October 13, 2022, Huta Łaziska had brought a cassation appeal against the judgment to the Supreme Court. Both the Company as well as the State Treasury had submitted responses to this complaint. In its ruling of August 20, 2025, the Supreme Court had upheld the cassation appeal, overturned the ruling of the Court of Appeal, and referred the case back to that court for a reconsideration.
2.	Authority conducting the audit: Head of the Mazovian Customs and Tax Office, and after an appeal has been filed – the Director of the Tax Administration Chamber in Katowice and the Director of the Tax Administration Chamber in Warsaw Party: TAURON	**Object of litigation**: examining of the accuracy of the tax base amounts declared by TAURON and the correctness of the calculations and payments of the VAT tax for the period from October 2013 until September 2014. The main subject of the two investigations (audits) are TAURON's deductions of the VAT assessed due to the purchase of electricity by TAURON on the German and Austrian electricity market from Castor Energy sp. z o.o. (Ltd.) **Value of the object of litigation (the deducted VAT amount):** with respect to the transaction with Castor Energy sp. z o.o.(Ltd.) – PLN 55 400 046.39. **Date of initiating the proceeding**: October 2014, August 2016 **Company's position:** in the Company's opinion during the verification of the counterparty (business partner, contractor), the due diligence was actually adhered to, and the Company acted in good faith, so there are no grounds for refusing the Company the right to deduct the tax assessed on the invoices documenting the electricity purchase from Castor Energy sp. z o.o. (Ltd.). On October 7, 2020, the Company had received the decision of the Head of the Mazovian Customs and Tax Office, ending one of the audit proceedings, specifying the amount of its VAT tax liability for the following months: October, November, December 2013 and the first quarter of 2014, which had resulted in the obligation for the Company to pay additional VAT due to the transaction with Castor Energy sp. z o.o, in the total amount of PLN 51 818 857, along with the interest on the tax arrears. The Company had filed an appeal against the decision on October 20, 2020. On January 15, 2021, as part of the second audit proceedings, a decision had been issued by the Head of the Mazovian Customs and Tax Office in which the Authority stated that the Company had not been eligible to deduct the VAT assessed from the invoice issued by Castor Energia Sp. z o.o. (Ltd.) in April 2014, and thus the Company had overstated the amount of the VAT assessed recognized in the tax statement filing for the second quarter of 2014 by the amount of PLN 677 815.39. The Company had filed an appeal against the decision on February 12, 2021. On February 23, 2023, the Provincial Administrative Court (Wojewódzki Sąd Administracyjny - WSA) in Gliwice overturned the decision of the second instance authority that the Company had filed an appeal against, with respect to the VAT tax liability for the periods from October to December 2013 and for the first quarter of 2014. The Director of the Tax Administration Chamber in Katowice had filed a cassation appeal with the Supreme Administrative Court (NSA) on April 22, 2023, representing a complaint against the February 23, 2023, ruling of the Provincial Administrative Court (WSA) in Gliwice, which had been in TAURON's favor. In its ruling of November 19, 2025, the Supreme Administrative Court (NSA) had overturned the ruling of the Provincial Administrative Court (WSA) in Gliwice of July 26, 2022, which had been favorable to the Company, and had referred the case back for a reconsideration. The Supreme Administrative Court (NSA) had found that the Provincial Administrative Court (WSA) had erred in finding that the decision of the Director of the Tax Audit Office in Katowice had been issued in violation of the provisions on the jurisdiction, the competent authority to hear the appeal had been the Director of the IAS in Katowice, in accordance with Article 221a § 2 of the Tax Ordinance; the case should be examined on its merits and not overturned on the formal grounds.
3.	Plaintiff: Enea Defendant: TAURON	**Object of litigation**: a lawsuit for the payment due to the Company's alleged unjust enrichment (benefit) in connection with the settlements related to the imbalance of the Balancing Market with PSE between January and December 2012

		Value of the object of litigation: PLN 17 085 846.49 **Initiation of the proceeding:** the lawsuit of December 10, 2015 **Company's position:** the Company considers the claims covered by the lawsuit as being without merit. On March 22, 2021, the Regional Court in Katowice had dismissed Enea's lawsuit in its entirety. Enea had filed an appeal in June 2021. The Company had filed a response to the appeal. At a hearing on March 12, 2025, the Court of Appeals in Katowice dismissed Enea's appeal in its entirety. The ruling is final (legally binding).
4.	Authority conducting the audit: Head of the First Mazovian Tax Office in Warsaw, the Director of the Tax Administration Chamber in Warsaw Party: TAURON	In 2023 and 2024, TAURON and its selected subsidiaries had been paying the income tax as part of the Tax Capital Group (Podatkowa Grupa Kapitałowa - PGK) registered in 2022 by the Head of the First Mazovian Tax Office in Warsaw for the years 2023 - 2025. As a result of the process of merging of the companies carried out in 2024, on July 1, 2024. the merger of the TAURON Zielona Energia subsidiary owned by PGK (the acquiring company) with 10 limited partnerships (the acquired companies), for which, until the merger, TAURON Zielona Energia had been the sole limited partner holding almost 100% of all of their rights and obligations, had been registered in the National Court Register (KRS). As part of the legal actions involving the merger and an increase of the share capital of TAURON Zielona Energia, the Company identified an occurrence of a situation fulfilling the prerequisites of a material error, as referred to in Article 84 of the Act of April 23, 1964, the Civil Code, with regard to the share exchange parity, as a result of which the registration of the share capital increase had led to a reduction of the Company's share in the share capital of TAURON Zielona Energia from 100% to 62.5%. As a consequence, the Company and the acquiring company, as well as the shareholders of the acquired companies, had taken the legal steps, in particular in the form of submitting of the relevant declarations of intent and the relevant petitions to the Registry Court, aimed at bringing about the annulment of the legal effects of the Registry Court's decision on the registration of the merger and the increase of the share capital of TAURON Zielona Energia, carried out on the basis of the legal actions burdened with, in the opinion of the Company and the entities participating in the merger, an error. On December 27, 2024, TAURON, as the parent company of PGK, had received a decision from the Head of the First Mazovian Tax Office in Warsaw stating that the decision to register the agreement on the establishment of TAURON PGK had expired on July 1, 2024, as a result of a breach of the condition that the Company should hold at least 75% of the shares in the share capital of TAURON Zielona Energia, a member of PGK. On January 10, 2025, TAURON had filed an appeal against the above mentioned decision, due to its view that the process of merging TAURON Zielona Energia with the acquired companies had been ineffective, and thereby the reduction of TAURON's share in the share capital of TAURON Zielona Energia had also been ineffective, which had determined that the PGK status had been maintained. On February 11, 2025, as a result of a successful appeal, the Company had received a decision from the Director of the Tax Administration Chamber in Warsaw on the revoking of the above mentioned decision of the Head of the Tax Office in its entirety and on the referring of the case for a reconsideration by this body. In the opinion of the Director of the Tax Administration Chamber in Warsaw, the first instance authority had not taken into consideration the evidence and circumstances presented by TAURON prior to the issuing of its decision, in particular the circumstance of TAURON Zielona Energia's filing of a lawsuit, on December 5, 2024, to declare the resolution of the general meeting of the shareholders adopted in connection with the merger of the companies and the increase of the share capital of TAURON Zielona Energia null and void, and it had not taken into consideration TAURON's request to suspend the tax proceedings until a common court had resolved the issue of the effectiveness of the merger. On February 4, 2025, the District Court in Katowice, in its ruling issued, had declared the resolution of the Extraordinary General Meeting of the Shareholders of TAURON Zielona Energia on the merger of the acquiring company with the acquired companies to be null and void. On March 21, 2025, TAURON Zielona Energia had learned that, at its request, the Regional Court of Katowice Wschód, the 8th Commercial Division of the National Court Register had struck out, from the National Court Register (KRS), the entry of July 1, 2024, with respect to the merger of TAURON Zielona Energia with 10 limited partnerships. On March 24, 2025, TAURON had received a decision of the Head of the First Mazovian Tax Office in Warsaw on the discontinuing of the tax proceedings with respect to the expiration of the decision to register the agreement on the establishment of TAURON PGK. The receipt of the above mentioned decision has been the result of the reconsideration of the case by this authority and means that TAURON Tax Capital Group status has been maintained. As a consequence, the tax proceedings conducted in this case have become pointless. TAURON had disclosed the information on the above events in current reports no. 67/2024 of December 27, 2024, no. 4/2025 of February 11, 2025, no. 11/2025 of March 21, 2025 and no. 12/2025 of March 24, 2025.
Lawsuits pertaining to the termination, by the PEPKH subsidiary, of the agreements related to the sales of electricity and property rights arising from the guarantees of origin (energy certificates)		
1.	Plaintiff: Dobiesław Wind Invest sp. z o.o. (Ltd.) (Dobiesław Wind Invest) Defendant: TAURON	**Object of litigation**: a lawsuit for the payment of the damages and the determination of the liability for the future. **Current value of the object of litigation**: PLN 94 769 522.68 **Initiation of the proceeding**: the lawsuit of June 30, 2017 During the course of the court proceedings under way, the plaintiff had expanded its claim two times to include the new claims. During the proceedings, the parties had exchanged pleadings and hearings had been held during which the witnesses had been heard. The evidence gathering process has been ongoing. Further hearings had been held in March 2025. The case is pending in the court of first instance. **Company's position:** the Company considers the claims covered by the lawsuit as being without merit.
2.	Plaintiff: Gorzyca Wind Invest sp. z o.o. (Ltd.)	**Object of litigation**: a lawsuit for the payment of the damages and the determination of TAURON's liability for the losses that may arise in the future due to tort, including due to the acts of an unfair competition. **Current value of the object of litigation**: PLN 150 069 533.00

	Defendant: TAURON	**Initiation of the proceeding**: the lawsuit of June 29, 2017 **Company's position:** the Company considers the claims covered by the lawsuit as being without merit. During the course of the court proceedings under way, the plaintiff had expanded its claim two times to include the new claims. On December 5, 2024, the District Court in Katowice had issued a ruling dismissing the claims of the lawsuit in their entirety, along with all of the extensions of this lawsuit filed by the plaintiff. The ruling is not final (legally binding). Gorzyca Wind Inwest sp. z o.o. (Ltd.) has appealed against the ruling, and TAURON has filed its response to the appeal.
3.	Plaintiff: Pękanino Wind Invest sp. z o.o. (Ltd.) Defendant: TAURON	**Object of litigation**: a lawsuit for the payment of the damages and the determination of TAURON's liability for the losses that may arise in the future due to tort, including due to the acts of an unfair competition. **Current value of the object of litigation**: PLN 44 817 060.00 **Initiation of the proceeding**: the lawsuit of June 29, 2017 **Company's position:** the Company considers the claims covered by the lawsuit as being without merit. During the course of the court proceedings under way, the plaintiff had expanded its claim two times to include the new claims. The evidence gathering process has been ongoing. The case is pending in the first instance.
4.	Plaintiff: Nowy Jarosław Wind Invest sp. z o.o. (Ltd.) Defendant: TAURON	**Object of litigation**: a lawsuit for the payment of the damages and the determination of TAURON's liability for the losses that may arise in the future due to tort, including due to the acts of an unfair competition. **Current value of the object of litigation**: PLN 83 600 774.00 **Initiation of the proceeding**: the lawsuit of June 29, 2017 **Company's position:** the Company considers the claims covered by the lawsuit as being without merit. During the course of the court proceedings under way, the plaintiff had expanded its claim two times to include the new claims. The case is pending in the first instance.
5.	Co-participation on the plaintiff's side: Amon and Talia Defendant: TAURON	**Object of litigation**: a lawsuit for the payment of the damages and the determination of TAURON's liability for the losses that may arise in the future due to tort, including due to the acts of an unfair competition. **Current value of the object of litigation**: Amon – PLN 107 873 696.42; Talia – PLN 72 405 047.22 **Initiation of the proceeding**: the lawsuit of April 30, 2018 On April 28, 2025, the parties had entered into a settlement agreement. On May 8, 2025, the court had issued a decision to discontinue the proceedings.
Proceedings involving TAURON Capital Group's subsidiaries related to the termination, by the subsidiaries, of the agreements related to the sale of electricity and property rights arising from the guarantees of origin of electricity (energy certificates)		
1.	Plaintiff: Gorzyca Wind Invest sp. z o.o. (Ltd.), Pękanino Wind Invest sp. z o.o. (Ltd.), Dobiesław Wind Invest sp. z o.o. (Ltd.) Defendant: PEPKH	**Object of litigation**: a plea to declare the termination, by PEPKH, of the agreements related to the purchase of electricity and the property rights arising from the guarantees of origin of electricity (energy certificates) null and void, and to award the damages. **Value of the object of litigation**: Gorzyca Wind Invest sp. z o.o.(Ltd.) – PLN 259 385 823,64; Pękanino Wind Invest sp. z o.o. (Ltd.) - PLN 75 187 289,06 **Initiation of the proceeding:** Gorzyca Wind Invest sp. z o.o. (Ltd.) – May 18, 2015, Pękanino Wind Invest sp. z o.o. (Ltd.) – May 20, 2018, Dobiesław Wind Invest sp. z o.o. (Ltd.) – May 18, 2015 **Company's position:** the Company considers the claims covered by the lawsuit as being without merit. The cases had been combined for a joint hearing in 2018. In the course of the court proceedings under way, the plaintiffs had expanded their claims, as well as had filed the new claims (the current value of the object of the litigation is indicated above). The case is pending in the first instance.
2.	Plaintiff: Dobiesław Wind Invest sp. z o.o. (Ltd.) Defendant: PEPKH	**Object of litigation**: a plea to award damages and the liquidated damages. **Value of the object of litigation**: PLN 159 427 682.00 **Initiation of the proceeding**: the lawsuit of June 14, 2017 **Company's position:** the Company considers the claims covered by the lawsuit as being without merit. In the course of the court proceedings under way, the plaintiff had expanded its claims. The case is pending in the first instance.
3.	Plaintiff: Nowy Jarosław Wind Invest sp. z o.o. (Ltd.) Defendant: PEPKH	**Object of litigation**: a plea to declare the termination, by PEPKH, of the long term agreements related to the sale of electricity and the property rights arising from the guarantees of origin of electricity (energy certificates) null and void, and to award the damages. **Value of the object of litigation:** PLN 145 833 222,86 **Initiation of the proceeding**: the lawsuit of June 3, 2015 **Company's position:** the Company considers the claims covered by the lawsuit as being without merit.

		In the course of the court proceedings under way, the plaintiff had expanded its claims five times. The case is pending in the first instance.
4.	Plaintiff: Amon Defendant: PEPKH	**Object of litigation**: a plea to declare the termination, by PEPKH, of the agreements related to the purchase of electricity and the property rights arising from the guarantees of origin of electricity null and void, and to award the damages. **Value of the object of litigation**: PLN 40 478 983.22 **Initiation of the proceeding**: the lawsuit of May 22, 2015 On April 28, 2025, the parties had entered into a settlement agreement.
5.	Plaintiff: Amon Defendant: PEPKH	**Object of litigation:** a plea to determine awarding of the damages due to a failure to perform, by PEPKH, of the agreements related to the purchase of electricity and the property rights arising from the guarantees of origin of electricity (energy certificates). **Value of the object of litigation**: PLN 49 096 783,00 29 **Initiation of the proceeding**: August 20, 2019 On April 28, 2025, the parties had entered into a settlement agreement.
6.	Plaintiff: Talia Defendant: PEPKH	**Object of litigation**: a plea to declare the termination, by PEPKH, of the agreements related to the purchase of electricity and property rights arising from the guarantees of origin of electricity (energy certificates) null and void, and to award the damages. **Value of the object of litigation**: PLN 46 078 047.43 **Initiation of the proceeding**: the lawsuit of May 21, 2015 On April 28, 2025, the parties had entered into a settlement agreement.
7.	Plaintiff: PEPKH Defendant: Amon	**Object of litigation:** a plea to determine awarding of the damages due to a failure to perform, by Amon, of the agreements related to the purchase of electricity and the payment of the liquidated damages under the agreement for the sale of the property rights arising from the guarantees of origin of electricity (energy certificates). **Value of the object of litigation**: PLN 61 576 284.89 **Initiation of the proceeding**: the lawsuit had been filed on March 31, 2023 On April 28, 2025, the parties had entered into a settlement agreement.
8.	Plaintiff: PEPKH Defendant: Talia	**Object of litigation:** a plea to determine awarding of the damages due to a failure to perform, by Talia, of the agreements related to the purchase of electricity and the payment of the liquidated damages under the agreement for the sale of the property rights arising from the guarantees of origin of electricity (energy certificates). **Value of the object of litigation**: PLN 75 334 631.53 **Initiation of the proceeding**: the lawsuit had been filed on December 28, 2023 On April 28, 2025, the parties had entered into a settlement agreement.

Conclusion of the settlement agreements by PEPKH and TAURON with Amon Sp. z o.o. (Ltd.) and Talia Sp. z o.o. (Ltd.)

On April 28, 2025, TAURON's subsidiary Polska Energia - Pierwsza Kompania Handlowa sp. z o.o. (Ltd.) (PEPKH) and TAURON had entered into the settlement agreements with Polenergia Capital Group's subsidiaries: Amon Sp. z o.o. (Ltd.) (Amon) and Talia Sp. z o.o. (Ltd.) (Talia). The primary objective of the concluded settlement agreements is to reach an out of court (amicable) settlement of all of the court litigations pending between PEPKH, and Amon and Talia, as well as between TAURON, and Amon and Talia. The terms of the settlement agreements are essentially in line with the terms agreed upon by the Parties in the signed memorandum of understanding related to the possibility of an amicable settlement of the disputes the information on which TAURON had disclosed in current report no. 13/2025 of April 2, 2025. The relevant settlement documentation was signed after the required corporate approvals had been obtained.

As a result of the settlement agreement reached by PEPKH with Amon and Talia:

1. There has been a termination of the Agreements for the Sale of the Property Rights arising from the guarantees (certificates) of origin that confirm the generation of electricity by a renewable energy source by Amon and Talia, respectively, entered into on December 23, 2009, between PEPKH, and Amon and Talia.
2. PEPKH, and Amon and Talia had made amendments to the Agreements for the Sale of Electricity (Power Purchase Agreements) generated by the wind farms of Amon and Talia, respectively, entered into with PEPKH on December 23, 2009, in such a way that it had been agreed that the performance thereof would be renewed for a period of 10 years, running from June 1, 2025, to May 31, 2035, and the new price at which

electricity would be purchased, as agreed by PEPKH, and Amon and Talia, would not be subject to change throughout the terms of the performance of these agreements.

3. PEPKH has paid a one off compensation to Amon and Talia in the total amount of PLN 15 million
4. There has been an end to all of the court litigations currently pending, stemming from both Amon and Talia's legal actions brought against PEPKH, as well as from PEPKH's legal actions brought against Amon and Talia, i.e. the legal actions brought against PEPKH have been withdrawn by Amon and Talia, including a waiver of the claims under the cases pending in front of the District Court in Gdansk, under the case file ref. no. IX GC 449/15, IX GC 451/15 and IX GC 774/19, as well as PEPKH has withdrawn the counterclaim brought against Amon in front of the District Court in Gdańsk under the case file ref. no. IX GC 744/19 and the legal action brought against Talia in front of the District Court in Warsaw under the case file ref. no. XX GC 1057/24, in both cases including a waiver of the claims under these pending lawsuits. In addition, PEPKH has withdrawn its cassation complaints in the cases pending in front of the Supreme Court under the case file ref. no. II CSKP 874/23 and II CSKP 178/23. On May 8, 2025, the court had issued a ruling to discontinue the court proceedings.

In addition, as part of the settlement's documentation, an agreement had been reached between TAURON, PEPKH, and Amon and Talia, with respect to TAURON's entry in place of PEPKH as the buyer in the Agreements for the Sale of Electricity (Power Purchase Agreements) generated by the renewable energy sources – the wind farm in Łukaszów and the wind farm in Modlikowice dated December 23, 2009, which had also included a settlement agreement between TAURON, and Amon and Talia

As a result of the agreement and the settlement reached:

1. TAURON has taken over, in place of PEPKH, the rights and obligations of the buyer under the above mentioned Agreements for the Sale of Electricity (Power Purchase Agreements), which TAURON, and Amon and Talia will be performing for the period of time and under the terms and conditions as indicated in item 2 above;
2. Amon and Talia have withdrawn their lawsuits brought against TAURON, including a waiver of the claims brought in front of the District Court in Katowice (currently the case file ref. no. XIII GC 164/25).

In addition, the parties have waived, mutually with respect to each other, all of the claims and rights they have or could have been due with respect to a non-performance or an improper performance of the Agreements for the Sale of the Property Rights and the Agreements for the Sale of Electricity (Power Purchase Agreements) by either party, as well as any tort claims related to such a non-performance or an improper performance of such Agreements, and this waiver is intended, as assumed by the parties, to include both the claims covered by the court litigations to date, as well as any further claims, if any, not covered by such court litigations, and which would be relating to the period of time expired until the moment the settlement agreements were concluded.

As a result of the conclusion of the settlement agreements and the resumption of the performance of the Agreements for the Sale of Electricity (Power Purchase Agreements), the parties anticipate the sales of a total volume of electricity generated by the Amon and Talia wind farms to come in at an estimated volume of approximately 1.2 TWh over the 10 year term of the Agreements for the Sale of Electricity (Power Purchase Agreements), while the value of the Agreements for the Sale of Electricity (Power Purchase Agreements) over the 10 year term of the performance thereof, determined as the product of multiplying the volume of electricity sold and the rate (price) specified in these Agreements, will clock in at an estimated total of approximately PLN 500 million over the entire effective term of the Agreements

TAURON had disclosed the information on the above event in current report no. 15/2025 of April 24, 2025.

As of the date of the publication of this report, the Agreements for the Sale of Electricity (Power Purchase Agreements) referred to above are being performed in accordance with the settlement agreements.

Other proceedings

Petitions of TAURON Sprzedaż for a change of the approved tariff

By way of the decision of July 8, 2020, the President of the Energy Regulatory Office (ERO) had refused the petition of the TAURON Sprzedaż subsidiary to approve the change of the tariff for 2020. On July 30, 2020, the TAURON Sprzedaż subsidiary had filed an appeal to the Court of Competition and Consumer Protection in Warsaw, against the above mentioned decision of the President of the Energy Regulatory Office (ERO). On March 26, 2024, the Court had dismissed the company's claim against

the President of the ERO, and the company had filed an appeal against the ruling. On August 26, 2025, the Court of Appeal had issued a ruling dismissing the appeal filed by the company. On December 1, 2025, the company had filed a cassation appeal against the ruling of the Court of Appeal with the Supreme Court.

Arbitration proceedings with the ArcelorMittal group's companies

TAMEH HOLDING is a joint venture in which TAURON and ArcelorMittal Group's companies (the Group's lead partner (shareholder), i.e. AM Global Holding S.a r.l., with its registered office in the Grand Duchy of Luxembourg (AM Global Holding) and ArcelorMittal Poland S.A. with its registered office in Dąbrowa Górnicza (AMP)) each hold 50% of the shares. The main subject of the business operations of TAMEH HOLDING is the production of the blast furnace blowing, compressed air, process steam, production and sales of the electricity and the heat for the district heating purpose. TAMEH HOLDING is a holder of 100% of the shares in two operating companies: TAMEH POLSKA and TAMEH.

In the Shareholders' Agreement entered into on August 11, 2014, between TAURON Capital Group's subsidiaries and the ArcelorMittal Group's companies (collectively referred to as the Parties), defining the terms and conditions of the Parties' cooperation within TAMEH HOLDING (the Shareholders' Agreement), the Parties had made irrevocable offers to each other to buy and sell the shares in TAMEH HOLDING. Each of the Parties had the right to accept the irrevocable purchase offer made by the other Party, among other things, in the event that one of the prerequisites set forth in the Shareholders' Agreement would materialize.

As a result of the materialization, as of the elapse of December 31, 2023, of one of the prerequisites set forth in the Shareholders' Agreement, on January 2, 2024, a representative of TAURON, in the presence of the bailiff recording the act of the serving of the statement, had left at AM Global Holding's registered office a statement on TAURON's acceptance of AM Global Holding's offer to purchase all of 3 293 403 shares held by TAURON in TAMEH HOLDING for the amount of PLN 598 098 090.30 (Sale Price). In accordance with the Shareholders' Agreement, the transfer of the ownership of the shares shall take place upon the crediting of the bank account with an amount equal to the Sale Price, which should take place no later than on the 30th business day from TAURON's acceptance of the offer, i.e. from the date of serving the statement to AM Global Holding.

On January 4, 2024, TAURON had received a message stating that AM Global Holding had been disputing the effectiveness of the serving of the above mentioned statement.

On January 9, 2024, TAURON had received a letter from AM Global Holding, which, according to AM Global Holding, had constituted a statement of the acceptance of TAURON's offer to purchase all of the shares in TAMEH HOLDING owned by the ArcelorMittal Group's subsidiaries for PLN 598 098 090.30. In the light of TAURON's earlier actions and the steps taken by AM Global Holding, a risk of the arising of a dispute between the Parties with respect to the effectiveness of the serving of the above mentioned statements had been identified.

In reference to the above mentioned events, on January 12, 2024, TAURON had sent a letter to AM Global Holding in which it had expressed its consent to enter into the negotiations in accordance with the procedure set forth in the Shareholders' Agreement.

In connection with the expiration of the above mentioned deadline of 30 working days and a failure to make the payment of the Sale Price by such a deadline, the Parties have submitted to each other the summons to pay, while at the same time upholding their readiness to negotiate and amicably resolve the dispute arisen.

On October 1, 2024, due to the lack of an agreement on the effectiveness of the serving of the statements regarding the acceptance of the offers to purchase the shares in TAMEH HOLDING, TAURON had summoned AMGH, as the co-called Lead Partner), ArcelorMittal Poland S.A. (”AMP”) and ArcelorMittal Long Products Europe Holding S.a r.l. (”AMLP”), to an arbitration to resolve the dispute regarding AMGH's failure to pay the sale price for the shares held by TAURON in the company TAMEH HOLDING. AMP and AMLP are jointly and severally liable along with AMGH for the payment of this amount.

The value of the subject of the dispute stands at PLN 598 098 090.30.

On October 30, 2024, TAURON had received a response to the summons to the arbitration from AMGH, AMP and AMLP along with a counterclaim, i.e. the demand for the payment by TAURON of the amount of PLN 598 million plus the statutory interest for a late payment assessed (accrued) as of February 14, 2024, until the date of the payment of the price for the shares held by AMGH and AMP in TAMEH. In TAURON's opinion, the claims of AMGH are without merit. The arbitration proceedings are under way.

Lawsuit for the payment of a compensation for the mobbing alleged by a former employee

On August 8, 2024, a former TAURON employee had filed a lawsuit with the District Court in Katowice, in which she had demanded an award of PLN 1 500 000 000 plus the statutory interest assessed (accrued) as of August 8, 2024, until the date of the payment as a compensation for the mobbing during the employment relationship.

The Company had filed a response to the lawsuit, requesting that the claim be dismissed in its entirety as being without merit.

In the Company's opinion, in particular on the basis of the legal opinion obtained, as well as taking into account the previous rulings (case law of the courts) issued in the similar cases, the probability of the amount of the compensation requested by the plaintiff if the claim were to be upheld being awarded is negligible. The Company will not set up a provision for this even

12.2. Agreements that are material for TAURON Capital Group's operations

The agreements that had been material for the operations of TAURON Capital Group in 2025 and by the date of drawing up of this report are listed below.

Change in the availability date of the syndicated loan agreement

In accordance with the current report disclosed on March 3, 2025, the deadline for the availability of the financing under the PLN 4 billion syndicated loan agreement concluded between the Company as the borrower and Powszechna Kasa Oszczędności Bank Polski S.A. (Joint Stock Company), Bank Polska Kasa Opieki S.A. (Joint Stock Company), CaixaBank S.A. (Joint Stock Company) Branch in Poland (Oddział w Polsce), Bank Handlowy w Warszawie S.A. (Joint Stock Company), Erste Group Bank AG, Industrial and Commercial Bank of China (Europe) S.A. (Joint Stock Company) Branch in Poland (Oddział w Polsce), Santander Bank Polska S.A. (Joint Stock Company) and China Construction Bank (Europe) S.A. (Joint Stock Company) Branch in Poland (Oddział w Polsce), as the lenders, had been extended. Thus, the final deadline for the availability of the financing had been extended by 1 year, i.e. until November 22, 2028.

Subsequently, on December 19, 2025, TAURON had received the information from the loan agent on another extension of the availability of the financing under the syndicated loan agreement for PLN 4 billion. In accordance with the terms of the loan agreement and pursuant to the lenders' decision, the final date of the availability of the financing had been extended by another year, i.e. until November 22, 2029.

Thus, the Company had exercised both of the two options to extend the financing period provided for in the loan agreement.

The funds from the syndicated loan are intended to finance TAURON Group's capital expenditures (with the exclusion of the financing of any projects related to the hard coal assets) and to finance TAURON Group's general corporate expenditures (with the exclusion of the expenditures related to the hard coal assets).

Under the syndicated loan agreement, the Company may make multiple drawdowns of the loan tranches during the funding availability period. The interest rate on the funds made available under the syndicated loan agreement is calculated based on a floating interest rate applicable for the interest period in question, increased by a margin that depends on the meeting of the sustainable development indicators, i.e. the emission reduction rate and the rate of increasing the share of the renewable energy sources in TAURON Group's generation mix structure, the correctness of the calculations of which is to be confirmed by an independent auditor.

TAURON had disclosed the information on the above events, in reference to current report no. 30/2022 of July 15, 2022, in current report no. 7/2025 of March 3, 2025 and in current report no. 47/2025 of December 19, 2025.

Signing of the annexes to the loan agreement concluded with Bank Gospodarstwa Krajowego

On March 17, 2025, TAURON had entered into an annex to the loan agreement with Bank Gospodarstwa Krajowego (BGK) as the lender, increasing the amount of the loan granted to the Company under the loan agreement of October 29, 2024, by the amount of PLN 0.45 billion, i.e. up to the amount of PLN 2.45 billion (the amount of Tranche B had been increased) and on October 22, 2025, an annex had been signed extending the period of the possible availability of Tranche B up to 24 months from the date of entering into the loan agreement.

The funds drawn down under the loan agreement may be used to finance or refinance TAURON Group's expenditures related to the investment projects in the RES line of business, the expansion of the distribution grids,

the construction of the energy storage facilities and the investment projects related to the heat line of business (with respect to replacing of the hard coal based heat generation sources with the zero emission (carbon) and the low emission (carbon) sources). In accordance with the loan agreement, as of the date of the conclusion thereof, TAURON shall be able to draw down the funds in the amount of PLN 1 billion (Tranche A). The remaining funds, in the amount of PLN 1.45 billion (Tranche B), will be available at TAURON's request to be submitted within 24 months from the date of entering into the loan agreement (i.e. from October 29, 2024), and after BGK has signed the Company's request.

The interest rate on the funds made available under the loan agreement will be calculated on the basis of a floating interest rate applicable for the interest period in question, increased by a margin that will depend on the fulfillment of the sustainable development indicator, i.e. the indicator reflecting an increase of the share of the RES in TAURON Group's power generation mix structure. The correctness of the calculation of the sustainability indicator will be confirmed by an independent auditor.

As part of Tranche A and Tranche B, TAURON will be able to draw down the funds within the two year funds availability period. The loan will be repaid in the installments, over a period of 8 years from the date of the availability of the A tranche of the loan and over a period of 7 years from the date of the availability of the B tranche of the loan (however not later than by October 20, 2033).

TAURON had disclosed the information on the above events, in reference to current report no. 56/2024 of October 29, 2024, in current report no. 9/2025 of March 17, 2025, and in current report no. 35/2025 of October 22, 2025.

Conclusion of a loan agreement with Bank Gospodarstwa Krajowego for the digital transformation as part of the funds from the National Recovery and Resilience Plan

On August 28, 2025, TAURON had entered into a loan agreement with BGK for an amount of up to PLN 310 million from the funds of the National Recovery and Resilience Plan as part of Investment C4.1.1 Support for the Advanced Digital Transformation (Loan Agreement).

The funds from the Loan Agreement will be used solely to finance the eligible expenses incurred by TAURON Dystrybucja for the advanced digital transformation.

The interest rate stands at 0.5% per annum (a fixed interest rate), and the loan is to be repaid in the quarterly installments between 2028 and 2045 (the final repayment date shall be 20 years from the date of the conclusion of the Loan Agreement).

As of the date of drawing up of this report, TAURON had signed the required documentation with TAURON Dystrybucja, including an intra group loan agreement, and had fulfilled all of the conditions precedent for the use of the funds.

TAURON had disclosed the information on the above event in current report no. 30/2025 of August 28, 2025.

Conclusion of an annex to the loan agreement with Bank Gospodarstwa Krajowego as part of the funds from the National Recovery and Resilience Plan

On August 28, 2025, TAURON had entered into an annex to the loan agreement of December 17, 2024 (the Loan Agreement), from the funds of the National Recovery and Resilience Plan, increasing the loan amount from PLN 11 billion to PLN 15.87 billion, i.e. by the amount of PLN 4.87 billion.

In connection with the above, the amount of the intra group loan agreement entered into by TAURON and TAURON Dystrybucja had been increased symmetrically.

The funds from the Loan Agreement are intended to be used solely to finance the eligible expenses incurred by TAURON Dystrybucja for the development and adaptation of the power grid to the needs of the energy transition and climate change.

The funds made available under the Loan Agreement shall bear interest at a fixed rate of 0.5% per annum. The loan is to be repaid between 2034 and 2049, in the semi annual installments (the final repayment date shall be 25 years from the date of the conclusion of the Loan Agreement).

TAURON had disclosed the information on the above event, in reference to current reports no. 64/2025 and no. 65/2024 of December 17, 2024, in current report no. 32/2025 of August 28, 2025.

On August 13, 2025, TAURON had expressed its intention to conclude an annex with BGK increasing the value of the Loan Agreement, as disclosed in current report No. 31/2025 of August 28, 2025.

Extension of the bond issue program's effective term

On November 25, 2025, TAURON had entered into an annex (Annex) to the program agreement concluded with Bank Polska Kasa Opieki S.A., Powszechna Kasa Oszczędności Bank Polski S.A. and Santander Bank Polska S.A. dated September 19, 2024, under which the bond issue program (Program) had been established. Pursuant to the Annex, the effective term of the program agreement had been extended by 12 months.

As a result of the above extension, TAURON has an option to issue bonds linked to the sustainable development indicators, or the so-called green bonds, under the Program, up to a maximum amount of PLN 3 billion, by December 31, 2026, with the issue amount and type of the bonds issued to be determined each time a decision to issue is made.

The decisions on the potential bond issues under the Program will be approved by the relevant corporate bodies of TAURON and will depend on the market conditions and the Company's external financing needs.

TAURON had disclosed the information on the above event, in reference to current report no. 53/2024 of September 19, 2024, in current report no. 39/2025 of November 25, 2025.

Amendment of the terms and conditions of the bond issue under the long term bond issuance program

On December 15, 2025, TAURON had entered into the annexes to the terms and conditions of the bonds issued under the long term bond issue program established on July 31, 2013, between TAURON and BGK (Annexes). Under the long term bond issue program, TAURON had issued the bonds with a total nominal value of PLN 1.7 billion in the years 2014 - 2016, and BGK had become the sole bondholder.

Pursuant to the Annexes, the terms and conditions of the bond issue had been amended to reduce the margin on the bonds issued and unsubscribed and to set their redemption dates for the years 2028 - 2029. The bond series issued and unredeemed, with a total value of PLN 750 million, whose original redemption dates had fallen in the years 2025 - 2029, will be redeemed in the following amounts: PLN 380 million on December 20, 2028, and PLN 370 million on December 20, 2029.

The amendment of the terms and conditions of the bond issue had been made at the request of TAURON as part of the optimization of the financing terms and conditions of TAURON Capital Group.

TAURON had disclosed the information on the above event, in reference to current report no. 36/2013 of July 31, 2013, in current report no. 43/2025 of December 15, 2025.

Conclusion of the new loan agreements with Bank Gospodarstwa Krajowego for the funds from the National Recovery and Resilience Plan

On December 22, 2025, TAURON had entered into the loan agreements with Bank Gospodarstwa Krajowego (BGK) for the funds from the National Recovery and Resilience Plan:

1. up to the amount of PLN 268.7 million as part of Investment G3.1.4 Energy Support Fund (RES Loan Agreement),
2. up to the amount of PLN 110 million as part of Investment C4.1.1 Support for the Advanced Digital Transformation (Digitization Loan Agreement).

The funds from the RES Loan Agreement will be used exclusively to finance the eligible expenses incurred by TAURON Zielona Energia for the construction of two photovoltaic farms with a total capacity of 120 MW, along with the accompanying infrastructure.

The funds made available will bear interest at a floating rate equal to the reference rate of the National Bank of Poland minus 2 percentage points per annum, but not less than 1 percentage point per annum. The loan is to be repaid in the semi annual installments between 2029 and 2044.

The funds from the Digitization Loan Agreement will be used exclusively to finance the eligible expenses incurred by TAURON Dystrybucja for the advanced digital transformation. The funds made available will bear interest at a fixed rate of 0.5% per annum, and the loan is to be repaid in the quarterly installments between 2031 and 2045.

In accordance with the RES Loan Agreement and the Digitization Loan Agreement, TAURON will be able to use the funds after meeting the standard conditions precedent for the bank financing and after signing the required documentation with TAURON Zielona Energia and TAURON Dystrybucja, respectively, including the intra group loan agreements.

TAURON had disclosed the information on the above event in current report no. 48/2025 of December 22, 2025.

Conclusion of the agreements for the granting of the subsidies as part of the funds from the Modernization Fund

On December 30, 2025, TAURON Group's subsidiaries had entered into the agreements with the National Fund for the Environmental Protection and Water Management (NFOŚiGW - Narodowy Fundusz Ochrony Środowiska i Gospodarki Wodnej) for the co-financing from the Modernization Fund as part of the priority program *Energy storage facilities and the related infrastructure to improve the stability of the Polish power grid* with a total value of PLN 537.75 million, of which:

1. TAURON Zielona Energia had entered into five agreements for the co-financing of the projects related to the construction of the energy storage facilities with a total amount of the co-financing standing at PLN 377.27 million.
2. TAURON Group's special purpose vehicles established to carry out the battery energy storage construction projects (TAURON BME 4, TAURON BME 8, TAURON BME 9) had entered into a total of six agreements for the co-financing of the energy storage construction projects with a total amount of the co-financing standing at PLN 160.48 million.

The funds allocated as part of the subsidy will be used to build the battery energy storage facilities with a total capacity of 346.8 MW, which are planned to be constructed between 2026 and 2028. The funds obtained as part of the co-financing will take the form of a non-repayable grant in the amount of between 35% and 45% of the total investment project costs.

The pre-condition for the receipt of the funds granted will be obtaining of the consent of the Supervisory Board of the National Fund for the Environmental Protection and Water Management (NFOŚiGW) to enter into the co-financing agreements with the beneficiaries, as well as the conclusion of the co-financing agreements for the individual projects between TAURON Group's subsidiaries and NFOŚiGW.

The Company was notified on December 8, 2025, that TAURON Group's subsidiaries had been selected as eligible for the co-financing from the Modernization Fund.

TAURON had disclosed the information on the above event, in reference to current report no. 40/2050 of December 8, 2025, in current report no. 49/2025 of December 30, 2025.

12.3. Transactions with related entities on terms other than at arm's length

All of the transactions with the related entities are concluded at arm's length.

The detailed information on the transactions with the related entities is provided in note 57 to the Interim Abbreviated Consolidated Financial Statements of TAURON Capital Group.

12.4. Concluded and terminated credit and loan agreements

In 2025, TAURON had concluded an annex to the agreement on the loan from the funds of the National Recovery and Resilience Plan as part of Investment G3.1.4 Energy Support Fund with respect to an increase of the amount of the financing from PLN 11 000 million to PLN 15 867 million for the development and adaptation of the TAURON Dystrybucja's power grid to the needs of the energy transition and climate change.

As part of the funds from the National Recovery and Resilience Plan the Company had also entered into three loan agreements:

1. on August 28, 2025, up to the amount of PLN 310 million, with the repayment date in the years 2028 – 2045, as part of investment C4.1.1 *Support for the Advanced Digital Transformation*,
2. on December 22, 2025, up to the amount of PLN 268.7 million, with the repayment date in the years 2029 – 2044, as part of investment G3.1.4 *Energy Support Fund*,
3. on December 22, 2025, up to the amount of PLN 110 million, with the repayment date in the years 2031 – 2045, as part of investment C4.1.1 *Support for the Advanced Digital Transformation*.

The loans up to the amount of PLN 310 million dated August 28, 2025, up to the amount of PLN 110 million dated December 22, 2025, and up to the amount of PLN 15 867 million bear interest at a fixed rate of 0.5% per annum. While the interest rate

on the funds made available under the loan agreement for the amount of up to PLN 268.7 million dated December 22, 2025, will be calculated at a floating interest rate equal to the NBP reference rate minus 2 percentage points per annum, but not less than 1 percentage point per annum.

In addition, in 2025, the Company:

1. had concluded the annexes to the loan agreement for the amount of up to PLN 2 000 million with respect to an increase of the financing amount to PLN 2 450 million and an extension of the availability period of tranche B to 24 months from the date of the conclusion of the loan agreement,
2. had exercised an option to extend the availability of the financing under the syndicated loan agreement for the amount of up to PLN 4 000 million twice by 1 year, with the final date ultimately set for November 22, 2029,

In 2025, TAURON Capital Group's subsidiaries had also entered into the loan agreements based on the project finance formula:

1. Wind T30 for the amount of PLN 238 million, with the repayment date in the years 2026 - 2040,
2. Windpower Gamów for the amount of PLN 210 million, with the repayment date in the years 2026 - 2040.

The loan agreements are based on a floating interest rate (i.e., the WIBOR index and a fixed margin).

The detailed information related to the above mentioned agreements and amendments to the existing agreements in place is presented in section 12.2. of this report

The intra group loan agreements had been entered into at TAURON Capital Group in 2025.

The information is presented in section 12.5. of this report.

In 2025, TAURON Capital Group's subsidiaries did not terminate any credit or loan agreements, nor were any credit or loan agreements terminated with these subsidiaries.

12.5. Loans, sureties (co-signings) and guarantees granted as well as sureties (co-signings) and guarantees received

Loans granted

In 2025, TAURON had entered into the following intra group loan agreements with a fixed interest rate with its subsidiaries:

Table no. 86 The loan agreements entered into by TAURON with its subsidiaries in 2025

Name of subsidiary	Amount of the agreements in PLN m	Repayment date
TAURON Nowe Technologie	50	2025 - 2030
TAURON Dystrybucja	15 867	2034 - 2049
	1 750	2030
	400	2030
	310	2028 - 2045
	440	2028
	100	2028
TBME1	61	2029 - 2040
	18	2029
TBME4	30	2029 - 2040
	9	2029
TBME7	321	2029 - 2040
	92	2029
TBME8	248	2029 - 2040
	71	2029
TBME9	192	2029 - 2040
	55	2029
FF Park	156	2029 - 2040
TAURON Zielona Energia	1 017	2029 - 2040

Apart from the above mentioned loan agreements, the Company had not entered into any other intra group loans in 2025.

The Company had not extended any loans other than the intra group loans in 2025.

As of December 31, 2025, the total nominal amount of the intra group loans granted by TAURON and not repaid by the subsidiaries had clocked in at PLN 15 021 million

TAURON had continued the financing, in the form of the loans, of the co-subsidiary EC Stalowa Wola in 2025, and the total nominal amount of such loans had come in at PLN 532 million as of December 31, 2025.

In 2025, TAURON Zielona Energia had entered into a loan agreement with AE Energy sp. z o.o. (Ltd.) for the amount of PLN 52 million, with the repayment date by December 31, 2025.

TAURON Capital Group's other subsidiaries had not entered into any loan agreements in 2025.

Sureties (co-signings) and guarantees granted

In 2025, TAURON had raised, up to the amount of PLN 64 million, the surety granted for EC Stalowa Wola's liabilities towards BGK stemming from the loan agreement concluded in 2018. The amount of the surety granted had subsequently been reduced along with the repayment of the loan by EC Stalowa Wola to BGK. As of December 31, 2025, the amount of the surety had stood at PLN 6 million, The surety is in effect until March 11, 2026. In addition, to secure the liabilities stemming from the above mentioned loan agreement, the bank guarantees had been issued at the instruction of TAURON for up to a total amount of PLN 256 million, with the effective term until March 11, 2026.

In addition, in 2025, TAURON had granted a surety for up to PLN 8 million, valid until December 30, 2026, as a collateral for EC Stalowa Wola's liabilities towards BGK stemming from a guarantee agreement. The amount of the surety, as of December 31, 2025, had stood at PLN 8 million.

In addition, in 2025, TAURON had signed an annex to the surety granted to TAURON Sprzedaż for the trade liabilities, as a result of which the surety for the amount of up to PLN 28 million is in effect until April 30, 2026.

As of December 31, 2025, the nominal amount of the corporate sureties and guarantees granted by TAURON had stood at PLN 1 376 million in total.

The amount of the guaranties (bonds) and the sureties granted by TAURON Zielona Energia for the liabilities of the special purpose vehicles carrying out the investment projects in the renewable energy sources line of business, as of December 31, 2025, had stood at PLN 169 million.

In addition, in 2025, TAURON had entered into the framework (master) agreements for the bank guarantees (bonds) with a non promised limit of up to the total amount of PLN 350 million.

In 2025, as part of the framework (master) agreements in force, the bank guarantees (bonds) had been issued at the instruction of TAURON for the liabilities of TAURON Capital Group's subsidiaries and the related companies. As of December 31, 2025, the amount of the bank guarantees (bonds) in effect, issued at the instruction of TAURON, had clocked in at PLN 396 million.

In addition, the bank guarantees granted at the instruction of TAURON Czech Energy had been in effect in 2025, and as of December 31, 2025, they had clocked in at the equivalent of PLN 19 million (CZK 65 million and EUR 1.9 million) in total.

TAURON Group's subsidiaries had not granted any other sureties or guarantees, apart from the above mentioned ones, in 2025.

After the balance sheet date:

- a bank guarantee had been issued at the instruction of TAURON for up to a total amount of PLN 210 million as a collateral to secure the liabilities of EC Stalowa Wola towards BGK, stemming from the agreement for the loan extended in 2018, for another one year period, i.e. until March 11, 2027. At the same time, the period of validity of the obligations arising from the guarantee granted on the same account was extended until 11 March 2027, and the maximum value of the guarantee was set at PLN 52 million.

The detailed information on the sureties and guarantees (bonds) granted is provided in note 57 to the Consolidated Financial Statements of TAURON Capital Group and in notes 40 and 41 of the Financial Statements of TAURON.

Sureties and guarantees received

As of December 31, 2024, the Company and its subsidiaries had held the transaction collaterals (securities, sureties) received from the counterparties (contractors) in the form of the guarantees (bonds) granted to TAURON Capital Group's subsidiaries, the bills of exchange (promissory notes) issued by the counterparties (contractors), as well as the corporate guarantees.

The most material collaterals granted to TAURON Capital Group's subsidiaries had been related to the promissory notes (bills of exchange) issued in favor of TAURON, in connection with the loans granted to the EC Stalowa Wola subsidiary, and the corporate guarantee granted by an external entity for the benefit of the subsidiary Finadvice Polska 1 Sp. z o.o. (Ltd.).

12.6. Expenditures to provide support for culture, sports, charity institutions, media, social organizations, trade unions

In 2025, TAURON Group had carried out the activities in the areas of sponsorship, promotion and CSR, aimed at providing the support for the Group's Strategy objectives and strengthening the power and recognition (awareness) of the TAURON brand. These activities had focused on building of a positive brand image, strengthening of the customer trust as well as consolidating of the long term customer relationships, which is an important element of the Group's expansion (growth) and confirms its position as a reliable business partner.

The sponsorship, promotional and CSR related activities had been carried in line with the corporate regulations in place, including:

1. *TAURON Brand Strategy for the years 2022 - 2030,*
2. *TAURON Group's Sponsorship, Promotion and CSR Strategy for the years 2025 – 2035,*
3. *TAURON Group's Communication Strategy for the years 2018 – 2025,*
4. *TAURON Group's Sponsorship Principles,*
5. *TAURON Group's Principles of Conducting Promotional Activities,*
6. *TAURON Group's Principles of Conducting Corporate Social Responsibility (CSR) Projects*

These documents regulate in detail the manner and the objectives of spending the funds as well as the principles to be applied to assessing of the effectiveness of the activities undertaken, ensuring the transparency of the processes and the ability to carry out a measurable evaluation thereof.

TAURON Capital Group attaches particular importance to the proper performance of the role of a responsible participant of the social (community) life, The pro-social projects are carried out on a broad scale, taking into account the needs of the local communities as well as the areas on which the company exerts a material impact.

Table no. 87 TAURON Capital Group's expenditures to provide support for culture, sports, charity institutions and social organizations in 2025

Category		TAURON Capital Group's expenditures in 2025 (PLN m) [1]
1.	Culture and art	10.1
2.	Sports	13.4
3.	Education	1.5
4.	TAURON Foundation	1.9
5.	Social organizations / charitable institutions	1.7

[1] *The expenditures include the costs of the sponsorship, promotional and CSR related activities as well as the donations provided by TAURON Capital Group's subsidiaries to the foundations, social organizations, etc..*

Culture and sports

In 2025, TAURON Group continued its strategic sponsorship activities in the areas of sports and culture, focusing on the large coverage and major brand image building projects.

In the sports category, the most important project continued to be the cooperation with the **Polish Volleyball League** (**Polska Liga Siatkówki)**, in place since 2020. As part of its titular and strategic sponsorship, TAURON has been providing the support for the top volleyball leagues in Poland. The titular sponsorship covers the TAURON leagues and the Polish Women's and Men's Cups, while the strategic sponsorship covers the PlusLiga and the Polish Women's and Men's Super Cups. The project ensures a wide exposure of the brand in one of the most popular and highly rated sports in Poland.

In 2025, TAURON had also become a sponsor of the **Polish Ice Hockey League** for the three consecutive years, including the titular sponsorship of the ice hockey leagues and the Metropolia Silesia team competing in the European Women's Hockey League.

The company had also made a decision to continue its cooperation as the title sponsor of the **GTK Gliwice** basketball team, providing the support for the sports activities for all of the age groups and for

the local initiatives aimed at the children and the young people.

Among the projects of particular importance is **TAURON Arena Kraków** – the largest sports and entertainment indoor venue in Poland, that TAURON continues to be the title sponsor of until 2028. Every year the venue hosts the national and international events, including sporting events in several disciplines, concerts as well as the cultural events.

A new facility supported by the company is **TAURON Park Śląski (TAURON Silesia Park),** the largest city center park in Europe, visited by more than 3 million people annually, which is a key recreational space for the region's residents.

In 2025, TAURON had also become a patron of the **Książ Castle**, one of Poland's most recognizable ancient monuments. As part of the cooperation, the Company had become the title sponsor of the key cultural events, including the *TAURON Summer Festival of Secrets (TAURON Letni Festiwal Tajemnic), TAURON Gardens of Light (TAURON Ogrody Światła)* and *TAURON ECO-Education (TAURON EKO-Edukacja)*.

A cooperation was also continued in the organization of the **TAURON Nowa Muzyka** festival, of which TAURON has been the title sponsor for 17 years. The 20th anniversary edition of the event had attracted approximately 20 000-25 000 participants, presenting a wide spectrum of electronic, jazz, and rock music. In 2025, TAURON also supported the **On Music On Air Music Awards**, during which the most famous hits had been presented and the most popular artists of the national music scene had been awarded prizes.

In 2025, TAURON had expanded its activities in the field of film culture, providing its support for two new festivals: **TAURON Młode Horyzonty (TAURON Young Horizons),** aimed at the young audiences and visited by close to 70 000 participants, and **TAURON American Film Festival**, one of the most important events presenting independent American cinema, attracting more than 50 000 viewers. TAURON had also been present during the **Sylwester z Dwójką (Channel TVP2's New Year's Eve)** party concert in front of the Spodek arena in Katowice, acting as the main sponsor of the event and the SMS lottery.

Education

As part of the educational projects, in 2025 TAURON had continued its cooperation with the **Wawel Royal Castle**, providing its patronage for the *Splendor of History – Experience a Royal Tale (Blask historii – przeżyj królewską opowieść)* multimedia show

The company had also been involved in promoting science in the region by supporting the **Lower Silesian Science Festival (Dolnośląski Festiwal Nauki)** and the **Silesian Science Festival (Śląski Festiwal Nauki)** whose goals are to disseminate knowledge and inspire the young audiences to take up an interest in science.

CSR

One of the key areas of TAURON's' CSR activities has continued to be its multi year cooperation with the **SIEMACHA Association (Stowarzyszenie SIEMACHA)** which provide the support for more than 2 500 children and young people. As part of this cooperation, TAURON organizes, among other things, the TAURON Sports Games and the *TAURON Music Star* competition with its winners invited to take part in the recording of a Christmas album. For seven years, TAURON has also been providing the support for the **Guardian Angels Home (Dom Aniołów Stróżów)**, which provides help for the children and young people from the post industrial districts in Silesia. The support includes both the financial assistance, as well as the annual volunteer activities by the work force, including the *Pomagamy do Kwadratu (We Help Squared)* campaign and a participation in the TAURON *Biegnij dla Aniołów (Run for Angels)* charity run.

An important element of the CSR activities are the regular projects integrating the work force through the sports activities, including the TAURON Employee Alpine Skiing Championships and the volleyball tournaments. At the same time, initiatives aimed at strengthening of the social competences and safety are carried out, including the training with the **Mountain Volunteer Rescue Service (Górskie Ochotnicze Pogotowie Ratunkowe - GOPR)** in first aid and safe behavior in the mountains.

TAURON has also been promoting the employee volunteering efforts, engaging its teams in the social activities. In 2025, the cooperation with the **Sherpas of Hope Foundation (Fundacja Szerpowie Nadziei)** had been expanded, with the employees participating in the training courses on providing the support for the people with disabilities and taking part in the mountain expeditions together with the foundation's charges, combining the assistance with building of the sensitivity and integration.

TAURON Foundation

TAURON Capital Group's structure includes the TAURON Foundation which has been operating as an autonomous public benefit organization and has been financed by the Group's subsidiaries

In 2025, the Foundation had focused its activities on providing the support for the people and institutions that had found themselves in a difficult situation, providing the assistance to TAURON Group's employees and their families, as well as the educational, medical and rehabilitation facilities It had also carried out the educational and sports projects in line with its statutory objectives.

In 2025, the Foundation had held a competition called *The World of the New Energy (Świat Nowej Energii),* aimed at the children at the care and educational institutions. The initiative had promoted creativity and the pro-environmental attitudes, encouraging the participants to create works on the environmental topics. The authors of the best works had received financial awards, while at the same time providing the additional support for the institutions.

The detailed information on the activities of TAURON Foundation is available on its website at the following address: https://fundacja.tauron.pl/wspieramy/projekty-realizowane

13. TAURON Group’s sustainable reporting

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13. TAURON Group's sustainable reporting

GENERAL INFORMATION

13.1. Basis for preparing sustainability reporting (BP-1, BP-2)

The presented sustainable reporting contains data and indicators (metrics) regarding TAURON Group, for which TAURON Polska Energia S.A. is the parent company. The report includes the information and data for the period from January 1, 2025, to December 31, 2025.

The reporting has been prepared taking into account the following guidelines and regulations:

1. Act of September 29, 1994, on accounting (Journal of Laws of 1994, no. 121, item 591, as subsequently amended) – the Act transposes the provisions of Directive (EU) 2022 / 2464 of the European Parliament and of the Council of December 14, 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 (hereinafter referred to as: the CSRD Directive),
2. Commission Delegated Regulation (EU) 2023 / 2772 of July 31, 2023, supplementing Directive 2013 / 34 / EU of the European Parliament and of the Council with regard to sustainability reporting standards – (hereinafter referred to as the ESRS Standards),
3. Regulation (EU) 2020 / 852 of the European Parliament and of the Council of June 18, 2020, on establishing a framework to facilitate sustainable investment, amending Regulation (EU) 2019 / 2088.

The scope of the consolidation in this report is the same as in the case of the consolidated financial statements of TAURON Group for 2025 and has been expanded to include Spółka Ciepłownicza - Energetyczna Jaworzno III Sp. z o.o. (hereinafter: SCE Jaworzno), TAURON Ekoserwis Sp. z o.o. (hereinafter: TAURON Ekoserwis) and Fundacja TAURON (TAURON Foundation), due to the operational control exercised over these entities.

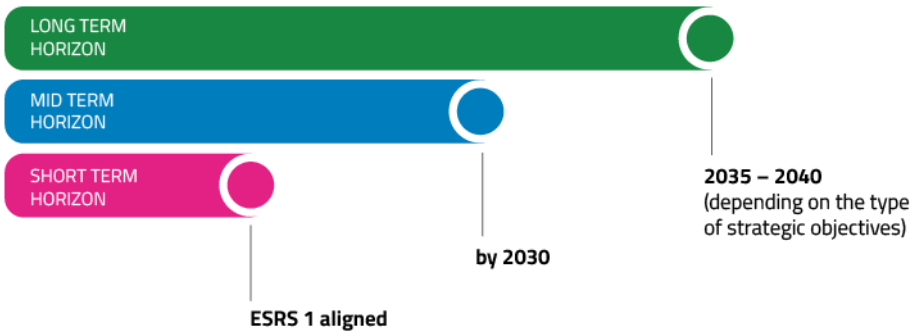
The scope of the entities covered by the process of identifying impacts, risks, and opportunities (IRO) as part of the double materiality assessment includes subsidiaries – both directly and indirectly controlled – as well as jointly controlled entities and associates in which TAURON holds equity interests.

The information presented in this report applies to TAURON Group's upstream and downstream value chain – it is related both to the generation and purchase of the products and the intermediate products (*upstream*) as well as to the supply and distribution of electricity and heat and the Group's products (*downstream*).

In the sustainability report, TAURON Group does not provide any information related to the intellectual property, know-how or the results of the innovations, or regarding any expected events or the matters that are the subject of the negotiations that are under way.

TAURON Group's 2024 Sustainability Report has been subjected to an attestation (certification, assurance) service conducted by PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością spółka komandytowa (limited liability company limited partnership).

For the purpose of describing the processes used to identify and assess material impacts, risks and opportunities (IRO), this report adopts the time horizons set out in ESRS 1 Section 6.4. In turn, in the case of the other disclosures presented in the report, the medium and long term horizons have been applied, in line with the time perspectives defined in TAURON Group Strategy for 2025-2035. The investment project cycles in the energy sector are usually characterized by a long time horizon, therefore the following perspectives have been adopted:



Use of indirect sources

Upstream or downstream value chain metrics estimated using indirect sources include a disclosure requirement for the standard **ESRS E1-6** – Gross Scope 1, 2 and 3 GHG emissions. They apply to the calculation in Scope 1 GHG emissions (for the portion related to transportation in own operations) in Scope 2 (location - based method) and in Scope 3 under the categories: 1 – purchased goods and services, 2 – capital goods, 5 – waste generated by operations, 11 – use of sold products.

The calculations of the above mentioned GHG emissions are based on indirect sources such as capital expenditures (PLN), GHG emission factors (from the various databases) adequate for the type and nature of the activity, Statistics Poland (Central Statistics Office) indicators, indirect indicators calculated on the basis of the information from the publicly available sources and publications. The detailed information on the greenhouse gases (GHG) emission calculation methodology and estimation methods using the indirect sources are presented in the individual thematic subsections.

Metrics involving upstream or downstream value chain data estimated using indirect sources, including indicators from sector or activity (operations) related databases do not constitute estimates within the meaning of the ESRS requirements and are described in detail under the ESRS E1-6 requirement.

Planned measures for improving accuracy in the future disclosures include striving for an effective direct data acquisition from suppliers of materials and services, and continuing to use recognized databases referenced to the geographic region of the business operations conducted in TAURON Group's value chain.

TAURON Group is also planning to continue the dialogues with the suppliers, customers and other stakeholders in order to obtain comprehensive actual data and reduce the use of the estimates.

The majority of the metrics used in this report are based on the actual data, which has been obtained from direct sources. Where access to the complete actual data was limited, the adequate estimates were used in order to ensure the completeness of the reported information. To this end, the best available indicators from the data bases relevant for the sector and activities (operations) were used. The metrics estimated based on indirect sources include the Scope 2 and 3 GHG emissions. The methodology for calculating these metrics is presented *in section 13.11 of this report (in the section related to E1-6).*

Changes to the presentation of the information

During the preparation of the 2025 data, two areas were identified where the presentation of the 2024 data required corrections to ensure the full compliance with the ESRS requirements.

With respect to **ESRS E3-4 (water)**, the water consumption data was based on the assumption of treating the total intake as consumption, without differentiating between intake, discharges and the actual consumption. This resulted in overestimated values for water consumption and the derived indicators such as water intensity.

In the **ESRS E5-5 (waste)** area, the data was presented in accordance with the national environmental reporting categories (for example, BDO), rather than according to the ESRS structure, which differentiates between waste that avoided disposal (neutralization) and waste sent for disposal (neutralization). In addition, some operational categories do not correspond to the methods required by the standard, and the lack of the

information on the final waste management method hindered the adequate assignment thereof.

In the first case, the presented values were overestimated beyond the materiality threshold. In the second case, the total value remained unchanged, but a different presentation method was introduced. The comparative data for 2024 was adjusted and presented in accordance with the definitions and disclosure structure required by ESRS E3-4 and ESRS E5-5. The comparative values included in this report are presented in the adjusted version in E3-4 and E5-5.

With respect to selected aspects, especially in terms of qualitative aggregate data for TAURON Group, no major differences in the presentation of the information have been identified. The Business Model of the operations and the scope of TAURON Group's consolidated subsidiaries did not undergo any fundamental changes that could affect the evaluation and comparability of the results. In 2025, the implementation of *TAURON Group Strategy for 2025-2035* had been continued, as part of which – following its update in 2024 – the values of the long term goals had been revised, in particular by materially accelerating the deadline for achieving climate neutrality by 2040, as compared to the previously assumed 2050.

This is TAURON Group's second report drawn up in accordance with the ESRS standards.

In 2025, a mechanism was applied to *include* the following information *by reference to the Management Board Report on the operations of TAURON and TAURON Group for 2025*:

- composition of the Management Board and the Supervisory Board and the diversity of these bodies: ESRS 2 GOV-1 §21 (a) – (e).

13.2. Governance structure (GOV-1)

Disclosure on the composition of the Management Board and the Supervisory Board and the diversity of these bodies is incorporated by reference to section *9.11. of this report*.

13.3. Sustainability management

(GOV-1, GOV-2) Management structure of the ESG topics at TAURON Group

Responsibility for the sustainability area

In 2025, the roles, competences and responsibilities in the sustainability area had been performed by the Management Board, the Supervisory Board and the Audit Committee of the Company's Supervisory Board. The scope of these activities had been defined as a result of the amendments, introduced in 2024, to the Rules of Procedure of the Management Board of TAURON Polska Energia S.A., the Rules of Procedure of the Supervisory Board of TAURON Polska Energia S.A. and the Rules of Procedure of the Audit Committee of the Supervisory Board of TAURON Polska Energia S.A., which had been aimed at strengthening of the supervision (oversight) over ESG issues.

In 2025, the ESG Committee, established in 2021 by the Company's Management Board, had also been operational, engaging the Group's senior management in the management of the activities focused on environmental and climate protection, society and the relevant corporate governance standards.

TAURON Group has a *Due Diligence Policy* in place, under which the individual areas are required to engage in a dialogue with the stakeholders, including the identification, mitigation and reporting of risks, opportunities and impacts related to sustainability. As part of their duties, the executive directors regularly inform the Management Board about the effectiveness of the measures taken, the objectives achieved as well as the results obtained.

The Company is implementing a process for managing risks occurring in TAURON Group's operations. The detailed information on the risk management system is presented in *section* *11.1. of this report*. The Company's Director in Charge of Risk periodically submits a risk report to the Risk Committee and to the members of the Management Board of the Company. The identified and reported risks covered by the ERM system to a large extent overlap with the material risks and opportunities identified at TAURON Group as part of the double materiality assessment process. In 2025, as part of the periodic review and identification of the risks for the years 2026-2035, the risk owners at the subsidiaries had reviewed the identified IROs in order to verify their inclusion in the enterprise risk management system.

TAURON Group's risk management is supported by a system of control and internal audit. In accordance with the Rules of Procedure of the Audit Committee of the Supervisory Board of TAURON Polska Energia S.A. the tasks of the Audit Committee shall include monitoring the effectiveness of the internal control, risk management, compliance and internal audit systems, in particular with regard to the Capital Group's financial reporting and sustainability reporting.

Supervisory Board of the Company

Overseeing and validating strategic objectives taking into account the sustainability goals

One of the roles of the Supervisory Board of the Company is to oversee the implementation of the goals set out in *TAURON Group Strategy for 2025-2035*, with a particular focus on the sustainability goals that are in line with the material IROs. Within the scope of its competence, the Supervisory Board of the Company shall provide an opinion on the Report of the Management Board on TAURON Capital Group's operations taking into account the sustainability reporting and the results of the double materiality assessment, including the material sub-topics arising from the assessment of the impacts, risks and opportunities (IROs). The process of providing an opinion constitutes a substantive verification as part of which the Supervisory Board of the Company may submit comments and recommend changes, for example, by proposing new IROs, thus having a direct impact on the final form and any changes to the report or the materiality assessment results before their approval. The content of the opinions, comments or suggestions shall be recorded in the minutes of the meeting, and the recommendations contained therein shall be forwarded to the Management Board for inclusion in the final version of the report.

On an annual basis, the Supervisory Board gets acquainted with the opinion of the employee representatives represented by TAURON Group's Social Council on the sustainability issues of importance to employees, including the environmental, social and governance aspects. In addition, the Supervisory Board of the Company shall have the authority to give its opinion on the transition plan for climate change mitigation.

In 2025, as part of its competence with respect to an oversight of the sustainability matters, the Company's Supervisory Board:

1. selected an audit firm to conduct an attestation (certification, assurance) of TAURON Capital Group's sustainability reporting for the years 2025-2027,
2. held meetings with the auditors responsible for conducting an attestation (certification, assurance) of the Company's and TAURON Group's sustainability reporting for the financial year 2024 in order to discuss the report on the above mentioned attestation (certification, assurance),
3. provided a positive opinion on the results of TAURON Group's double materiality assessment conducted for the purpose of the sustainability reporting for 2025, including the material sub-topics identified through the assessment of impacts, risks and opportunities (IROs),
4. got acquainted with the opinion of TAURON Capital Group's Social Council with respect to the sustainability related information material to the workforce, as well as the methods to be used to obtain and verify such information,
5. as part of managing the material risks, opportunities and impacts:

- in the area of climate change, the Company's Supervisory Board discussed the information on the investments in renewable energy sources, heat decarbonization, qualitative indicators of electricity supply and the transition of the conventional generation,
- in the area of the undertaking's own workforce, the Company's Supervisory Board discussed the matters relating to equal treatment and equal opportunities, support for women's professional development and the transition of TAURON Wytwarzanie,
- in the area of affected communities, the Company's Supervisory Board discussed and approved the *Corporate Social Responsibility (CSR) Projects Plan*,
- in the area of business conduct, the Company's Supervisory Board became familiar with the compliance reports, including the reports related to irregularities.

Audit Committee

Monitoring and evaluation of the sustainability reporting process

The role of the Audit Committee with respect to the sustainability includes, first and foremost, monitoring TAURON Group's sustainability reporting process, including the compliance with the electronic reporting requirements, monitoring of the effectiveness of the internal control, risk management, compliance and internal audit systems with respect to the sustainability reporting, as well as of the conducting by the audit firm of an attestation (certification, assurance) of the sustainability reporting.

In 2025, the Audit Committee carried out the periodic reviews of the key risks, including, among other things, the risks related to the sustainability reporting process. In addition, as part of its sustainability related responsibilities in 2025 the Committee developed and adopted the *Policy for the selection of an audit firm for conducting the attestation (certification. assurance) of the sustainability reporting (statement)* and *the Policy on the provision, for TAURON Group, of the permitted services other than attestation (certification, assurance) of the sustainability reporting (non-assurance services) by the audit firm conducting the attestation (certification, assurance) of the sustainability reporting (statement), by entities related to that audit firm and by a member of the audit firm's network.*

In addition, the Audit Committee cooperated with the auditors conducting the attestation (certification, assurance) of the sustainability reporting (statement) who attended the selected meetings of the Committee. As part of the above mentioned cooperation, the material matters related to the ongoing assurance (attestation, certification) of the 2024 sustainability reporting (statement) were discussed, including, among other things, a review of the status of the work, the identified risks as well as the preliminary findings of the conducted attestation (certification, assurance). Upon the completion of the attestation (certification, assurance) process for the 2024 sustainability reporting (statement), the Members of the Audit Committee reviewed its results and a summary of the work performed.

As part of the Audit Committee's work, a recommendation was also adopted for the Supervisory Board regarding the selection of an audit firm to conduct the attestation of the sustainability reporting (assurance of the sustainability statement) of TAURON Capital Group for the years 2025-2027.

Strategy Committee

Monitoring and evaluation of TAURON Group Strategy for 2025-2035

The Strategy Committee shall evaluate *the TAURON Group Strategy for 2025-2035*, including the sustainability goals contained therein and the impact of the planned and ongoing strategic investments on the Company's assets. In addition, the Strategy Committee's tasks shall also include monitoring the implementation of the strategic investment projects and providing of the opinions on the documents of a strategic nature.

Management Board of the Company

Strategic management of sustainability

The competence of the Management Board shall include adopting TAURON Group's corporate strategy, adopting sustainability reporting, approving the results of the double materiality assessment, including the material sub-topics arising from the assessment of the impacts, risks and opportunities (IRO), approving the transition plan for climate change mitigation and consulting with the employee representatives represented by TAURON Group's Social Council on the sustainability issues of importance to the workforce. The Management Board shall also establish the committees operating within TAURON Group's structures, including the ESG Committee, and shall adopt policies focused on sustainability.

The Management Board of the Company is continuously involved in the DMA process, including, among other things, through an active participation in shaping the trajectory of the assessment, prioritizing selected stakeholders or validating key assumptions and materiality thresholds. The detailed stages of the DMA assessment are discussed at the ESG Committee, which is chaired by the representatives of the Management Board of the Company, providing them with the direct, ongoing influence on the shaping and verification of the process during the Committee meetings.

As part of the above mentioned competence, in 2025, the Management Board had cooperated with

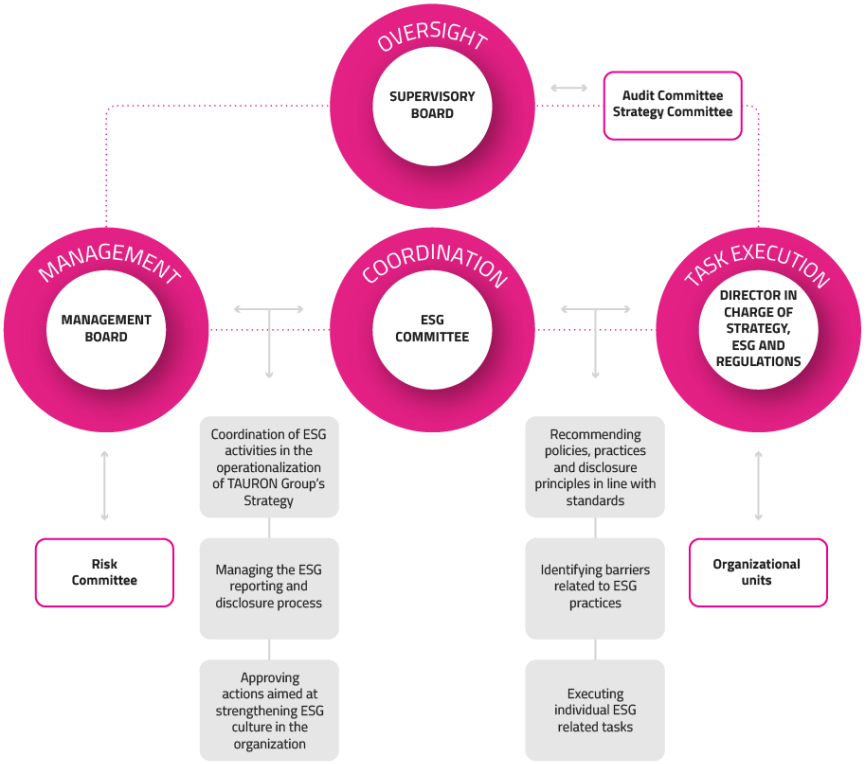
the auditors conducting the attestation(certification, assurance) of the sustainability reporting for 2024, adopted the sustainability report for 2024, as well as discussed and adopted the Plan of Audit Tasks for 2025, taking into account the tasks that included the elements of sustainability reporting, and approved the results of the double materiality assessment at TAURON Capital Group for the purpose of the sustainability reporting for 2025.

ESG Committee

Coordination of the implementation of the ESG activities

The role of the ESG Committee is, first and foremost, to create, disseminate and oversee TAURON Group's approach to the sustainability topics and to ensure consistency of *TAURON Group Strategy for 2025-2035* with these topics. The environmental, social responsibility and corporate governance topics are very important for TAURON Group, and the Group's top management is empowered to manage them. The President of the Management Board of the Company is the Chair of the ESG Committee, while the Vice President of the Management Board of the Company for Asset Management and Development is the Vice Chair of the ESG Committee. The composition of the ESG Committee indicates how broad a range of topics the Committee is dealing with. The diagram showing the structure of the management of the ESG topics at TAURON Group is presented in the figure below.

Figure no. 49. Structure of the management of the ESG topics at TAURON Group



The detailed tasks of the ESG Committee include:

1. coordinating the operationalization of *TAURON Group Strategy for 2025-2035* with regard to the ESG topics by recommending the information disclosure policies, practices and rules in line with the sustainability reporting standards, implementing of the ESG principles at TAURON Group's subsidiaries during the preparation and the implementation of the investment, reorganization, research and development, social and other projects,
2. identifying and analyzing the organizational barriers related to the implementation of the ESG best practice taking into account the conditions of TAURON Group's business operations,
3. overseeing TAURON Group's reporting and information disclosures with respect to the ESG topics in accordance with the legal regulations and the best practice,
4. monitoring the trends and analyzing the ESG topics that may have an impact on the Group's

business operations and making recommendations on the ESG targets, metrics and procedures.

In 2025, the functioning of the ESG Committee had been formalized through the adoption of the ESG Committee Regulations, which had allowed for a consolidation of the rules of the organization and the scope of responsibility of the Committee into a single, coherent document. This measure serves to optimize the ESG management model and ensures a higher standard of transparency in the Group's activities. The following figure presents the composition of the ESG Committee, including the organizational units assigned a key role for the efficient management of the sustainability topics.

Figure no. 50. Organizational areas that are a part of TAURON Group's ESG Committee

Risk Committee

Management of material risks and opportunities

The Risk Committee, is an expert team that sets the guidelines for risk management at TAURON Group and oversees the effectiveness of the ERM system and the global risk exposure. *The detailed description of the main features of the risk management system is provided in section 11 of this report.*

The risks that are covered by the ERM system to a large extent address the material risks and opportunities identified in the double materiality assessment process. The information on the key risks and opportunities is reported periodically to the Management Board of the Company, the Audit Committee of the Supervisory Board and to the Supervisory Board.

Director in charge of Strategy, ESG and Regulations

Ongoing sustainability management

The main tasks of the Director in charge of Strategy, ESG and Regulations include, first and foremost, managing and overseeing all of the issues related to the development, monitoring and implementation of TAURON Group's expansion strategy, including with respect to sustainability. In addition, developing standards and guidelines for the ESG reporting and overseeing the ESG reporting process, including the work related to the drawing up of the sustainability report for the completed financial year, including, among other things, the DMA assessment and the identification of the impacts, risks and opportunities, is also an important task. The scope of the tasks also includes proposing the directions of and overseeing TAURON Group's approach to the sustainability topics, implementing and monitoring the sustainability aspects. On the other hand, the management of the individual IROs is the responsibility of the substantive directors in charge of the given ESRS areas.

Flow of information on sustainability topics

> **Members of the Supervisory Board shall provide a comprehensive oversight over the sustainability area, including the material impacts, risks, and opportunities (IROs). Members of the Supervisory Board are regularly updated on the progress and outcomes of the individual strategic projects that are also related to the ESG topics.**

The meetings of the Supervisory Board shall be held as required based on the current needs and the number of matters that require a discussion and decisions to be made, however not less frequently than once every two months. The frequency of the meetings is aligned with the dynamics of the company's operations and the urgency of the issues to be discussed, including those related to the sustainability.

The Management Board of the Company is informed of the sustainable development issues, including progress in the implementation of the plans, metrics, policies and activities on an ongoing basis, corresponding to the pace of the implementation of changes in the Group. As a rule, meetings of the Management Board of the Company are held once a week. The Director in charge of Strategy, ESG and Regulations plays a leading role in the communication with the Management Board, including with respect to the material IROs. This process is supported by other directors who oversee the ESG initiatives in their respective areas. In 2025, during meetings, the members of the Company's Management Board had been informed by the relevant substantive departments on, among other things, such issues as:

1. updating the IRO assessment for the purposes of the sustainability reporting for 2025,
2. results of the double materiality assessment at TAURON Group,
3. statuses and proposals for the implementation of the RES investment projects (including the development of the portfolio of the photovoltaic and wind farms),
4. modernization of selected hydroelectric power plants,
5. decarbonization and development plan for the heat line of business,
6. plan of the Corporate Social Responsibility (CSR) projects,
7. guidelines for supporting the professional development of women at TAURON Group,
8. sponsorship and promotional activities,
9. compliance plan and procedures for reporting irregularities.

The Members of the Supervisory Board of the Company were kept informed on an going basis by the substantive area directors on other aspects of due diligence, if necessary.

The Management Board of the Company, when discussing at its meetings items related to the sustainability topics, sustainable investment projects, environmental, human, work safety and corporate governance issues, oversight of the implementation of TAURON Group's business strategy and decision making regarding major transactions, also analyzed these topics in terms of the material impacts, risks and opportunities, if required.

The Members of the Management Board of the Company delegate responsibilities related to the sustainability to the management staff, and in particular to the ESG Committee. The Management Board periodically presents the effects of having implemented the activities related to ESG to the Supervisory Board as well as to the Strategy Committee and the Audit Committee appointed within the Supervisory Board.

Both the Management Board of the Company as well as the Supervisory Board take sustainable development aspects defined in the *TAURON Group Strategy for 2025-2035* into account during the discussions conducted at meetings and, where applicable, when adopting resolutions.

In 2025, the Audit Committee was presented with a detailed list of the material impacts, risks and opportunities, which were assigned to the following sub-topics:

1. climate change adaptation (ESRS E1),
2. climate change mitigation (ESRS E1),
3. water and marine resources (ESRS E3),
4. working conditions (ESRS S1),
5. other work related rights (ESRS S1),

6. other work related rights (ESRS S2),
7. economic, social and cultural rights of affected communities (ESRS S3),
8. personal safety of consumers and end-users (ESRS S4),
9. whistleblower protection (ESRS G1),
10. management of supplier relationships, including payment practices (ESRS G1),
11. corporate culture (ESRS G1).

The detailed list of the material impacts, risks and opportunities (IROs) assigned to the indicated sub-topics is provided in section *13.8. of this report (in the ESRS 2 SBM-3 section)*.

Sustainability skills and expertise of the Supervisory Board and the Management Board

> **Members of the Management Board of the Company and of the Supervisory Board of the Company shall take part in training courses related to the sustainability topics in order to continuously expand their knowledge and competence in this area.**

As part of these activities, TAURON Group is cooperating with the external advisors, ensuring compliance of the organization's operations with the applicable legal regulations and educating its top managers during various meetings held (for example, as part of the meetings of the ESG Committee). In addition, the Members of the Management Board and of the Supervisory Board are gaining knowledge directly from the information provided during their meetings by the substantive areas, including the Strategy, ESG and Regulations Area, which is responsible, among other things, for the double materiality assessment process, along with the material impacts, risks and opportunities (IROs).

The Management Board of the Company took part in numerous conferences and discussion panels during which the topics related to the sustainability, green economy and energy transition were discussed, for example, *the EUROPOWER Conference, Energy Days 2025, Open Eyes Economy Summit, Euro POWER & OZE POWER, the European Economic Congress 2025 or the Polish Wind Energy Association Conference.* In 2025, the Members of the Management had spent a total of more than 320 hours (as compared to 300 hours in 2024) taking part in these events.

In addition, the Members of the Supervisory Board of the Company hold and expand their knowledge and competence in the field of sustainability, in particular:

1. Vice Chair of the Supervisory Board of the Company, Natalia Klima-Piotrowska, conducts training courses, takes part in conferences, lectures and talks as their organizer, moderator as well as a panelist. In 2024, she had been an instructor in the training project: "*LighT: Litigating change - Training lawyers on the EU rule of law acquis*", organized by the Koźmński Academy as part of the European Union Justice Program. She is a mentor in the mentoring program for the young lawyers of the Women in Law Foundation. In 2024, she had completed the training for the power of attorneys at the European Court of Human Rights,
2. A Member of the Supervisory Board of the Company, Mariusz Bąbol, had taken part in the training on developing and implementing an effective ESG Strategy in 2025,
3. A Member of the Supervisory Board of the Company, Michał Hulbój, had taken part in numerous ESG training courses, including those organized by the Polish Association of Listed Companies (Stowarzyszenie Emitentów Giełdowych), and he is also taking an active part in the implementation of the ESG standards as a member of the Supervisory Boards,
4. A Member of the Supervisory Board of the Company, Beata Kisielewska, had taken part, among other things, in the training courses on the non-financial ESG reporting - what is it and how to start analyzing it and in the training course on the responsibilities of the Members of Supervisory Boards and Management Boards with respect to the ESG requirement.

(GOV-3) Integration of sustainability related performance in incentive schemes

The system of compensation for the Members of the Management Board of the Company is linked to the sustainable development topics. The *Policy of Compensation for Members of the Management Board and Supervisory Board* in place lists, among other things, the following among its overarching

objectives: linking the principles of compensation to monitoring of the implementation of the adopted strategic plans and business objectives, in particular those related to the achievement of the sustainability goals, and contributing to the achievement of the sustainable development goals, in particular reducing of the negative impact on the natural environment and ensuring a stable expansion (growth) of the Company.

The *Policy of Compensation for Members of the Management Board and Supervisory Board* shall be adopted and updated by the General Meeting of the Company.

The compensation model covered by the Policy of Compensation provides for a two component system for determining the compensation of the Members of the Management Board of the Company, in which the total compensation of a Member of the Management Board of the Company is composed of a fixed part and a variable part, depending on the achievement of the specific management objectives. The variable part of the compensation of the Members of the Management Board is short term in nature and is related to the accomplishment of the objectives within the annual assessment time horizon.

> **The results related to the sustainable development of TAURON Group are included in the variable part of the compensation system for the Members of the Management Board of the Company. The variable compensation is dependent on the achievement of the conditional targets, financial targets and on he accomplishment of non-financial targets that are directly related to the ESG targets and include, in particular: the implementation of the adopted Strategy based on the ESG values and the achievement of the sustainable development targets, as well as developing a new organizational culture of the Company.**

The non-financial ESG related targets specified in the variable compensation system represent the formal quantitative and qualitative performance metrics used to assess the achievement of the management objectives and determine the level of the payout of the variable part of the compensation.

Linking of the variable compensation, in 2025, to the achievement of the management objectives described below had contributed to the implementation of the expansion (growth) directions set out in *TAURON Group's Strategy for 2025 - 2035* and to the sustainable development of the Company and TAURON Group, understood as the value based management, care for the environment, social engagement and compliance with the highest standards of the corporate governance.

In 2024, the variable compensation linked to the achievement of management objectives related to the sustainable development primarily had been, to a large extent, focused on the development of TAURON Group's Strategy, an ESG action plan, a comprehensive investment program for the profitable expansion of the renewable energy sources, a concept for the decarbonization of the Heat Line of Business, a plan for the permanent decommissioning of the hard coal fired units, the development of a profitable electricity sales strategy, and maintaining of the electricity supply quality indicators. The achievement of majority of the objectives had been measured based on the approval of the drafted documents by the Company's Supervisory Board. In 2025, only the objective related to maintaining of the electricity supply quality indicators was continued. The remaining objectives set to be accomplished in 2025 were a consequence of the Group's Strategy adopted in 2024 and the related concepts and programs.

The compensation of the members of the Supervisory Board of the Company shall be fixed and shall not depend on the issues related to the sustainable development.

The compensation of the Management Boards of the subsidiaries is linked to the sustainable development goals. The compensation of the management boards of the subsidiaries is based on a compensation model that assumes a two component system for determining the compensation, i.e. a fixed and a variable part. The payout of the variable part shall depend on the achievement of the specific KPI management objectives, which are linked to the implementation of the expansion (growth) directions set out in *TAURON Group Strategy for 2025-2035*.

ⓘ The principles of compensation of the key managers and other employees of the Company are set out in the TAURON Polska Energia S.A. Employee Compensation Regulations, adopted to be applied by the Management Board of the Company.

The bonus award system ensures the integration of the key managers' activities around the achievement of the objectives aimed at implementing the *TAURON Group Strategy for 2025-2035,* of which the sustainable development objectives are an integral part.

The table below presents the non-financial management objectives related to ESG set to be achieved in 2025 for the Members of the Management Board of the Company.

Table no. 88. The common detailed non-financial management objectives related to ESG set to be achieved in 2025 for all of the Members of the Management Board holding their positions in 2025

Detailed Non-Financial Management Objective	Tasks to Be Performed	Support for the ESG Objectives	Weight
Non-Financial Objectives			
Maintaining of TAURON's credit rating at the investment grade level, at minimum BBB minus	Credit rating published by a rating agency (information publicly available on the agency's website; the Company is currently rated by Fitch Ratings).	Obtaining of an investment grade rating provides the support for the Group's financial stability by enabling it to, among other things, acquire a financing for its investment projects at a relatively lower cost.	5%
Development and optimal modernization of the distribution grid	Implementation of the planned capital expenditures for the TAURON Dystrybucja subsidiary	Development and optimal modernization of the distribution grid, carried out in tandem with the digital transformation of the electricity distribution, to ensure the security of the electricity supply to the customers, further supports the customer orientation and strengthens the strategic role of the electricity distribution in the development of the economy and regions.	5%
	Achieving of the quality indicators: SAIDI (System Average Interruption Duration Index) and SAIFI (System Average Interruption Frequency Index) at the levels not exceeding the parameters set by the President of the Energy Regulatory Office (ERO) for 2025	Meeting of the quality indicators (targets) provides the support for the security of the electricity supply, contributing to an improved quality of life for TAURON Group's customers and strengthening their trust, while also supporting the broader economy by ensuring business continuity.	5%
Digital transformation of TAURON Group	Conducting of a digital maturity assessment of TAURON Group and drawing up of TAURON Group's Digital Transformation Plan to support the implementation of the TAURON Group Strategy for 2025-2035.	Advancing of the digitalization increases operational efficiency, reduces resource consumption, improves cybersecurity and enables faster, more accessible and automated services for the customers, which has a direct impact on the improvement of the customer experience.	5%
Implementation of the wind and photovoltaic farm construction Investment projects under way	The implementation of the ongoing renewable energy source (RES) projects and the achievement of the milestones for the designated RES investment projects relating to the commissioning of the assets, as well as the completion of the first stage of the Miejska Górka Wind Farm (FW) Project.	Achieving of the objective contributes to the changing of TAURON Group's generation mix through an increase of the installed capacity in the renewable energy sources and ensures the security of energy supply. These activities allow for a growth in the electricity supply to TAURON Group's customers from the low- and zero emission (carbon) sources, and in the long term perspective, the achievement of the climate neutrality, which, beyond ensuring of the adequate profitability of the Group, also reflects the responsibility for the natural environment and for the future generations.	10%
Decarbonization of the District Heating – a replacement of the hard coal based sources with the modern low emission (carbon) units	The implementation of the Heat Segment Decarbonization Program through the completion of the ongoing investment projects at the Katowice (ZW Katowice) and Bielsko - Biała ZW Bielsko – Biała) heat generation plants and the initiation of the further investment projects aimed at a continued decarbonization of TAURON Group's district heating operations.	The implementation of the activities stemming from the Heat Segment Decarbonization Program, directed toward the decarbonizing of the business operations, reducing the emissions intensity and improving the efficiency, is directly aligned with TAURON Group's ESG principles.	5%
Striving to achieve 100% zero emission (carbon) energy in the supply volume to TAURON's end customers and the implementation of a new RES energy allocation model for the Supply Segment	Achieving of the planned share of the green energy generated from the in-house sources and procured from the external sources in the supply volume with the delivery in 2025. Signing of the multi year contracts in 2025 for the supply of electricity from the zero emission (carbon) sources to the end customers. Improving of the customer service quality and digitalizing of the customer service processes by increasing of the share of the cases handled online and raising the rate of the e-invoices issued.	The implementation of the tasks related to the growth of the green energy supply will allow for the achievement of TAURON Group's long term commitment to supplying the customers with 100% clean energy by 2040, while simultaneously ensuring a stable profitability in the supply line of business. The development of the digital customer service channels and the improvements in the customer service quality as well as an increase of the customer satisfaction level has a direct impact on the implementation of TAURON Group Strategy for 2025-2035.	5% 5% 5%

(GOV-4) Statement on due diligence

At TAURON Group, the due diligence principle is understood as a process in which the actual and potential negative impacts on the environment and people, related to the activities conducted, are identified and the methods of their mitigation are determined. It includes the negative impacts related to TAURON Group's in-house operations as well as its upstream and downstream value chain (including through the products or services offered, as well as the business relations).

Table no. 89. Due Diligence Statement

Basic elements of the due diligence process	Sustainability Statement Points
Integrating due diligence into corporate governance, strategy and business model	GOV-1, GOV-2, GOV-4, GOV-5
	E1-2, E2-1, E3-1, E4-2, E5-1
	S1-1, S2-1, S3-1, S4-1
	G1-1, Due diligence at TAURON Group and minimum guarantees (safeguards) related to the EU Taxonomy
Engage with affected stakeholders at all key stages of the due diligence process	GOV-2, SBM-2
	S1-2, S2-2, S3-2, S4-2
	G1-2
Identification and assessment of adverse impacts	IRO-1, SBM-3
Taking action to reduce identified adverse impacts	E1-3, E2-2, E3-2, E4-3, E5-2
	S1-4, S2-4, S3-4, S4-4
	G1-3, G1-2, G1-6
Monitoring the effectiveness of these efforts and providing relevant information in this regard	GOV-2
	E1-4, E2-3, E3-3, E4-4, E5-3
	S1-5, S2-5, S3-5, S4-5

13.4. Risk management and internal controls over sustainability reporting (GOV-5)

Risk management process and internal control system

TAURON Group has been reporting on the sustainability topics for a number of years, which has enabled effective mapping of the risks across the entire reporting process – from data collection and consolidation to the final presentation of the information in the sustainability report (statement).

The scope of the risk management system and internal control over the sustainability reporting covers the Group's subsidiaries subject to an operational control. Responsibility for this reporting has been entrusted to the Executive Director for Strategy, ESG and Regulatory Affairs, who is cooperating with the following areas: Corporate Governance, Human Resources Management, Compliance, Controlling, Procurement, Accounting and Tax, Risk, the Environmental Protection and Circular Economy Team, as well as the Work Health and Safety (WHS) Team.

The Executive Director for Strategy, ESG and Regulations is the owner of the identified sustainability reporting risk and is responsible for effectively managing this risk in accordance with the risk management system adopted by TAURON Group.

The relevant sustainability reporting risk card (register) identifies the following risk causes:

1. errors in data and information collection,
2. errors in the consolidation of the individual line items in the sustainability report (statement),

3. errors in the functioning of the system used for data aggregation and XBRL tagging of the sustainability report (statement),
4. volatility of the regulatory requirements,
5. restructuring and reorganization changes within the Group that increase the level of complexity of the data presented,
6. wrong (incorrect) configuration or misalignment of the data processing systems with the reporting needs,
7. insufficient resources (human, financial, technological) for an effective collection, analysis and reporting of the sustainability data,
8. low levels of the sustainability awareness and knowledge among the employees,
9. differing stakeholder expectations and reporting requirements,
10. unauthorized persons gaining access to the draft sustainability report (statement).

The key features of the risk management and internal control system are based on a formalized sustainability reporting process approved by TAURON's Management Board. The formal process assigns the tasks and responsibilities to the key organizational units within TAURON Group's subsidiaries and specifies the workflow and the decisions to be made at the level of the ESG Committee, the Management Board of the Company and the Supervisory Board of the Company.

The completeness of the disclosed data is ensured through a compliance with the internal regulations, the use of the standardized document templates for the data reporting and the use of the IT systems and applications for data collection and consolidation.

Internal control of the disclosed information involves a multi level verification of the information and data submitted by the organizational units from the Group's subsidiaries, carried out at the level of the units responsible for the consolidation and their supervisors. Data submission procedures are verified on the basis of the internal procedures, processes and guidelines.

Data consistency (integrity) is maintained through the application of the control procedures, including the inter-period comparisons, data validation across the different sections of the sustainability report (statement), the use of the uniform calculation and reporting methodologies across the successive reporting periods as well as the exercise of due diligence.

The key features of the system also include the use of a dedicated IT tool for preparing the content of the sustainability report (statement), and a clearly defined accountability structure specifying the roles and responsibilities of the Group's individual subsidiaries in ensuring data accuracy at source. The tool enables tracking of the progress in completing of the disclosures, records changes made and identifies by name the individuals who introduce those changes. The entire system is subject to an ongoing oversight by the senior management.

The key elements of the risk management process and internal control system in relation to the sustainability reporting are based on the identification of the risks in the reporting process and the adequate allocation of the tasks. This is complemented by the enhanced role of the ESG team in the data verification and management communication, as well as a formalized data approval pathway and an independent auditor assessment.

Risk assessment

The assessment of the risk related to the sustainability reporting is carried out in accordance with *TAURON Group's Risk Quantification Rules* which define the uniform risk measurement rules that ensure the transparency of the valuations across all of the lines of business, while simultaneously enabling the determination of an overall risk exposure and, in the longer term, advance planning of the adequate risk responses, thereby allowing for the stable and secure business operations.

Each identified risk is assigned the so-called risk class that allows for an assessment of the materiality of the identified risk relative to TAURON Group's business activities. Assigning of an adequate risk class allows for a prioritization of the risks, stripping out, among other things, the key risks from the overall list. The risk class indicated in the sustainability reporting risk card (register) sets requirements for the risk owner with respect to the approach to managing the given risk (early warning indicators, indicator limits, detailed risk response plans).

The valuation of the sustainability reporting risk is measured based on its impact on EBITDA. Early warning indicators are linked to the schedule adherence, the timeliness of the data and disclosures submitted, the number of the material corrections identified by the auditor or the value and the number of the penalties imposed by the regulatory authorities on the publicly listed

companies with respect to the non-financial reporting.

In 2025, the level of the sustainability reporting risk had been assessed as low.

Key risks and control mechanisms

The main identified risk impacts relating to the sustainability reporting include, among other things:

1. the need to restate the published sustainability report (statement) and a loss of the Group's credibility in the eyes of the stakeholders, resulting in a decline in the value of the shares of the companies (subsidiaries),
2. the possibility of the erroneous business decisions being made on the basis of the inaccurate data presented in the sustainability report (statement),
3. an adverse attestation (certification, assurance) opinion on the sustainability report (statement) from the external auditor,
4. criminal sanctions arising from an incorrectly prepared sustainability report (statement),
5. difficulties in obtaining of the financing from the financial institutions,
6. deterioration of the business relationships with the partners who expect a compliance with the ESRS standards.

Risk response actions (strategy aimed at mitigating of the risk related to the sustainability reporting), including the associated controls, comprise, among other things:

1. training for the personnel responsible for drawing up of the sustainability report (statement),
2. application of the mandatory reporting standards in accordance with the applicable regulations,
3. use of the IT system's functionalities (features),
4. assignment of the roles and responsibilities for the content of the sustainability report (statement) with respect to the substantive business areas,
5. internal control of the reporting process.

In 2025, the sustainability reporting process was not subject to a verification within the scope of the internal audit tasks. The current activities of the Internal Audit Area with respect to the sustainability are focused on:

1. a verification of the audit findings with regard to their impact on the material ESG reporting points in accordance with the ESRS standards,
2. developing of an internal ESG issues (topics) register in order to provide the systematic support for the risk identification as part of the current audit tasks,
3. a long term development (with a time horizon to 2030) of the internal audit operating model toward playing a greater advisory role and engagement in the strategic initiatives, including in the ESG matters.

Integration of the risk assessment results into the internal processes and the reporting thereof

The risks associated with the sustainability reporting process form a part of the comprehensive enterprise risk reporting system, for which the Executive Director for Risk (Chief Risk Officer) is responsible. The adequate positioning of the Director within the Company's organizational structure ensures his / her direct reporting to the Management Board of the Company and to the Supervisory Board of the Company.

TAURON Group's risk report is submitted on a monthly basis by the Director in charge of risk (Chief Risk Officer) to the Risk Committee and to the Members of the Management Board of the Company. The information on the key risks (including the sustainability reporting risk) is also reported periodically to the Audit Committee and to the Supervisory Board of the Company.

A supplementary tool to be used for the risk monitoring and control is the Early Warning System based on a catalog of the KRIs (Key Risk Indicators) and the EWIs (Early Warning Indicators), which constitutes an integral component of the reporting framework.

The business areas responsible for managing of the risks with a potential impact on the sustainability reporting process are taking actions aimed at mitigating of the material risk causes, depending on the level of the risk assessment and the recommendations issued by the Internal Audit Area as part of its audit tasks, as well as those arising from the annual assessment of TAURON Group's Internal Control System, in order to minimize both the likelihood as well as the potential consequences of the materialization of the risks.

13.5. Sustainability in TAURON Group's Business Strategy (SBM-1)

TAURON Group Strategy for 2025-2035

TAURON Group is one of the largest energy companies in Poland and it is of major importance for the country's energy security. TAURON Group's main business operations include the production, distribution and supply of electricity and heat on the territory of Poland. Sustainability represents an integral part of the *TAURON Group Strategy for 2025-2035*, and the ESG related values constitute the foundation thereof.

> ***TAURON Group's new Strategy for 2025 - 2035 with an outlook to 2040 had been adopted on December 17, 2024.***

The strategy has been designed as a comprehensive response to the climate, energy and social challenges facing the energy sector. Its main premise is to transition from a fossil fuel based model to a low and zero emission (carbon) model, which is in line with the definition of sustainable development and conducting of the business operations in a way that takes into account the environmental, economic and social needs. An integral part of *TAURON Group's Strategy for 2025-2035 – TAURON New Energy* are the goals related to the sustainable development with the long term ambition of achieving climate neutrality. All of the elements of *TAURON Group Strategy for 2025-2035* are linked to the climate, environmental and social goals.

> **TAURON Group Mission – We are Powering Change with New Energy**

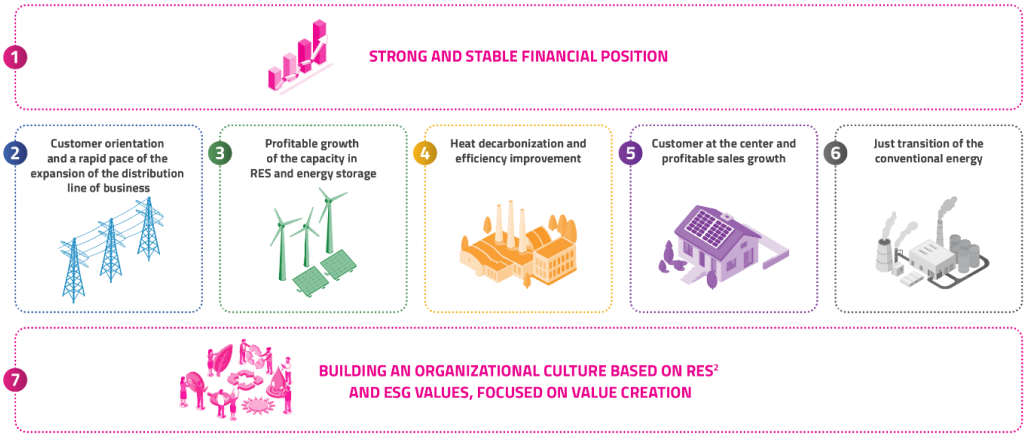
TAURON Group has defined a long term organizational goal aimed at powering change with new energy, symbolizing that the organization is evolving in accordance with the ESG values and the principles of sustainable development.

> **TAURON Group Vision – We Will Create a World of New Energy, Prioritizing Ecological Solutions and Ensuring Customer Comfort and Safety**

On the one hand, the *TAURON Group Strategy for 2025-2035* envisages the development of TAURON Group around its business core which is 6 million customers connected to the distribution grid who are purchasing electricity, ideally produced by the RES assets owned by TAURON Group, while on the other hand, it takes on the responsibility for the transition process under way.

TAURON Group's Business Priorities

TAURON Group Strategy for 2025-2035 identifies seven business priorities that cover the key areas of activity within the individual Business Units (BUs) and the shared strategic development directions for the Group as a whole.



Sustainability in TAURON Group Strategy for 2025-2035 – TAURON New Energy

TAURON Group is aware of its enormous impact on the environment and society, and for years has been implementing measures that are closely related to the sustainable development topics. These measures are in line with the implementation of the UN Sustainable Development Goals.

> ***TAURON Group Strategy for 2025-2035* is focused on the sustainable development and social responsibility for the present and future generations. In its activities, TAURON Group also supports initiatives for the local community, conducts educational and informational campaigns, and also promotes pro-environmental attitudes and engages various stakeholders to actively participate in the energy transition and the social transformation.**

TAURON Group is taking part in the national and European discussions and projects related to the climate related energy transition. It ensures professional, dialogue based standards in its relations with the customers and stakeholders, supporting the needs of the disfavored and vulnerable groups (for example, people with the disabilities or the elderly). The Group is guided by the principles of equal treatment of employees, respect for the human rights and countering discrimination. All of TAURON Group's strategic priorities are focused on the sustainable development.

The directions set are a response to the most important challenges both for the organization, as well as for the industry in the ESG area, which are described below.

Table no. 90. TAURON Capital Group's sustainability challenges

Environmental and climate challenges (E)	1. adapting operations to the adopted policies and regulations (including the *European Green Deal*, *REPowerEU*, the national regulations), 2. complying with the legal requirements, including the license related requirements, and ensuring compliance with the environmental protection regulations, 3. taking actions aimed at curbing climate change (including global warming) and reducing an adverse impact on the environment, 4. developing new technologies, including the renewable energy sources, distribution and energy storage facilities, and the transition of the district heating towards the low carbon sources, 5. implementing the principles of the circular economy – minimizing waste generation and finding new uses for it, 6. giving post industrial areas new functionalities.
Social challenges (S)	1. social impacts, requiring companies to be particularly sensitive and able to respond to the needs of various stakeholder groups: customers, employees, local communities, 2. labor issues, respect for human rights, business ethics, access to education, 3. ensuring adequate working conditions and investing in employee safety, health and development, 4. supporting local communities through social investments, dialogue and social involvement, 5. ensuring uninterrupted supplies of electricity and heat and adapting the sales offering to the changing needs of the customers, 6. taking caring of the disadvantaged (disfavored), excluded customers, with the disabilities.

Governance Challenges (G)	1.	strengthening management, reporting and oversight systems to ensure transparency of operations and effective decision making in line with the ESG principles,
	2.	active engagement of the management board in the ESG related issues in order to integrate social and environmental goals with the business objectives,
	3.	identification, assessment and management of the ESG related risks, as well as ensuring compliance with the regulations and industry standards,
	4.	security of the critical infrastructure and the broadly understood data, including the customers' personal data,
	5.	conducting clear and transparent communication with the shareholders and investors.

***TAURON Group Strategy for 2025-2035* assumes a rapid pace of growth in the installed capacity of the renewable energy sources (RES) and the electricity generation from RES. By 2030, TAURON is planning to have more than 2.7 GW in RES, and five years later: 4.7 GW. This represents an increase in the green capacity by as much as 570% as compared to 2023.**

Clear and Ambitious Decarbonization Path – Climate Neutrality by 2040

The *TAURON Group Strategy for 2025-2035* envisages achieving climate neutrality by 2040, which is one of the most ambitious targets among Poland's large energy groups. The plan encompasses:

- discontinuation of coal use for heat production by **2030**,
- decommissioning of the hard coal fired power generation units by **2030** (with the exception of the 910 MW unit in Jaworzno),
- readiness to spin off the hard coal fired generation assets (or independently the 910 MW unit in Jaworzno) by 2030, and in the event that spin off does not occur, implementation of the financial ringfencing,
- achievement of climate neutrality by **2040.**

This represents an unequivocal step towards reducing the negative environmental impacts and delivering on the EU objectives as part of the European Green Deal.

Transition of the energy mix towards RES – a rapid pace of growth of the green capacity

TAURON Group Strategy for 2025-2035 provides for a rapid and scalable growth of the renewable energy sources and the energy storage facilities.

TAURON Group is planning to increase installed capacity in RES and energy storage facilities to:

- **3.4 GW** in 2030, and
- **6.1 GW** in 2035.

This direction of expansion (growth) reduces the environmental pressure, stabilizes the power system thanks to the energy storage and increases the share of the green energy in the national energy mix.

Investment priority: infrastructure for the future

90% of the capital expenditures through to **2035** has been allocated by TAURON to:

- expansion and modernization of the distribution grids,
- investments in the renewable energy sources.

This means not only an improved efficiency and reliability of the system, but also the development of the infrastructure capable of accommodating an ever greater number of the distributed RES installations, which is critical for the green transition.

Customer at the center and the development of the low emission (carbon) services

TAURON Group Strategy for 2025-2035 assumes that the customer is at the center of the business model. TAURON is planning, among other things, to:

- expand the supply of the green energy,
- achieve a share of the electricity supply from the low- and zero emission (carbon) sources at the level close to **50%** by 2035,
- offer the additional services (for example, flexibility, PPAs, prosumer solutions),
- enable **80%** of the customer service processes to be conducted fully remotely thanks to the digitalization,
- reduce the paper consumption by **80%** by 2035.

This approach improves the quality of life of the customers, increases their participation in the

energy transition and provides the support for the development of the local communities.

Just transition of the conventional energy

TAURON Group Strategy for 2025-2035 takes into account the need to ensure a just transition, i.e. implementing of the changes in a way that does not exclude the work force and the regions dependent on the hard coal based energy.

It assumes:

- efficiency and profitability of the transitional conventional operations,
- ensuring security of supply,
- gradual and responsible phasing out of the hard coal based assets

TAURON Group Strategy for 2025-2035 emphasizes that the changes must take into account both the environmental as well as the social perspectives.

Organizational culture based on the ESG values

The *TAURON Group Strategy for 2025-2035* unequivocally emphasizes that the organization is built on the values firmly rooted in the ESG principles:

- **Responsibility** – for the comfort, safety and the energy bills of our customers, for the future generations, employees and the local communities, for the natural environment and for the development of the regions within which we are operating,
- **Engagement (commitment)** – in delivering on a changing reality, in building a competitive advantage for ourselves and our customers, in achieving the targets set and delivering our strategy,
- **Efficiency and Energy** – in creating value for the shareholders and the customers, in driving change, in taking bold and effective actions.

The amount of the capital expenditures implemented in 2025 is provided in section 2.4 *of this report. In accordance with the TAURON Group Strategy for 2025-2035*, the capital expenditures are planned to clock in at the amount of PLN 100 billion by 2035.

Sustainable development is also placed at the center of the business model.

TAURON Group Strategy for 2025-2035 redefines the role of the Group:

- from being a supplier of the fossil fuel based energy,
- to becoming a supplier of safe, green and accessible energy providing the support for the development of a low emission (carbon) economy.

This represents a full embedding of the sustainable development principles in the long term operating model.

Core products, goods and services of TAURON Polska Energia S.A.

The table below presents the core areas of business operations conducted by TAURON Polska Energia S.A. in 2025.

Table no. 91. Core areas of business operations conducted by the Company in 2025

Item	Description	ESG link
Wholesale trading in electricity, gas and related products	electricity, gas, CO_2 emission allowances (carbon credits, carbon permits), guarantees of origin of electricity (energy origin certificates) and energy efficiency guarantees	**E**: impact on the energy mix and market efficiency **S**: continuity of supply **G**: regulated market
Portfolio Management	covers electricity, natural gas, CO_2 emission allowances (carbon credits, carbon permits) and property rights	**E**: support for the decarbonization **G**: regulatory compliance
Capacity Market services	covers securing of the capacity obligations both within the Capital Group as well as for the external entities	**S**: security of supply
Market Operator activity and trade balancing	acting as the Market Operator for the electricity and gas, providing the trade balancing for the Group's entities and the external customers	**G**: process transparency
Corporate management (governance)	covers supervision of the purchasing (procurement), financial management, asset management, enterprise risk management, IT, coordination of the legal services and the coordination of the accounting and the tax advisory activities	**G**: management efficiency

TAURON is also performing the functions related to the centralization of the key processes as part of the Capital Group, which allows for the achievement of the synergies and cost optimization.

Core products, goods and services of TAURON Group

TAURON Group is conducting its business operations and generating revenue, first and foremost, from the supply (sales) of electricity and heat produced in its own generating units, as well as obtained as a result of the trading, and from the provision of the electricity distribution and the heat transmission services. In addition, Its lines of business also include the supply (sales) of gas and the provision of the additional services. The table below presents the core categories of the products, goods and services sold in 2025.

Table no. 92. Core categories of the products, goods and services sold by TAURON Group in 2025

Item	ESG link
Electricity (conventional and RES) and the related products	**E**: impact on the energy mix and indirect emissions, decarbonization **S**: access to energy
1. electricity offering for the individual (retail) and business customers; the key product is the Nowa Energia (New Energy) offering that provides electricity sourced in 100% from the renewable energy sources, 2. PPA contracts – the long term contracts for the business customers, 3. other products: *Eko Premium, Eko Biznes* (certified by TÜV SÜD Polska), guarantees of origin of electricity, 4. dynamic tariffs (for example, *G14 dynamic tariff*), 5. products linked to the power exchange price quotations.	
Additional Services	**E**: impact on the energy mix and indirect emissions, decarbonization, efficiency and flexibility **S**: access to energy. efficiency and flexibility

1. assistance services, such as the support in the repairs of the home appliances, electrical and plumbing installations, as well as the protection of the photovoltaic installations and electric vehicle charging stations, 2. pro-environmental products, including the Las (Forest) service, as part of which the trees are planted on behalf of the customers in order to provide the support for the sustainable development, 3. Enterprise Energy Audit, Energy Efficiency Audit and Capacity Charge Optimization, 4. technical products, including the reactive power compensation, construction of the photovoltaic installations, MV substation maintenance and the REMIT reporting.	
Electricity distribution	**S**: continuity of electricity supply **G**: regulatory stability
1. transmission and delivery of the electricity to the final consumers, 2. management of the distribution grid, including ensuring the continuity and security of the electricity supply and metering.	
Heat for the individual and business customers	**E**: cogeneration, biomass **S**: local security of heat supply
1. production and delivery of the heat to the homes, residential buildings, businesses and the public institutions, 2. management of the district heating network, including ensuring the continuity and security of the heat supply.	

During the reporting period, there had been no changes with respect to the significant products and services offered by TAURON Group.

Significant markets and customer groups served by TAURON Group

The key area of TAURON Group's business operations is the domestic market, which accounts for 98.8% (99.1% in 2024) of the total revenue from the sales of the products, goods, materials and services. In addition, TAURON Group is selling electricity and gas in the Czech Republic through the TAURON Czech Energy s.r.o. subsidiary. The company's business operations are focused, first and foremost, on the operations conducted on the wholesale market and on the deliveries to the final consumers, mainly in the enterprise segment. The table below presents the core markets and customer groups of TAURON Capital Group in 2025.

Table no. 93. Core markets and customer groups of TAURON Group in 2025

Item	Description
Retail and wholesale electricity and gas sales	
Retail sales of electricity and natural gas to the final consumers in Poland are carried out by the TAURON Sprzedaż and TAURON Sprzedaż GZE subsidiaries. The customer segmentation (strategic, business and mass customers), based on the volume of the electricity consumed, is designed to tailor the product offering, sales channels and the marketing communication to the expectations of each customer segment.	
Business market: Customers that are business entities with a Tax Identification Number (NIP): 1. Key customers (accounts) – with an annual volume greater than 10 GWh. 2. Business customers – with an annual volume in the 0.5-10 GWh range. 3. SMEs – small business customers with an annual volume of less than 0.5 GWh in the tariff groups C and G, without a license. 4. Institutional customers – customers that are the public local government units regardless of the consumption volume. 5. Indirect customers – customers with an annual consumption of up to 10 GWh acquired from the market with the involvement of the intermediary companies. Volume of electricity supplied in 2025: 12.6 TWh (14.3 TWh in 2024) Number of customers in 2025: 511 900 (544 700 in 2024)	
Mass market: Households.	

Volume of electricity supplied in 2025: 9.7 TWh (9.5 TWh in 2024).

Number of customers in 2025: 5 319 200 (5 266 600 in 2024).

Gas supply: business and mass market

TAURON Sprzedaż completed the gas supply to the business and mass market customers.

Number of customers in 2025: 52 000 (56 000 in 2024).

Volume of gas supplied in 2025: 1.9 TWh (2.0 TWh in 2024).

Sales of thermal energy and heat transmission services

Heat sales to the customers in the Silesian metropolitan area are carried out by TAURON Ciepło. The heat from the in-house heating plants and from the purchases on the market is delivered to the residential buildings, commercial premises and the public institutions via the company's transmission networks.

1. heat supply (sales) in 2025: 13.8 PJ (12.5 PJ in 2024)
2. share of heat produced from the in-house sources in the total heat supply (sales) in 2025: 83% (82% in 2024)

The heat supply (sales) market in 2025 covered a diverse range of the customers:

1. cooperative sector (46.2%)
2. private sector – housing communities and the single family homes (17.2%)
3. municipal sector (16.0%)
4. offices and institutions (10.8%)
5. industrial sector and other (9.8%)

In 2024, respectively: 43.1%, 18.5%, 12.9%, 12.7%, 12.9%.

Electricity and heat generation

Electricity and heat generation at TAURON Group is carried out at the hard coal fired and biomass fired power plants, combined heat and power plants, hydro power plants, wind farms, photovoltaic farms and the gas engines.

The total installed electric capacity of the generation units as of the end of 2025 had come in at:

1. 5.5 GWe of electric capacity (5.3 GWe in 2024)
2. 2.3 GWt of thermal capacity (2.2 GWt in 2024)

TAURON Group had generated a total of 11.2 TWh of electricity in 2025 (10.6 TWh in 2024), which had been supplied on the domestic market, first and foremost to TAURON Group's Supply Segment's subsidiaries.

Sales of electricity distribution services

The electricity distribution services are provided by the TAURON Dystrybucja subsidiary that is operating in a regulated market alongside 5 other large electricity distribution companies as well as 183 other smaller entities. The business operations with respect to the electricity distribution are conducted under the conditions of a natural monopoly and are licensed by the President of the Energy Regulatory Office (ERO); the scope of the business operations conducted is limited to the distribution grids located within a strictly defined area (municipalities and / or towns in whole or in part).

1. Number of the final consumers of the electricity distribution service in 2025: approx. 6 048 000 (5 982 000 in 2024).
2. TAURON Dystrybucja subsidiary's area of the operations: approx. 57 000 km², primarily the provinces of Lower Silesia, Lesser Poland, Opole, Silesia and also Łódź, Subcarpathia and Świętokrzyskie.
3. Of the total volume of the distribution services delivered, 97.3% accounts for the sales to the tariff eligible consumers across the individual voltage levels: high voltage (group A), medium voltage (group B) and low voltage (groups C, G).
4. Total volume of the electricity delivered as part of the distribution service sales to the tariff eligible consumers connected to TAURON Dystrybucja's grid had come in at 52.1 TWh in 2025 (51.7 TWh in 2024).

During the reporting period, there had been no changes with respect to the significant markets or the customer groups served.

TAURON Group, within the meaning of the provisions of ESRS 2 SBM-1 §40 (d), is conducting operations with respect to the processing of the fossil fuels, including the hard coal and gas, for the purpose of electricity and heat generation, as well as gas trading for the mass and industrial customers.

As part of the Group's business operations, the electricity generated by the generating units is the subject of the further commercial transactions as part of the wholesale market as well as between the Group's entities. As part of this process, the volumes of electricity coming from the various generation sources are aggregated with the electricity purchased on the market and then adjusted to the demand of the sales portfolios and the final consumers. As a consequence, the revenue from the sales of electricity and heat are recognized (booked) as part of the broader reporting

categories and they are not allocated to the specific generation technologies or fuel types at the level of detail required by the ESRS.

Neither the Company nor TAURON Group, within the meaning of ESRS 2 SBM-1 §40 (d), is generating revenue from the activities conducted in the following areas:

1. exploration, extraction and processing of the fossil fuels – including mining, production, storage, refining and distribution – in accordance with the definition provided in Article 2, section 62 of Regulation (EU) 2018 / 1999 (17) of the European Parliament and of the Council,
2. production of chemicals – covered by Division 20.2 of Annex I to Regulation (EC) No 1893 / 2006,
3. production and sales of the controversial types of weapons, including the anti – personnel mines, cluster munitions, chemical and biological weapons,
4. cultivation and production of tobacco.

Breakdown of total revenue by significant segments

Table no. 94. Breakdown of total revenues by the Segments of operations

Sales revenue (PLN m)	2025	2024
Distribution Segment	12 360	11 906
Renewable Energy Sources Segment	939	987
Heat Segment	2 328	2 302
Supply and Wholesale Trading Segment	26 193	29 311
Generation Segment	8 070	8 215
Other Operations	1 496	1 450

Employees

Number of employees	2025	2024
Total number of the employees of TAURON Group	19 267	18 800

The detailed information on the employees is provided in *Section 13.16 of this Report, Own employee resources – S1-6 Characteristics of the Group's employees.*

The vast majority of the employees are working in Poland (in the southern regions), while the number of the employees in the Czech Republic stands at 13.

13.6. TAURON Group's Business Model (SBM-1)

> **TAURON Group is conducting its business operations in the Utilities and Power Engineering Sector (UPE) and in the Mining, Quarry & Coal (MQC) sector, understood as limestone extraction for the energy sector purposes.**

Business Model defines the division of roles and responsibilities of the separate business units, the so-called Business Units (BUs) of TAURON Group.

Business Model outlines, first and foremost:

1. TAURON Group's value chain (value creation model) and margin creation model,
2. key businesses and capitals used to create value,
3. assignment of TAURON Group's subsidiaries to the individual BUs,

4. resilience of the Business Model of the individual BUs to the risks related to climate change,
5. division of the competences of the BUs, opportunities and risks as well as the key success factors.

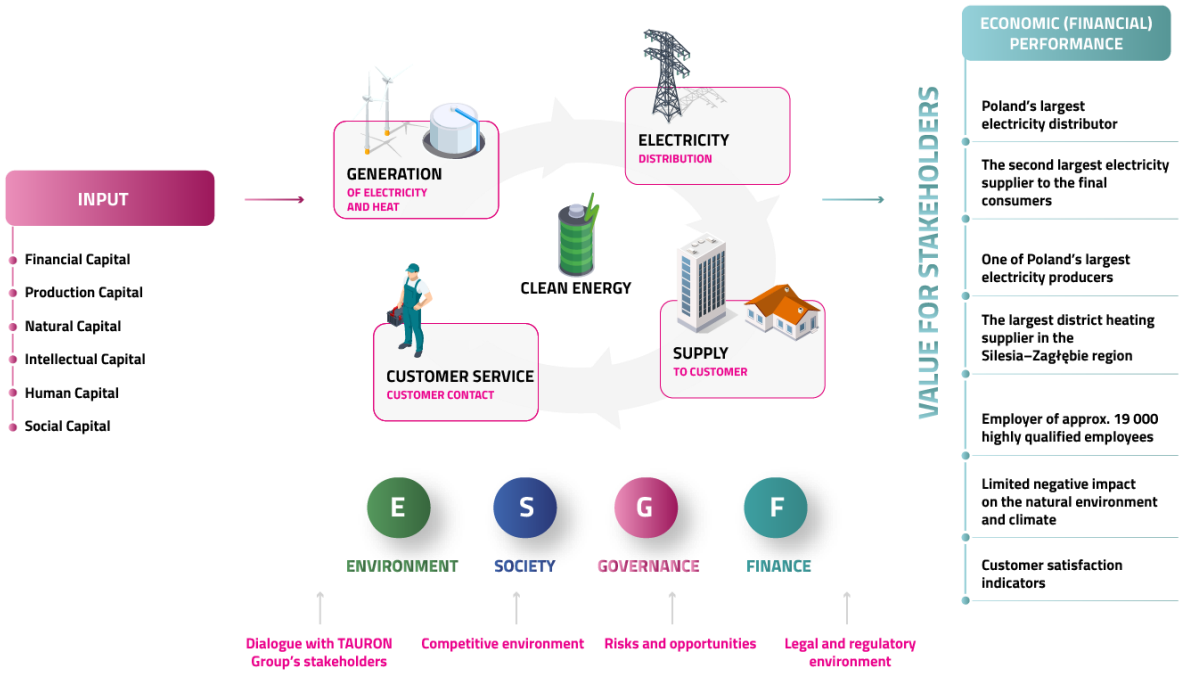
The Business Model has been designed so that TAURON Group's capitals, including its key intangible resources (i.e. human, social and intellectual capital), could be used in a responsible and optimal manner, while minimizing the negative impact on the environment and climate and taking into account the interests and the opinions of the Group's stakeholders:

1. Human capital – nearly 19 000 highly qualified employees working in an environment that fosters mutual communication, development and respect for the human rights,
2. Social capital – relationships with the local communities, cooperation with the local government bodies and the implementation of the projects benefiting the local community, such as charitable and educational activities, collaboration with the academic centers, employee volunteering and support for the sporting and cultural events,
3. Intellectual capital – employee knowledge and all of their competencies (skills), technologies, methods and processes that enable the Group's operations, the company's brand and reputation, the network of collaborators and stakeholder relations, with a particular emphasis on the relationships with the suppliers and customers.

The above mentioned intangible resources of TAURON Group, as well as the adopted methods and standards of conduct, information exchange channels and a broadly understood organizational culture focused on the customers and value creation, constitute TAURON Group's competitive advantage.

The key element of value growth is building, maintaining and strengthening of the long lasting relationships with the customers and offering products and services in line with the market needs. The Business Model is also focused on building the value of the Group as a whole, integrating the processes implemented at the Group's subsidiaries and around the value chain, which allows for an increase in the efficiency of the organization by achieving synergy and gaining the economies of scale. TAURON Group's value creation model is presented in the figure below.

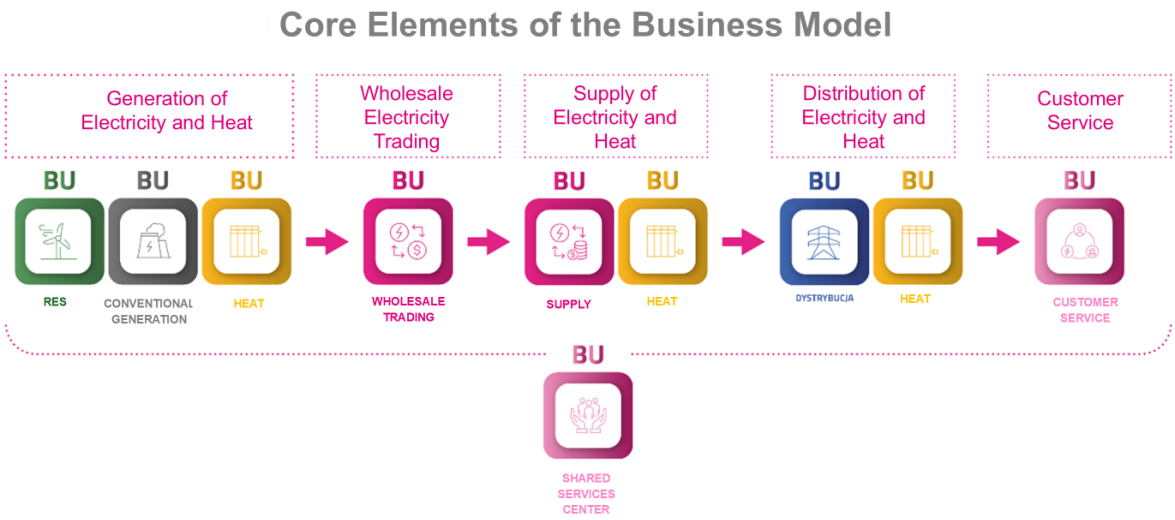
Figure no. 51. TAURON Group's value creation model



The Business Model defines the resilience of the individual BUs against climate change and the transition risks, while the resilience scales in the short, medium and long term have also been specified

The simplified Business Model is presented in the figure below.

Figure no. 52. TAURON Group's Business Model



TAURON Group's business operations are based on the nine BUs defined in accordance with the links in the value chain of electricity and heat production: Wholesale Trading, Conventional Generation, Renewable Energy Sources (RES), Heat, Distribution, Supply, New Services and Customer Service, as well as Shared Services Centers (CUW).

BU Wholesale Trading

The subsidiaries included in the BU Wholesale Trading: TAURON Polska Energia and Polska Energia – Pierwsza Kompania Handlowa. The BU Wholesale Trading is responsible for the conducting of the trading operations and optimizing of the trade margins throughout the entire value creation chain from electricity and heat production, up to the supply to the final consumers.

BU Conventional Generation

The subsidiaries included in the BU Conventional Generation: TAURON Wytwarzanie, TAURON Serwis, Bioeko Grupa TAURON, Łagisza Grupa TAURON.
Within the BU Conventional Generation, electricity and heat production takes place at the hard coal fired power plants and with the use of biomass, planning of trading with respect to electricity production and sales, as well as the performance of the capacity obligations and the system services. The BU also carries out the supply of the biomass as well as the collection and management (utilization) of the combustion products, carried out by the Bioeko Grupa TAURON subsidiary.

BU RES

The subsidiaries included in the BU RES: TAURON Zielona Energia, TAURON Ekoenergia, TAURON Ekoserwis, TAURON H2, TAURON Elektrownia Szczytowo - Pompowa (Pumped Storage Power Plant) as well as the special purpose vehicles (SPVs). The BU RES produces electricity from the renewable energy sources (hydro, wind and photovoltaic power plants) excluding the biomass combustion. The BU RES is responsible for the development of the new renewable energy sources and the construction of the green hydrogen production installations, acquisition of the RES installation projects. The TAURON Ekoserwis subsidiary is responsible for providing of the support services and maintaining of the proper technical condition of the assets held. The BU RES is also responsible for the construction and operation of the energy storage facilities.

BU Heat

The subsidiaries included in the BU Heat: TAURON Ciepło, TAURON Inwestycje, Spółka Ciepłowniczo - Energetyczna Jaworzno III, TAMEH Holding, Przedsiębiorstwo Energetyki Cieplnej in Tychy as well as Elektrociepłownia (Combined Heat and Power Plant) Stalowa Wola. The BU Heat carries out the production, distribution and the supply of heat, as well as the production of electricity in cogeneration with the production of heat based on the hard coal, biomass, gas and the heating oil. The BU Heat is responsible for maintaining of the production capabilities and the district heating networks in an adequate technical condition, implementing of the overhaul plans and the maintenance of the installations.

BU Distribution

The subsidiaries included in the BU Distribution: TAURON Dystrybucja, TAURON Dystrybucja Pomiary and Usługi Grupa TAURON. The BU Distribution is responsible for the distribution of electricity to the entities connected to the distribution grid of the Distribution System Operator (DSO) which is a part of TAURON Group, the conducting of the grid traffic in the power distribution system. The BU Distribution ensures the current and long term security of the operation of this system through the operation, overhauls and the expansion of the distribution grid, including the connections with the other power systems as well as by ensuring the high quality of the services provided to the customers, including the application of the established rules, standards and requirements. The tasks of the BU also include the technical support services for the electricity metering systems as well as the development of the smart metering systems (AMI).

BU Supply

The subsidiaries included in the BU Supply: TAURON Sprzedaż, TAURON Sprzedaż GZE and TAURON Czech Energy. The main task of the BU Supply is the supply of electricity, including the electricity coming from the renewable energy sources and the electricity coming from the reduced carbon emission sources to the customers: private individuals, small and medium sized companies, large enterprises as well as the public sector. In addition, the BU is selling the other products and services offered by TAURON Group, and it is also developing an offering that is in line with the market trends and the customer expectations. The BU Supply is responsible for the development of the customer base through a competitive offering and the management of the sales plans that are carried out via its own sales channels or by TAURON Obsługa Klienta.

BU New Services

The subsidiaries included in the BU New Services are: TAURON Nowe Technologie, Kopalnia Wapienia Czatkowice, TAURON Obsługa Klienta (with respect to the activities related to the fiber optics). TAURON Nowe Technologie is responsible for the services with respect to the lighting systems, power engineering, electromobility and electricity generation from the alternative sources.

Kopalnia Wapienia Czatkowice is carrying out the mining and manufacturing of the limestone products from its own deposit. The subsidiary is selling sorbent to be used for the flue gas desulphurization to TAURON Wytwarzanie and TAURON Ciepło generating units, as well as to the generating units owned by the other energy groups, and the limestone products on the non-energy markets (aggregates, fertilizers).

BU Customer Service

The subsidiary included in the BU Customer Service is TAURON Obsługa Klienta. The BU Customer Service is responsible for the direct servicing of the external customers of the TAURON Dystrybucja, TAURON Sprzedaż and TAURON Sprzedaż GZE subsidiaries with respect to their settlements, invoicing, handling of the complaints, handling of the process of switching of the electricity supplier, office services in the interaction with the external customers. The BU Customer Service, along with the BU Supply, is responsible for developing TAURON Group's operating model with respect to the customer service and marketing (process standards, efficiency, organizational culture), including: the development and management of the customer service channels and tools, development and implementation of the marketing activities, as well as the market and customer research and analytics.

Shared Services Center (CUW)

The subsidiaries included in the Shared Services Center are: TAURON Obsługa Klienta, TAURON Ubezpieczenia and Finanse Grupa TAURON. The tasks of the Shared Services Center include: financial and accounting services (including, among other things, bookkeeping, banking and tax related activities, customer payment service as well as the debt collection), the provision of the ICT and IT services, administration, development and the maintenance of the IT assets. The Shared Services Center is also providing the office services for TAURON Group’s subsidiaries and the HR services (settlement of the employee wages and the non-pay benefits).

TAURON Group’s Business Model is a tool for implementing the *TAURON Group Strategy for 2025-2035* and defines where economic value is generated.

The *TAURON Group Strategy for 2025-2035* covering the time frame until 2035 provides for the capital expenditures in the amount of PLN 100 billion that will be financed with the use of own funds, credits, subsidies and the loans offered on the preferential terms, the off-balance sheet instruments, the capital (equity) partnerships

as well as the *project finance* mechanisms. TAURON Group is using a *cash pooling* model, according to which the parent entity, i.e. TAURON Polska Energia, is responsible for the provision of the financing.

As a result of TAURON Group's business operations and the capital expenditures incurred, the following current benefits can be identified (for 2025):

1. the largest distributor of electricity in the country in terms of volume: 52.05 TWh and the number of customers: 6 million,
2. the second largest retail supplier of electricity: 25.17 TWh with the largest number of the customers clocking in at 5.8 million,
3. the third largest producer of electricity in Poland, with the volume of gross electricity production 12.24 TWh,
4. the largest supplier of the district heating in the Silesia - Zagłębie region, with the number of the heat consumers standing at 840 000,
5. an employer for approx. 19 000 employees,
6. a steadfastly curbed negative impact on the natural environment and climate (the investments in the renewable energy sources and the decarbonization of the heat production),
7. the positive financial results of the Group, including EBITDA in the amount of PLN 7.5 billion.

The expected future benefits for the customers, investors and other stakeholders of TAURON Group resulting from the expenditures to be incurred include, first and foremost:

1. 100% RES share in the electricity production in 2040,
2. long term value for the shareholders and investors – a dividend payout after 2028 at the level of PLN 0.50 / share,
3. doubling of EBITDA by 2035,
4. maintaining of the Net Debt to EBITDA ratio at a safe level,
5. maintaining of the investment grade rating,
6. successive improvement of the customer satisfaction indicators,
7. development of the products related to the electrification of the society, services and industry,
8. 24/7 customer service and a reduction of the paper consumption,
9. a reduction of the CO_2 emissions and the achievement of the climate neutrality in 2040.

13.7. TAURON Group's value chain TAURON (SBM-1)

In 2025, the validity of TAURON Group's value chain mapped in 2024 had been confirmed. TAURON Group's value chain model has been developed based on an analysis of the internal information with respect to the largest suppliers, sub-suppliers, customers and products, as well as TAURON Group's operating procedures. As a consequence of this work, the value chain developed encompasses the Capital Group's in-house operations, as well as the relationships and the flows of the materials with the producers and suppliers, as well as with the customers. The central position in the value chain is occupied by TAURON Group and its operational, management and support processes taking place within the organization's structures, and its own work force resources constitute the foundation of this part of the value chain. These elements form the basis of the company's operating model.

In-house operations

The in-house operations are, first and foremost, related to the generation of electricity and heat, as well as the distribution and trading thereof. These processes are complemented by the new products and support (maintenance) services offered by TAURON Group, as well as the mining operations and the production of the aggregates and other limestone products. The in-house operations also include the management processes that take into account the organizational units that coordinate the individual areas and support processes

Upstream – producers and suppliers

In this part of the value chain, two tiers of the hierarchy of suppliers and producers have been identified:

1. Tier 1 – suppliers of the raw materials and finished products, as well as the service providers,

2. Tier 2 – producers of the primary raw materials.

Included in this part of the value chain is everything that takes place through other entities prior to the company's in-house operations, i.e. the sourcing of the primary raw materials for the production or of other materials, the supply of the finished products and the semi-finished products, as well as all of the services necessary for the operations that TAURON Group is using.

Downstream – customers and waste consumers (recipients)

At the lower level of the value chain (downstream), the focus is on the activities related to the delivery of the products and services to the final consumers. It singles out the most material customer groups, as well as the recipients (consumers) of the by-products and the generated waste related to, among other things, the energy infrastructure and the production processes, or the construction and demolition related waste coming from the investment projects and overhauls conducted.

The other key elements of the value chain

An equally important element for TAURON Group, intertwined at each level of its value chain, is the supply logistics process, both in terms of the cooperation with the producers and suppliers of the primary materials and the delivery of its own products and services to the customers. An efficient and extensive network for the distribution of electricity and heat to the residential and institutional customers constitutes a key factor contributing to the company’s growth and an improvement of the customer satisfaction. The employees identified in both the upstream as well as the downstream supply chains are also playing an important role.

The simplified value chain model is presented below.

TAURON Capital Group's value chain

UPSTREAM

PRODUCERS AND SUPPLIERS

Raw materials producers (TIER 2)

Producers of the primary raw materials that are used in the production process and which are the subject of trading.

Commodities and primary raw materials:

- Hard coal,
- Natural gas,
- Biomass,
- Methane from mineral (fossil) extraction,
- Other primary fuels.

Suppliers of raw materials and finished products, and service providers (TIER 1)

Suppliers of the raw materials for the production process, the finished products that are sold under a private label, energy commodities and the service providers.

1. Electricity and heat.
2. Energy commodities:
   - Hard coal,
   - Natural gas and,
   - Heating oil,
   - Biomass.

The other raw materials (commodities) and materials:

3. Steel, prefabricated products, chemicals and other materials, equipment, machinery and contracting (workmanship) services.
4. Services necessary for the operations of the company:
   - IT systems and telecommunications,
   - Financial, banking and insurance services.

WORKERS IN THE SUPPLY CHAIN

SUPPLY LOGISTICS

1. Electricity and heat transmission.
2. Logistics of the supply of the energy commodities to TAURON Group's power plants and production facilities.
3. Logistics of the supply of the steel, prefabricated products, chemicals and equipment.

IN-HOUSE OPERATIONS

INTRA COMPANY PROCESSES

All entities and subsidiaries where operational and support processes are conducted

Operational processes:

1. Production / generation of:
   - Electricity and heat from the fossil fuels and RES,
   - By-products of the hard coal combustion (CCBs) process, the gypsum from the flue gas desulfurization process.
2. Trading of electricity and heat, as well as fuels.
3. Distribution of electricity and heat and heat transmission:
   - Distribution / transmission of electricity and heat to the consumers,
   - Connecting of the customers to the grid,
   - Activities related to the metering,
   - Grid expansion, use and maintenance.
4. New products and support (maintenance) services:
   - Overhauls (repairs), operations and implementation of investment projects,
   - Maintenance and management services for the city lighting,
   - EV charging services,
   - Fleet management, janitorial services and office services.
5. Limestone mining and the production of the aggregates, sorbents and other limestone products.

Sales and customer service

Management processes:

1. Strategy,
2. Controlling,
3. Corporate communication,
4. Risk management,
5. Audit,
6. Asset management,
7. Research and innovations.

Support processes:

1. Purchasing,
2. Ensuring security,
3. Corporate management,
4. Implementation of the projects,
5. Financial management, raising financing,
6. Investor relations,
7. Tax management,
8. Insurance,
9. Human capital Management,
10. IT and OT support,
11. Accounting.

Supply of:

1. Electricity and heat (contracts, price lists, offering of products and the additional services).
2. New products and services.
3. Customer Service:
   - POK – Customer Service Desk,
   - Internet,
   - Telephone.

IN-HOUSE PERSONNEL RESOURCES

SUPPLY LOGISTICS

1. Electricity distribution grid and heat distribution network to the residential and the institutional customers,
2. Transportation of the non-energy products and waste.

DOWNSTREAM

CUSTOMERS AND WASTE CONSUMERS (RECIPIENTS

Customers (recipients, consumers)

Final consumers:

1. Individual consumers of electricity, heat and gas.
2. Institutional consumers of electricity and heat:
   - Small and medium size enterprises,
   - Large enterprises,
   - Energy intensive industry at the risk of a flight outside of EU
   - Public institutions
   - Other.

Transmission System Operator (TSO)

Electricity and heat suppliers:

1. Heat suppliers and cooperatives
2. Electricity suppliers.

Recipients (consumers) of the hard coal combustion by-products (CCBs), hard coal mining by-products (CMBs) and the gypsum from the flue gas desulfurization process

Recipients (consumers) of aggregates, sorbents and other limestone products

Waste as well as materials and equipment taken out of service

Waste recipients (consumers):

3. Recipients (consumers) of the waste associated with the energy infrastructure and the production processes (e.g., used cables, transformers, meters, waste from the water preparation and process wastewater treatment processes).
4. Recipients (consumers) of the waste from the investment projects and overhauls, including the construction and demolition related waste.
5. Recipients (consumers) of the waste generated (for example, municipal, office waste).

WORKERS IN THE SUPPLY CHAIN

13.8. Materiality assessment

(SBM-2) Interests and opinions of the stakeholders

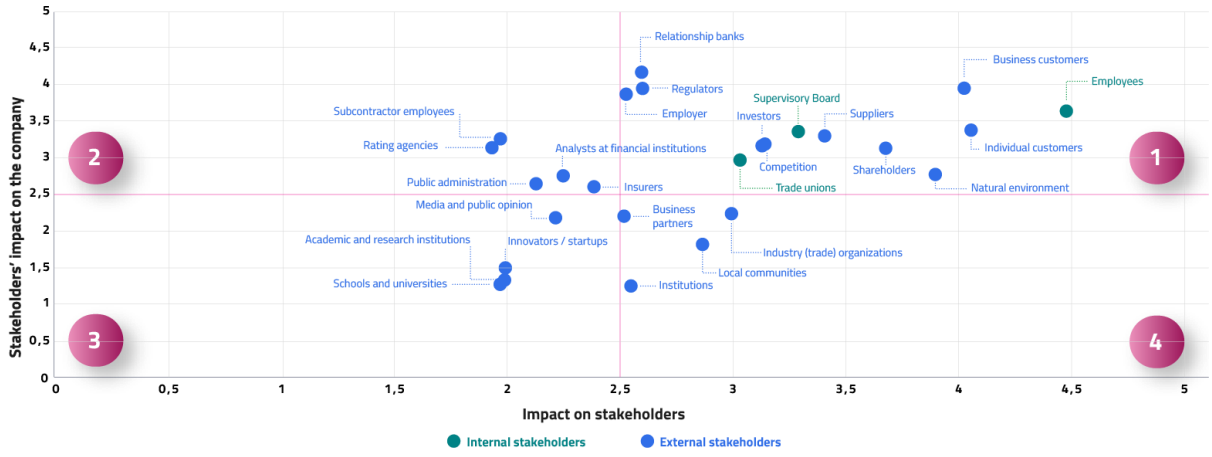
TAURON Group had conducted a comprehensive study to identify the key stakeholders in line with the requirements of the CSRD directive and the ESRS standards in 2024. The key managers at TAURON Group had confirmed in 2025 that the study had been still up to date.

The stakeholders had been identified based on the definition thereof provided in the ESRS standards, breaking them down into the two main groups:

1. stakeholders that TAURON Group impacts or can impact - positively or negatively - through its activities, as well as the direct and indirect business relationships across the entire value chain,
2. users of the sustainability report.

In accordance with the above mentioned definition, and based on the additional sources (last year's stakeholder analyses, surveys completed by the Management Board of TAURON and the opinions of the selected key managers and employees of TAURON Group, project sessions as well as the workshop style discussions), a mapping and prioritization of the stakeholders had been carried out, and a dialogue with such stakeholders was conducted as a further step.

Figure no. 53. TAURON Capital Group's stakeholder map



The matrix presented above is divided into the quadrants that reflect the characteristics of TAURON Group stakeholder relationships:

1. business critical stakeholders that TAURON Group has a material impact on,
2. stakeholders with a high impact on TAURON Group's financial results that TAURON Group has no impact on,
3. stakeholders of the least importance to TAURON Group – their activities have a low impact on TAURON Group's financial results, and TAURON Group has a negligible impact on them,
4. stakeholders that are vulnerable to TAURON Group's impact and who are of no business importance to TAURON Group.

The stakeholders from the first quadrant of the chart were included in the detailed stakeholder dialogue as part of the double materiality assessment, with the exclusion of the groups of stakeholders who are hard to reach or those who can be analyzed indirectly (for example, the regulators). The following activities had been conducted in 2024:

1. online workshops in a series of 4 sessions (with the trade unions, employee representatives, TAURON's Supervisory Board, representatives of the organizations representing the natural environment),
2. a survey for the customers, business customers, suppliers and other stakeholders, including, among other things, universities, schools, offices and banks, assessing the materiality of the topics and providing an opportunity to answer the open ended questions.

The goal of engaging the parties had been to get to know the needs and expectations towards TAURON Group in the area of the sustainable development. The results of the dialogue had been used to build a *long list* of impacts, risks, and opportunities (IROs), which had subsequently been assessed in the further steps as part of a double materiality assessment.

In 2024, TAURON's management and supervisory bodies had been actively involved in the process of a detailed stakeholder mapping and identification of the key issues for them, and in 2025 they verified and confirmed the validity of the findings. In 2024, the Management Board of the Company had been involved in the stakeholder mapping process, and the Supervisory Board had taken part in a dialogue session. In 2025, in order to confirm the validity of the selected IROs, an additional direct dialogue was conducted with the representatives of the Supervisory Board (July 2025) and of the Social Council (September 2025). This dialogue did not result in any changes to the IROs reported in 2024. The ESG Committee was also informed about the work related to the analysis of the stakeholders and the issues material for them.

The results of the double materiality assessment has been approved by TAURON's Management Board and the Supervisory Board has issued a positive opinion on the results of the double materiality assessment.

In addition, the Company's Management Board of the Company had been consulting with the work force representatives, represented by TAURON Group's Social Council, on the sustainability information material to the employees, and had provided their opinion to the Supervisory Board, which has become acquainted with such information. The final scope of the reporting (including the material topics) was based on the identified needs and expectations of the stakeholders.

The results of the dialogue with the stakeholders and the key impacts, risks and opportunities identified, subsequently, on this, among other things, basis had been included in *TAURON Group Strategy for 2025-2035* by incorporating the ESG priorities and objectives into the document. The actions taken for the public benefit and a transparent dialogue with the stakeholders are one of the main ESG objectives. The document defining TAURON Group's Business Model also identifies the stakeholders that are material for the Group and emphasizes the importance of a continuous dialogue and of taking their interests into account in the ongoing and planned business processes.

TAURON Group is pursuing a strategy of an open dialogue, focusing on the key stakeholders, whose group is subject to an annual verification. The dialogue with the stakeholders takes place with the use of a variety of methods and tools, tailored to the nature of the relationship, the purpose of the cooperation, and the type of the information obtained.

The dialogue with the stakeholders takes place not only as a part of the planned activities, such as workshops, consultations or opinion polls, but also in the course of the daily operations, for example, through contacts with the customers, suppliers, partners, employees, or the representatives of the public administration. A periodic and ongoing dialogue is an important source of knowledge about the needs and expectations of the stakeholders and can provide a material trigger for an update of *TAURON Group Strategy for 2025-2035* within the scope and deadlines set by the company's governing bodies.

Table no. 95. TAURON Group's relationships with the material stakeholders

Material stakeholders	Subject of interest to the stakeholders	Communication channels	Goals of cooperation with the stakeholders	How TAURON takes into account the results of collaboration with stakeholders
Employees	Working conditions and work safety, professional development, equal treatment, job satisfaction, communication.	Internal communication (newsletters and emails, face to face (in-person) and online meetings), the activities of the Social Dialogue Ombudsman and the Social Council, employee surveys, trainings, violation reporting (whistle blowing) system.	Efficient flow and exchange of information, partnership based dialogue with the work force, efficiency and commitment, a friendly organizational culture.	Implementing the objectives of TAURON Group's Human Capital Management Policy, taking into account the results of audits, internal controls and employee surveys; acting in line with the principles of the Ethics Compliance and Anti-Bullying (Anti-Mobbing) and Anti-Discrimination Policy, the Respect for the Human Rights Policy, the Diversity Policy, including the sustainability information material for the employees in the sustainability reporting, and other.
Business customers	Access to the information, business relations, pricing as well as transparent and competitive offering, quality of electricity supply.	Online, in person, by telephone, via the traditional mail. Regular (periodic) surveys of the customer opinions (feedback), experiences and expectations, complaints analysis. The activities of the Customer Ombudsman. Educational and informational materials.	Maintaining of the good business relationships, competitiveness and quality of the offering, building of the brand, developing of the loyalty programs, market share, reducing the number of the complaints.	Implementation of TAURON Group's PRO Customer Social Policy, customer experience management, development of the offering.

Individual customers	Access to the information, communication, customer service, pricing and transparent offering, quality of electricity supply.	Online, in person, by telephone, via the traditional mail. Regular (periodic) surveys of customer opinions (feedback), experiences and expectations, complaints analysis. The activities of the Customer Ombudsman. Educational and informational materials.	Seeking to achieve the highest standards of customer service, comprehensiveness and quality of the offering, building of the brand, developing of the loyalty programs, increasing of the market share, reducing the number of the complaints.	Implementation of TAURON Group's PRO Customer Social Policy, the Offering for the Disfavored (Disadvantaged) and Vulnerable Customer Groups, the implementation of the TAURON Without Barriers (TAURON Bez Barier) initiative, Customer Experience Management.
Shareholders	Financial results (earnings), share price, dividend, ratings, meeting the ESG criteria, implementation of the strategy interim reports and current reports (regulatory filings).	Conferences and chats for investors and analysts, General Meeting of Shareholders, publication of the current reports (regulatory filings) and the interim reports. Online channels and the social media.	Building of the brand, loyalty and trust among the shareholders.	Transparent, accurate and regular communication with the shareholders, publication of the information on TAURON Group that meets the requirements of the law and the expectations of the stakeholders complemented by the numerous additional activities.
Natural environment	Climate and environmental impacts, including the direct and supply chain related greenhouse gas emissions; the capacity of the new RES assets, share of the environmentally sustainable activities.	Ongoing cooperation with the financial institutions, scientific (research) institutions and the technology providers, environmental (ecological) organizations, local communities.	Fulfillment of the Group's commitments in the context of the requirements for the climate and environment protection, meeting the stakeholder expectations.	TAURON Group Strategy for 2025-2035 aimed at enabling the transition towards the RES sources, an inclusion of the environmental impact assessment in all planned investments, sustainable development (sustainability) reporting.
Suppliers	Payment terms and liquidity, margin, sales volume, reliability (credibility).	Ongoing cooperation (direct contacts, electronic and traditional mail correspondence), information materials, trainings, surveys.	Long term cooperation, reliability (credibility), stability, cost optimization, meeting the ESG criteria.	Managing the supply chain in accordance with the ESG criteria, including a cooperation based on the internal regulations, i.e. TAURON Group's Corporate Procurement Policy, Code of Conduct for the Counterparties, Procedure for Assessing (Vetting) the Credibility of the Counterparties.
Supervisory Board	Financial results (earnings), ratings, implementation of the strategy, meeting the ESG criteria, achieving TAURON Management Board's management objectives.	Meetings of the Supervisory Board and of the committees appointed by the Supervisory Board.	Credibility, a positive assessment of the implementation of the tasks, goals and the responsibilities set by the Supervisory Board.	Implementation of the tasks, goals and the responsibilities set by the Supervisory Board, transparent, accurate and regular communication.
Investors	Financial results (earnings), ratings, meeting the ESG criteria, implementation of the strategy, the interim and current reporting (regulatory filings).	Conferences and chats for investors and analysts, publication of the current reports (regulatory filings) and the interim reports. Development of the communication via the online channels and the social media.	Building the brand, loyalty and trust among the existing and the potential investors.	Transparent, reliable and regular communication with the existing and the potential investors, publication of the information on TAURON Group that complies with the legal requirements and meets the investors' expectations.
Competition	Comprehensiveness and quality of the offering, customer service standards, compliance with the legal requirements.	Dialogue conducted within the industry organizations, the ongoing cooperation with the industry partners in the implementation of TAURON Group's expansion (growth) projects.	Application of the principles of respect for the rules of fair competition indicated in the Code of Corporate Social Responsibility.	Efficient and effective cooperation within the industry organizations.
Trade unions	Working conditions, gender equality, equal pay, promotion opportunities.	Internal communication (newsletters and emails, face to face (in person) and online meetings), the activities of the Social Dialogue Ombudsman.	Efficient flow of information, a partnership based dialogue with the work force (social partners).	Developed rules of contacts and contact channels, ongoing consultations on the key issues for the work force.
Relationship banks	Banking services offering, credit (loan) terms and conditions, solvency, liquidity meeting the ESG criteria.	Ongoing cooperation (direct contacts, electronic correspondence, including surveys), publication of the current reports (regulatory filings) and the interim reports.	Obtaining of the financing on attractive terms, meeting the conditions in the loan agreements concluded.	Transparent communication, providing reliable feedback, compliance with the legal regulations and the ESG criteria, regular payments.
Regulators	Compliance with the law, competition and consumer protection, compliance with the labor rights, the GDPR regulations, the work health and safety (WHS), correct performance of the mandatory reporting obligations.	Publication of the reports, the current reports (regulatory filings) and the interim reports, official letters.	Acting in accordance with the law, providing the data, answering questions.	No fines, admonishments (warnings), recommendations, or ex officio prosecutions; intra corporate and pro-client regulations in line with the regulator requirements.
Lawmakers	Legal regulations, sectoral and industry regulations.	Analysis of the existing laws and statutes, cooperation with the ministries, official letters, public consultations.	Acting in accordance with the law, cooperation with the ministries providing the data, answering questions.	Acting in accordance with the legal regulations, transparent, reliable and regular communication.

The cooperation with the key stakeholders will be continued on an as needed basis or as required by the law – on a periodic as well as on an ongoing basis – depending on the expectations or the obligations of the parties. The list of the key stakeholders will be updated annually for the needs of the sustainability (sustainable development) reporting. In 2025, the Methodology for the conducting of a dialogue and stakeholder engagement at TAURON Group had been adopted, which had systematized the principles of cooperation (interaction) and defined the communication standards and tools. The information on the ongoing dialogue with the stakeholders is also presented at the meeting of the Management Board by the relevant directors in charge of the specific thematic areas of the ESRS. Building of the sustainable and partnership based relationships with the stakeholders is one of TAURON's priorities and it allows for the adequate shaping of *TAURON Group Strategy for 2025-2035* and an adaptation of its Business Model.

(IRO-1) Description of processes for identifying and assessing material impacts, material risks and material opportunities

This report is based on the results of the double materiality assessment updated in 2025 (based on the full assessment process from 2024). Based on the results of the assessment, a range of the relevant topics had been defined, which had formed the substantive basis for this report and set the framework for the disclosures presented.

The materiality assessment had been conducted in accordance with the requirements of the CSRD directive and the ESRS standards, as well as with the use of the internal regulations implemented in 2025, including:

1. Sustainability reporting process
2. DMA methodology at TAURON Group
3. Methodology for conducting a dialogue and stakeholder engagement at TAURON Group.

The foundation of the analysis had been the principle of double materiality, taking into account:

1. **a perspective of an impact's materiality**, i.e. what impact TAURON Group has on the society and the environment (stakeholders) as well as on the corporate governance in terms of these issues,
2. **a perspective of the financial materiality**, i.e. an impact of a given sustainability topic on the financial results of TAURON Group in the future.

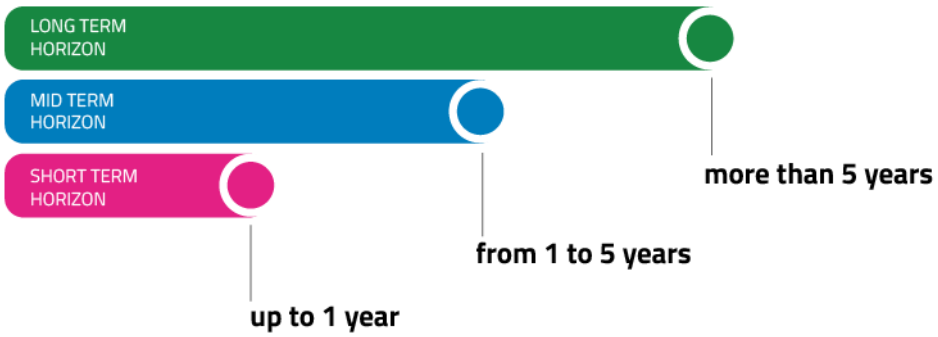
The DMA assessment had been updated between May and October 2025. The most important work had involved updating the long list of the IROs. Subsequently, the full list of impacts, risks, and opportunities was assessed as follows:

1. **impact assessment** – carried out in June 2025 by TAURON management staff. The team's interdisciplinary knowledge guaranteed the high quality and comprehensiveness of the assessment.
2. **risk and opportunity assessment** – carried out in September 2025 by the selected risk owners and experts at TAURON Group's subsidiaries. The involvement of these individuals allowed for a precise consideration of the operational specifics of the individual subsidiaries, thus guaranteeing the high reliability and accuracy of the assessment completed.

As part of the next stage, the results of the IRO assessment were subject to a consolidation at the Capital Group's level, which allowed for the selection of a list of the material topics. The adopted consolidation rule meant that a topic that was material for even a single subsidiary was also material for entire TAURON Group.

In October 2025, a meeting of the ESG Committee was held with the participation of the members of the Management Board of the Company, during which the results of the process of identifying and assessing of the materiality of the impacts, risks, and opportunities based on the principle of double materiality had been discussed. The results of the study were subsequently approved by the Management Board of the Company and then the Supervisory Board of the Company issued its opinion thereon.

The assessment was carried out in the short, medium and long term in accordance with the following intervals:



The scales as well as the materiality level were approved by the Risk Area and the Strategy, ESG and Regulations Area of TAURON Polska Energia.

The following sources of information were used as part of an update of the DMA assessment:

1. a long list of impacts, risks, and opportunities drawn up in 2024 as part of the DMA assessment,
2. an internal list of risks from TAURON Group's risk management system,
3. analysis of the source data (including the information on TAURON Business Model and *TAURON Group Strategy for 2025-2035*),
4. analysis of the sectoral segmentation of the business operations carried out by TAURON Group's subsidiaries,
5. mapping of the value chain (including TAURON Group's in-house operations as well as the suppliers of the products and services (upstream), and the customers (downstream),
6. a dialogue with a wide range of the stakeholders conducted in 2024 and supplemented in 2025 with an IRO verification involving the members of the Supervisory Board and of the Social Council,
7. benchmarking versus the leading companies operating in the fuel and energy sector.

For the purpose of the double materiality assessment, TAURON Group identified impacts, risks and opportunities based on the above mentioned sources of information and made an assessment thereof with respect to the materiality perspectives described below.

As part of the IRO identification and assessment process, the Strategy, ESG, and Regulatory Area exercised the leading organizational oversight role. The substantive control over the IRO determination was assigned to a group of experts composed of the representatives from the areas of environmental protection and circular economy (CE), human resources, compliance, procurement, work health and safety, customer service and risk management. The IRO assessment results and its relevance for TAURON Group's operations were approved by the Management Board of the Company and by Supervisory Board of the Company.

Financial materiality perspective

The financial materiality assessment was made from the perspective of:

1. **risk** contributing to a negative deviation from the expected annual EBITDA result,
2. **opportunity** contributing to a positive deviation from the expected annual EBITDA result.

The materiality of the risks and opportunities was assessed based on the product of multiplying the probability coefficient (scale 1 - 5) and the potential scale of the financial consequences (scale 1 - 5) determined on the basis of the adequate thresholds in relation to the identified impacts of the entity.

Probability assessment

A 5 - point scale was used to rate the probability of an impact on the financial result of TAURON Group, and percentage ranges of a risk occurrence were assigned for each of the 1 to 5 ratings of the scale. The individual ratings on the 1 to 5 scale were assigned coefficients corresponding to the probability ranges expressed as percentages. The probability ranges expressed as percentages were specified in detail. For the rating of 5, a scale from 90 to 99% was used due to the fact that 100% probability is impossible (in this case, the actual impact would occur). In turn, for the rating of 1, a scale from 1 to 9% was used.

Financial impact assessment

Similar as in the case of the probability assessment, a 5 - point scale was used to rate the scale (potential) magnitude of the financial impact. The descriptions and the amounts of the financial impacts and three additional scales of the amounts for the subsidiaries based on their share in the total revenue of TAURON Group were selected based on the risk management system in place.

Materiality threshold and the final financial materiality assessment – algorithm:

The calculation of the final financial materiality assessment (rating) was performed in accordance with the following formula:

*Final financial materiality assessment = probability assessment (coefficient) * scale (magnitude) of the financial impact*

In the case of the double materiality assessment methodology, a materiality threshold of 2.5 points on a 5 - point scale was adopted for the assessment of the financial materiality. Risks and opportunities that achieve this score were classified as material and qualified for reporting.

Table no. 96. Financial material assessment scale in the double materiality assessment of TAURON Capital Group

		Scale of financial impact				
		5	4	3	2	1
Probability	5 (1)	5	4	3	2	1
	4 (0.75)	3.75	3	2.25	1.5	0.75
	3 (0.5)	2.5	2	1.5	1	0.5
	2 (0.25)	1.25	1	0.75	0.5	0.25
	1 (0.05)	0.25	0.2	0.15	0.1	0.05

Impact Materiality Perspective

The materiality of the impact was assessed from the perspective of:

1. **a positive impact** contributing to the creation by TAURON Group of a measurable value for the natural environment, society and developing of the corporate governance. The positive impact was assessed in terms of scale and scope,
2. **a negative impact** resulting from TAURON Group's operating activities, contributing to damage or adverse changes in the environmental, social and corporate governance dimensions. The negative impact was assessed in terms of scale, scope and irreversibility of the effects.

In addition, the materiality of the impact was also considered based on the following categories:

1. **a potential impact**, meaning the effects that may occur in the future, assessed in terms of their likelihood of occurrence,
2. **an actual impact**, meaning the actual effects on the environment. The impact is not considered in terms of likelihood.

The materiality of the impact (depending on its perspective and category) was determined in terms of its scale, scope, irreversibility of effects and an assessment of probability.

Assessment of scale

It determined the extent of the impact of TAURON Group's activities on the environmental, social and economic environment (on a scale of 1 - 5).

Assessment of scope

It determined how wide is the range (scope, breadth) of the impact on the society and the environment, for example, in terms of the geographical area of the affected ecosystems or the size of the affected population (on a scale of 1 - 5).

Assessment of irreversibility of effects

It determined whether and to what extent (measured by time and / or financial outlays) the negative impact can be reversed (no assessment is made for a positive impact) (on a scale of 1 - 5).

Assessment of probability

It determined the probability of materiality in a manner similar to the methodology used in assessing financial materiality, which allows for a consistent harmonization of the results.

Materiality threshold and the final assessment of impact materiality – algorithm:

Final assessment of materiality of a potential impact = (scale + scope + irreversibility) ∗ probability

Final assessment of materiality of an actual impact = (scale + scope + irreversibility) ∗ 100%

In the double materiality methodology for assessing the materiality of impacts, a materiality threshold of 8 points on a 15 - point scale was adopted. The impacts that achieve this score were classified as material and qualified for reporting.

> **In the case where impacts that affect human rights have been identified, the severity of the impact gains an arithmetic advantage over the probability (in contrast to the other algorithms that are not weighted in this way).**

As part of the process of identifying, assessing and prioritizing the potential and the actual impacts of TAURON Group on the people and the environment, the focus was placed on all of the material activities, business relations and geographical areas that were indicated as part of the in-house operations, the value chain mapping and the analysis of the risks and opportunities specific to the Group's sector of operations. In addition, as part of this process, the consultations with the stakeholders had been taken into account, as described in section (SBM-2), and on this basis some of the IROs had been formulated, which were subsequently assessed.

> **A significant portion of the IROs were identified based on the list of own risks managed within the enterprise risk management system. In addition, the key employees responsible for risk management at TAURON Group were involved in determining the IROs, and the assessment of the IROs was conducted by the risk owners and the key managers.**

The methodology for assessing the risks and opportunities in the DMA analysis is consistent with the methodology for assessing risks in the enterprise risk management (ERM) system. In the case of both processes, the assessment is performed by the risk owners at the subsidiaries, and the severity of the financial impact is estimated (assessed) based on the impact on EBITDA, scaled by the company's share in the total revenue of TAURON Group.

In order to ensure the consistency of the IRO management with TAURON Group’s enterprise risk management system, the risk area and the risk owners at the subsidiaries actively participate in the process and are involved in the identification and assessment of the risks and opportunities, including the definition of the materiality thresholds. In 2025, the risk owners at the subsidiaries had reviewed the identified IROs with a view to incorporating them into the enterprise risk management system as part of a periodic review and identification of the risks for the years 2026-2035.

In 2025, as part of the update of the double materiality assessment, a comprehensive review of the full list of the impacts, risks and opportunities identified in 2024 had been completed. The following activities had been carried out as part of the work:

1. a consolidation of the thematically similar IROs in order to reduce the number thereof and increase the efficiency of the assessment process,
2. an analysis of the sustainability reports of the companies operating in the fuel and energy sector in order to identify the potential IROs that may not have been included in 2024, but the inclusion of which may be justified,
3. a verification and confirmation of the IROs reported by the members of the Supervisory Board and the representatives of the social partners (work force),
4. substantive consultations with the relevant areas (lines of business) within TAURON Group to confirm the relevance and accuracy of the individual IROs,

5. consultations with the risk area at TAURON Polska Energia regarding the identification of any possible new risks included in the ERM system, related to the ESG issues, the occurrence of which could justify extending of the DMA analysis.

The next materiality assessment review is planned for 2026.

(SBM-3) Material impacts, risks and opportunities

The double materiality assessment, updated in 2025, had been conducted in line with the issues included on the long IROs list with the topics and the sub-topics specified in ESRS 1 Appendix A AR.16. The study has identified 25 material topics, covering both, the areas where TAURON Group has a material impact on its environment (impact materiality) and areas that materially affect the Group's operations (financial materiality). The number of the material topics went up by one as compared to 2024, due to the additional inclusion of the topic *resource inflows, including resource use* (in ESRS E5).

The material impacts identified are directly related to TAURON Group Strategy for 2025-2035 in place and the Business Model, which are focused on the sustainability, energy transition and adapting of the products and services to the needs of the customers.

The *TAURON Group Strategy for 2025-2035* and the Business Model are based primarily on the analyses of the economic, technological, regulatory and social trends, which also provide a high level response to the individual IROs. Based on this, TAURON Group has concluded that the *TAURON Group Strategy for 2025-2035* and the Business Model are resilient against the material IROs related to the sustainable development within the time horizons specified by the ESRS. An in-depth analysis of the Strategy's and the Business Model's resilience to climate change has been conducted, as presented below.

In order to identify the degree of resilience of *TAURON Group Strategy for 2025-2035* and Business Model against climate change, an analysis of various scenarios had been conducted in 2024, covering three climate and transition scenarios: RCP-2.6, RCP-4.5 and RCP-8.5.

Resilience had been assessed for each Business Unit based on a five point scale:

1. completely resilient,
2. not completely resilient,
3. sufficiently resilient,
4. not sufficiently resilient,
5. not resilient.

The assessment had taken into account three time perspectives, two of which had been applied jointly: the short and the medium term, and the long term had been looked at separately. The analysis had taken into account the key climate risk factors, transition risks and the material opportunities resulting from the development of the renewable energy sources and the regulatory changes.

The results of the analysis allowed for determining the extent to which TAURON Group Strategy for 2025-2035 and its Business Model are capable of counteracting the material impacts and risks, as well as taking advantage of the opportunities related to the transition of the sector. The effects of the IROs and the response thereto are within the responsibility of the individual BUs and are a part of the business processes consistent with the business model and the process based management. The assessments of the BUs as a result of the completed analysis are presented in the table below.

Table no. 97. Resilience of the TAURON Group Strategy for 2025-2035 and the Business Model of TAURON Group's individual BUs

Business Unit (BU)	Description of resilience	Short and medium term perspective	Long term perspective
BU Wholesale Trading	Resilience can be improved by increasing the renewable energy sources portfolio, adopting a flexible approach to optimizing of the volumes and prices of the property rights, and taking into account the climate risks and opportunities in the planning of the trading activities. In the long term, the solution will be to gradually adapt the renewable energy offering to the market needs, with a plan to achieve 100% of the electricity from the RES by 2040.	Not completely resilient	Not completely resilient

Business Unit (BU)	Description of resilience	Short and medium term perspective	Long term perspective
BU Conventional Generation	Conventional generation is currently sufficiently resilient thanks to the closed cooling circuits, good water availability and cost optimization options. In the long term, resilience will be insufficient – investments in the high efficiency and low carbon sources, optimization of the media consumption and adaptation to the regulatory changes will be necessary.	Sufficiently resilient	Not sufficiently resilient
BU RES	In the short term and in the medium term, BU RES it is not fully resilient against climate change, due to the regulations, shortfalls of land, contractors and a lack of the social acceptance. In order to increase its resilience, it is necessary to develop the infrastructure of the transmission and the distribution grids, as well as to correlate an increase in the RES capacity with the demand for electricity and develop the energy storage facilities. In the long term, resilience will depend on the type of the technology used.	Not completely resilient	Wind power: Completely resilient Photovoltaics: Not completely resilient Reservoir type hydro power: Sufficiently resilient Run of river (ROR) hydro power: Not sufficiently resilient
BU Distribution	BU Distribution is sufficiently resilient, however actions are required for a greater adaptation. They include investments in the protection of the overhead lines against the extreme weather events and adapting of the grid to the growing number of the distributed, unregulated (intermittent) energy sources. In the long term, resilience will be achieved through the growth in demand for electricity, the development of the digitalization and the new services resulting from the change in the generation mix and the evolution of the consumer behavior.	Sufficiently resilient	Not sufficiently resilient
BU Supply	The BU Supply's business model is not completely resilient against climate change in the short term and in the medium term, however its resilience can be increased by expanding the renewable energy sources portfolio, flexible offerings and developing of the "Multi package" products (combining electricity with products and services). In the long term, the business model will be resilient against climate change thanks to the tailored renewable energy offering and an increase in the demand for electricity stemming from the electrification of the manufacturing industry and the digitalization.	Not completely resilient	Sufficiently resilient
BU Heat	Developing of the complete resilience requires investments in the zero- and low carbon energy sources, renewable energy sources, waste to heat solutions and the heat storage facilities. Climate change may reduce temperature extremes, which will allow for lowering of the parameters of the district heating network as well as for extending of the heating season. In the long term the adaptation will require taking into account the rising energy efficiency of the buildings, the development of the distributed energy and complying with the requirements related to the zero carbon fuels.	Not completely resilient	Not sufficiently resilient
BU Customer Service	Adapting of the customer service processes through their simplification, standardization and digitalization, as well as automation and implementation of the AI solutions are the key actions in striving for the resilience of this BU. In the long term, the resilience of the services offered as part of the Customer Service will be closely linked to the resilience of other units, such as BU Supply and BU Distribution.	Not completely resilient	Sufficiently resilient
BU New Services	The BU is resilient against climate change, and climate change is an opportunity, in particular thanks to its energy transition related products. In the long term, the BU will continue to be resilient against climate change, fully adapting to the new challenges.	Completely resilient	Not completely resilient
Shared Services Center (CUW)	The actions taken in this BU are based on the optimization and standardization of the processes and procedures, as well as the implementation of innovations, digitalization, automation, robotization and the AI solutions. In the long term, the resilience of the services performed within the Shared Services Center will be closely linked to the resilience of other units that this BU supports.	Not completely resilient	Sufficiently resilient

Impact Materiality

The table below presents a description of the material impacts identified in the 2025 materiality assessment update, along with an indication of their location and time frame. These impacts have been further classified according to their type (positive or negative) and assessment (actual or potential). With regard to the negative impacts, the possibility of repairing the damage was also assessed. The identified impacts remain consistent with *TAURON Group Strategy for 2025-2035*, which defines the Group's objectives and the activities in the social, environmental and corporate governance areas. In the table below, the medium term perspective outlined also covers the short term, while the long term perspective takes into account all of the three time frames (short, medium, and long).

Table no. 98. Description of the material impacts resulting from the conducted materiality assessment

Sub-topic	Smaller thematic units	Impact's place of origin	Description of impact	Type of impact	Assessment of impact	Time perspective
Climate change adaptation	–	– in-house operations	TAURON Group continues to use the conventional power generation sources to maintain the stability of the power system, which may contribute to the negative impact on the climate change.	NEGATIVE	Actual	– medium term
Climate change mitigation	–	– upstream	The use of the hard coal in the conventional power plants, whose extraction and production involve energy intensive processes that generate the greenhouse gas emissions, including methane and others.	NEGATIVE	Actual	– medium term
		– upstream	Purchases of the products for the grid overhauls, i.e. the transmission lines, transformers, containing materials such as copper and aluminum, generate the material greenhouse gas emissions at the manufacturers and suppliers (in the supply chain).	NEGATIVE	Actual	– long term
		– in-house operations – upstream	The purchase and distribution of the heat, especially from the sources based on the combustion of the fossil fuels such as hard coal, natural gas or oil, is a significant source of the carbon dioxide (CO_2) emissions, which contributes to the climate change.	NEGATIVE	Actual	– long term
		– in-house operations	Energy storage facilities support efficient demand and supply management, enabling the optimization of the electricity consumption during the peak hours, increasing of the share of the renewable energy sources in the power system and reducing of the CO_2 emissions.	POSITIVE	Actual	– long term
		– in-house operations	The implementation of the decarbonization measures, such as increasing of the share of the renewable energy sources, improving of the energy efficiency and changing of the fuel mix, leads to a real reduction in the greenhouse gas emissions, supporting the climate goals and reducing the environmental and economic costs associated with the emissions.	POSITIVE	Actual	– long term

Sub-topic	Smaller thematic units	Impact's place of origin	Description of impact	Type of impact	Assessment of impact	Time perspective
Energy	–	– downstream	Attractive offerings and promoting of the energy efficiency among the customers including, among other things, through the discounts on the energy efficient appliances and the smart technologies or education, reduce the energy consumption and the greenhouse gas emissions, for example through the offers such as: the cheap hours and the dynamic tariffs that allow a real time tracking and optimization of the electricity consumption, subsidies for the heating system replacement. for the purchase and installation of a heat pump.	POSITIVE	Actual	– long term
		– in-house operations	TAURON Group is an energy - intensive enterprise with a high demand for the non renewable energy sources.	NEGATIVE	Actual	– medium term
		– in-house operations	The implementation of the projects increasing energy efficiency (for example, modernization of lighting, modernization of the district heating network, optimization of the media consumption) and the implementation of the renewable energy sources, such as the PV installations or heat pumps, in order to diversify the energy mix.	POSITIVE	Actual	– long term
		– in-house operations – downstream	The implementation of the smart grids and meters optimizes energy transmission and reduces the grid losses, thereby increasing the efficiency and stability of the power system.	POSITIVE	Actual	– long term
		– in-house operations	Poor insulation and outdated infrastructure can cause significant energy losses during the distribution thereof.	NEGATIVE	Actual	– medium term
		– in-house operations – downstream	Modernizing of the municipal lighting with the LED technology reduces electricity consumption and the CO_2 emissions, while lowering the operating expenses for the municipalities and improving of the comfort and safety of the residents thanks to a better lighting quality.	POSITIVE	Actual	– long term
		– in-house operations – downstream	As part of its ESG related *TAURON Group Strategy for 2025-2035*, TAURON Group is making informed purchasing decisions and diversifying its energy sources, which translates into the price stability and increased availability of the clean electricity for the consumers. An example of this are the long term contracts for the electricity coming from the renewable energy sources (RES), which curtail the impact of the market fluctuations on the consumer prices.	POSITIVE	Actual	– long term
Air pollution	–	– upstream	Transporting of the fossil fuels using the fossil fuel powered means of transportation generates the greenhouse gas emissions and other air pollutants.	NEGATIVE	Actual	– medium term
		– in-house operations	Violations of the safety rules in the explosion prone hazard zones can lead to the fires, accidents and the uncontrolled emissions, posing a threat to the environment and the surrounding community.	NEGATIVE	Potential	– long term
		– in-house operations	Implementation of the investments in the renewable energy sources provides the support for the energy transition and significantly reduces the air pollution emissions.	POSITIVE	Actual	– long term

Sub-topic	Smaller thematic units	Impact's place of origin	Description of impact	Type of impact	Assessment of impact	Time perspective
Water	Water consumption Water intakes Water discharges	– in-house operations – downstream – upstream	Both, TAURON Group as well as its suppliers and customers in the value chain use the water resources for their day-to-day operations, which may result in the deterioration of the surface water quality as a result of the discharge of the post production water and the waste water.	NEGATIVE	Actual	– long term
	Water consumption	– in-house operations	Closed water circulation (for example, gray water, rain water, closing of the water circulation in the technological processes) can reduce the consumption of water at TAURON Group.	POSITIVE	Actual	– medium term
Impacts on the range and condition of ecosystems	Land degradation	– in-house operations	The manner in which TAURON Group is developing land for the new investment projects may be a significant factor contributing to the degradation of the local ecosystems.	NEGATIVE	Potential	– long term
Impacts on and dependencies on ecosystem services	–	– in-house operations	A lack of the adequate and swift action on the part of TAURON Group to reduce the pollutant emissions may exacerbate the environmental problems in the local ecosystems, for example, in the Upper Silesia.	NEGATIVE	Potential	– medium term
		– upstream	The extraction of the energy resources (for example, the hard coal) leads to the land degradation, changes in the hydro geological conditions and the negative impacts on the extent and the condition of the ecosystems.	NEGATIVE	Actual	– medium term
		– upstream	Coal mine water, which may contain the chemical contaminants and heavy metals, can be discharged into the local waterways, which may potentially affect the quality of the water.	NEGATIVE	Potential	– long term
Resources input, including resource use	–	– in-house operations	As part of its core business operations, TAURON Group is using the non renewable fossil fuels.	NEGATIVE	Actual	– medium term
Resources discharged in connection with products and services	–	– in-house operations – upstream	By investing in the technologies that enable fly ash to be used as a fully fledged component in, for example, the production of concrete, TAURON Group is not only reducing the amount of the waste stored, but is also effectively replacing the primary raw materials, supporting the circular economy in a way that goes beyond its legal obligations.	POSITIVE	Actual	– long term
Waste	–	– in-house operations	By using the secondary raw materials, including fly ash as a substitute for the construction materials, TAURON Group is effectively reducing the consumption of the primary resources, going beyond its legal obligations related to the waste management. These activities support the development of a circular economy, reducing the demand for the natural resources and curbing the landfilling.	POSITIVE	Actual	– medium term

Sub-topic	Smaller thematic units	Impact's place of origin	Description of impact	Type of impact	Assessment of impact	Time perspective
Working conditions	Job security	– in-house operations	Stable employment (mainly based on a labor contract) and compensation, a benefits package (medical care, insurance, social benefits), training opportunities and additional support programs for the work force.	POSITIVE	Actual	– long term
	Work - life balance	– in-house operations	The possibility of the remote work and the flexible forms of employment for the selected professional groups.	POSITIVE	Actual	– long term
	Adequate wages Working time Work - life balance	– in-house operations	Employee dissatisfaction resulting from, among other things: an unsatisfactory level of compensation, a reduction of the level of the social benefits, a reduction or elimination of the Employee Pension Program, a lack of the opportunities for improving of the skills, a lack of opportunities for the professional development, overtime and working under the time pressure, working in an unfavorable work environment.	NEGATIVE	Potential	– long term
	Job security	– in-house operations	Organizational changes, including the shutdowns of the selected business units and the transition to the renewable energy sources (RES), lead to the job cuts and may cause concerns among the employees about the job security (employment stability).	NEGATIVE	Actual	– long term
	Work - life balance	– in-house operations	Pressure to increase a workload without the adequate conditions (in terms of time, staffing, compensation in the form of an additional overtime pay) can negatively affect the work - life balance of the work force and thus reduce their well being.	NEGATIVE	Actual	– long term
	Social dialogue Freedom of association, the existence of works councils, and employees' rights to information, consultation, and participation Collective bargaining	– in-house operations	Effective (efficient) cooperation with the social council can ensure better representation and protection of the interests of all of the employees, regardless of their union membership.	POSITIVE	Actual	– long term
	Job security	– in-house operations	TAURON Group is taking specific measures to support the employees affected by the energy transition, including the retraining programs, career counseling and the psychological support, which improves the company's image and builds the long lasting relationships with the stakeholders.	POSITIVE	Actual	– medium term

Sub-topic	Smaller thematic units	Impact's place of origin	Description of impact	Type of impact	Assessment of impact	Time perspective
Equal treatment and equal opportunities for all	Gender equality and equal pay for work of equal value Training and skills development Measures to prevent violence and harassment in the workplace Diversity	– in-house operations	Violation of the principles of equal treatment in employment – a discrimination against the employees, a failure to comply with the equality policy, a failure to provide the employees with the opportunities for the professional development, a failure to ensure freedom of association for the employees.	NEGATIVE	Potential	– long term
	Employment and integration of people with disabilities	– in-house operations	A failure to take into account the persons with the disabilities in the employment diversity policies leads to their marginalization in the labor market and perpetuates the social inequalities.	NEGATIVE	Actual	– long term
Other rights related to work	Privacy	– in-house operations	Insufficient or inadequate technical measures in order to protect the employees' personal data may lead to an unauthorized access to the confidential information.	NEGATIVE	Potential	– long term
Working conditions	Job security Working time Adequate wages	– in-house operations	A failure to comply with the counterparty (contractor) verification (vetting) standards creates a business risk of cooperating with the external entities whose business practices may, directly or indirectly, violate the generally applicable labor laws (including the use of the child labor and / or forced labor).	NEGATIVE	Potential	– long term
	Work health and safety	– upstream	The accidents in the coal mining related to the landslides, methane explosions and machine failures can disrupt the business continuity and negatively impact the health and the lives of the workers in the value chain at the hard coal suppliers.	NEGATIVE	Potential	– medium term
	Job security Working time Adequate wages	– upstream	TAURON Group sets out the requirements in, for example, the Code of Conduct for the Company Counterparties (Contractors) in areas such as ensuring of the adequate working conditions for the people working in the value chain. In addition, the contractual provisions are introduced regarding the possibility of the verification (vetting) activities (audits) at the suppliers.	POSITIVE	Actual	– long term
	Work health and safety	– upstream	The mining industry is an industry with a significant exposure to the risk of the accidents and the occupational diseases. In addition, a non compliance with the regulations can lead to the accidents.	NEGATIVE	Actual	– medium term

Sub-topic	Smaller thematic units	Impact's place of origin	Description of impact	Type of impact	Assessment of impact	Time perspective
Equal treatment and equal opportunities for all	Gender equality and equal pay for work of equal value Training and skills development Measures to prevent violence and harassment in the workplace Diversity	– upstream	Violation of equal treatment in employment by the suppliers and the manufacturers in the company's supply chain - discrimination against the employees, a failure to comply with the equality policies, a failure to provide the employees with the opportunities for the professional development, a failure to ensure freedom of association for the employees.	NEGATIVE	Actual	– long term
Economic, social and cultural rights of the community	Impact on safety	– in-house operations	Emissions from the power plants pose a serious threat to the health of the nearby communities, contributing to the respiratory and the cardiovascular diseases as well as the neurological damage caused by an exposure to lead and mercury.	NEGATIVE	Potential	– medium term
	Impact on safety	– in-house operations – downstream – upstream	The lack of the measures aimed at restoring of the assets and the economic activity in the regions affected by the decommissioning of the power plant installations as part of the transition may lead to a permanent weakening of the local economy. The consequences may include a decline in the tax revenues for the local government units, job losses, rising unemployment and the deepening social and economic inequalities, which may generate the social tensions and the opposition to the further transition measures.	NEGATIVE	Potential	– medium term
	Water and sanitation Impact on land Impact on safety	– in-house operations – downstream – upstream	New investment projects carried out by TAURON Group may have a negative impact on the quality of life of the local communities. The potential sources of risk include noise, air and water pollution, increased traffic, landscape degradation, and a reduced access to the local resources.	NEGATIVE	Potential	– long term
	Impact on safety	– upstream	A failure by the counterparties (contractors) to comply with TAURON's social, environmental and ethical requirements, as well as a low representation of the local suppliers and contractors (the so-called *local content*), may lead to the human rights violations, a negative impact on the local communities and a weakened public acceptance of the investment projects. Such situations carry the risk of a reputational damage, contractual disputes and the disruptions to the implementation of the projects in the value chain.	NEGATIVE	Potential	– long term
	Impact on safety	– in-house operations	Insufficient engagement of TAURON Group in a dialogue with the local communities may result in the ineffectiveness of the consultations with the stakeholders and prevents their interests and needs from being taken into account.	NEGATIVE	Potential	– long term
	Impact on safety	– in-house operations	Threats to the safety of the local communities resulting from, for example, the potential failures, fires or damage of the grid. In addition, an unauthorized access to the energy infrastructure – both protected and unprotected – poses a risk of the serious threats to the health and lives of the bystanders, but also to the continuity of TAURON's infrastructure operations.	NEGATIVE	Potential	– long term

Sub-topic	Smaller thematic units	Impact's place of origin	Description of impact	Type of impact	Assessment of impact	Time perspective
	Impact on safety Adequate housing conditions	– in-house operations – downstream – upstream	Increases in the electricity prices that TAURON may have a direct or indirect impact on through its tariff, investment or contract policies, may worsen the economic situation of the local communities, in particular in the regions with a high level of energy poverty.	NEGATIVE	Potential	– long term
	Impact on safety	– in-house operations – downstream – upstream	By planning the investment projects in a given area, TAURON Group makes a contribution to the development of the region – new jobs, infrastructure development and an increase of the revenues for the local governments.	POSITIVE	Actual	– long term
	Impact on safety Adequate housing conditions	– in-house operations – downstream – upstream	TAURON Group is cooperating with the government organizations and the local communities, among other things, through the implementation of the social support programs, investments in the local infrastructure as well as the educational and environmental activities. Examples include the implementation of the projects that improve the quality of life of the residents, such as the modernization of the street lighting and the activities promoting clean air (for example, the educational campaign *"stop smog emitting, start breathing" ("weź nie smoguj, weź oddychaj")*, the commercial offering "*Warm up with TAURON" ("Ogrzej się z TAURON")* and the heat consumer guide).	POSITIVE	Actual	– long term
	Impact on safety Adequate housing conditions	– in-house operations	TAURON Group is conducting the highly emission intensive activities which directly affect the living conditions of the communities in terms of the air pollution and air quality. In addition, the organization's activities may be associated with noise and other impacts.	NEGATIVE	Actual	– medium term
	Impact on land Water and sanitation	– upstream	Mining activities can cause various types of damage, such as the land subsidence and damage to the buildings, roads and the infrastructure.	NEGATIVE	Actual	– medium term
Community civil and political rights	Freedom of speech Freedom of assembly Impact on human rights defenders	– in-house operations – downstream – upstream	Taking into account the voice of the local communities and respecting their freedom of expression in the business planning process promotes the achievement of the sustainable development goals and enables an early identification of the potential risks and the stakeholder expectations. TAURON Group has dedicated positions (for example, representatives in charge of the contacts with the local governments at TAURON Dystrybucja), whose main activity is a cooperation with the local communities.	POSITIVE	Actual	– long term
Impacts on consumers or end users	Access to information	– downstream	Providing customers with an access to a variety of the contact channels – direct, electronic, traditional and over telephone – enables the easy communication with TAURON Group, including submitting of the inquiries, complaints and claims, supporting transparency and responsiveness of the customer service.	POSITIVE	Actual	– long term
	Privacy	– in-house operations	Critical infrastructure companies are particularly vulnerable to the attacks on the customer databases, which requires a continuous improvement of the protection (security) systems. *Risk specific to the TAURON Group*	NEGATIVE	Potential	– long term

Sub-topic	Smaller thematic units	Impact's place of origin	Description of impact	Type of impact	Assessment of impact	Time perspective
Personal safety of consumers or end users	Personal safety (security) Work health and safety	– in-house operations	A lack of the technical measures ensuring the adequate protection of the customers' personal data – access to data by the unauthorized persons, privacy violations. *Risk specific to the TAURON Group*	NEGATIVE	Potential	– long term
	Protection of children	– downstream	Special protection for the children through the educational programs teaching the children how to behave in the vicinity of the energy infrastructure and how to safely use the electrical appliances.	POSITIVE	Actual	– long term
Social inclusion of consumers or end users	Access to products and services	– downstream	High energy bills for the low income customers curtail access to the basic goods such as electricity and heat.	NEGATIVE	Actual	– long term
	Non-discrimination	– downstream	Increases in the electricity prices may lead to the social exclusion and a lower standard of living for the individual customers.	NEGATIVE	Actual	– long term
Corporate culture	–	– in-house operations	A lack of the ability to develop a stable strategy within TAURON Group, stemming from the unstable, complex and contradictory legal regulations related to the energy sector.	NEGATIVE	Potential	– long term
	–	– in-house operations	The development and promotion of the corporate culture takes place through the educational and informational activities as well as the promotional campaigns.	POSITIVE	Actual	– long term
Whistleblower protection	–	– in-house operations	Insufficient protection of the whistleblowers may result in a decline in trust in the Company's internal systems, an escalation of the irregularities and a deterioration of the Company's organizational culture and reputation.	NEGATIVE	Potential	– long term
Corruption and bribery	–	– in-house operations – downstream – upstream	Abuse (fraud) / illegal actions taken by the employees or third parties associated with TAURON Group.	NEGATIVE	Actual	– long term
	–	– in-house operations – downstream – upstream	Corruption and abuse (fraud) in the procurement process, a failure to comply with the ethical standards by the potential counterparties (contractors) during the procurement (purchasing) procedures.	NEGATIVE	Potential	– long term

Financial materiality

The table below presents a description of the material risks and opportunities identified in the 2025 materiality assessment update, along with an indication of the time horizon and expected financial impact (taking into account the investment plans and the asset disposal plans). In the table below, the medium term perspective outlined also covers the short term, while the long term perspective takes into account all of the three time frames (short, medium, and long).

Table no. 99. Description of the material risks and opportunities resulting from the conducted materiality assessment

Sub-topic	Smaller thematic units	Risk / opportunity	Description of risk / opportunity	Time perspective	Expected financal impacts
ESRS E1 Climate change					
Climate change adaptation	–	Opportunity	Diversification of the activities, investments in the new technologies, development of the renewable energy sources and effective demand management can reduce the variable costs while strengthening the company's competitiveness and increasing the revenue from the new products and services.	– medium term – long term	High / very high impact on the organization's business operations
		Risk	Volatility of the hydrological conditions and the changing climatic factors (a lack of precipitation, periods of drought, floods, a prolonged snow and ice cover, hailstorms, radical increases and decreases in temperature, significant wind gusts, lightning strikes) may necessitate a shutdown or a curtailment of the operation of the conventional and renewable energy assets. This will result in a decrease in the revenue from the electricity production or the need to incur additional costs as a result of the climate change.	– long term	Very high impact on the organization's business operations
		Risk	Changes in the prices of the fuels, materials and services, as well as the impact of the high temperatures on the technical and economic production indicators, may increase the unit variable cost of energy production (JKZ), making it higher than the assumptions in the material and financial plan and causing an increase in the costs, deviations from the plan, and a decline of the production from the conventional sources due to their low competitiveness on the market.	– short term	High impact on the organization's business operations
		Risk	Changes in Poland's energy policy and / or delays at the national level in the investments in nuclear energy / offshore wind energy may result in a delay in the “phasing out” of the hard coal based energy and, as a consequence, a delay in TAURON Group achieving climate neutrality.	– long term	Very high impact on the organization's business operations
		Risk	The high costs of adapting infrastructure to climate change can be a significant burden for companies, especially if these changes occur faster and more intensively than expected.	– long term	High impact on the organization's business operations
Climate change mitigation	–	Risk	Support mechanisms for the renewable energy sources, energy storage facilities and the promotion of the energy efficiency limit access to the financing for the hard coal based sources and curb their profitability, while reducing the demand for TAURON Group's traditional products, which may result in a decline in the revenue from the hard coal based sector and the need to restructure the headcount.	– medium term	High impact on the organization's business operations
		Risk	Loss of the revenue from the heat sales due to the thermal modernization measures and a decline in the demand for the district heating, as well as an increase of the competition from the alternative heat sources.	– long term	Very high impact on the organization's business operations

		Risk	Changes to the national and European regulations that may lead to the additional costs of adapting TAURON Group's assets to the environmental and climate requirements	– long term	Very high impact on the organization's business operations
		Risk	The tightening of the financial policies towards the fossil fuel based assets will make it more difficult to obtain financing, worsening the condition of TAURON Group, lowering its rating, and increasing the risk of the higher financing costs and access to the capital, which may affect the financial results and reputation of TAURON Group.	– medium term	High impact on the organization's business operations
		Risk	In connection with the long term goals related to achieving climate neutrality, possible restructuring / reorganization / key changes in the business profile in certain lines of business operations will result in the additional costs related to the employment restructuring and / or the liquidation of some of the activities currently being carried out.	– long term	Very high impact on the organization's business operations
		Risk	Purchasing energy from the fossil fuels can worsen the carbon footprint of the products sold, leading to a loss of the competitiveness, consumers and the revenue.	– medium term	High impact on the organization's business operations
		Risk	The transition to a low carbon economy will reduce the demand for the limestone sorbents, which will result in a decrease in the revenue for Kopalnia Wapienia Czatkowice	– medium term	Very high impact on the organization's business operations
Energy	–	Risk	Loss of the profit from the renewable energy sources due to a lack of the biomass supplies that meet the sustainability criteria, an increase in its price, and / or low quality.	– medium term	High impact on the organization's business operations
		Risk	The economic crisis may lead to a reduction in the energy supply volumes, resulting in a decline in the revenue from the distribution.	– medium term	Very high impact on the organization's business operations
		Risk	An increase in the electricity prices on the wholesale market may lead to a failure to achieve the assumed sales price and margin, and a loss of the revenue from the sales of electricity to the end customers.	– medium term	Medium impact on the organization's business operations
		Risk	A decline in the energy consumption by the customers due to the climatic factors, environmental protection or economic fluctuations can lead to a loss of sales, higher customer acquisition costs and a weakened market position.	– medium term	High impact on the organization's business operations
		Risk	Volatility of the fuel prices on the domestic and foreign markets as well as the limited availability lead to an increase of the energy production costs and the potential difficulties in ensuring the stable supplies.	– short term – medium term	High / very high impact on the organization's business operations

ESRS E2 Pollution					
Air pollution	–	Risk	Elevated operating expenses resulting from the regulatory changes related to the air pollution (modernization costs, environmental fees) in the process of the sustainable economic transition.	– short term – medium term	High impact on the organization's business operations
ESRS E3 Water and marine resources					
Water	Water consumption Water intakes	Risk	Declining water supplies in a number of regions and a competition for the water resources among electricity generation, agriculture and the communities could lead to the situations where the power plants are unable to operate at full capacity or at all.	– long term	Very high impact on the organization's business operations
ESRS E5 Circular economy					
Resources discharged in connection with products and services	–	Opportunity	Combustion By-Products (CBPs) have beneficial applications, as they are used, for example, in the production of the fly ash concrete or the gypsum plasterboard, which creates the opportunities for an additional revenue.	– medium term	Very high impact on the organization's business operations
		Risk	Biomass deficit on the market brought about by the regulations getting stricter.	– medium term	Very high impact on the organization's business operations
		Risk	Lack of the ability to sell or a loss of the planned margin on the sales of the Coal Combustion By-Products (CCBs) and the Coal Mining By-Products (CMBs) as a full value construction product. The risk of a reduced operating revenue.	– medium term	Very high impact on the organization's business operations
Waste	–	Risk	Coal Combustion By-Products (CBPs) and the Coal Mining By-Products (CMBs) are not available and cannot be collected.	– long term	Very high impact on the organization's business operations
		Risk	Improper waste management may result in a breach of the environmental requirements and, as a consequence, the need to incur the additional costs related to the compliance with the formal and legal requirements, fines and penalties as well as the compensation for damages.	– medium term – long term	High / very high impact on the organization's business operations
ESRS S1 Own work force					
Working conditions	Work health and safety	Opportunity	High Work Health and Safety (WHS) standards reduce the risk of the accidents and downtime, improving safety and the operational stability.	– short term – long term	Medium / high impact on the organization's business operations
	Job security Working time	Opportunity	Taking care of the labor rights raises the profile of TAURON Group as a potential business partner.	– medium term	Medium impact on the organization's business operations

	Job security	Risk	The outflow of the specialized staff generates a decrease in the efficiency and the high costs of recruiting and training of the new and existing employees.	– medium term	High impact on the organization's business operations
	Adequate wages	Risk	An increase of the inflation rate and the overall wage dynamics in the economy translate into the rising wage expectations, which results in an increase of the operating expenses at TAURON Group’s subsidiaries and the risk of the collective disputes.	– long term	Very high impact on the organization's business operations
	Job security	Risk	Employment uncertainty (job insecurity) and the employee retirements may result in a loss of the key competencies (skills), leading to a competence (skill) gap and an increase of the costs associated with the recruiting and training of the new staff.	– medium term	High impact on the organization's business operations
	Adequate wages	Risk	Low wages as compared to the private sector, hard and dangerous work and a shift system reduce the company's attractiveness as an employer. As a result, the recruitment costs, for example, are going up.	– short term	High impact on the organization's business operations
Equal treatment and equal opportunities for all	Gender equality and equal pay for work of equal value Diversity	Opportunity	Fair treatment and equal opportunities foster the development of the engaged, diverse teams with the higher performance, which translates into the better operational results and the lower turnover (churn) costs.	– medium term – long term	Medium impact on the organization's business operations
	Training and skill development	Opportunity	An increase of the efficiency resulting from the development of the employee competencies promotes innovation, process optimization and the implementation of the new market solutions, which translates into an increase of the revenue and the strengthening of the company's competitive position.	– medium term	Very high impact on the organization's business operations
	Gender equality and equal pay for work of equal value Diversity	Risk	A failure to comply with the principles of equal treatment may lead to the protests, a loss of the key staff and an increase of the personnel costs as well as a risk of the legal sanctions.	– long term	Very high impact on the organization's business operations
	Training and skills development	Risk	Elevated operating expenses resulting from ensuring the development of the skills of own work force – he costs of training and the possible absenteeism from work.	– short term – medium term	High impact on the organization's business operations
Other rights related to work	Privacy	Risk	A leak of the employee personal data may result in: the administrative fines, damages under civil liability, criminal liability, possible termination of the contracts for the provision of the services and a loss of image. *Risk specific to the TAURON Group*	– long term	Very high impact on the organization's business operations

ESRS S2 Workers in the value chain					
Other rights related to work	Child labor Forced labor Adequate housing conditions Water and sanitation	Risk	A loss of the reputation of TAURON Group as a result of a failure to respect the human rights by the business partners leading to the financial losses.	– medium term	High impact on the organization's business operations
ESRS S3 Affected communities					
Economic, social and cultural rights of the community	Impact on safety	Opportunity	Proactive actions for the benefit of the local communities can improve the image of TAURON Group, strengthen the stakeholder relations and have a positive impact on the financial result through a greater customer loyalty, lower reputational risk and the higher operational efficiency.	– long term	Medium impact on the organization's business operations
	Impact on safety	Opportunity	Sponsoring and supporting of the local initiatives can have a positive impact on the financial results as a consequence of an increase of the brand recognition, which has a material impact on the brand value. Valuable brands engage more intensely with both, the businesses (willingness to make purchase and investments) as well as the employees (brand ambassadors).	– long term	High impact on the organization's business operations
	Impact on land Water and sanitation Impact on safety	Risk	Protests and the dissatisfaction of the local communities, as a result of the negative environmental impact, may lead to the interruptions in the extraction of the fuels and the key raw materials, thus leading to the difficulties in obtaining of the minerals and materials by the company and the interruptions in the energy production, resulting in the dissatisfaction and a loss of the customers and revenue.	– medium term	High impact on the organization's business operations
	Impact on safety	Risk	Poorly managed transition can reduce the financial performance due to a loss of trust, social protests from the local communities, employee turnover (churn) and a loss of the investors.	– long term	Very high impact on the organization's business operations
	Adequate housing conditions	Risk	A negative attitude towards investment project related voluntary resettlement may have a negative impact on the financial result due to the costs of the delays, social conflicts, reputational damage and the related legal risks as well as a loss of investor confidence.	– long term	High impact on the organization's business operations
Community civil and political rights	Freedom of expression (speech)	Opportunity	TAURON Group is taking steps to build a dialogue based on the respect for the freedom of expression (speech), including by appointing of the Social Dialogue Ombudsman as an institution providing the support for an open and constructive communication with the local communities.	– long term	Medium impact on the organization's business operations
	Freedom of expression (speech)	Risk	Insufficient or inadequate channels of the communication with the local communities, resulting in a lack of the respect for the freedom of expression (speech), can lead to escalating of the social tensions, the development of the negative media narratives and a long lasting deterioration of the organization's image. As a result, the company may suffer the financial losses as well as lose the trust of the key stakeholders, including its partners, customers and the local communities.	– long term	High impact on the organization's business operationsi

ESRS S4 Consumers and end users

Impacts on consumers or end users	Access to information	Opportunity	Climate education of the consumers and / or end users promotes a change in the consumption habits (patterns), providing the support for TAURON Group's activities aimed at mitigating the climate change.	– long term	High impact on the organization's business operations
Personal safety of consumers or end users	Personal safety (security)	Risk	A leak of the personal data of the consumers and / or end users may result in: the class action lawsuits, administrative fines, damages under civil liability, criminal liability, possible termination of the contracts for the provision of the services and a loss of image. *Risk specific to the TAURON Group*	– long term	High impact on the organization's business operations
Social inclusion of consumers or end users	Responsible Marketing Practices	Risk	Costs arising from the complaints and proceedings with respect to the marketing practices, penalties resulting from the misleading of the consumers and / or end users and a loss of their loyalty.	– medium term	Very high impact on the organization's business operations

ESRS G1 Business conduct

Corporate culture	–	Opportunity	High corporate culture translates into a cooperation, innovation and competitiveness on the market.	– long term	Medium impact on the organization's business operations
		Opportunity	The company can reduce the risk of errors in the stock exchange reports thanks to a multi stage verification and modern IT systems, avoiding the corrections, additional costs and a loss of credibility.	– long term	Medium impact on the organization's business operations
		Risk	A misinterpretation or a failure to comply with the regulations may result in the sanctions, the financial and reputational losses as well as an elevated risk of an inspection by the supervisory (oversight) authorities.	– long term	Very high impact on the organization's business operations
		Risk	A failure to provide the information about an important event for the investors or misleading them may result in an imposition of the administrative penalties as well as a loss of credibility and reputation.	– long term	Very high impact on the organization's business operations
		Risk	Regulatory changes in the EU and the country may increase the financing costs, curtail investments, force a change in the strategy as well as worsen the results and the customer relationships	– long term	Very high impact on the organization's business operations
		Risk	Incurring of the tangible and the intangible losses as a result of the materializing of the legal risk; a loss of the Company's image as well as the criminal and civil liability due to the errors in the contracts, incorrect (erroneous) or late adaptation of the organization's activities to the applicable regulatory requirements and the court proceedings.	– long term	Very high impact on the organization's business operations
Whistleblower protection	–	Opportunity	Cost savings resulting from having the systems and mechanisms in place that ensure the operational transparency and minimize the financial and the legal risk.	– long term	High impact on the organization's business operations

		Risk	A lack of or inadequate whistleblower protection may lead to a concealment of the problems, which in the long run may result in the serious legal and financial consequences.	– long term	High impact on the organization's business operations
Supplier relationship management, including payment practices	–	Risk	Risks related to the procurement process, i.e. overrunning of the planned budget, an increase of the costs, unplanned or ineffective procurement procedures, contractual penalties (liquidated damages) and a loss of trust of the contractors and the stakeholders.	– long term	High impact on the organization's business operations
Corruption and bribery	–	Opportunity	Effective (efficient) mechanisms preventing corruption (anti-corruption) ensure transparency in an organization's operations. As a consequence, they minimize the legal and financial risks, and build the organization's reputation.	– long term	Medium impact on the organization's business operations

Material Topics Matrix

The figure below shows the matrix of the material topics resulting from the double materiality assessment. This matrix was the starting point for developing of the list of disclosures and selecting the data points for the sustainability reporting.

Figure no. 53. Matrix of the topics that are material for TAURON Group

When developing *TAURON Group Strategy for 2025-2035* and setting its objectives, the Management Board of the Company took into account both the current as well as the forecast challenges related to the sustainability.

> **The *TAURON Group Strategy for 2025-2035* focuses on the transition of the Group towards a decarbonization of its assets, which will be directly minimizing the material risks and the negative impacts of its business operations on climate and environment. In addition, the material risks and impacts related to the social issues and corporate governance are managed at the operational level through the implementation of the assumptions of the individual intra-corporate policies.**

TAURON Group does not currently identify the IROs for which there is a significant risk of an adjustment to the carrying amounts of its assets and liabilities in the next annual reporting period.

Explanation of Changes in the IROs

TAURON Group presents a summary of the changes in the material impacts, risks and opportunities as compared to the previous reporting period, broken down by the ESRS topics.

In 2025, an update of the DMA was completed, covering all of the environmental, social and governance areas.

Environment and climate: In the area of climate change **(E1)**, numerous existing risks relating to the CO_2 costs, demand shifts, energy prices and weather conditions were consolidated and reorganized, by merging the recurring items and aligning their scope with the current data. In the area of pollution **(E2)**, the presentation of the topics related to the emissions was refined and a single coherent structure was introduced for the issues arising from the new regulatory requirements. In the area of water **(E3)**, the assessment of the impact of the hydrological constraints and water resource availability was updated. In the area of biodiversity and ecosystems **(E4)**, the impacts relating to the effect of mine water on the aquatic ecosystems, particularly in the *upstream* part of the value chain,

were refined and stripped out. In the area of circular economy **(E5)**, new topics relating to the availability of the biomass, waste and raw materials were incorporated and several items were grouped to eliminate duplication.

Social responsibility: In this area, changes were made in order to reflect the current data and market information. Under own workforce **(S1)**, the topics relating to the working conditions, wage pressure, competencies and work health and safety were updated, and some items were presented in a more coherent structure. In the area of workers in the value chain (**S2)**, the assessment of the issues related to the work health and safety as well as the contractor employment practices was reorganized. In the area of affected communities **(S3)**, the issues relating to local protests, the impact of the infrastructure investments and the effect of energy prices were refined, and some impacts and risks were consolidated in terms of presentation, grouping related issues to ensure narrative consistency and analytical clarity. In the area of consumers and end users **(S4)**, the topics relating to complaints, information irregularities and the issues related to service and data security were grouped.

Corporate governance: In the area of business conduct **(G1)**, the catalogue of the risks relating to regulatory compliance, legal liability, business practices and changes in the regulatory environment was reorganized, by merging the earlier items and updating the assessments based on the new information and the amended legal obligations. The topic of **Security Management System** was stripped out as an issue presented independently of the topical (thematic) standards, with an indication of the approach to managing this area.

The cybersecurity risk, identified as the risk of the ICT security breach, has been classified as a key risk and is managed at the level of TAURON Group. This risk is related to unauthorized access to the IT systems, inadequate access controls, the use of unauthorized external infrastructure for processing business data, intrusions into the company's IT system, internet attacks and malicious software causing the above mentioned effects.

As a result of this year's update of the double materiality assessment, conducted on the basis of new data, regulatory changes, operational information and a review of management practices, new IROs have also been identified, including, among other things, in the area of the employee competence development costs, the impact of the investments on the local communities, the availability of the raw materials and waste management, hydrological issues and the emission related topics arising from the current environmental requirements.

At the same time, some items presented in 2024 were incorporated into broader topics where the analysis revealed natural substantive connections or an overlap in scope, as well as where an update to the topical (thematic) classification required the information to be presented in a more integrated form. In other areas, consolidation, disaggregation or reclassification of the topic assignments was applied to reflect the current state of knowledge, align the narrative with the ESRS structure and ensure clear relationships between the individual matters. All of the changes are presented in accordance with the structure of the topical (thematic) standards, in a manner that maintains consistency and year on year comparability, as a natural result of the next materiality assessment cycle.

As compared to the previous reporting period, the number of the material topics went up by one, which was a consequence of the additional inclusion of the topic of ***resource inflows, including resource use (under ESRS E5)***. The inclusion of this area in the list of the material topics is a result of the refinement of the materiality assessment methodology and the acquisition of new information, which allowed for a more precise identification of the IROs in this regard.

It should be emphasized that the material IROs continue to be identified for all of the topical ESRS standards, meaning that the update did not affect the scope of the reported areas; only the structure and the refinement of the content changed, not the classification of the topical ESRS standards as material.

13.9. ESRS compliance table (IRO-2)

The table below presents a list of the disclosure requirements fulfilled in the drawing up of the sustainability report after the materiality assessment has been completed, along with the names of the sections in which the relevant disclosures are provided.

TAURON Group identified the material disclosures by verifying each ESRS requirement in terms of its connection to the material impacts, risks and opportunities, by applying the materiality thresholds based on the scale of impact and the severity of financial effects.

This approach ensures that the report focuses on the data of key relevance for assessing the sustainability performance of the Group, in accordance with the principles set out in section 13.2 of ESRS 1.

In 2025, transitional provisions were applied for the disclosures relating to E1-9, E2-6, E3-5, E4-6, E5-6, S1-13 and S1-14.

Table no. 100. ESRS standard compliance table

Number of the disclosure	Name of the disclosure	Section in the Report
ESRS 2 General disclosures		
BP-1	General basis for preparation of sustainability statements	13.1. Basics of preparing sustainability reporting (BP-1, BP-2)
BP-2	Disclosures in relation to specific circumstances	
GOV-1	The role of the administrative, management and supervisory bodies	9.11. Management Board and Supervisory Board of TAURON Polska Energia S.A. and the committees thereof 13.3. Sustainability management (subsection: (GOV-1, GOV-2)
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	13.3. Sustainability management (subsection: (GOV-1, GOV-2)
GOV-3	Integration of sustainability-related performance in incentive schemes	13.3. Sustainability management (subsection: (GOV-3)
GOV-4	Statement on due diligence	13.3. Sustainability management (subsection: (GOV-4)
GOV-5	Risk management and internal controls over sustainability reporting	13.4. Risk management and internal controls over sustainability reporting (GOV-5)
SBM-1	Strategy, business model and value chain	13.5. Sustainability in TAURON Group's business strategy (SBM-1) 13.6. TAURON Group's business model (SBM-1) 13.7. TAURON Group's value chain (SBM-1)
SBM-2	Interests and views of stakeholders	13.8. Materiality assessment (subsection: SBM-2)
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	13.8. Materiality assessment (subsection: SBM-3)
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	13.8. Materiality assessment (subsection: IRO-1)
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	13.9. ESRS compliance table (IRO-2)
ESRS E1 Climate change		
E1.GOV-3	Integration of sustainability related performance in incentive schemes	13.11. Climate change (subsection: E1.GOV-3)
E1-1	Transition plan for climate change mitigation	13.11. Climate change (subsection: E1-1)
E1.SBM-3	Material Impacts, Risks, and Opportunities and Their Interaction with Strategy and Business Model	13.11. Climate change (subsection: E1.SBM-3)
E1.IRO-1	Description of the Processes for Identifying and Assessing Climate Related Material Impacts, Risks, and Opportunities	13.11. Climate change (subsection: E1.IRO-1)
E1-2	Policies related to climate change mitigation and adaptation	13.11. Climate change (subsection: E1-2)
E1-3	Actions and resources in relation to climate change policies	13.11. Climate change (subsection: E1-3)

E1-4	Targets related to climate change mitigation and adaptation	13.11. Climate change (subsection: E1-4)
E1-5	Energy consumption and mix	13.11. Climate change (subsection: E1-5)
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	13.11. Climate change (subsection: E1-6)
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	13.11. Climate change (subsection: E1-7)
E1-8	Internal carbon pricing	13.11. Climate change (subsection: E1-8)
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	13.11. Climate change (subsection: E1-9) *Transitional provisions have been applied*
ESRS E2 Pollution		
E2.IRO-1	Description of the processes for identifying and assessing material Impacts, Risks and Opportunities related to pollution	13.12. Pollution (subsection: E2.IRO-1)
E2-1	Policies related to pollution	13.12. Pollution (subsection: E2-1)
E2-2	Actions and resources related to pollution	13.12. Pollution (subsection: E2-2)
E2-3	Targets related to pollution	13.12. Pollution (subsection: E2-3)
E2-4	Pollution of air, water and soil	13.12. Pollution (subsection: E2-4)
E2-5	Substances of concern and substances of very high concern	Immaterial
E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	13.12. Pollution (subsection: E2-6) *Transitional provisions have been applied*
ESRS E3 Water and marine resources		
E3.IRO-1	Description of processes for identifying and assessing material impacts, risks and opportunities related to water	13.13. Water (subsection: E3.IRO-1)
E3-1	Policies related to water and marine resources	13.13. Water (subsection: E3-1)
E3-2	Actions and resources related to water and marine resources	13.13. Water (subsection: E3-2)
E3-3	Targets related to water and marine resources	13.13. Water (subsection: E3-3)
E3-4	Water consumption	13.13. Water (subsection: E3-4)
E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	13.13. Water (subsection: E3-5) *Transitional provisions have been applied*
ESRS E4 Biodiversity and ecosystems		
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	13.14. Biodiversity and ecosystems (subsection: E4-1)
E4.SBM-3	Material Impacts, Risks and Opportunities and their interaction with the Strategy and the Business Model	13.14. Biodiversity and ecosystems (subsection: E4.SBM-3)
E4.IRO-1	Description of processes for identifying and assessing material Impacts, Risks, Dependencies and Opportunities related to biodiversity and ecosystems	13.14. Biodiversity and ecosystems (subsection: E4.IRO-1)
E4-2	Policies related to biodiversity and ecosystems	13.14. Biodiversity and ecosystems (subsection: E4-2)

E4-3	Actions and resources related to biodiversity and ecosystems	13.14. Biodiversity and ecosystems (subsection: E4-3)
E4-4	Targets related to biodiversity and ecosystems	13.14. Biodiversity and ecosystems (subsection: E4-4)
E4-5	Impact metrics related to biodiversity and ecosystems change	13.14. Biodiversity and ecosystems (subsection: E4-5)
E4-6	Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	13.14. Biodiversity and ecosystems (subsection: E4-6) *Transitional provisions have been applied*
ESRS E5 Resource use and circular economy		
E5.IRO-1	Description of processes for identifying and assessing material Impacts, Risks and Opportunities related to resource use and circular economy	13.15. Resource use and circular economy (subsection: E5.IRO-1)
E5-1	Policies related to resource use and circular economy	13.15. Resource use and circular economy (subsection: E5-1)
E5-2	Actions and resources related to resource use and circular economy	13.15. Resource use and circular economy (subsection: E5-2)
E5-3	Targets related to resource use and circular economy	13.15. Resource use and circular economy (subsection: E5-3)
E5-4	Resource inflows	13.15. Resource use and circular economy (subsection: E5-4)
E5-5	Resource outflows	13.15. Resource use and circular economy (subsection: E5-5)
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	13.15. Resource use and circular economy (subsection: E5-6) *Transitional provisions have been applied*
ESRS S1 Own workforce		
S1.SBM-2	Interests and views of stakeholders	13.16. Own workforce (subsection: S1.SBM-2)
S1.SBM-3	Material Impacts, Risks and Opportunities and Their Interaction with Strategy and Business Model	13.16. Own workforce (subsection: S1-SBM-3)
S1-1	Policies related to own workforce	13.16. Own workforce (subsection: S1-1)
S1-2	Processes for engaging with own workers and workers' representatives about impacts	13.16. Own workforce (subsection: S1-2)
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	13.16. Own workforce (subsection: S1-3)
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	13.16. Own workforce (subsection: S1-4)
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	13.16. Own workforce (subsection: S1-5)
S1-6	Characteristics of the undertaking's employees	13.16. Own workforce (subsection: S-6)
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	13.16. Own workforce (subsection: S1-7)
S1-8	Collective bargaining coverage and social dialogue	13.16. Own workforce (subsection: S1-8)
S1-9	Diversity metrics	13.16. Own workforce (subsection: S1-9)
S1-10	Adequate wages	13.16. Own workforce (subsection: S1-10)
S1-11	Social protection	13.16. Own workforce (subsection: S1-11)
S1-12	Persons with disabilities	13.16. Own workforce (subsection: S1-12)

S1-13	Training and skills development metrics	13.16. Own workforce (subsection: S1-13) *Transitional provisions have been applied*
S1-14	Health and safety metrics	13.16. Own workforce (subsection: S1-14) *Transitional provisions have been applied*
S1-15	Work-life balance metrics	13.16. Own workforce (subsection: S1-15)
S1-16	Compensation metrics (pay gap and total compensation)	13.16. Own workforce (subsection: S1-16)
S1-17	Incidents, complaints and severe human rights impacts	13.16. Own workforce (subsection: S1-17)
ESRS S2 Workers in the value chain		
S2.SBM-2	Interests and Views of Stakeholders	13.17. Workers in the value chain (subsection: S2.SBM-2)
S2.SBM-3	Material Impacts, Risks and Opportunities and their interaction with Strategy and Business Model	13.17. Workers in the value chain (subsection: S2.SBM-3)
S2-1	Policies related to value chain workers	13.17. Workers in the value chain (subsection: S2-1)
S2-2	Processes for engaging with value chain workers about impacts	13.17. Workers in the value chain (subsection: S2-2)
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	13.17. Workers in the value chain (subsection: S2-3)
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	13.17. Workers in the value chain (subsection: S2-4)
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	13.17. Workers in the value chain (subsection: S2-5)
ESRS S3 Affected communities		
S3.SBM-2	Interests and Views of Stakeholders	13.18. Affected communities (subsection: S3.SBM-2)
S3.SBM-3	Material impacts, risks and opportunities and their interaction with the Strategy and Business Model	13.18. Affected communities (subsection: S3.SBM-3)
S3-1	Policies related to affected communities	13.18. Affected communities (subsection: S3-1)
S3-2	Processes for engaging with affected communities about impacts	13.18. Affected communities (subsection: S3-2)
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	13.18. Affected communities (subsection: S3-3)
S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	13.18. Affected communities (subsection: S3-4)
S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	13.18. Affected communities (subsection: S3-5)
ESRS S4 Consumers and end users		
S4.SBM-2	Interests and views of stakeholders	13.19. Consumers and end users (subsection: S4.SBM-2)
S4.SBM-3	Material Impacts, Risks and Opportunities and their interaction with Strategy and Business Model	13.19. Consumers and end users (subsection: S4.SBM-3)

S4-1	Policies related to consumers and end users	13.19. Consumers and end users (subsection: S4-1)
S4-2	Processes for engaging with consumers and end users about impacts	13.19. Consumers and end users (subsection: S4-2)
S4-3	Processes to remediate negative impacts and channels for consumers and end users to raise concerns	13.19. Consumers and end users (subsection: S4-3)
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end users, and effectiveness of those actions	13.19. Consumers and end users (subsection: S4-4)
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	13.19. Consumers and end users (subsection: S4-5)
ESRS G1 Business conduct		
G1.GOV-1	Role of administrative, management and supervisory bodies	13.20. Business conduct (subsection: G1.GOV-1)
G1.IRO-1	Description of processes to identify and assess material impacts, risks and opportunities	13.20. Business conduct (subsection: G1.IRO-1)
G1-1	Business conduct policies and corporate culture	13.20. Business conduct (subsection: G1-1)
G1-2	Management of relationships with suppliers	13.20. Business conduct (subsection: G1-2)
G1-3	Prevention and detection of corruption and bribery	13.20. Business conduct (subsection: G1-3)
G1-4	Confirmed incidents of corruption or bribery	13.20. Business conduct (subsection: G1-4)
G1-5	Political influence and lobbying activities	Immaterial
G1-6	Payment practices	13.20. Business conduct (subsection: G1-6)

The table below presents a list of the data points included in the cross – cutting standards and thematic (topical) standards that stem from other EU regulations (based on Appendix B of ESRS 2).

Table no. 101. List of the data points included in the cross-cutting and thematic standards that stem from other EU regulations

Disclosure Requirement and related data point	Reference to the Sustainable Finance Disclosures Regulation	Reference to the third pillar	Reference to the Benchmarks Regulation	Reference to the European Climate Law	Section in the report
ESRS 2 GOV-1 Diversity of governance body members in terms of gender paragraph 21(d) ESRS 2 GOV-1 Percentage of independent members of governance bodies paragraph 21(e)	Indicator number 13 of Table #1 of Annex 1		Annex II to Commission Delegated Regulation (EU) 2020/1816		9.11. Management Board and Supervisory Board of TAURON Polska Energia S.A. and their committees
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				13.3. Sustainability management (sub-section: GOV-4)
ESRS 2 SBM-1 Involvement in activities related to fossil fuels paragraph 40(d) (i)	Indicators number 4 Table #1 of Annex 1	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453(6), Table 1: Qualitative information on environmental risk and Table 2: Qualitative information on social risk	Annex II to Delegated Regulation (EU) 2020/1816		13.5. Sustainability in the business strategy of TAURON Group (SBM-1)
ESRS 2 SBM-1 Involvement in activities related to the production of chemicals paragraph 40(d) (ii)	Indicator number 9 Table #2 of Annex 1		Annex II to Delegated Regulation (EU) 2020/1816		
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40(d) (iii)	Indicator number 14 Table #1 of Annex 1		Article 12(1) of Delegated Regulation (EU) 2020/1818(7), Annex II to Delegated Regulation (EU) 2020/1816		
ESRS 2 SBM-1 Involvement in activities related to the cultivation and production of tobacco paragraph 40(d)(iv)			Article 12(1) of Delegated Regulation (EU) 2020/1818, Annex II to Delegated Regulation (EU) 2020/1816		
ESRS E1-1 Transition plan for climate change mitigation paragraph 14				Article 2(1) of Regulation (EU) 2021/1119	13.11. Climate change (sub-section: E1-1)
ESRS E1-1 Entities excluded from the scope of Paris-aligned Benchmarks paragraph 16(g)		Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book – Climate change transition risk: credit quality of exposures by sector, emission and residual maturity	Article 12(1)(d)–(g) and Article 12(2) of Delegated Regulation (EU) 2020/1818		

ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Climate change transition risk: alignment metrics	Article 6 of Delegated Regulation (EU) 2020/1818		13.11. Climate change (sub-section: E1-4)
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only for high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				13.11 Climate change (sub-section: E1-5)
ESRS E1-5 Energy consumption and energy mix paragraph 37	Indicator number 5 Table #1 of Annex 1				
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40–43	Indicator number 6 Table #1 of Annex 1				
ESRS E1-6 Gross Scope 1, 2, 3 and total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book – Climate change transition risk: credit quality of exposures by sector, emission and residual maturity	Article 5(1), Article 6 and Article 8(1) of Delegated Regulation (EU) 2020/1818		13.11 Climate change (sub-section: E1-6)
ESRS E1-6 Gross GHG emission intensity paragraphs 53–55	Indicators number 3 Table #1 of Annex 1	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Climate change transition risk: alignment metrics	Article 8(1) of Delegated Regulation (EU) 2020/1818		
ESRS E1-7 GHG removals and carbon credits paragraph 56				Article 2(1) of Regulation (EU) 2021/1119	13.11. Climate change (sub-section: E1-7)
ESRS E1-9 Exposure of the reference portfolio to physical climate-related risks paragraph 66			Annex II to Delegated Regulation (EU) 2020/1818, Annex II to Delegated Regulation (EU) 2020/1816		13.11. Climate change (sub-section: E1-9)
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66(a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66(c)		Article 449a of Regulation (EU) No 575/2013; paragraphs 46 and 47 of Commission Implementing Regulation (EU) 2022/2453; Template 5: Banking book – Physical climate change risk: exposures subject to physical risks.			
ESRS E1-9 Breakdown of the carrying value of real estate assets by energy efficiency classes paragraph 67(c)		Article 449a of Regulation (EU) No 575/2013; paragraph 34 of Commission Implementing Regulation			

		(EU) 2022/2453; Template 2: Banking book – Climate change transition risk: loans collateralised by immovable property – energy efficiency of the collateral		
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Annex II to Delegated Regulation (EU) 2020/1818	
ESRS E2-4 Amount of each pollutant listed in Annex II to the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1			13.12. Pollution (sub-section: E2-4)
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1			13.13. Water (sub-section: E3-1)
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1			
ESRS E3-1 Sustainable oceans and seas practices paragraph 14	Indicator number 12 Table #2 of Annex 1			
ESRS E3-4 Total water recycled and reused paragraph 28(c)	Indicator number 6.2 Table #2 of Annex 1			13.13. Water (sub-section: E3-4)
ESRS E3-4 Total water consumption in m³ per net revenue from own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1			
ESRS 2 SBM 3-E4 paragraph 16(a)(i)	Indicator number 7 Table #1 of Annex 1			13.14. Biodiversity and ecosystems (sub-section: SBM-3)
ESRS 2 SBM 3-E4 paragraph 16(b)	Indicator number 10 Table #2 of Annex 1			
ESRS 2 SBM 3-E4 paragraph 16(c)	Indicator number 14 Table #2 of Annex 1			
ESRS E4-2 Sustainable land/agriculture practices or policies paragraph 24(b)	Indicator number 11 Table #2 of Annex 1			13.14. Biodiversity and ecosystems (sub-section: E4-2)
ESRS E4-2 Sustainable oceans/seas practices or policies paragraph 24(c)	Indicator number 12 Table #2 of Annex 1			
ESRS E4-2 Policies against deforestation paragraph 24(d)	Indicator number 15 Table #2 of Annex 1			

ESRS E5-5 Non-recycled waste paragraph 37(d)	Indicator number 13 Table #2 of Annex 1		13.15. Resource use and circular economy (sub-section: E5-5)
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1		
ESRS 2 SBM-3-S1 Risk of incidents of forced labour paragraph 14(f)	Indicator number 13 Table #3 of Annex I		13.16. Own workforce (sub-section: SBM-3)
ESRS 2 SBM-3-S1 Risk of incidents of child labour paragraph 14(g)	Indicator number 12 Table #3 of Annex I		
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I		13.16. Own workforce (sub-section: S1-1)
ESRS S1-1 Due diligence policies with regard to matters covered by the fundamental ILO Conventions 1 to 8, paragraph 21		Annex II to Delegated Regulation (EU) 2020/1816	
ESRS S1-1 Procedures and measures to prevent human trafficking paragraph 22	Indicator number 11 Table #3 of Annex I		
ESRS S1-1 Policy or management system to prevent work-related accidents paragraph 23	Indicator number 1 Table #3 of Annex I		
ESRS S1-3 Grievance mechanisms paragraph 32(c)	Indicator number 5 Table #3 of Annex I		13.16. Own workforce (sub-section: S1-3)
ESRS S1-14 Number of work-related fatalities and number and rate of work-related accidents paragraphs 88(b) and (c)	Indicator number 2 Table #3 of Annex I	Annex II to Delegated Regulation (EU) 2020/1816	13.16. Own workforce (sub-section: S1-14)
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88(e)	Indicator number 3 Table #3 of Annex I		
ESRS S1-16 Unadjusted gender pay gap paragraph 97(a)	Indicator number 12 Table #1 of Annex I	Annex II to Delegated Regulation (EU) 2020/1816	13.16. Own workforce (sub-section: S1-16)
ESRS S1-16 Excessive CEO pay ratio paragraph 97(b)	Indicator number 8 Table #3 of Annex I		

ESRS S1-17 Incidents of discrimination paragraph 103(a)	Indicator number 7 Table #3 of Annex I			13.16. Own workforce (sub-section: S1-17)
ESRS S1-17 Non-respect of UN Guiding Principles on Business and Human Rights and OECD Guidelines paragraph 104(a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Annex II to Delegated Regulation (EU) 2020/1816, Article 12(1) of Delegated Regulation (EU) 2020/1818	
ESRS 2 SBM-3-S2 Significant risk of child labor or forced labor in the value chain paragraph 11(b)	Indicators number 12 and n. 13 Table #3 of Annex I			13.17. Workers in the value chain (sub-section: SBM-3)
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1			13.17. Workers in the value chain (sub-section: S2-1)
ESRS S2-1 Policies related to workers in the value chain paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1			
ESRS S2-1 Non-respect of UN Guiding Principles on Business and Human Rights and OECD Guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Annex II to Delegated Regulation (EU) 2020/1816, Article 12(1) of Delegated Regulation (EU) 2020/1818	
ESRS S2-1 Due diligence policies with regard to matters covered by the fundamental ILO Conventions 1 to 8, paragraph 19			Annex II to Delegated Regulation (EU) 2020/1816	
ESRS S2-4 Human rights issues and incidents connected to the upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1			13.17. Workers in the value chain (sub-section: S2-4)
ESRS S3-1 Human rights policy commitments, paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1			13.18. Affected communities (sub-section: S3-1)
ESRS S3-1 Non-respect of UN Guiding Principles on Business and Human Rights, ILO Principles or OECD Guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Annex II to Delegated Regulation (EU) 2020/1816, Article 12(1) of Delegated Regulation (EU) 2020/1818	
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1			13.18. Affected communities (sub-section: S3-4)
ESRS S4-1 Policy addressing consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1			13.19. Consumers and end users (sub-section: S4-1)

ESRS S4-1 Non-respect of UN Guiding Principles on Business and Human Rights and OECD Guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1	Annex II to Delegated Regulation (EU) 2020/1816, Article 12(1) of Delegated Regulation (EU) 2020/1818	
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1		13.19. Consumers and end-users (sub-section: S4-4)
ESRS G1-1 UN Convention Against Corruption paragraph 10(b)	Indicator number 15 Table #3 of Annex 1		13.20. Business conduct (sub-section: G1-1)
ESRS G1-1 Whistleblower protection paragraph 10(d)	Indicator number 6 Table #3 of Annex 1		
ESRS G1-4 Fines for violations of anti-corruption and anti-bribery laws paragraph 24(a)	Indicator number 17 Table #3 of Annex 1	Annex II to Delegated Regulation (EU) 2020/1816	13.20. Business conduct (sub-section: G1-4)
ESRS G1-4 Anti-corruption and anti-bribery standards paragraph 24(b)	Indicator number 16 Table #3 of Annex 1		

ENVIRONMENT AND CLIMATE

13.10. EU Taxonomy Alignment

Due Diligence at TAURON Group and the Minimum Safeguards (MSRelated to the EU Taxonomy

> **An economic activity may be considered environmentally sustainable if it meets the criteria for environmentally sustainable economic activity, including, inter alia, when the organization's activities are conducted in accordance with the Minimum Safeguards referred to in Article 18 of Regulation of the European Parliament and of the Council (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment (hereinafter: the EU Taxonomy).**

Under the referenced provision of the EU Taxonomy, Minimum Safeguards are defined as procedures implemented and applied by an undertaking conducting an economic activity. Their purpose is to ensure compliance with the *OECD Guidelines for Multinational Enterprises (hereinafter: OECD Guidelines)* and the *UN Guiding Principles on Business and Human Rights*, including the principles and rights set out in the eight core conventions identified in the *International Labor Organization Declaration on Fundamental Principles and Rights at Work*, as well as the principles and rights set forth in the *International Bill of Human Rights*. In addition, undertakings should comply with the principle of *do no significant harm (hereinafter: DNSH principle)*, as referred to in Article 2(17) of Regulation (EU) 2019/2088. The EU Taxonomy does not specify any other detailed requirements regarding Minimum Safeguards.

The OECD Guidelines refer to eight key areas with respect to which the organization should make adequate disclosures, i.e.:
Human rights,
Employment and relations with workers,
Environment,
Combating bribery and other forms of corruption,
Consumer interests,
Science, technology, and innovation,
Competition,
Taxation.

TAURON Group implements due diligence principles in conducting its business activities, as reflected in *TAURON Group Due Diligence Policy* adopted in 2025. Its purpose is to formalize the principles of responsible business conduct for TAURON Group. The Policy is also a response to the requirements set out in the *Corporate Sustainability Due Diligence Directive (CSDDD)*. The Policy identifies the areas of activity in accordance with the OECD Guidelines, describing the most significant due diligence commitments.

In order to ensure a consistent approach to due diligence in operational activities, training on the practical implementation of due diligence principles in TAURON Group's day to day processes and decisions was conducted in key areas. In parallel, in 2025, the organizational units identified as responsible for the priority areas set out in the Guidelines conducted an internal self-assessment covering their own activities and business relationships with counterparties with respect to the application of due diligence principles. The

assessment covered the following areas: HR, environmental protection, customer service, communications, research and innovation, competition (sales), taxes, and compliance.

The implementation of due diligence in the TAURON Group is iterative and multi-year in nature. Activities are conducted on the basis of *Responsible Business Conduct (RBC)* principles and focus primarily on all eight priority areas identified in the OECD Guidelines. TAURON Group's due diligence process is embedded in corporate governance and linked to the *TAURON Group Strategy for 2025-2035* and Business Model, and its implementation involves cooperation with key stakeholders at all stages. Within the process, potential adverse impacts are identified and assessed, and actions are then taken to mitigate them.

The effectiveness of the measures implemented is monitored, and findings and material information are communicated within the framework of reporting in accordance with the relevant ESRS disclosures. In the coming years, it is planned to gradually expand the number of organizational units covered by the self-assessment, taking into account the scale of TAURON Group's impact.

In addition to the TAURON Group Due Diligence Policy, the TAURON Group Code of Responsible Business *(described in more detail in section 13.20, in the part relating to G1-1 of this report)* applies, setting out the most significant sustainability values and principles of conduct in relationships with colleagues, the natural environment, and the community.

Human Rights

TAURON Group respects human rights in the course of its operations, supports their protection, and prevents situations in which such rights might be violated. Due diligence procedures relating to individual aspects of human rights are incorporated into TAURON Group's internal regulations, including: *TAURON Group Human Rights Respect Policy (described in section 13.16, in the part relating to S1-1 of this report*), *TAURON Group Code of Responsible Business (described in section 13.20, in the part relating to G1-1 of this report), TAURON Group Policy on Compliance with Ethical Principles and Prevention of Mobbing and Discrimination (described in section 13.16, in the part relating to S1-5 of this report), TAURON Group Health and Safety Policy (described in section 13.16, in the part relating to S1-1 of this report), and TAURON Group Diversity, Equal Opportunities and Inclusion Policy (described in section 13.16, in the part relating to S1-1 of this report).*

Contracts with TAURON Group's subsidiaries include a standardized compliance clause that requires counterparties to conduct their activities responsibly, in compliance with national and international human rights regulations, and to require their employees, suppliers, and subcontractors to refrain from human rights violations. Detailed disclosures regarding *TAURON Group's Human Rights Respect Policy are included in section 13.16, in the part relating to S1-1 of this report.*

Within *TAURON Group's Whistleblowing System*, reports that may potentially concern human rights violations are accepted. TAURON Group's whistleblowing channels are available to employees and external stakeholders. Detailed information on the *Whistleblowing System* is included *in section 13.20, in the part relating to G1-1 of this report.*

TAURON Group assesses actual and potential adverse effects and impacts of its activities on human rights. In the Group's companies, the assessment covers violation scenarios and a plan for mitigating and remedial actions. The results of the assessment are documented in *TAURON Group's Human Rights Respect Report*, which forms part of the ongoing process of monitoring the effectiveness of the measures adopted.

The Report is available on the TAURON website under the Compliance tab – the results of the 2025 assessment will be incorporated into the document update in 2026.

In 2025, supplementing systemic due diligence activities at TAURON Group, a pilot on human rights compliance in investment projects was conducted. The pilot was carried out on selected investments executed in the Heat Business Unit (BU Ciepło), covering projects at various stages of advancement. This area was selected due to its significance from a human rights perspective. As part of the pilot, the manner in which human rights aspects are practically addressed and monitored at the investment level was examined. The purpose of the pilot survey was to support project managers by clarifying what human rights mean in practice in the context of executing investments and what signals and risks should be monitored during the planning and execution of works. The pilot will be continued and is planned to be expanded so as to cover projects carried out in other Business Units in the coming years.

Employment and relations with workers

TAURON Group exercises due diligence in its relationships with employees, conducting its activities in accordance with labor law and human rights. TAURON Group's subsidiaries have workplace regulations as well as collective bargaining agreements or remuneration regulations. A Social Council operates with the participation of trade union representatives; trade unions are active in most companies, and some have employee councils, which are consulted in accordance with national regulations. Detailed information on the exercise of the right to organize is included *in section 13.16, in the part relating to S1-2 of this report.*

TAURON Group opposes all forms of forced labor and child labor in its own operations and requires its counterparties to comply with these principles. Young workers are employed in accordance with labor law, exclusively for the purpose of vocational training. TAURON Group adheres to the principle of equal opportunities and equal treatment in employment – based on objective criteria that guarantee transparent rules at the recruitment stage and throughout the entire employment period.

TAURON Group strives to eliminate workplace accidents and to reduce the risk of occupational diseases and potential accident events. As part of its due diligence, it implements internal regulations tailored to the activity profile and type of work, and conducts internal controls.

Employees are provided with skills and competency development training. All employees can benefit from development initiatives such as training sessions, courses, and conferences, regardless of their seniority or form of employment. Additionally, employees may apply for co-financing for undergraduate and postgraduate studies and participate in foreign language courses organized and co-financed by TAURON Group.

The relevant regulations incorporating due diligence processes with respect to human rights and workers' rights (including employee training) are described *in sections 13.16 and 13.20, in the parts relating to the S1 and G1 sections*, respectively, of this report.

Environment

TAURON Group conducts its activities in accordance with environmental and climate protection regulations and due diligence principles, based on the identification and assessment of environmental risks. Due to the diverse production and service profiles of its subsidiaries, TAURON Group's environmental impact is heterogeneous. All of the Group's subsidiaries operate in accordance with the *TAURON Group's Environmental Policy*, implementing its principles and adapting methods and tools for monitoring environmental impact and managing environmental risks. *TAURON Group Strategy for 2025–2035* sets common goals and principles, including those related to the environment and sustainable development. The organization regularly reviews the effectiveness of its environmental policy and sets annual targets in this regard for the management boards and directors of its companies. Progress in achieving these targets is monitored and periodically reported.

TAURON Group strives to improve environmental performance in its own operations and in relationships with business partners – this includes, among other things, reducing low-stack emissions within the district heating offering, as well as projects and services supporting customers' energy efficiency.

TAURON Group also engages in pro-environmental initiatives and educational projects, such as supporting biodiversity, in cooperation with local organizations and academic and educational institutions, including through programs such as *TAURON Storks* (Bociany TAURONA), actions to protect the Mediterranean Gull, and bat habitat conservation. TAURON Group also conducts educational campaigns for employees on environmental aspects as part of its ESG activities.

TAURON Group provides employees, the public and other stakeholders with reliable and timely information on its environmental impacts and on progress in achieving its environmental objectives and targets, including through reports and external publications, as well as communication via its website and intranet.

The operating activities of TAURON Group companies are supervised by the relevant public authorities responsible for environmental protection, including the Voivodeship Inspectorates for Environmental Protection (WIOŚ). In 2025, no cases were identified that would have required engagement with stakeholders affected by adverse environmental impacts. Nevertheless, TAURON Group has mechanisms in place for such situations, including a crisis communication procedure and

reporting channels: externally, to the competent authorities, such as WIOŚ, and as part of supervisory inspections, as well as internally within the organisation, including through its whistleblowing system. In addition, depending on the company, good local community dialogue practices are applied in matters that may affect the surrounding environment

Some of TAURON Group's subsidiaries have implemented and certified environmental management systems based on ISO 14001 and the EMAS system (TAURON Wytwarzanie). In areas where there is a risk of environmental or health damage, appropriate emergency plans are in place, aimed at preventing and limiting adverse impacts.

Detailed information on disclosures of environmental due diligence procedures is included *in sections 13.11 through 13.15, in the parts relating to E1-2, E2-1, E3-1, E4-2, and E5-1 of this report.*

Combating bribery and other forms of corruption

TAURON Group applies a zero-tolerance policy towards any manifestations of corrupt activities in all aspects of its operations. In accordance with TAURON Group's Anti-Corruption Policy (described in *section 13.20, in the part relating to G1-3* of this report), employees are required to prevent and report potential cases of corrupt activity.

Every report concerning a suspicion of corruption is verified with due diligence.

Details regarding the Report Processing Procedure, whistleblowing channels, and remedial measures taken upon confirmation of an irregularity are included in *section 13.20, in the part relating to G1-1 of this report.*

The specific obligations relating to anti-corruption are set out in *TAURON Group Anti-Corruption Program*, on the basis of which, among other things, corruption risk monitoring is conducted, and every two years a corruption risk assessment is carried out at TAURON Group's subsidiaries. *The Anti-Corruption Program* also establishes the frequency of anti-corruption training for all employees (mandatory e-learning training), employees in areas most exposed to corruption risk, and members of the management boards of the Group's subsidiaries. Employees are required to complete the anti-corruption e-learning training and to sign a declaration confirming that they have read and are committed to complying with anti-corruption regulations.

Detailed disclosures on anti-corruption are included in *section 13.20, in the part relating to G1-3 of this report.*

Competition

With regard to fair competition, TAURON Group confirms that it conducts its activities in compliance with applicable law, including competition law, and cooperates with national competition authorities by responding to inquiries from the President of the Office of Competition and Consumer Protection (hereinafter: OCCP). TAURON Sprzedaż and TAURON Sprzedaż GZE hold certificates confirming compliance with the requirements of Good Practices for Electricity and Gas Fuel Sellers of the Energy Trading Association. The President of the OCCP did not issue in 2025 any decisions finding violations of the rights of consumers or competition principles.

TAURON Group counteracts unfair practices by applying *TAURON Group's Procurement Regulations* (described in *section 13.20, in the part relating to G1-2 of this report*) and *TAURON Group's Procedures for Counteracting Bid-Rigging*. In order to reduce the risk of irregularities, employees of the Procurement Area participate in training on preventing irregularities in the procurement process at least once a year. The companies continuously monitor and analyze risks related to market practices, enabling full compliance with applicable ethical and legal standards.

Consumer interests

In its relationships with consumers, TAURON Group applies fair and transparent business and communication practices. The TAURON Obsługa Klienta is one of the key elements of *TAURON Group Strategy for 2025–2035* and serves as a reference point for activities in the areas of service, communication, and service development. *TAURON Group has implemented a Business Continuity Management System (BCMS)* compliant with ISO 22301, which ensures continuity of service delivery and mitigates risks of adverse impact on customers in the event of disruptions to operational activities.

TAURON Group implements the *TAURON Without Barriers program (TAURON Bez Barier*), which aims to ensure equal access (digital and in-person) to services for all customers – in particular people with

disabilities, senior citizens, and people at risk of digital or social exclusion.

As part of the program:

1. 98% of Customer Service Points are fully adapted to the needs of persons with special needs,
2. since January 2025, remote service with a sign language interpreter has been available at all branches,
3. TAURON websites comply with the WCAG 2.1 (AA) standard,
4. communication with customers is conducted in plain and understandable language.

These actions ensure equal access to information and services for customers, strengthening inclusivity, transparency, and trust in TAURON Group.
In 2025, TAURON Group also continued the *TAURON Speaks Plain Language (TAURON mówi po ludzku)* initiative. The aim of the initiative is to simplify communication and increase the accessibility of information. Activities focused on helping customers and employees understand content more quickly and easily find what is important to them. The initiative strengthened awareness of the importance of plain language and improved the readability of messages directed at customers and employees, particularly with those at risk of information or digital exclusion in mind.

The companies implemented the *Simple Invoice* (Prosta faktura) initiative, the purpose of which is to simplify billing documents and clearly highlight key information, namely: the amount due, billing period, energy consumption, and payment deadlines. The project was developed using customer research and consultations, and its implementation covered a wide group of recipients. The initiative forms part of a broader strategy to improve communication quality and support customers in making informed decisions about their energy use.

TAURON Obsługa Klienta, TAURON Sprzedaż, TAURON Sprzedaż GZE, and TAURON Dystrybucja systematically monitor the level of customer satisfaction and use the results of these analyses to improve service quality and business processes. TAURON Obsługa Klienta conducts regular customer surveys under the *Customer Barometer* (Barometr Klienta) program, covering, among other things, satisfaction, loyalty, and customer effort indicators.

Within TAURON Group, consumer privacy protection and the security of personal data processing are among the priorities of its operations. Personal data processing is carried out in accordance with the law and the internal regulations applicable to TAURON Group's subsidiaries. Information on the legal basis for personal data processing, the rights of data subjects, and available contact and reporting channels for matters related to personal data protection is made available on the TAURON website in a dedicated GDPR section. The purpose of these activities is to ensure transparency in data processing and to build stakeholder trust in TAURON Group.

TAURON Group's activities in 2025 focused on systematically raising the level of personal data security and strengthening the organization's resilience to cyber threats. An important element of these activities were information campaigns on internet safety, including personal data protection and recognizing fraud attempts.

TAURON also conducted systematic information and warning activities on the TAURON website and in social media, directed at energy recipients and the general public, concerning fraud and fraudulent advertisements exploiting the Company's brand. TAURON also disseminates warnings from specialized cybersecurity institutions, in particular CERT Poland, strengthening customer protection against threats in the digital environment.

TAURON Group's subsidiaries conduct ongoing educational and informational activities directed at consumers through the *Better TAURON (Lepiej TAURON)* platform. The aim of these activities is to support customers in the conscious, safe, and responsible use of energy and to promote sustainable consumption.

Customers have the option of submitting complaints through all available contact channels, including by telephone, electronically, in writing, and via online forms.

This option is also available to institutions and authorized representatives acting on behalf of customers (including Consumer Ombudsmen).

TAURON Group maintains an ongoing dialogue with institutions and entities representing consumer interests, including *Consumer Ombudsmen, the President of the Energy Regulatory Office, the President of the Office of Competition and Consumer Protection*, and consumer organizations. The conclusions from this dialogue are used to improve service processes, communications, and the protection of customer rights.

The detailed information on due diligence mechanisms in relations with consumers is presented in *section 13.19, in the part relating to S4 of this report.*

Science, technology, and innovation

As a conscious owner of innovative solutions and creative intangible assets, TAURON Group shapes its corporate policy with respect for intellectual property rights.

TAURON Group protects and manages intellectual property on the basis of internal regulations, including *TAURON Group Intellectual Property Policy.* This document sets out uniform principles and standards of conduct consistent with intellectual property law and specifies expectations for employees and counterparties.

The substantive units responsible for TAURON's scientific research, development work, and technological innovation manage intellectual property through proper acquisition and exercise of rights, their licensing, protection of trade secrets, and counteracting unfair competition. Within TAURON Group, there are processes in place for, among other things, filing patents, utility and industrial designs, handling know-how in R&D projects, and a rationalization process governing the acquisition and remuneration of innovations originating from TAURON Group employees. In the TAURON Group, rationalization ideas include all ideas for improvements of a technical and technological nature that originate from employees.

TAURON Research and Innovation Area enabled Group's subsidiaries to exchange information from R&D activities securely within a shared know-how database. Access to the database supports the efficiency of TAURON Group's subsidiaries and enables appropriate strategic decisions to be made. Detailed information on research, development, and innovation activities at TAURON Group and engagement with the startup ecosystem is contained *in section 2.4 of this report*.

Risk analysis is one of the indispensable elements of R&D project management for the Research and Innovation Area, as projects are often carried out with universities, research institutes, and innovative enterprises. TAURON also cooperates with organizations supporting the startup ecosystem (including local entities) and engages in accelerator programs (e.g., the KPT *ScaleUp Booster* program run by the Krakow Technology Park – KPT). Cooperation with startups and counterparties under TAURON Group's own initiatives is preceded by verification by the Compliance Area in accordance with TAURON Group's procedures.

Tax Practice

Compliance with tax law, including the diligent discharge of tax obligations, is a fundamental principle guiding TAURON Group. Business decisions are made with consideration of the tax consequences and the resulting tax obligations. Within TAURON Group, principles of conduct are based on the current interpretation of tax law, including the guidelines and explanations issued by the Ministry of Finance, as well as general and individual tax rulings. TAURON Group cooperates with tax authorities and provides material or legally required information in a timely manner for the purposes of correctly determining tax liabilities in connection with its activities.

Within TAURON Group, the tax strategy is an integral part of the approach to tax management and is based on effectively identified and documented processes and procedures that ensure proper fulfillment of obligations arising from tax law.

In the area of tax risk management, a key role is played by the procedures, processes, and associated control points that are implemented and applied, through which TAURON Group's subsidiaries reduce tax risk and the adverse consequences of its materialization. The tax strategy and principles of conduct in this area influence relationships with tax authorities and key counterparties, and consequently the operations of the TAURON Group. The principles, procedures, processes, and internal controls adopted and applied in the companies, as well as the human and technical resources in the area of tax management, have been organized so as to ensure regulatory compliance. TAURON Group does not set a materiality threshold for risk materialization and approaches all events with equal diligence.

TAURON Group's subsidiaries enter into transactions with both related and unrelated parties, applying market prices in both cases. The TAURON Group has a *Transfer Pricing Policy* in place. Before entering into a transaction, an assessment is carried out as to whether the transaction is subject to transfer pricing regulations, and consequently, whether the transaction is concluded at arm's length and whether transfer pricing documentation is required.

Summary

> **The above mentioned disclosures concerning individual areas of TAURON Group's activities allow the conclusion that TAURON Group's activities are conducted in compliance with the Minimum Safeguards and meet the requirements set out in the *OECD Guidelines for Multinational Enterprises* and the *UN Guiding Principles on Business and Human Rights.***

TAURON Group does not violate environmental or social objectives. Disclosures regarding TAURON Group's fulfillment of these objectives are referenced in the sections on environment and climate, in particular in the chapter disclosing EU Taxonomy alignment, and in the section on social responsibility (described in *section 13.18, in the part relating to S3 of this report*). The assessment of TAURON Group's compliance with the Do No Significant Harm (DNSH) principle took into account Principal Adverse Impact (PAI) indicators. The results of the analysis lead to the conclusion that TAURON Group's activities do not violate the DNSH principle.

During the reporting period, no proceedings were conducted against TAURON Group's subsidiaries, nor were any final judgments handed down, regarding violations in the areas covered by the minimum safeguards. TAURON Group was also not a party to any cases before the OECD National Contact Point, nor did it receive any requests for information from organizations monitoring compliance with human rights.

EU Taxonomy Compliance Assessment Process

TAURON Group fulfills its obligation to disclose the extent to which the Group's activities may be considered environmentally sustainable in accordance with the EU Taxonomy. This requirement arises from *Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, amending Regulation (EU) 2019/2088*, as well as from regulations issued on the basis of delegated acts establishing a framework to facilitate sustainable investment (referred to as the EU Taxonomy).

In accordance *with Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021, supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by* specifying the content and presentation of *information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology for meeting this disclosure obligation, pursuant to Article 2 in conjunction with Article 10 of the above mentioned delegated act (EU)*, in the reporting period from January 1, 2025 to December 31, 2025, non-financial undertakings disclose the percentage share of EU Taxonomy-eligible economic activities, broken down into activities aligned and not aligned with the taxonomy (EU Taxonomy), as well as economic activities not eligible for the taxonomy (EU Taxonomy), in total Turnover (Revenue), capital expenditure (CapEx), and operating expenditure (OpEx), along with contextual information explaining the approach and assumptions adopted.

Mandatory EU Taxonomy disclosures concern key performance indicators and accompanying information, as defined in *Annexes I, II, and XII of Commission Delegated Regulation (EU) 2021/2178.*

In addition, in order to determine the level of alignment of TAURON Group's activities with the EU Taxonomy, a classification of activities against criteria for making a substantial contribution to one of the environmental objectives is conducted, along with verification of compliance with the *Do No Significant Harm (DNSH)* principle and an assessment of fulfillment of the Minimum Safeguards.

For the preparation of EU Taxonomy disclosures for 2025 across all companies and business areas of TAURON Group, an analysis of ongoing activities was conducted, resulting in the identification of activities eligible for the EU Taxonomy, in accordance with *Commission Delegated Regulation (EU) 2021/2139 and 2023/2485, as listed in Annex I (Climate Change Mitigation) or Annex II (Climate Change Adaptation)*. TAURON Group classified its activities on the basis of the activity descriptions contained in Annexes I and II for the Technical Screening Criteria and, as a supplementary measure, using the NACE codes contained therein. Ancillary activities related to transport and buildings are not the subject of and do not constitute separate business activities for TAURON Group, and appear solely as ancillary activities within the main activities classified for EU Taxonomy alignment – accordingly, ancillary activities were verified in accordance with the materiality threshold and did not require separate disclosures.

The assumptions and interpretations adopted regarding compliance with EU Taxonomy regulations were presented in the explanatory notes and footnotes to the methodology for the information contained in the tables in section *13.10 of this*

report, in the EU Taxonomy Compliance Assessment Results section.

Furthermore, as part of the disclosure obligation arising from *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 environmental objectives 3 to 6 and further specifying the scope of disclosures (including an *amendment to Commission Delegated Regulation (EU) 2021/2178*), TAURON Group did not identify any economic activities eligible for assessment under that regulation and therefore does not determine Revenue, CapEx, and OpEx levels for the remaining four EU Taxonomy environmental objectives, i.e., with respect to substantial contributions to: the sustainable use and protection of water and marine resources (objective 3), the transition to a circular economy (objective 4), pollution prevention and control (objective 5), and the protection and restoration of biodiversity and ecosystems (objective 6).

On January 8, 2026, Commission Delegated Regulation (EU) 2026/73 was published in the Official Journal of the EU, *simplifying the scope and manner of presenting the disclosures required under Article 8 of Regulation (EU) 2020/852 (in particular by amending Delegated Regulation (EU) 2021/2178) and introducing simplifications to selected DNSH criteria in the technical criteria set out in Delegated Regulations (EU) 2021/2139 and (EU) 2023/2486.* Under the transitional provisions, Regulation (EU) 2026/73 applies from January 1, 2026, while for the financial year commencing in 2025, entities may apply the disclosure principles and criteria as they stood on December 31, 2025. Accordingly, the EU Taxonomy disclosures in this report were prepared on the basis of the previous wording of *Delegated Regulations (EU) 2021/2178, (EU) 2021/2139, and (EU) 2023/248*6 applicable as of December 31, 2025.

Step 1

Classification of activities conducted by TAURON Group's subsidiaries

The activities of TAURON Group's subsidiaries are organized within operating segments and lines of business (Business Unit, BU).

Step 2

Identification of economic activities covered by the EU Taxonomy.

The selection of activities carried out within the operating segments and business lines of TAURON Group that in 2025 were eligible for the EU Taxonomy was made on the basis of:

1. Annexes I and II, supplementary to *Commission Delegated Regulation (EU) 2021/2139 of June 4, 2021*:
   1) 4.1. Electricity generation using solar photovoltaic technology,
   2) 4.3. Electricity generation from wind power,
   3) 4.5. Electricity generation from hydropower,
   4) 4.9. Transmission and distribution of electricity,
   5) 4.10. Electricity storage,
   6) 4.15. District heating/cooling distribution,
   7) 4.20. Cogeneration of heat/cool and power from bioenergy,
   8) 7.3. Installation, maintenance and repair of energy efficiency equipment,
   9) 7.4. Installation, maintenance and repair of electric vehicle charging stations in buildings (and parking spaces attached to buildings),
   10) 7.6. Installation, maintenance and repair of renewable energy technologies,
2. *Annex I to Commission Delegated Act (EU) 2022/1214 of March 9, 2022, amending Delegated Regulation (EU) 2021/2139*:
   1) 4.29. Electricity generation from fossil gaseous fuels,
   2) 4.31. Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system.

The above mentioned classification also took into account *Delegated Regulation (EU) 2021/2178 with respect to public disclosure of specific information regarding those types of economic activity*. This is the delegated act incorporating into the EU Taxonomy, among other things, gas and nuclear energy. All activities eligible for the EU Taxonomy were assigned to only one environmental objective – climate change mitigation. No activities making a substantial contribution to several environmental objectives simultaneously were identified.
Furthermore, TAURON Group does not carry out activities eligible for the EU Taxonomy under *Commission Delegated Regulation (EU) 2023/2486*.

Step 3

Determination of indicators for Taxonomy-eligible activities UE.

In the next step, the individual operating segments of TAURON Group's activities were assigned to two categories:

1. Category I (A.1 + A.2) – encompassing TAURON Group's areas of activity that are eligible for the EU Taxonomy (A.1 – aligned with the taxonomy, A.2 – not aligned with the taxonomy),
2. Category II (B.) – encompassing TAURON Group's areas of activity that are not eligible for the EU Taxonomy.

In the cases where, within a given operating segment of TAURON Group, activities were carried out that were both covered by the EU Taxonomy (aligned and not aligned with the taxonomy – Category I) and not covered by the EU Taxonomy (not eligible for the taxonomy – Category II), an additional breakdown was made within the given operating segment, classifying it by type as having partial eligibility in terms of the EU Taxonomy.

Accounting Principles

For the purpose of calculating the proportions of EU Taxonomy-eligible turnover (*Revenue*), capital expenditure (CapEx), and operating expenditure (OpEx), the same accounting policies as those applied in the preparation of TAURON Group's consolidated annual financial statements were adopted. Inter-segment flows applied in the preparation of the financial statements were taken into account. The Revenue, CapEx, and OpEx values disclosed in the numerator were calculated in accordance with the adopted consolidation principles, i.e., inter-company transactions between Group's subsidiaries were first eliminated to avoid double counting of the same economic flows. Subsequently, following an economic analysis of the substance and purpose of individual transactions, values were assigned to the appropriate reporting categories in a manner ensuring an accurate reflection of the nature of the activity and maintaining consistency with the principles of taxonomy reporting.

The applicable definitions contained in *Commission Delegated Regulation (EU) 2021/2178* were applied to identify amounts (expressed in monetary units) related to the identified activities first meeting the definitions of the key performance indicators: turnover (revenue), capital expenditure (CapEx), and operating expenditure (OpEx), which formed the denominator of each of the three indicators, and subsequently, an assignment of amounts (expressed in monetary units) from all three of these figures among the categories deemed: eligible and aligned with the taxonomy (Category I, A.1.), eligible for the taxonomy but not aligned with it (Category I, A.2.), which then formed the numerator of each of the three indicators, and not eligible for the taxonomy (Category II, B.). The accounting policies applied in preparing TAURON Group's consolidated financial statements are consistent with those applied in preparing the TAURON Polska Energia S.A. annual consolidated financial statements for the year ended December 31, 2024, except for the change in accounting policies regarding hedging instruments subject to hedge accounting. The amendments to IAS 21, which came into force on January 1, 2025, had no impact on the Group's accounting policies. Control mechanisms were applied to ensure that no turnover, capital expenditure, or costs were included in the calculations more than once (avoiding double-counting).

TAURON Group does not report information related to a capital expenditure plan (within the meaning of *Delegated Regulation 2021/2178*) and has not issued green bonds or debt securities to finance identified specific types of EU Taxonomy-aligned activities.

Turnover (Revenue)

Net revenues from sales recognized in accordance with IAS 1 paragraph 82(a), as defined in Article 2(5) of *Directive 2013/34/EU of the European Parliament and of the Council of June 26, 2013*. The Directive states that "*net revenues from sales" means amounts derived from the sale of products and the provision of services after deducting discounts, value added tax, and other taxes directly linked to turnover*. The consolidated net revenues from sales were thus taken into account, and the corresponding amounts are included in the *TAURON Capital Group Consolidated Financial Statement*s (detailed information is presented in Note 14 of the TAURON Capital Group Consolidated Financial Statements).

Capital Expenditure (CapEx)

Capital expenditure understood as additions to property, plant and equipment, intangible assets, right-of-use assets, and investment properties, including those arising from business combinations, as defined under the applicable IAS/IFRS:

1. IAS 16 Property, Plant and Equipment,
2. IAS 38 Intangible Assets,
3. IAS 40 Investment Property,
4. MSSF 16 Leasing.

The consolidated additions to property, plant and equipment, intangible assets, and right-of-use assets were thus taken into account, and the corresponding amounts are included in the *TAURON Capital Group Consolidated Financial Statements (detailed information is presented in Notes 22, 23, 24, 25, and 26 of the TAURON Capital Group Consolidated Financial Statements).*

Operating Expenses (OpEx) – within the meaning of the EU Taxonomy

Operating expenditure (OpEx) understood as direct, non-capitalized costs:

1. related to research and development activities,
2. related to building renovation activities,
3. related to short-term leasing,
4. related to maintenance and repairs,
5. any other direct costs related to the day-to-day servicing of property, plant and equipment items by the undertaking or by a third party to whom the undertaking outsources on the basis of outsourcing activities necessary to ensure the continuous and efficient functioning of those assets.

For the operating expenditure (OpEx) indicator, due to its specific definition in the EU Taxonomy, it was not possible to refer directly to the *TAURON Capital Group Consolidated Financial Statements.* The highest operating expenditure (OpEx) in the Group consists of costs classified as *Maintenance and Repair Services* of the Distribution operating segment.

Analysis of Technical Screening Criteria and Do No Significant Harm Principles, and Assessment of Physical Climate Risks

Analysis of Technical Screening Criteria (TSC) and DNSH was carried out using an expert methodology – a dedicated EU Taxonomy team – in accordance with the specific requirements of the EU Taxonomy delegated acts, i.e., *Commission Delegated Regulations (EU): 2021/2139 of June 4, 2021 (establishing TSC for two objectives – climate change mitigation and climate change adaptation), 2021/2178 of July 6, 2021 (supplementary to 2020/852), 2022/1214 of March 9, 2022 (TSC for activities related to nuclear energy and natural gas), 2023/2485 of June 27, 2023 (new TSC within the two environmental objectives – climate change mitigation and climate change adaptation), 2023/2486 of June 27, 2023 (establishing TSC for the remaining four EU Taxonomy environmental objectives),* and on the basis of a review of the Business Model of the activities of the subsidiaries comprising TAURON Group, as a result of which an eligibility assessment of the Group's subsidiaries' activities was conducted in terms of the EU Taxonomy. This analysis aimed to identify, distinguish, and assign the activities carried out in the Group's companies to those described within the individual taxonomy activities (Step 2). The analysis also covered a check of the conditions under which an activity qualifies as making a substantial contribution to climate change mitigation or adaptation, and a check of whether a given activity meets the conditions established for it under the DNSH principle with respect to the remaining environmental objectives. Activities and business activities for which it was not possible to assign and confirm their EU Taxonomy eligibility due to a lack of data or evidence were classified as non-aligned with the EU Taxonomy. Given the assignment of EU Taxonomy-aligned activities to the climate change mitigation objective, a condition for meeting the DNSH principle was also the conduct of a climate risk and exposure assessment based on the classification contained in *Annex A to Commission Delegated Regulation (EU) 2021/2139*. The risk and exposure assessment was carried out in the format of work by the EU Taxonomy team with the participation of business units responsible for reporting taxonomy data. Each activity assessed for taxonomy alignment was evaluated in the context of physical hazards listed in the classification contained in *Annex A to Commission Delegated Regulation (EU) 2021/2139*. An assessment of exposure to climate hazards was carried out, as well as an assessment in terms of the recorded materialization of climate-related physical risks in the past.

Subsequently, the physical risks appropriate to the nature and location of the activity being conducted were identified. Risk and hazard assessment criteria (estimation of financial impacts and likelihood of hazard occurrence) consistent with the assumptions used within TAURON Group's risk management system were applied. Existing and functioning risk mitigation measures regarding adaptation solutions were also taken into account. Taking into account all elements of the physical climate risk assessment – these risks for the taxonomy-aligned activities conducted within the Group were below the material level. The expert-methodology risk and exposure assessment indicated that the risks were assessed as *low*.

Analysis of Minimum Safeguards

The analysis of the compliance of economic activities conducted in 2025 with the minimum safeguards within the meaning *of Article 18 of Regulation (EU) 2020/852 of the European Parliament and of the Council* is presented in *section 13.10 of this report, in the* *Due Diligence in TAURON Group and Minimum Safeguards Related to the EU Taxonomy section*. The analysis of minimum safeguards was conducted to confirm that the activities disclosed under the EU Taxonomy are carried out with respect for minimum standards in the areas of human rights, workers' rights, anti-corruption, and corporate governance. TAURON Group conducts its activities in compliance with the Minimum Safeguards arising from the EU Taxonomy and the requirements of the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. TAURON Group does not violate environmental objectives (including the Do No Significant Harm principle), and during the reporting period no proceedings were conducted against it, nor were any judgments handed down, regarding violations in the area of minimum safeguards.

Description of EU Taxonomy-Eligible and Aligned Activities and Contextual Information

Table no. 102. Summary of EU Taxonomy Compliance Assessment for Key Activities of TAURON Group

Code	Economic activity	Summary of the substantial contribution criterion to the environmental objective	Summary - DNSH criteria
CCM 4.1. CCM 4.3.	Electricity generation using solar photovoltaic technology Electricity generation from wind power Both of these activities are carried out primarily at TAURON Ekoenergia and TAURON Zielona Energia – these activities are integrated within the RES segment. The Group operates over a dozen wind farms and PV farms located in Poland.	■ Photovoltaic farms (CCM 4.1.) and wind farms (CCM 4.3.) meet the applicable substantial contribution criteria (TSC) – these installations are used for generating electricity from renewable energy sources.	■ Photovoltaic panels and wind turbines are RES technologies designed for the long term operating lifespans. ■ A significant proportion of the materials used in the production of these technologies can be recycled. ■ Wind turbines can be repowered through the replacement or repair of their individual components. ■ Environmental Impact Assessments for this type of project are conducted in accordance with the applicable legal regulations. ■ Resilience to the climate related physical risks, including the completed scenario analysis.
CCM 4.5.	Electricity generation from hydro power Activity carried out at TAURON Ekoenergia – 34 hydro power plants	■ TAURON Group operates 34 hydropower plants, of which 15 meet all TSC requirements. ■ Hydro power plant installations meet, among other things, the substantial contribution criterion of greenhouse gas emission intensity below 100 g CO2 equivalent/kWh.	■ In accordance with applicable water law (implementing Directive 2000/60/EC), water law assessments and water law permits are obtained, and the activity is conducted in accordance with the requirements set out in administrative decisions. ■ In accordance with legal requirements, where required, the company implements appropriate mitigation measures – in particular it is equipped with fish passes (upstream and downstream migration), ensures minimum hydrological flow, and monitors habitat condition (for the purpose of protecting or improving habitat status). ■ Resilience to the climate related physical risks, including the completed scenario analysis.
CCM 4.9.	Transmission and distribution of electricity Activity carried out at TAURON Dystrybucja – area of activity in southern Poland, providing DSO services, including construction and maintenance of network assets	■ TAURON Dystrybucja is cooperating with the Polish Power Grid (PSE), a member of the European Network of Transmission System Operators for Electricity (ENTSO-E) – the network constitutes an interconnected European system. ■ Infrastructure intended for the creation of a direct connection or expanding an existing direct connection of a substation or network to a power plant (to energy generators) that emits greenhouse gases in quantities exceeding 100 g CO2 equivalent/kWh, measured on a lifecycle basis, is non-compliant with the requirements.	■ Entities carrying out network work have procedures and instructions for the management of materials from dismantling and waste, in order to ensure maximum reuse or recycling of waste. ■ In the case of construction works related to overhead high-voltage lines, the Group analyzed the IFC General Environmental, Health, and Safety Guidelines, confirming compliance with the principles. ■ TAURON Dystrybucja has retired polychlorinated biphenyls (PCBs) from electrical installations on schedule and does not use them. ■ The activity complies with the applicable standards and regulations in order to limit the impact of the electromagnetic radiation. ■ Environmental Impact Assessments are conducted in accordance with the applicable regulations. ■ Resilience to the climate related physical risks, including the completed scenario analysis.
CCM 4.10.	Electricity storage	■ The activity consists of the construction and operation of battery electricity storage	■ Entities carrying out network work have procedures and instructions for the management of materials from dismantling and waste, in order to

	Activity carried out at dedicated special purpose vehicles of TAURON Group BESS (Battery Energy Storage Systems)	systems.	ensure maximum reuse or recycling of waste. ■ Entities carrying out BESS construction work have procedures and instructions for waste management, in order to ensure maximum reuse or recycling of waste. ■ Environmental Impact Assessments are conducted in accordance with the applicable regulations. ■ Resilience to the climate related physical risks, including the completed scenario analysis.
CCM 4.15.	Distribution in the district heating / cooling systems Activity carried out primarily at TAURON Ciepło (area of the Silesian – Dąbrowa metropolitan area). The activity consists of the construction, modernization and the operation of the heat distribution network, as well as the infrastructure related thereto.	■ The (district heating) system meets the current definition of efficient district heating and cooling systems established in Article 2(41) of Directive 2012/27/EU.	■ The equipment used that is covered by Directive 2009/125/EC complies, where applicable, with the requirements relating to the highest energy efficiency class. ■ Environmental Impact Assessments are conducted in accordance with the applicable regulations. ■ Resilience to the climate related physical risks, including the completed scenario analysis.
CCM 4.20.	Cogeneration of the thermal / cool energy and electricity from the bioenergy The activity carried out primarily at TAURON Ciepło and TAURON Wytwarzanie, consisting of the operation of heat and electricity cogeneration installations exclusively from biomass (compliant with the sustainability criteria)	■ Physical and non-physical solutions ("adaptation solutions") have been implemented in the course of the economic activity that reduce the most significant identified climate-related physical risks that are material to this activity (construction or modernization stage). ■ The climate hazard and exposure assessment has been conducted and is proportionate to the scale of the activity and the expected duration of its operation. ■ Adaptation solutions have been implemented (construction or modernization stage)	■ Pollution monitoring solutions consistent with Best Available Techniques Associated Emission Levels (BAT-AEL) are applied, and BAT Conclusions for large combustion plants are applied. ■ Environmental Impact Assessments are conducted in accordance with the applicable regulations. ■ Resilience to the climate related physical risks, including the completed scenario analysis.
CCM 7.3.	Installation, maintenance and repair of energy efficiency equipment The activity carried out primarily at TAURON Nowe Technologie, consisting of the installation and replacement of the energy efficient light sources in public utility buildings and infrastructure	■ The activity constitutes one of the following individual measures: installation and replacement of the energy efficient light sources.	■ The entities carrying out lighting construction, maintenance and replacement work have procedures and instructions for waste management, in order to ensure maximum reuse or recycling of waste. ■ This activity does not lead to the manufacture, placing on the market, or use of substances, chemicals, and chemical compounds pursuant to the relevant EU directives. ■ Environmental Impact Assessments are conducted in accordance with the applicable regulations. ■ Resilience to the climate related physical risks, including the completed scenario analysis.
CCM 7.4.	Installation, maintenance and repair of electric vehicle charging stations in buildings (and parking spaces attached to buildings) The activity carried out primarily at TAURON Nowe Technologie, consisting of	■ Installation and maintenance of electric vehicle charging stations in the parking spaces.	■ Environmental Impact Assessments are conducted in accordance with the applicable regulations. ■ Resilience to the climate related physical risks, including the completed scenario analysis.

	the installation of electric vehicle charging stations in the parking spaces		
CCM 7.6.	Installation, maintenance and repair of renewable energy technology systems. The activity carried out primarily at TAURON Nowe Technologie, consisting of the installation of electric vehicle charging stations in the parking spaces.	■ Installation and maintenance of on-site renewable energy technology systems, covering the installation of photovoltaic systems and electricity storage systems	■ Environmental Impact Assessments are conducted in accordance with the applicable regulations. ■ Resilience to the climate related physical risks, including the completed scenario analysis.

Description of EU Taxonomy-Eligible and Aligned Activities and Contextual Information

The share of EU Taxonomy-eligible and non-eligible economic activities in the total Turnover (Revenue), capital expenditure (CapEx), and operating expenditure (OpEx – as defined under the EU Taxonomy) for TAURON Group for 2025 (and for the prior year) is presented in the tables below (Tables 103, 104, and 105) and in figure no. 55.

Turnover (Revenue), capital expenditure (CapEx), and operating expenditure (OpEx – as defined under the EU Taxonomy) aligned with the taxonomy come from the following activities:

1. CCM 4.1. Electricity generation using solar photovoltaic technology,
2. CCM 4.3. Electricity generation from wind power,
3. CCM 4.5. Electricity generation from hydropower,
4. CCM 4.9. Transmission and distribution of electricity,
5. CCM 4.10. Electricity storage
6. CCM 4.15. District heating/cooling distribution,
7. CCM 4.20. Cogeneration of heat/cool and power from bioenergy,
8. CCM 7.3. Installation, maintenance and repair of energy efficiency equipment,
9. CCM 7.4. Installation, maintenance and repair of electric vehicle charging stations in buildings (and parking spaces attached to buildings),
10. CCM 7.6. Installation, maintenance and repair of renewable energy technology systems.

Turnover (Revenue), capital expenditure (CapEx), and operating expenditure (OpEx – as defined under the EU Taxonomy) eligible for the taxonomy but not aligned with it come from the following activities:

1. CCM 4.5. Electricity generation from hydropower,
2. CCM 4.9. Transmission and distribution of electricity,
3. CCM 4.29. Electricity generation from fossil gaseous fuels,
4. CCM 4.31. Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system.

Turnover (Revenue)

Based on the conducted analysis of economic activities against EU Taxonomy criteria, it was determined that 39.5% of TAURON Group's revenues (PLN 13 157 million) constitute revenues from EU Taxonomy-eligible activities and are revenues from contracts with customers. Within this category, 38.8% of total revenues (PLN 12 897 million) relates to taxonomy-aligned activities, while 0.8% of revenues (PLN 260 million) relates to eligible but not aligned the taxonomy (failure to meet TSC). The remaining 60.5% of revenues (PLN 20 120 million) constitute revenues from activities not covered by the scope of the EU Taxonomy.

The largest share in taxonomy-eligible and aligned revenues is attributable to the activity related to transmission and distribution of electricity (CCM 4.9), which accounts for 33.8% (PLN 11 256 million) of total revenues.
This activity includes the management and operation of network infrastructure and the provision of electricity distribution services to end customers. Revenues from this area are recognized in accordance with IFRS 15 as revenues from distribution services. Under these contracts, the service is provided on a continuous basis, and the amount of revenue depends on the distribution fees calculated in accordance with the DSO tariff. In 2025, the value of revenues from this activity increased and the proportion (increase) of non-aligned CCM 4.9 activity also changed slightly.

The second significant category of taxonomy-eligible and aligned activities is revenues from generating electricity from renewable energy sources, covering electricity generation from wind (CCM 4.3), hydro (CCM 4.5), and photovoltaic (CCM 4.1) energy. Together, these activities

account for approximately 3.0% of total revenues. Electricity generation from renewable energy sources is one of the key elements of the energy transition and contributes to the achievement of the environmental objective of climate change mitigation.

Taxonomy-eligible and aligned activities also include distribution of energy in district heating and cooling systems (CCM 4.15), which accounts for 1.3% of total revenues, and cogeneration of heat/cool and electricity from bioenergy (CCM 4.20), generating 0.6% of total revenues. Additionally, a small share of revenues was assigned to activities supporting the energy transition, such as installation, maintenance and repair of energy efficiency equipment (CCM 7.3), electric vehicle charging infrastructure (CCM 7.4), and installation and servicing of renewable energy technology systems (CCM 7.6).

Revenues classified as EU Taxonomy-eligible but not aligned with the taxonomy (failure to meet TSC) account for 0.8% of total revenues. They include in particular a portion of the activity related to electricity generation from hydropower (CCM 4.5) and transmission and distribution of electricity (CCM 4.9. This revenue category also includes revenues from the activity of generating electricity from fossil gaseous fuels (CCM 4.29) and the production of heat or cooling from fossil gaseous fuels in efficient district heating and cooling systems (CCM 4.31).

The remaining portion of revenues, representing 60.5% of total revenues, was classified as EU Taxonomy non-eligible activity. It primarily covers activities that have not been listed in the EU Taxonomy delegated acts as activities covered by the taxonomy.

The denominator of the turnover indicator is PLN 33 277 million. The increase in the level of consolidated revenues achieved by TAURON Group (which led to an increase in the denominator of the key turnover indicator compared to 2024) was explained in chapter 6.5 of the Management Board Report on the activities of TAURON Polska Energia S.A. and the TAURON Capital Group for 2025 – Discussion of the economic and financial figures disclosed in the annual consolidated financial statements.

Capital Expenditure (CapEx)

Analysis of capital expenditure incurred in relation to activities covered by the EU Taxonomy indicates that 85.4% of TAURON Group's capital expenditure (PLN 4 817 million) relates to activities eligible for the Taxonomy and consists of expenditure on additions to property, plant and equipment, intangible assets, and investment properties. Within this group, 84.5% of total capital expenditure (PLN 4 764 million) comprises investments in activities meeting the criteria for environmentally sustainable economic activity, while 0.9% of capital expenditure (PLN 53 million) relates to Taxonomy-eligible activities that, at the time of reporting, did not meet all technical requirements.
The remaining 14.6% of capital expenditure (PLN 824 million) relates to activities not covered by the scope of the EU Taxonomy.

The largest share of EU Taxonomy-aligned capital expenditure was incurred in the area of transmission and distribution of electricity (CCM 4.9), which accounts for 67.9% of the Group's total CapEx. Investments in this area focused primarily on investments related to the connection of new customers, modernization and replacement of network infrastructure, the installation of smart meters under the AMIplus program, as well as the development of the Dispatcher Communication System (System Łączności Dyspozytorskiej). These activities aim to increase the reliability of the power system, improve energy transmission efficiency, and enable the integration of a growing share of renewable energy sources into the system.

An important portion of EU Taxonomy-aligned capital expenditure also comprised investments in electricity generation from renewable energy sources, primarily covering the development of wind and photovoltaic energy projects, as well as investments supporting the integration of these sources into the power system. In 2025, expenditure in this area focused on the implementation of new wind and photovoltaic projects, the development of energy storage infrastructure, and the modernization of existing hydropower assets.
The investments carried out covered both the construction of new renewable energy generation capacities and modernization activities increasing the efficiency and reliability of existing installations. These activities are in line with the TAURON Group's strategic development direction, which assumes the systematic increase in the share of energy from renewable sources in the generation mix and the diversification of the generation asset portfolio while simultaneously strengthening the flexibility of the energy system.

EU Taxonomy-aligned capital expenditure also includes projects related to electricity storage (CCM 4.10), distribution of energy in district heating and cooling systems (CCM 4.15), and investments supporting energy efficiency

improvements, such as the installation and modernization of energy efficiency equipment (CCM 7.3). To a lesser extent, investments were also carried out related to the development of low-emission transport infrastructure and the installation of technologies supporting the energy transition.

Capital expenditure classified as EU Taxonomy-eligible but not fully meeting the technical criteria amounted to PLN 53 million (0.9% of CapEx). They primarily cover investments in electricity generation from hydropower (CCM 4.5) and investments related to the generation of electricity and heat from fossil gaseous fuels, including in efficient district heating and cooling systems (CCM 4.31). These projects were classified as EU Taxonomy-eligible activities; however, during the period under review did not meet all the criteria enabling them to be classified as environmentally sustainable activities.

The remaining 14.6% of the Group's capital expenditure was assigned to activities not eligible for the EU Taxonomy, as it relates to areas of economic activity that have not been identified in the applicable delegated acts as covered by the taxonomy.

The total denominator of the CapEx indicator amounted to PLN 5 641 million and includes capital expenditure recognized in accordance with the applicable accounting standards, in particular IAS 16 "Property, Plant and Equipment", as well as other capital expenditure recognized as additions to the value of fixed assets within the Group's activities.

Operating Expenditure (OpEx – as defined under the EU Taxonomy)

Analysis of TAURON Group's operating expenditure in relation to activities covered by the EU Taxonomy indicates that 75.1% of operating expenditure (PLN 1 767 million) relates to taxonomy-eligible activities and constitutes expenditure necessary to ensure the continuous and ongoing maintenance of property, plant and equipment, intangible assets, and investment properties. Within this group, 74.2% of total operating expenditure (PLN 1 746 million) comprises costs related to EU Taxonomy-aligned activities, while 0.9% (PLN 21 million) relates to activities eligible for the taxonomy that do not meet all technical criteria for classification as environmentally sustainable activity. The remaining 24.9% of operating expenditure (PLN 586 million) relates to activities not covered by the scope of the EU Taxonomy.

The largest share of EU Taxonomy-aligned operating expenditure comprises costs related to the transmission and distribution of electricity (CCM 4.9), which account for 69.0% of the Group's total OpEx. Expenditure in this area relates primarily to the ongoing maintenance of network infrastructure, operational works, and activities aimed at ensuring the continuity and reliability of electricity supply. It includes in particular the costs of maintenance and repairs of electricity network components, operational service costs, and expenditure related to the maintenance and servicing of distribution infrastructure.

The second significant category of EU Taxonomy-aligned operating expenditure is costs related to generating electricity from renewable energy sources, primarily within the framework of wind energy (CCM 4.3), whose share of total OpEx is 2.5%. This category primarily covers costs of maintenance and operation of generating installations, including service works and ongoing maintenance of technical infrastructure. To a lesser extent, operating expenditure also relates to hydropower (CCM 4.5) and photovoltaic installations (CCM 4.1).

Taxonomy-aligned activities also include costs related to distribution of energy in district heating and cooling systems (CCM 4.15) and expenditure related to activities supporting energy efficiency improvement and low-emission infrastructure development, including the installation and maintenance of energy efficiency equipment (CCM 7.3) and the installation and servicing of electric vehicle charging infrastructure (CCM 7.4).

Operating expenditure classified as EU Taxonomy-eligible but not meeting all technical criteria amounted to PLN 21 million (0.9% of OpEx). They relate primarily to a portion of the activity related to electricity generation from hydropower (CCM 4.5) and, to a lesser extent, activities in the area of transmission and distribution of electricity (CCM 4.9) and electricity generation from fossil gaseous fuels (CCM 4.29).

24.9% of the Group's operating expenditure was assigned to non-eligible activities under the EU Taxonomy, as these relate to areas of economic activity not identified in the applicable EU Taxonomy delegated acts as covered by the taxonomy.

The denominator of the OpEx indicator amounted to PLN 2 353 million and includes operating costs related to the maintenance and operation of fixed assets, in particular expenditure on the ongoing maintenance of technical infrastructure, repairs, and other operating costs related to the functioning of

activities covered by the scope of the EU Taxonomy.

EU Taxonomy Compliance Assessment Results

The share of EU Taxonomy-eligible and non-eligible economic activities in the total Turnover (Revenue), capital expenditure (CapEx), and operating expenditure (OpEx – as defined under the EU Taxonomy) for TAURON Group for the year 2025 (and for the prior year) is presented in the tables below (Tables 103, 104, and 105) and in Figure 55.

Table no. 103. EU Taxonomy. Disclosure of the percentage share of Turnover (Revenue) from products or services associated with Taxonomy-aligned economic activities – disclosure for the year 2025

Financial year / Year 2025				Substantial contribution criteria						Do No Significant Harm (DNSH) criteria (4)									
	EU TAXONOMY – Code(s)	Turnover "Revenue" (absolute value) year 2025 (1)	Share of Turnover "Revenue" for 2025 (2)	Climate change mitigation (3)	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity	Minimum Safeguards (MS) (5)	Taxonomy-aligned percentage share (EU Taxonomy) year 2024	Category ("enabling activity") (6)	Category ("transitional activities") (6)
Economic activity		PLN PLN m	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	Y
A. TAXONOMY-ELIGIBLE ACTIVITIES (EU TAXONOMY)																			
A.1. Types of environmentally sustainable activities (Taxonomy-aligned)																			
Electricity generation using solar photovoltaic technology	CCM 4.1.	69	0.2%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.2%		
Electricity generation from wind energy	CCM 4.3.	798	2.4%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	2.6%		
Electricity generation from hydro power	CCM 4.5.	145	0.4%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.6%		
Transmission and distribution of electricity	CCM 4.9.	11 256	33.8%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	31.3%	E	
Electricity storage	CCM 4.10.	0	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%	E	
Distribution in district heating / cooling systems	CCM 4.15.	421	1.3%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1.1%		
Cogeneration of heat / cool and power from bioenergy (biomass)	CCM 4.20.	186	0.6%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.4%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3.	13	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%	E	
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4.	3	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%	E	
Installation, maintenance and repair of renewable energy technology systems	CCM 7.6.	6	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%	E	
Turnover ("Revenue") from environmentally sustainable activities (Taxonomy-aligned) (A.1.)		**12 897**	38.8%	38.8%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	36.2%		
of which enabling		11 278	33.9%	33.9%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	31.3%	E	

of which transitional		0	0.0%	0.0%							Y	Y	Y	Y	Y	Y	Y	0.0%		Y
A.2. Taxonomy-eligible but not environmentally sustainable activities (non-Taxonomy-aligned activities)																				
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL											
Electricity generation from hydro power	CCM 4.5.	56	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0.2%		
Transmission and distribution of electricity	CCM 4.9.	118	0.4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0.2%		
Electricity generation from fossil gaseous fuels	CCM 4.29.	21	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0.1%		
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	CCM 4.31.	65	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0.1%		
Turnover ("Revenue") from Taxonomy-eligible activities, but not environmentally sustainable (non-Taxonomy-aligned activities) (A.2.)		**260**	0.8%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%									0.6%		
Total (A.1. + A.2.)		**13 157**	39.5%	39.5%	0.0%	0.0%	0.0%	0.0%	0.0%									36.8%		
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES																				
Turnover ("Revenue") from non-Taxonomy-eligible activities (B.)		20 120	60.5%																	
Total (A. + B.)		**33 277**	**100.0%**																	

Code(s) – abbreviation of the relevant objective for which the economic activity qualifies to make a substantial contribution to its achievement, as well as the number of the section dedicated to that activity in the relevant annex for the objective (column 2), i.e.:
– climate change mitigation (CCM); climate change adaptation (CCA); water and marine resources (WTR); circular economy (CE); pollution prevention and control (PPC); biodiversity and ecosystems (BIO)
Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity for the relevant environmental objective.
N – No, Taxonomy-eligible but not Taxonomy-aligned activity for the relevant environmental objective. EL – Eligible, Taxonomy-eligible activity for the relevant environmental objective.
N/EL – Not eligible, non-Taxonomy-eligible activity for the relevant environmental objective. N/A – Not applicable.
Y/N – Yes/No answer regarding Do No Significant Harm or compliance with Minimum Safeguards (Y/N to be selected). E – designation of an economic activity defined in Delegated Regulation 2021/2139 as enabling.
Y (last column) – designation of an economic activity defined in Delegated Regulation 2021/2139 as transitional.

Share of Turnover / total Turnover

	Taxonomy-alignment by environmental objective	Taxonomy-eligibility by environmental objective
CCM	38.8%	39.5%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Table no. 104. EU Taxonomy. Disclosure of the percentage share of capital expenditure (CapEx) from products or services associated with Taxonomy-aligned economic activities – disclosure for the year 2025

Financial year / Year 2025				Substantial contribution criteria						Do No Significant Harm (DNSH) criteria (4)									
Economic activity	EU TAXONOMY – Code(s)	Capital expenditure (CapEx) (absolute value) year 2025 (1)	Share of capital expenditure (CapEx) for 2025 (2)	Climate change mitigation (3)	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity	Minimum Safeguards (MS) (5)	Taxonomy-aligned percentage share (EU Taxonomy) year 2024	Category ("enabling activity") (6)	Category ("transitional activities") (6)
		PLN PLN m	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	Y
A. TAXONOMY-ELIGIBLE ACTIVITIES (EU TAXONOMY)																			
A.1. Types of environmentally sustainable activities (Taxonomy-aligned)																			
Electricity generation using solar photovoltaic technology	CCM 4.1.	167	3.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	5.8%		
Electricity generation from wind energy	CCM 4.3.	625	11.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	22.9%		
Electricity generation from hydro power	CCM 4.5.	20	0.4%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.5%		
Transmission and distribution of electricity	CCM 4.9.	3 829	67.9%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	60.5%	E	
Electricity storage	CCM 4.10.	48	0.9%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	-	E	
Distribution in district heating / cooling systems	CCM 4.15.	54	1.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1.1%		
Cogeneration of heat / cool and power from bioenergy (biomass)	CCM 4.20.	1	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.1%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3.	20	0.4%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.3%	E	
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4.	0	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%	E	
Installation, maintenance and repair of renewable energy technology systems	CCM 7.6.	0	0.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%	E	
Capital expenditure (CapEx) from environmentally sustainable activities (Taxonomy-aligned) (A.1.)		4 764	84.5%	84.5%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	91.0%		
of which enabling		3 897	69.1%	69.1%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	60.8%	E	

of which transitional		0	0.0%	0.0%							Y	Y	Y	Y	Y	Y	Y	0.0%			Y		
A.2. Taxonomy-eligible but not environmentally sustainable activities (non-Taxonomy-aligned activities)																							
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL														
Electricity generation from hydro power	CCM 4.5.	16	0.3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0.4%					
Transmission and distribution of electricity	CCM 4.9.	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0.0%					
Electricity generation from fossil gaseous fuels	CCM 4.29.	1	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0.1%					
Production of heat / cool from fossil gaseous fuels in an efficient district heating and cooling system	CCM 4.31.	36	0.6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0.3%					
Capital expenditure (CapEx) from Taxonomy-eligible but not environmentally sustainable activities (non-Taxonomy-aligned activities) (A.2.)		53	0.9%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%									0.7%					
Total (A.1. + A.2.)		4 817	85.4%															91.7%					
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES																							
Capital expenditure (CapEx) from non-Taxonomy-eligible activities (B.)		824	14.6%																				
Total (A. + B.)		**5 641**	**100.0%**																				

Code(s) – abbreviation of the relevant objective for which the economic activity qualifies to make a substantial contribution to its achievement, as well as the number of the section dedicated to that activity in the relevant annex for the objective (column 2), i.e.: – climate change mitigation (CCM); climate change adaptation (CCA); water and marine resources (WTR); circular economy (CE); pollution prevention and control (PPC); biodiversity and ecosystems (BIO)

Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity for the relevant environmental objective.
N – No, Taxonomy-eligible but not Taxonomy-aligned activity for the relevant environmental objective. EL – Eligible, Taxonomy-eligible activity for the relevant environmental objective.
N/EL – Not eligible, non-Taxonomy-eligible activity for the relevant environmental objective. N/A – Not applicable.
Y/N – Yes/No answer regarding Do No Significant Harm or compliance with Minimum Safeguards (Y/N to be selected). E – Designation of an economic activity defined in Delegated Regulation 2021/2139 as enabling.
Y (last column) – Designation of an economic activity defined in Delegated Regulation 2021/2139 as transitional.

Share of capital expenditure / total capital expenditure

	Taxonomy-alignment by environmental objective	Taxonomy-eligibility by environmental objective
CCM	84.5%	85.4%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Table no. 105. EU Taxonomy. Disclosure of the percentage share of operating expenditure (OpEx) from products or services associated with Taxonomy-aligned economic activities – disclosure for the year 2025

Financial year / Year 2025				Substantial contribution criteria						Do No Significant Harm (DNSH) criteria (4)									
Economic activity	EU TAXONOMY – Code(s)	Operating expenditure (OpEx) (absolute value) year 2025 (1)	Share of operating expenditure (OpEx) year 2025 (2)	Climate change mitigation (3)	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity	Minimum Safeguards (MS) (5)	Taxonomy-aligned percentage share (EU Taxonomy) year 2024	Category ("enabling activity") (6)	Category ("transitional activities") (6)
		PLN PLN m	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	Y
A. TAXONOMY-ELIGIBLE ACTIVITIES (EU TAXONOMY)																			
A.1. Types of environmentally sustainable activities (Taxonomy-aligned)																			
Electricity generation using solar photovoltaic technology	CCM 4.1.	3	0.1%	T	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.1%		
Electricity generation from wind energy	CCM 4.3.	58	2.5%	T	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1.9%		
Electricity generation from hydro power	CCM 4.5.	19	0.8%	T	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1.3%		
Transmission and distribution of electricity	CCM 4.9.	1 624	69.0%	T	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	64.9%	E	
Electricity storage	CCM 4.10.	0	0.0%	T	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	-	E	
Distribution in district heating / cooling systems	CCM 4.15.	18	0.8%	T	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.9%		
Cogeneration of heat / cool and power from bioenergy (biomass)	CCM 4.20.	8	0.3%	T	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.7%		
Installation, maintenance and repair of energy efficiency equipmen	CCM 7.3. (d)	16	0.7%	T	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.2%	E	
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.4.	0	0.0%	T	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%	E	
Installation, maintenance and repair of renewable energy technology systems	CCM 7.6. (a,f)	0	0.0%	T	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%	E	
Operating expenses (OpEx) from activities environmentally sustainable (Taxonomy-aligned) (A.1.)		1 746	74.2%	100%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	70.1%		
of which enabling		1 640	69.7%	69.7%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	65.1%	E	

of which transitional		0	0.0%	0.0%							Y	Y	Y	Y	Y	Y	Y	0.0%			Y		
A.2. Taxonomy-eligible but not environmentally sustainable activities (non-Taxonomy-aligned activities)																							
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL														
Electricity generation from hydro power	CCM 4.5.	15	0.6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0.5%					
Transmission and distribution of electricity	CCM 4.9.	4	0.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0.2%					
Electricity generation from fossil gaseous fuels	CCM 4.29.	2	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0.2%					
Production of heat / cool from fossil gaseous fuels in an efficient district heating and cooling system	CCM 4.31.	0	0.0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL									0.0%					
Operating expenses(OpEx) from Taxonomy-eligible but not environmentally sustainable activities (non-Taxonomy-aligned activities) (A.2.)		21	0.9%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%									0.9%					
Total (A.1. + A.2.)		1 767	75.1%															71.0%					
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES																							
Operating expenses (OpEx) from non-Taxonomy-eligible activities (B.)		586	24.9%																				
Total (A. + B.)		2 353	100.0%																				

Code(s) – abbreviation of the relevant objective for which the economic activity qualifies to make a substantial contribution to its achievement, as well as the number of the section dedicated to that activity in the relevant annex for the objective (column 2), i.e.: – climate change mitigation (CCM); climate change adaptation (CCA); water and marine resources (WTR); circular economy (CE); pollution prevention and control (PPC); biodiversity and ecosystems (BIO)
Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity for the relevant environmental objective.
N – No, Taxonomy-eligible but not Taxonomy-aligned activity for the relevant environmental objective. EL – Eligible, Taxonomy-eligible activity for the relevant environmental objective.
N/EL – Not eligible, non-Taxonomy-eligible activity for the relevant environmental objective. N/A – Not applicable.
Y/N – Yes/No answer regarding Do No Significant Harm or compliance with Minimum Safeguards (Y/N to be selected). E – Designation of an economic activity defined in Delegated Regulation 2021/2139 as enabling.
Y (last column) – designation of an economic activity defined in Delegated Regulation 2021/2139 as transitional.

Share of operating expenses / total operating expenses

	Taxonomy-alignment by environmental objective	Taxonomy-eligibility by environmental objective
CCM	74.2%	75.1%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Notes on the methodology for the above tables:

Table no. 103. EU Taxonomy. Disclosure of the percentage share of Turnover (Revenue) from products or services associated with Taxonomy-aligned economic activities – disclosure for the year 2025

(1) Turnover "Revenue" (absolute value): revenue from each individual activity. Where an activity appears in both A.1 and A.2 or B, the figure refers to the portion of the activity corresponding to A.1, A.2 or B. For activities carried out within the same operating segment of the TAURON Group, the allocation of revenues among individual activities is consistent with the Group's consolidated revenue reporting principles.

A.2. – this item represents: i. "4.9." new connections to the distribution network of Group's subsidiaries (over the last five years) for which GHG emission intensity exceeds the threshold of 100 gCO2eq/kWh and were excluded from A.1.; ii. "4.5." electricity generation from hydro power for which confirmation of compliance with the DNSH principle regarding fish migration "upstream and downstream" was not performed; iii. "4.29 and 4.31." facilities based on fossil gaseous fuels launched and operated before the date of publication of the EU Taxonomy, making retrospective analysis of certain criteria impossible.

Key assumptions adopted for the 2025 disclosure: Nearly 100% of Taxonomy-aligned activity (A.1.) was attributed to TAURON Dystrybucja. For cogeneration of heat/cool and power from bioenergy (biomass), an appropriate allocation of Turnover ("Revenue") was made within the Generation operating segment. Similarly, a partial allocation of Turnover "Revenue" was made for TAURON Nowe Technologie in respect of installation, maintenance and repair of: energy efficiency equipment; charging stations for electric vehicles in buildings (and parking spaces attached to buildings); renewable energy technology systems, and for TAURON Ciepło in respect of heat distribution (revenue from contracted capacity). Not reported revenue from activities comprising thermal energy storage (below materiality thresholds).

In determining total revenues under the EU Taxonomy framework, inter-segment sales between the operating segments of TAURON Group were not taken into account.

(2) Turnover "Revenue" shares: the percentage share of Revenue from each individually listed activity relative to the Group's total revenues (A. + B.).

(3) Substantial contribution to climate change mitigation: refers to the share of revenues from each individual economic activity (indicated in the "Revenue" column) that contributes to climate change mitigation. This is the only objective of the EU Taxonomy alignment analysis presented in the table, as it was deemed more relevant compared to the climate change adaptation objective

TAURON Group has reviewed the technical screening criteria for environmental objectives 3–6 and on this basis determined that it does not carry out economic activities covered by those criteria; therefore, it does not designate eligible or aligned levels of Revenue, CapEx and OpEx for those objectives.

Table no. 104. EU Taxonomy. Disclosure of the percentage share of capital expenditure (CapEx) from products or services associated with Taxonomy-aligned economic activities – disclosure for the year 2025

(1) Capital expenditure (CapEx): investment for each individual activity. Where an activity appears in both A.1 and A.2 or B, the figure refers to the portion of the activity corresponding to A.1, A.2 or B. Key assumptions adopted for the 2025 disclosure: Nearly 100% of CapEx in activities in the Distribution operating segments (4.9.) was attributed as Taxonomy-aligned.

A.2. – this item represents: i. "4.9." new connections to the distribution network of Group's subsidiaries (over the last five years) for which GHG emission intensity exceeds the threshold of 100 gCO2eq/kWh and were excluded from A.1.; and ii. "4.5." electricity generation from hydropower for which confirmation of compliance with the DNSH principle regarding fish migration "upstream and downstream" was not performed. Item A.2. also includes CapEx for fossil gaseous fuels: iii. currently constructed generating units based on fossil gaseous fuels, predominantly attributed to activity "4.31. Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system" and to activity "4.29. Electricity generation from fossil gaseous fuels".

(2) Share of capital expenditure (CapEx): the percentage share of investment for each individual type of activity (business activity) relative to the Group's total capital expenditure..

(3) Substantial contribution to climate change mitigation: refers to the share of "capital expenditure" (CapEx) in each individual economic activity (indicated in the "capital expenditure" column) that contributes to climate change mitigation. This is the only objective of the EU Taxonomy alignment analysis presented in the table, as it was deemed more relevant compared to the climate change adaptation objective. Although some expenditure is also associated with a contribution to climate adaptation of assets, this contribution was not identified as significant

TAURON Group has reviewed the technical screening criteria for environmental objectives 3–6 and on this basis determined that it does not carry out economic activities covered by those criteria; therefore, it does not designate eligible or aligned levels of Revenue, CapEx and OpEx for those objectives.

Table no. 105. EU Taxonomy. Disclosure of the percentage share of operating expenditure (OpEx) from products or services associated with Taxonomy-aligned economic activities – disclosure for the year 2025

(1) Total OpEx: OpEx for each individual activity. Where an activity appears in both A.1 and A.2 or B, the figure refers to the portion of the activity corresponding to A.1, A.2 or B.

A.2. – this item represents: i. "4.9." new connections to the distribution network of Group's subsidiaries (over the last five years) for which GHG emission intensity exceeds the threshold of 100 gCO2eq/kWh and were excluded from A.1.; ii. "4.5." electricity generation from hydropower for which confirmation of compliance with the DNSH principle regarding fish migration "upstream and downstream" was not performed; iii. "4.29. and 4.31." facilities based on fossil gaseous fuels launched and operated before the date of publication of the EU Taxonomy, making retrospective analysis of certain criteria impossible.

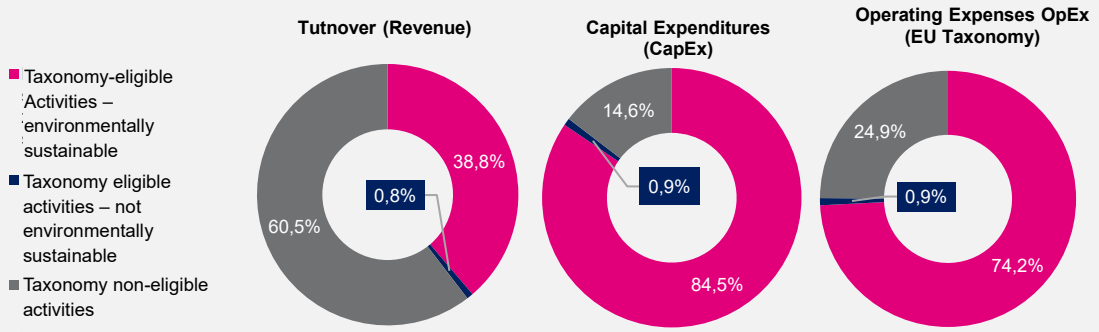
(2) OpEx share: the percentage share of OpEx for each individual business activity out of the total ordinary operating costs required by the EU Taxonomy at the Group level.

(3) Substantial contribution to climate change mitigation: refers to the share of ordinary operating costs for each individual economic activity (indicated in the operating costs column) that contributes to climate change mitigation. This is the only objective of the EU Taxonomy alignment analysis presented in the table, as it was deemed more relevant compared to the climate change adaptation objective. Although some costs are also associated with a contribution to climate adaptation of assets, this contribution was not identified as significant.

TAURON Group has reviewed the technical screening criteria for environmental objectives 3–6 and on this basis determined that it does not carry out economic activities covered by those criteria; therefore, it does not designate eligible or aligned levels of Revenue, CapEx and OpEx for those objectives. OpEx as defined in Commission Delegated Regulation (EU) 2021/2178 as direct, non-capitalized costs related to research and development activities, building renovation activities, short-term leasing, maintenance and repairs, and any other direct expenditure related to the day-to-day servicing (maintenance) of tangible assets by the company or by a third party to whom activities necessary to ensure the continued and effective functioning of those assets have been outsourced.

(4) DNSH: for each activity, the environmental objectives meeting the Do No Significant Harm (DNSH) criteria are specified.
(5) Minimum Safeguards: indicates whether Minimum Safeguards within the meaning of the EU Taxonomy are being observed for each of the individual activities listed in the table.
(6) Category: specifies whether the activity directly contributes to climate change mitigation, or is an enabling or transitional activity.
Activity "CCM 4.5. Electricity generation from hydropower" in respect of the technical screening criteria (TSC) – substantial contribution to climate change mitigation meets one of the required criteria, where in the relevant cases the criterion has been verified and met: "the lifecycle GHG emission level from electricity generation from hydro power is below 100 g CO2eq/kWh", however without third-party confirmat ion.

Figure no. 55. Share of environmentally sustainable and not environmentally sustainable Taxonomy-eligible activities, and non-Taxonomy-eligible activities in Turnover (Revenue), operating expenditure (OpEx) and capital expenditure (CapEx) of TAURON Group in 2025



For 2025 and for the previous year, a uniform approach to the revenue calculation methodology was adopted, linking revenues generated under the titles defined in the methodology – i.e. EU Taxonomy-eligible and non-Taxonomy-eligible – with the margin chain achieved at the level of the final Customer, i.e. at the interface with the external counterparty. This approach precisely reflects the consolidated revenue value of the Group.

For the calculation of operating expenditure (OpEx) and capital expenditure (CapEx) for the 2025 reporting period and for the prior period (2024), a uniform cost calculation and capital expenditure identification methodology was applied, based on a detailed analysis of individual cost items and capital expenditure items, encompassing an in-depth examination of the cost structure and capital expenditure, identification of key factors affecting financial results, and implementation of advanced analytical tools. This increased process transparency and optimised financial risk management.

Turnover (Revenue) – activities associated with nuclear energy and natural gas

Table no. 106. Activities associated with nuclear energy and natural gas (according to template 1)

#	Activities associated with nuclear energy	
1.	The undertaking carries out, funds or has exposure to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposure to the construction and safe operation of new nuclear installations for the purpose of generating electricity or process heat, including for district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposure to the safe operation of existing nuclear installations generating electricity or process heat, including for district heating or industrial processes such as the production of hydrogen from nuclear energy, as well as their safety upgrades.	NO
	Activities associated with natural gas	
4.	The undertaking carries out, funds or has exposure to the construction or operation of electricity generation facilities using fossil gaseous fuels.	YES
5.	The undertaking carries out, funds or has exposure to the construction, renovation and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposure to the construction, renovation and operation of heat generation facilities producing thermal energy/cooling from fossil gaseous fuels.	YES

Table no. 107. Taxonomy-aligned economic activity (denominator) [1] (according to template 2)

#	Types of economic activity [2]	Amount and proportion (information to be presented in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (PLN m)	%	Amount (PLN m)	%	Amount (PLN m)	%
1.	Amount and proportion of Taxonomy-aligned economic activity referred to in section 4.26.	0	0%	0	0%	0	N / A
2.	Amount and proportion of Taxonomy-aligned economic activity referred to in section 4.27.	0	0%	0	0%	0	N / A
3.	Amount and proportion of Taxonomy-aligned economic activity referred to in section 4.28.	0	0%	0	0%	0	N / A
4.	Amount and proportion of Taxonomy-aligned economic activity referred to in section 4.29.	0	0%	0	0%	0	N / A
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in section 4.30.	0	0%	0	0%	0	N / A
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in section 4.31.	0	0%	0	0%	0	N / A
7.	Amount and proportion of other types of Taxonomy-aligned economic activity not listed in rows 1–6 above in the denominator of the applicable key performance indicator	12 897	38.8%	12 897	38.8%	0	N / A
8.	Total applicable key performance indicator	33 277	100.0%	33 277	100.0%	0	N / A

[1] Any differences between the sum of individual monetary amounts and percentages from the rows in a given table subgroup (e.g. in the subgroup "A.1 Types of environmentally sustainable economic activity (Taxonomy-aligned)"), and a single monetary amount or percentage representing their subtotal in that subgroup, result solely from rounding to thousands of zlotys (monetary amounts) and to two decimal places (percentages).
[2] Within the meaning of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator.

Table no. 108. Taxonomy-aligned economic activity (numerator)[1] (according to template 3)

#	Types of economic activity [2]	Amount and proportion (information to be presented in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (PLN m)	%	Amount (PLN m)	%	Amount (PLN m)	%
1.	Amount and proportion of Taxonomy-aligned economic activity referred to in section 4.26.	0	0%	0	0%	0	N / A
2.	Amount and proportion of Taxonomy-aligned economic activity referred to in section 4.27.	0	0%	0	0%	0	N / A
3.	Amount and proportion of Taxonomy-aligned economic activity referred to in section 4.28.	0	0%	0	0%	0	N / A
4.	Amount and proportion of Taxonomy-aligned economic activity referred to in section 4.29.	0	0%	0	0%	0	N / A
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in section 4.30.	0	0%	0	0%	0	N / A
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in section 4.31.	0	0%	0	0%	0	N / A
7.	Amount and proportion of other types of Taxonomy-aligned economic activity not listed in rows 1–6	12 897	100.0%	12 897	100.0%	0	N / A

	above in the numerator of the applicable key performance indicator						
8.	Total amount and total proportion of Taxonomy-aligned economic activities in the numerator of the applicable key performance indicator	12 897	100.0%	12 897	100.0%	0	N / A

[1] Any differences between the sum of individual monetary amounts and percentages from the rows in a given table subgroup (e.g. in the subgroup "A.1 Types of environmentally sustainable economic activity (Taxonomy-aligned)"), and a single monetary amount or percentage representing their subtotal in that subgroup, result solely from rounding to thousands of zlotys (monetary amounts) and to two decimal places (percentages).
[2] Within the meaning of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator.

Table no. 109. Taxonomy-eligible but not Taxonomy-aligned economic activity[1] (according to template 4)

#	Types of economic activity [2]	Amount and proportion (information to be presented in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (PLN m)	%	Amount (PLN m)	%	Amount (PLN m)	%
1.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in section 4.26.	0	0%	0	0%	0	N / A
2.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in section 4.27.	0	0%	0	0%	0	N / A
3.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in section 4.28.	0	0%	0	0%	0	N / A
4.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in section 4.29.	21	0.1%	21	0.1%	0	N / A
5.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in section 4.30.	0	0%	0	0%	0	N / A
6.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in section 4.31.	65	0.2%	65	0.2%	0	N / A
7.	Amount and proportion of other types of Taxonomy-eligible but not Taxonomy-aligned economic activity not listed in rows 1–6 above in the denominator of the applicable key performance indicator	174	0.5%	174	0.5%	0	N / A
8.	Total amount and total proportion of Taxonomy-eligible but not Taxonomy-aligned economic activities in the denominator of the applicable key performance indicator	**260**	0.8%	**260**	0.8%	0	N / A

[1] Any differences between the sum of individual monetary amounts and percentages from the rows in a given table subgroup (e.g. in the subgroup "A.1 Types of environmentally sustainable economic activity (Taxonomy-aligned)"), and a single monetary amount or percentage representing their subtotal in that subgroup, result solely from rounding to thousands of zlotys (monetary amounts) and to two decimal places (percentages).
[2] Within the meaning of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator.

Table no. 110. Non-Taxonomy-eligible economic activity[1] (according to template 5)

#	Types of economic activity [2]	Amount and proportion (information to be presented in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (PLN m)	%	Amount (PLN m)	%	Amount (PLN m)	%
1.	Amount and proportion of the economic activity referred to in row 1 of template 1, which is a non-	0	0%	0	0%	0	N / A

	Taxonomy-eligible economic activity pursuant to section 4.26.						
2.	Amount and proportion of the economic activity referred to in row 1 of template 1, which is a non-Taxonomy-eligible economic activity pursuant to section 4.27.	0	0%	0	0%	0	N / A
3.	Amount and proportion of the economic activity referred to in row 1 of template 1, which is a non-Taxonomy-eligible economic activity pursuant to section 4.28.	0	0%	0	0%	0	N / A
4.	Amount and proportion of the economic activity referred to in row 1 of template 1, which is a non-Taxonomy-eligible economic activity pursuant to section 4.29.	0	0%	0	0%	0	N / A
5.	Amount and proportion of the economic activity referred to in row 1 of template 1, which is a non-Taxonomy-eligible economic activity pursuant to section 4.30.	0	0%	0	0%	0	N / A
6.	Amount and proportion of the economic activity referred to in row 1 of template 1, which is a non-Taxonomy-eligible economic activity pursuant to section 4.31.	0	0%	0	0%	0	N / A
7.	Amount and proportion of other types of non-Taxonomy-eligible economic activity not listed in rows 1–6 above in the denominator of the applicable key performance indicator	20 120	60.5%	20 120	60.5%	0	N / A
8.	Total amount and total proportion of non-Taxonomy-eligible economic activities in the denominator of the applicable key performance indicator	20 120	60.5%	20 120	60.5%	0	N / A

[1] *Any differences between the sum of individual monetary amounts and percentages from the rows in a given table subgroup (e.g. in the subgroup "A.1 Types of environmentally sustainable economic activity (Taxonomy-aligned)"), and a single monetary amount or percentage representing their subtotal in that subgroup, result solely from rounding to thousands of zlotys (monetary amounts) and to two decimal places (percentages).*
[2] *Within the meaning of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator.*

Capital expenditure (CapEx) – activities associated with nuclear energy and natural gas

Table no. 111. Activities associated with nuclear energy and natural gas (according to template 1)

#	Activities associated with nuclear energy	
1.	The undertaking carries out, funds or has exposure to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle	NO
2.	The undertaking carries out, funds or has exposure to the construction and safe operation of new nuclear installations for the purpose of generating electricity or process heat, including for district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies	NO
3.	The undertaking carries out, funds or has exposure to the safe operation of existing nuclear installations generating electricity or process heat, including for district heating or industrial processes such as the production of hydrogen from nuclear energy, as well as their safety upgrades	NO
	Activities associated with natural gas	
4.	The undertaking carries out, funds or has exposure to the construction or operation of electricity generation facilities using fossil gaseous fuels	YES
5.	The undertaking carries out, funds or has exposure to the construction, renovation and operation of combined heat/cool and power generation facilities using fossil gaseous fuels	YES
6.	The undertaking carries out, funds or has exposure to the construction, renovation and operation of heat generation facilities producing thermal energy/cooling from fossil gaseous fuels.	YES

Table no. 112. Taxonomy-aligned economic activity (denominator)[1] (according to template 2)

#	Types of economic activity [2]	Amount and proportion (information to be presented in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (PLN m)	%	Amount (PLN m)	%	Amount (PLN m)	%
1.	Amount and proportion of Taxonomy-aligned economic activity referred to in section 4.26.	0	0%	0	0%	0	N / A
2.	Amount and proportion of Taxonomy-aligned economic activity referred to in section 4.27.	0	0%	0	0%	0	N / A
3.	Amount and proportion of Taxonomy-aligned economic activity referred to in section 4.28.	0	0%	0	0%	0	N / A
4.	Amount and proportion of Taxonomy-aligned economic activity referred to in section 4.29.	0	0%	0	0%	0	N / A
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in section 4.30.	0	0%	0	0%	0	N / A
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in section 4.31.	0	0%	0	0%	0	N / A
7.	Amount and proportion of other types of Taxonomy-aligned economic activity not listed in rows 1–6 above in the denominator of the applicable key performance indicator	4 764	84.5%	4 764	84.5%	0	N / A
8.	Total applicable key performance indicator	**5 641**	**100.0%**	**5 641**	**100.0%**	0	N / A

[1] Any differences between the sum of individual monetary amounts and percentages from the rows in a given table subgroup (e.g. in the subgroup "A.1 Types of environmentally sustainable economic activity (Taxonomy-aligned)"), and a single monetary amount or percentage representing their subtotal in that subgroup, result solely from rounding to thousands of zlotys (monetary amounts) and to two decimal places (percentages).
[2] Within the meaning of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator.

Table no. 113. Taxonomy-aligned economic activity (numerator)[1] (according to template 3)

#	Types of economic activity [2]	Amount and proportion (information to be presented in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (PLN m)	%	Amount (PLN m)	%	Amount (PLN m)	%
1.	Amount and proportion of Taxonomy-aligned economic activity referred to in section 4.26.	0	0%	0	0%	0	N / A
2.	Amount and proportion of Taxonomy-aligned economic activity referred to in section 4.27.	0	0%	0	0%	0	N / A
3.	Amount and proportion of Taxonomy-aligned economic activity referred to in section 4.28.	0	0%	0	0%	0	N / A
4.	Amount and proportion of Taxonomy-aligned economic activity referred to in section 4.29.	0	0%	0	0%	0	N / A
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in section 4.30.	0	0%	0	0%	0	N / A
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in section 4.31.	0	0%	0	0%	0	N / A
7.	Amount and proportion of other types of Taxonomy-aligned economic activity not listed in rows 1–6 above in the numerator of the applicable key performance indicator	4 764	100.0%	4 764	100.0%	0	N / A

8.	Total amount and total proportion of Taxonomy-aligned economic activities in the numerator of the applicable key performance indicator	4 764	100.0%	4 764	100.0%	0	N / A

[1] Any differences between the sum of individual monetary amounts and percentages from the rows in a given table subgroup (e.g. in the subgroup "A.1 Types of environmentally sustainable economic activity (Taxonomy-aligned)"), and a single monetary amount or percentage representing their subtotal in that subgroup, result solely from rounding to thousands of zlotys (monetary amounts) and to two decimal places (percentages).
[2] Within the meaning of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator.

Table no. 114. Taxonomy-eligible but not Taxonomy-aligned economic activity[1] (according to template 4)

#	Types of economic activity [2]	Amount and proportion (information to be presented in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (PLN m)	%	Amount (PLN m)	%	Amount (PLN m)	%
1.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in section 4.26.	0	0%	0	0%	0	N / A
2.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in section 4.27.	0	0%	0	0%	0	N / A
3.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in section 4.28.	0	0%	0	0%	0	N / A
4.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in section 4.29.	1	0.0%	1	0.0%	0	N / A
5.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in section 4.30.	0	0%	0	0%	0	N / A
6.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in section 4.31.	36	0.6%	36	0.6%	0	N / A
7.	Amount and proportion of other types of Taxonomy-eligible but not Taxonomy-aligned economic activity not listed in rows 1–6 above in the denominator of the applicable key performance indicator	16	0.3%	16	0.3%	0	N / A
8.	Total amount and total proportion of Taxonomy-eligible but not Taxonomy-aligned economic activities in the denominator of the applicable key performance indicator	53	0.9%	53	0.9%	0	N / A

[1] Any differences between the sum of individual monetary amounts and percentages from the rows in a given table subgroup (e.g. in the subgroup "A.1 Types of environmentally sustainable economic activity (Taxonomy-aligned)"), and a single monetary amount or percentage representing their subtotal in that subgroup, result solely from rounding to thousands of zlotys (monetary amounts) and to two decimal places (percentages).
[2] Within the meaning of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator.

Table no. 115. Non-Taxonomy-eligible economic activity [1] (according to template 5)

#	Types of economic activity [2]	Amount and proportion (information to be presented in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (PLN m)	%	Amount (PLN m)	%	Amount (PLN m)	%
1.	Amount and proportion of the economic activity referred to in row 1 of template 1, which is a non-Taxonomy-eligible economic activity pursuant to section 4.26.	0	0%	0	0%	0	N / A

2.	Amount and proportion of the economic activity referred to in row 1 of template 1, which is a non-Taxonomy-eligible economic activity pursuant to section 4.27.	0	0%	0	0%	0	N / A
3.	Amount and proportion of the economic activity referred to in row 1 of template 1, which is a non-Taxonomy-eligible economic activity pursuant to section 4.28.	0	0%	0	0%	0	N / A
4.	Amount and proportion of the economic activity referred to in row 1 of template 1, which is a non-Taxonomy-eligible economic activity pursuant to section 4.29.	0	0%	0	0%	0	N / A
5.	Amount and proportion of the economic activity referred to in row 1 of template 1, which is a non-Taxonomy-eligible economic activity pursuant to section 4.30.	0	0%	0	0%	0	N / A
6.	Amount and proportion of the economic activity referred to in row 1 of template 1, which is a non-Taxonomy-eligible economic activity pursuant to section 4.31.	0	0%	0	0%	0	N / A
7.	Amount and proportion of other types of non-Taxonomy-eligible economic activity not listed in rows 1–6 above in the denominator of the applicable key performance indicator	824	14.6%	824	14.6%	0	N / A
8.	Total amount and total proportion of Taxonomy-eligible but not Taxonomy-aligned economic activities in the denominator of the applicable key performance indicator	824	14.6%	824	14.6%	0	N / A

[1] Any differences between the sum of individual monetary amounts and percentages from the rows in a given table subgroup (e.g. in the subgroup "A.1 Types of environmentally sustainable economic activity (Taxonomy-aligned)"), and a single monetary amount or percentage representing their subtotal in that subgroup, result solely from rounding to thousands of zlotys (monetary amounts) and to two decimal places (percentages).
[2] Within the meaning of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator.

Operating expenditure (OpEx) – activities associated with nuclear energy and natural gas

Table no. 116. Activities associated with nuclear energy and natural gas (according to template 1)

#	Activities associated with nuclear energy	
1.	The undertaking carries out, funds or has exposure to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle	NO
2.	The undertaking carries out, funds or has exposure to the construction and safe operation of new nuclear installations for the purpose of generating electricity or process heat, including for district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies	NO
3.	The undertaking carries out, funds or has exposure to the safe operation of existing nuclear installations generating electricity or process heat, including for district heating or industrial processes such as the production of hydrogen from nuclear energy, as well as their safety upgrades	NO
	Activities associated with natural gas	
4.	The undertaking carries out, funds or has exposure to the construction or operation of electricity generation facilities using fossil gaseous fuels	YES
5.	The undertaking carries out, funds or has exposure to the construction, renovation and operation of combined heat/cool and power generation facilities using fossil gaseous fuels	NO
6.	The undertaking carries out, funds or has exposure to the construction, renovation and operation of heat generation facilities producing thermal energy/cooling from fossil gaseous fuels	YES

Table no. 117. Taxonomy-aligned economic activity (denominator) [1] (according to template 2)

#	Types of economic activity [2]	Amount and proportion (information to be presented in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (PLN m)	%	Amount (PLN m)	%	Amount (PLN m)	%
1.	Amount and proportion of Taxonomy-aligned economic activity referred to in section 4.26.	0	0%	0	0%	0	N / A
2.	Amount and proportion of Taxonomy-aligned economic activity referred to in section 4.27.	0	0%	0	0%	0	N / A
3.	Amount and proportion of Taxonomy-aligned economic activity referred to in section 4.28.	0	0%	0	0%	0	N / A
4.	Amount and proportion of Taxonomy-aligned economic activity referred to in section 4.29.	0	0%	0	0%	0	N / A
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in section 4.30.	0	0%	0	0%	0	N / A
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in section 4.31.	0	0%	0	0%	0	N / A
7.	Amount and proportion of other types of Taxonomy-aligned economic activity not listed in rows 1–6 above in the denominator of the applicable key performance indicator	1 746	74.2%	1 746	74.2%	0	N / A
8.	Total applicable key performance indicator	2 353	100.0%	2 353	100.0%	0	N / A

[1] Any differences between the sum of individual monetary amounts and percentages from the rows in a given table subgroup (e.g. in the subgroup "A.1 Types of environmentally sustainable economic activity (Taxonomy-aligned)"), and a single monetary amount or percentage representing their subtotal in that subgroup, result solely from rounding to thousands of zlotys (monetary amounts) and to two decimal places (percentages).
[2] Within the meaning of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator.

Table no. 118. Taxonomy-aligned economic activity (numerator) [1] (according to template 3)

#	Types of economic activity [2]	Amount and proportion (information to be presented in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (PLN m)	%	Amount (PLN m)	%	Amount (PLN m)	%
1.	Amount and proportion of Taxonomy-aligned economic activity referred to in section 4.26.	0	0%	0	0%	0	N / A
2.	Amount and proportion of Taxonomy-aligned economic activity referred to in section 4.27.	0	0%	0	0%	0	N / A
3.	Amount and proportion of Taxonomy-aligned economic activity referred to in section 4.28.	0	0%	0	0%	0	N / A
4.	Amount and proportion of Taxonomy-aligned economic activity referred to in section 4.29.	0	0%	0	0%	0	N / A
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in section 4.30.	0	0%	0	0%	0	N / A
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in section 4.31.	0	0%	0	0%	0	N / A
7.	Amount and proportion of other types of Taxonomy-aligned economic activity not listed in rows 1–6 above in the numerator of the applicable key performance indicator	1 746	100%	1 746	100%	0	N / A

8.	Total amount and total proportion of Taxonomy-aligned economic activities in the numerator of the applicable key performance indicator	1 746	100%	1 746	100%	0	N / A

[1] Any differences between the sum of individual monetary amounts and percentages from the rows in a given table subgroup (e.g. in the subgroup "A.1 Types of environmentally sustainable economic activity (Taxonomy-aligned)"), and a single monetary amount or percentage representing their subtotal in that subgroup, result solely from rounding to thousands of zlotys (monetary amounts) and to two decimal places (percentages).
[2] Within the meaning of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator.

Table no. 119. Taxonomy-eligible but not Taxonomy-aligned economic activity [1] (according to template 4)

#	Types of economic activity [2]	Amount and proportion (information to be presented in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (PLN m)	%	Amount (PLN m)	%	Amount (PLN m)	%
1.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in section 4.26.	0	0%	0	0%	0	N / A
2.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in section 4.27.	0	0%	0	0%	0	N / A
3.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in section 4.28.	0	0%	0	0%	0	N / A
4.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in section 4.29.	2	0.1%	2	0.1%	0	N / A
5.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in section 4.30.	0	0%	0	0%	0	N / A
6.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in section 4.31.	0	0%	0	0%	0	N / A
7.	Amount and proportion of other types of Taxonomy-eligible but not Taxonomy-aligned economic activity, not listed in rows 1–6 above in the denominator of the applicable key performance indicator	19	0.8%	19	0.8%	0	N / A
8.	Total amount and total proportion of Taxonomy-eligible but not Taxonomy-aligned economic activities in the denominator of the applicable key performance indicator	21	0.9%	21	0.9%	0	N / A

[1] Any differences between the sum of individual monetary amounts and percentages from the rows in a given table subgroup (e.g. in the subgroup "A.1 Types of environmentally sustainable economic activity (Taxonomy-aligned)"), and a single monetary amount or percentage representing their subtotal in that subgroup, result solely from rounding to thousands of zlotys (monetary amounts) and to two decimal places (percentages).
[2] Within the meaning of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator.

Table no. 120. Non-Taxonomy-eligible economic activity [1] (according to template 5)

#	Types of economic activity [2]	Amount and proportion (information to be presented in monetary amounts and percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount (PLN m)	%	Amount (PLN m)	%	Amount (PLN m)	%
1.	Amount and proportion of the economic activity referred to in row 1 of template 1, which is a non-Taxonomy-eligible economic activity pursuant to section 4.26.	0	0%	0	0%	0	N / A

2.	Amount and proportion of the economic activity referred to in row 1 of template 1, which is a non-Taxonomy-eligible economic activity pursuant to section 4.27.	0	0%	0	0%	0	N / A
3.	Amount and proportion of the economic activity referred to in row 1 of template 1, which is a non-Taxonomy-eligible economic activity pursuant to section 4.28.	0	0%	0	0%	0	N / A
4.	Amount and proportion of the economic activity referred to in row 1 of template 1, which is a non-Taxonomy-eligible economic activity pursuant to section 4.29.	0	0%	0	0%	0	N / A
5.	Amount and proportion of the economic activity referred to in row 1 of template 1, which is a non-Taxonomy-eligible economic activity pursuant to section 4.30.	0	0%	0	0%	0	N / A
6.	Amount and proportion of the economic activity referred to in row 1 of template 1, which is a non-Taxonomy-eligible economic activity pursuant to section 4.31.	0	0%	0	0%	0	N / A
7.	Amount and proportion of other types of non-Taxonomy-eligible economic activity not listed in rows 1–6 above in the denominator of the applicable key performance indicator	586	24.9%	586	24.9%	0	N / A
8.	Total amount and total proportion of non-Taxonomy-eligible economic activities in the denominator of the applicable key performance indicator	586	24.9%	586	24.9%	0	N / A

[1] Any differences between the sum of individual monetary amounts and percentages from the rows in a given table subgroup (e.g. in the subgroup "A.1 Types of environmentally sustainable economic activity (Taxonomy-aligned)"), and a single monetary amount or percentage representing their subtotal in that subgroup, result solely from rounding to thousands of zlotys (monetary amounts) and to two decimal places (percentages).
[2] Within the meaning of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator.

13.11. Climate change (E1)

(E1.GOV-3) Integration of sustainability related performance in incentive schemes

TAURON Group's sustainability related performance is incorporated into the variable component of the compensation of the Members of the Management Board of the Company.

The variable compensation is linked, among other things, to the achievement of the non-financial targets that are directly tied to the ESG objectives, including matters related to the mitigation of and adaptation to climate change across selected business areas.

The designated non-financial targets for 2025 linked to the climate related matters are described in greater detail in *section 13.3 of this report, in the part concerning GOV-3).*

The assessment of the performance of the Management Board encompasses the achievement of the non-financial targets related to the Group's energy transition, including, in particular, the actions focused on the decarbonizing of the operations, expanding the renewable energy sources (RES) and changing the generation mix.

The achievement of these targets in 2025 provided the support for the actions related to the GHG emissions reductions through:

1. ongoing modernization and expansion of the distribution grid (an increase of the grid connection capacity for the PV installations, enhanced RES absorption potential and the development of the flexibility services)
2. implementation of the RES projects (a further shift of the energy mix toward the low- and zero emission (carbon) generation sources);
3. ongoing decarbonization of the district heating (commissioning of the gas fired sources and commencement of the construction of the gas engines);
4. actions under way aimed at achieving 100% low emission (carbon) energy in the electricity supply volume and implementing of a new model for allocating energy coming from RES.

The above mentioned targets collectively account for 35% of the variable compensation. On the other hand, the variable compensation constitutes up to 50% of the total compensation of the Members of the Management Board. In 2025, the sustainability related matters accounted for a maximum of 17.5% of the total compensation of the Members of the Management Board of the Company. Their achievement is assessed in the context of the efforts aimed at reducing of the greenhouse gas emissions, consistent with the climate targets disclosed in accordance with the ESRS E1 requirements. The detailed information in this regard is provided in *section 13.3 of this report (GOV-3).*

The compensation of the Supervisory Board of the Company is not linked to the sustainability performance.	The sustainability related performance is incorporated into the variable compensation of the Management Boards of the subsidiaries.

(E1-1) Transition Plan for Climate Change Mitigation

TAURON Group has not yet adopted a transition plan for climate change mitigation. The Group is planning to adopt such a plan within the next two years.

(E1.SBM-3) Material Impacts, Risks, and Opportunities and Their Interaction with Strategy and Business Model

The description of the processes for identifying and assessing the material impacts, risks and opportunities (including those related to climate) is set out in *section 13.8 of this report (IRO-1)*. The material risks related to climate change were identified in the updated double materiality assessment process.

The table below indicates, for each identified material risk related to climate change, the classification of these risks as physical risks and / or transition risks.

Table no. 121. Classification of Material Risks and Classification of Determining Areas in TAURON Group's Business Operations

#	Risk Category and Description	BU	Risk Type	Impact on operations
Climate change mitigation				
1.	Support mechanisms for RES, energy storage and the promotion of energy efficiency are limiting access to financing for coal-based sources and their profitability, while simultaneously reducing demand for traditional TAURON Group products, which may result in a decline in revenues from the coal-based sources sector and the need for employment restructuring.	Generation Heat	Transition	Negative, fossil fuel related operations Negative, displacement and destabilization of conventional source operations
2.	Loss of revenues from heat sales due to thermal retrofit (modernization) activities and declining demand for district heat as well as increasing competition from the alternative heat sources.	Generation Heat	Transition	Negative, displacement and destabilization of source operations
3.	Changes in national and European regulations that may lead to additional costs of adapting TAURON Group assets to environmental and climate requirements	Generation Heat	Transition	Negative, fossil fuel related operations
4.	Tightening of financial policies toward assets utilizing fossil fuels will hinder the ability to raise financing, deteriorating TAURON Group's financial condition, lowering its credit rating and increasing the risk of higher financing costs and restricted access to capital, which may affect TAURON Group's financial results and reputation.	Generation Heat	Transition	Negative, fossil fuel related operations
5.	In connection with long-term targets related to achieving climate neutrality, a possible restructuring/reorganization/key change in the business profile in certain business areas will necessitate incurring additional costs related to employment restructuring and/or the discontinuation of some currently conducted activities.	Generation Heat	Transition	Negative, conventional fuel related operations
6.	Purchasing energy from fossil fuels may worsen the emission balance of the products sold, leading to a loss of competitiveness, customers and revenues.	Wholesale Trading	Transition	Negative, fossil fuel relatd operations
7.	The transition to a low emission (carbon) economy will reduce demand for lime sorbents, which will impact the revenues of the Kopalnia Wapienia Czatkowice	New Services	Transition	Negative, limestone open-cast mining operations
Climate change adaptation				
1.	Variability in hydrological conditions and changing climate factors (absence of precipitation, drought periods, floods, prolonged snow and ice cover, hail, radical temperature rises and drops, strong wind gusts, lightning discharges) may necessitate the shutdown or limitation of operations of conventional and RES assets. This will impact a decline in revenues from electricity generation or the need to incur additional expenditures as a result of climate change.	RES Generation Heat	Physical	Negative, fossil fuel related operations and RES related operations

2.	Changes in the prices of fuels, materials and services as well as the impact of high temperatures on the technical and economic parameters of production may raise the unit variable cost of energy generation (VUC), exceeding the assumptions set out in the operational and financial plan, causing cost increases, plan deviations and a decline in output from conventional sources due to their low market competitiveness.	Generation Heat	Transition	Negative, fossil fuel related operations
3.	Changes to Poland's Energy Policy and/or delays at the national level in investments in nuclear energy/offshore wind energy may result in a delay in *exiting* the hard coal based power generation and, consequently, a delay in TAURON Group achieving climate neutrality.	All BUs	Transition	Negative, fossil fuel-related operations
4.	High costs of adapting infrastructure to climate change may place a significant burden on the company, particularly where such changes occur faster and more intensively than anticipated.	Generation Heat Distribution RES	Physical	Negative, electricity and heat generation and distribution operations
Energy				
1.	Loss of RES profit due to the absence of biomass supplies meeting sustainability criteria, biomass price increases and / or low biomass quality.	Generation Heat	Transition	Negative, biomass-related operations
2.	An economic crisis (downturn) may lead to a reduction in the volume of energy deliveries, resulting in a decline in distribution revenues.	Distribution	Transition	Negative, electricity distribution operations
3.	Rising electricity prices on the wholesale market may lead to failure to achieve the assumed selling price and margin, and to a loss of revenues from electricity sales to end customers.	Wholesale Trading Supply	Transition	Negative, electricity supply operations
4.	A decline in energy consumption by customers due to climate factors, environmental protection or economic fluctuations may lead to a loss of sales, the higher costs of acquiring the new customers and a weakening of market position.	Supply	Transition	Negative, electricity supply operations
5.	Fuel price volatility on domestic and foreign markets and limited fuel availability lead to higher energy production costs and potential difficulties in ensuring supply stability.	Generation Heat	Transition	Negative, fossil fuel related operations

For the purpose of conducting the resilience analysis, a concept based on the conceptual framework described in the *Reports of the Intergovernmental Panel on Climate Change (IPCC)* was applied. For the purpose of developing and subsequently applying the multi criteria analysis method, it was assumed that the risk level was a result of the dynamic interactions between:

1. hazards associated with the changing climate,
2. the exposure of elements to climate hazards,
3. the vulnerability of elements to these hazards.

The resilience analysis was conducted in 2024. The method of conducting the resilience analysis, including the climate scenarios used and the outcome of this analysis, are described *in section 13.8 of this report, in the section related to SBM-3.*

The time horizons applied in the resilience analysis are the same as those described in *section 13.1 of this report*. The Company did not exclude its own operations and the upstream or downstream value chain from the analysis.

The Group made an adjustment of its *TAURON Group Strategy for 2025-2035* and Business Model to climate change in 2024. The Company did not identify areas of uncertainty; however, it should be noted that the analysis conducted was related to the future. As a result, it cannot be ruled out that the circumstances may change.

(E1.IRO-1) Description of the Processes for Identifying and Assessing Climate Related Material Impacts, Risks, and Opportunities

The description of the processes for identifying and assessing the material impacts, risks and opportunities (including those related to climate) is set out in *section 13.8 of this report, in the part related to IRO-1.*

The actual and potential material impacts, risks and opportunities related to climate change, including those associated with the GHG emissions as well as physical risks and transition risks, were identified within the following sub-topics: *climate change adaptation, climate change mitigation, energy*.

TAURON Group's primary impact on climate change stems from greenhouse gas (GHG) emissions generated in the processes of electricity generation, distribution and supply. These emissions are directly related to the business profile of TAURON Group as an entity operating in the energy sector and to the fuel and generation technology mix used. More information on this subject is provided in *section 13.11 of this report, in the part related to E1-6).*

TAURON Group analyzed whether its assets and business activities are exposed to climate related hazards, including in the area of transition risks and physical risks, both within its own operations as well as within its value chain. The analysis took into account both the chronic (long lasting) hazards (related to temperature, wind or water) as well as the acute (sudden, instant) hazards (heat / cold waves, droughts and floods, etc.). Climate scenarios were used in the analysis, and an exposure assessment was carried out, as described in the greater detail in *section 13.8 of this report in the part related to ESRS 2 SBM-3.* The conclusions of the analyses are incorporated in *TAURON Group's Climate Policy*. The annex to the above mentioned policy covers a number of factors:

1. **Physical risks related to climate change:**
   1) more frequent temperature extremes,
   2) more frequent occurrence of temperatures oscillating around zero degrees Celsius in winter,
   3) occurrence of milder winters,
   4) greater precipitation intensity that may cause flooding at any time of the year,
   5) uneven precipitation resulting in the longer periods without precipitation, interrupted by heavy rainfall (torrential rains),
   6) intensification of evaporation processes,
   7) increase of frequency and intensity of hurricanes,
   8) strong winds with occasional tornadoes and lightning strikes,
   9) more frequent droughts and water restrictions related thereto, as well as an increased risk of fires,
   10) a very high risk of weakening tree stands, making the trees more susceptible to wind damage.

2. **Transition risks related to climate change:**
   1) changes in the legal regulations (tightening of the requirements) governing the climate matters,
   2) changes in the demand for the products supplied by TAURON Group’s subsidiaries resulting from the regulatory changes (the shift away from the hard coal as a fuel, the development of the prosumer group, support for the thermal insulation and construction of the in-house heat generation sources),
   3) difficulties or increase in the cost of raising capital to finance the activities based on the fossil fuels,
   4) employment restructuring resulting from the changes in the business profile,
   5) restrictions or decommissioning of the assets operating on the basis of the fossil fuels,

The identification of the transition risks and the opportunities associated with the climate transition within TAURON Group's own operations and throughout its value chain – both upstream as well as downstream – was carried out as part of the climate risk analysis, encompassing the climate transition events, and it was incorporated in the DMA analysis.

This analysis took into account a climate scenario consistent with the limiting of the global warming to 1.5°C, and an assessment of the exposure of TAURON Group's assets and business activities to the transition events that may lead to the material risks or opportunities for the entity. No exclusions from the resilience analysis were applied.

All of the above risks pertain to both the short-, medium- and long term time horizons within which the individual hazards may occur. The definitions of time horizons are set out in *section 13.1 of this report.*

The frequency or intensity of these risks will vary across the individual time horizons, but the catalog of the risks itself will remain the same.

TAURON Group's operations are conducted on the territory of Poland and the Czech Republic, i.e., in one geographic region, and the Group's assets are located in Poland.

The most exposed and thus most vulnerable assets of TAURON Group are the hydro power plants (exposed to droughts or floods) as well as the overhead distribution grids (exposed to the extreme weather events).

The scale of the impact on the hydro power plants is typically related to the catchment area in which the facility is located, whereas the scale of the impact on the distribution grid is local, limited to the occurrence of a given weather event.

The duration of the above mentioned flood related hazards (threats) is not only associated with the flood itself but also the effects of dealing with its consequences. However, droughts can be considered to constitute a long term and permanent event.

The duration of the identified hazards for the grid in the case of the extraordinary weather events is limited to the duration of the given event and the time required to remedy its potential consequences.

TAURON Group identifies the climate related hazards taking into account the relevant climate scenarios (RCP – Representative Concentration Pathways: RCP 2.6, RCP 4.5, RCP 6.0, RCP 8.5). There are no areas with significantly diverse climate change scenario outcomes in TAURON Group's operating area.

Table no. 122. Identification of Climate Transition Events That May Affect Assets and Business Activities

Event Type	Exposure Horizon	Scope of Exposure	Scenario Analysis
Policy and Legal			
Setting higher charges for greenhouse gas (GHG) emissions	– Short term – Medium term	Activities covered by the EU ETS	Both scenarios: 1. Paris Agreement consistent scenario assuming limitation of climate change to 1.5°C 2. RCP 4.5
Greater reporting obligations on emissions	– Short term – Medium term	All areas of operations	
Exposure to litigation	– Medium term	Activities for which natural gas was adopted as a transition fuel	
Technological			
Substitution of the existing products and services with the lower carbon intensity alternatives	– Short term – Medium term	BU Supply	Both scenarios: 1. RCP 2.6. Paris Agreement consistent scenario assuming limitation of climate change to 1.5°C 2. RCP 4.5
Failed investments in new technologies	– Medium term	Research and development	
Costs of transitioning to the lower emission technologies	– Short term – Medium term – Long term	– BU Heat – BU RES – BU Distribution	
Market related			
Changes in customer behavior	– Short term – Medium term	All areas of operations	Both scenarios: 1. RCP 2.6 Paris Agreement consistent scenario assuming limitation of climate change to 1.5°C 2. RCP 4.5
Uncertainty regarding the market signals	– Short term – Medium term	All areas of operations	
Rise in raw material costs	– Short term – Medium term	All areas of operations	
Reputation related			
Changes in consumer preferences	– Short term – Medium term	All areas of operations	Both scenarios: 1. RCP 2.6. Paris Agreement consistent scenario assuming limitation of climate change to 1.5°C 2. RCP 4.5
Stigmatization of the sector	– Short term – Medium term	– BU Generation – Kopalnia Wapienia Czatkowice	
Heightened stakeholder concerns	– Short term	All areas of operations	
Negative stakeholder feedback	– Short term	All areas of operations	

TAURON Group does not assume immediate full compliance of all assets with the climate neutrality target, adopting a phased approach consistent with the just transition principle as defined in the *TAURON Group Strategy for 2025-2035*, based on prioritizing assets with the highest emission reduction potential and gradually reducing exposure to activities with structurally high emissions. The above means that the conventional hard coal based assets will be gradually decommissioned.

The climate scenarios used for the purpose of identifying and assessing the impacts, risks and opportunities are also consistent with the critical climate related assumptions adopted in the Consolidated Financial Statements of TAURON Capital Group and in TAURON's Financial Statements, in the notes related to:

1. climate change and its impact on the accounting policies applied (*the detailed information is presented in Note 9 of the Consolidated Financial Statements of TAURON Capital Group*),
2. impairment of the non-financial assets (*the detailed information is presented in Note 11 of the Consolidated Financial Statements of TAURON Capital Group*),
3. impairment of the financial assets (*the detailed information is presented in Note 11 of TAURON's Financial Statements Capital Group*).

(E1-2) Policies Related to Climate Change Mitigation and Adaptation

TAURON Group's Climate Policy

In November 2019, TAURON Group had adopted *TAURON Group's Climate Policy*, which ensures management of the material impacts, risks and opportunities related to climate change mitigation and adaptation. The main objectives of the Policy include an effective counteraction of climate change and an adaptation thereto. The pro-climate actions, including those aimed at climate change mitigation, constitute an integral part of the TAURON Group Strategy for 2025-2035. The Policy had last been updated in 2022.

The objective of the Policy is to set the directions for climate change mitigation and the sustainable development of the Group's lines of business through a just transition toward achieving climate neutrality in the future. The Policy serves as the foundation for TAURON Group's management of its operations so as to limit the climate related risks, reduce the Group's negative climate impact and maximize the positive effects of climate change throughout the entire value chain.

TAURON Group's Climate Policy covers all of the types of the activities and operations conducted within TAURON Group's value chain whose effects have an impact on climate change or constitute the implications thereof, in particular covering the actions:

1. enabling the limitation of global warming,
2. with respect to TAURON Group's adaptation to the occurring climate change.

TAURON Group's due diligence with regard to climate change mitigation is related to a declaration of support for the actions aimed at limiting global warming by maintaining the rate of temperature increase below 2°C and striving to limit the temperature increase to no more than 1.5°C relative to the pre-industrial levels.

TAURON Group's Climate Policy is consistent with the provisions of EC Communication 2019/C209/01 and the Task Force on Climate Related Financial Disclosures (TCFD) report for the energy sector, and fulfills their requirements.

TAURON Group's Climate Policy is a public document and it directly addresses:

1. climate change mitigation,
2. climate change adaptation,
3. energy efficiency,
4. the use of renewable energy.

The Policy is binding for all of the Group's subsidiaries. The Environmental Protection and Circular Economy Team at TAURON is responsible for the updating of the Policy, while the oversight over the implementation of the provisions set out therein is exercised by the Vice President of the Management Board in charge of asset management at TAURON.

TAURON Group's Climate Policy defines the framework for action in the area of climate change mitigation, covering the issues reflected in the identified material impacts, risks and opportunities presented in the table below.

Table no. 123. Identified Material IROs Related to Climate Change Mitigation Linked to the Climate Policy

Negative Impacts
The use of coal in conventional power plants, the extraction and production of which involve energy-intensive processes that generate greenhouse gas emissions, including methane and others.
TAURON Group is an energy intensive enterprise with a high demand for non-renewable energy carriers.
Purchases of products for network renovation, i.e., transmission lines and transformers, containing materials such as copper and aluminum, generate significant greenhouse gas emissions at manufacturers and suppliers (in the supply chain).
The purchase and distribution of heat, especially heat derived from generation sources based on burning fossil fuels such as coal, natural gas or crude oil, is a significant source of carbon dioxide (CO_2) emissions, contributing to climate change.
Poor insulation and outdated infrastructure may cause significant energy losses during distribution.
TAURON Group, while maintaining the stability of the power system, continues to use conventional sources, which may contribute to a negative impact on climate change.
Positive Impacts
Favorable offerings and promotion of energy efficiency among customers, including through discounts on energy efficient devices and smart technologies, as well as education, reduce energy consumption and greenhouse gas (GHG) emissions, for example, the offerings such as off - peak hours and dynamic tariffs, which allow real-time monitoring and optimization of electricity consumption, as well as subsidies for replacing heating systems with heat pump purchase and installation.
Implementation of the projects increasing energy efficiency (for example, lighting modernization, district heating network modernization, optimization of utility consumption) and deployment of renewable energy sources (RES), such as PV installations and heat pumps, to diversify the energy mix.
Implementation of the smart grids and the smart meters optimizes energy transmission and leads to a reduction in network loss coefficients, thereby increasing the efficiency and stability of the power system.
Energy storage systems provide the support for the efficient demand and supply management, enabling optimization of energy consumption during peak hours, increasing the share of RES in the energy system and reducing the CO_2 emissions.
Modernization of the municipal lighting to the LED technology reduces energy consumption and the CO_2 emissions, while simultaneously lowering the operating costs for the municipalities and improving the comfort and safety of the residents through better lighting quality.
Implementation of the decarbonization measures, such as increasing of the share of RES, improving energy efficiency or changing the fuel mix, leads to actual greenhouse gas (GHG) emission reductions, supporting climate targets and reducing the environmental and economic costs associated with the emissions.
TAURON Group, as part of the Group's ESG strategy, makes conscious purchasing decisions and diversifies its energy sources, which translates into a price stabilization and an increased access to the clean electricity for the customers. An example are the long term contracts for energy from RES, which limit the impact of the market fluctuations on the prices for the consumers.
Risks
Support mechanisms for RES, energy storage and the promotion of energy efficiency are limiting access to financing for coal-based sources and their profitability, while simultaneously reducing demand for traditional TAURON Group products, which may result in a decline in revenues from the coal-based sources sector and the need for employment restructuring.
Loss of RES profit due to the absence of biomass supplies meeting sustainability criteria, price increases and / or low quality.
An economic crisis may lead to a reduction in the volume of energy deliveries, resulting in a decline in the distribution revenues.
Variability in the hydrological conditions and changing climate factors (absence of precipitation, drought periods, floods, prolonged snow and ice cover, hail, radical temperature rises and drops, strong wind gusts, lightning discharges) may necessitate the shutdown or limitation of operations of conventional and RES assets. This will impact a decline in the revenues from the electricity generation or the need to incur the additional expenditures as a result of climate change.
An increase in the electricity prices on the wholesale market may lead to a failure to achieve the assumed sales price, margin and loss of the revenues from the electricity sales to the end customers.
A decrease in energy consumption by the customers due to climatic factors, environmental protection or economic fluctuations may lead to a loss of sales, the higher costs of acquiring the new customers and a weakening of the market position.
Changes in the prices of fuels, materials and services as well as the impact of high temperatures on the technical and economic parameters of production may raise the unit variable cost of energy generation (UCG), exceeding the assumptions set out in the operational and financial plan, causing cost increases, plan deviations and a decline in the output from the conventional sources due to their low market competitiveness.

Fuel price volatility on the domestic and foreign markets and the limited fuel availability lead to the higher energy production costs and the potential difficulties in ensuring supply stability.
Loss of the revenues from the heat sales due to the thermal retrofit activities and a declining demand for the district heat as well as an increasing competition from the alternative heat sources.
Changes in national and European regulations that may lead to the additional costs of adapting TAURON Group's assets to the environmental and climate requirements.
Tightening of the financial policies toward assets utilizing the fossil fuels will hinder the ability to raise financing, deteriorating TAURON Group's financial condition, lowering its credit rating and increasing the risk of the higher financing costs and restricted access to capital, which may affect TAURON Group's financial results and reputation.
In connection with the long term targets related to achieving climate neutrality, a possible restructuring / reorganization / key change in the business profile in certain business areas will necessitate incurring of the additional costs related to the employment restructuring and / or the discontinuation of some currently conducted activities.
Purchasing the energy derived from the fossil fuels may worsen the emission balance of the products sold, leading to a loss of the competitiveness, customers and revenues.
The transition to a low emission (carbon) economy will reduce the demand for the lime sorbents, which will impact the reduction of the revenue of the Kopalnia Wapienia Czatkowice subsidiary.
Changes to Poland's Energy Policy and / or delays at the national level in the investments in the nuclear energy / offshore wind energy may result in a delay in *exiting* the hard coal based power generation and, as a consequence, a delay in TAURON Group achieving climate neutrality.
High costs of adapting of the infrastructure to climate change may place a significant burden on the company, particularly where such changes occur faster and more intensively than anticipated.
Opportunities
Diversification of the activities, investments in the new technologies, the expansion of the RES and an efficient demand management may reduce the variable costs while, at the same time, strengthening the company's competitiveness and increasing the revenue from the new products and services.

(E1-3) Actions and Resources Related to the Climate Policy

In 2025, TAURON Group continued its activities related to climate change mitigation and adaptation, implementing the targets indicated in the TAURON Group Strategy for 2025-2035 (described in detail in *section 2.4 of this report*).

These actions addressed the identified negative impacts relating to the high energy intensity of the processes, the greenhouse gas (GHG) emissions and the strong demand for the fossil fuels for the production of electricity and heat. The minimization of the negative effects is achieved, first and foremost, through the expansion of RES, the implementation of the smart grids and the construction of the energy storage systems. At the same time, TAURON Group is promoting energy efficiency, modernizing the municipal lighting as well as the district heating networks.

The measures taken also address the identified risks related to the tightening of the climate regulations and financing constraints for the hard coal sector, extreme weather events and the volatility of fuel and energy prices in the markets. In parallel, these measures are focused on exploiting the opportunities related to the diversification of the activities, the investments in the new technologies, the expansion of the RES and an effective (efficient) demand management.

Investment activities in the renewable energy sources (RES) and distribution lines of business

The key activities in 2025 were focused on the investment activities in the renewable energy sources (RES) and the distribution lines of business, in order to adapt the grids to the changing market model and mode of operation.

Table no. 124. TAURON Group's Key Large Scale RES Investment Projects under way in 2025

	Completed in 2025	Construction under way	In Development Phase
Onshore wind farms	Sieradz (licensed) – 23.8 MW [1] Nowa Brzeźnica – 19.6 MW [2]	Miejska Górka – 190.8 MW	
PV farms	Postomino 90 MW [3] 1. Stage I – 80 MW 2. Stage II – 10 MW Bałków – 54 MW	Bielsko - Biała – 3.6 MW	Mysłowice Dziećkowice Etap II – 55 MW Ogrodzieniec – 65 MW Stalowa Wola – 50 MW Stare Bogaczowice I – 28 MW Parszowice – 54 MW Bytom – 10 MW
Total [MW]	187.4 MW	194.4 MW	262 MW
Battery Energy Storage Systems (BESS)	Przewóz – 4 MW [4] Dąbie – 4 MW [5]	Proszówek I – 9.5 MW Kuźnia Raciborska – 6.9 MW Bałków – 54 MW Stare Bogaczowice I – 30 MW Dąbrowa Środkowa – 45 MW Twardogóra – 42 MW Pilchowice – 2 MW Laryszów – 84 MW Bytom – 18 MW Baranowice – 3.9 MW Radlna Tarnowiec – 6 MW Proszówek II – 47 MW	Ogrodzieniec – 55 MW Łagisza – 20 MW Postomino – 50 MW Opole – Zawada – 30 MW Ostrów Szlachecki – 30 MW Stare Bogaczowice II – 105 MW
Total [MW]	8 MW	348.3 MW	290 MW

[1] *Commissioned in January 2026.*
[2] *Commissioned in February 2026.*
[3] *Cable pooling formula.*
[4] *Commissioned in February 2026.*
[5] *Commissioned in February 2026.*

The above mentioned actions translate into a reduction of the Scope 1 greenhouse gas (GHG) emissions.

Modernization and expansion of the electricity distribution grid is carried out on a continuous basis – in 2025, 47% of the capital expenditures in the BU Distribution was incurred on connecting the new customers and the new generation sources along with the related construction of the new grids, while 41% of the capital expenditures was spent on the modernization and replacement of the existing assets (an improvement of the service quality and / or an increase in the power demand).

Modernization and expansion of the district heating network is carried out on a continuous basis – in 2025, 74% of the capital expenditures in the BU Heat was allocated to the tasks related to the district heating networks and connections of the new customers to the networks.

TAURON Long Term Activities – Elements of TAURON Group's Business Strategy

The actions planned for the future in relation to *TAURON Group's Climate Policy* are defined by the TAURON Group Strategy for 2025-2035, according to which the following results will be achieved:

1. expansion of the portfolio of the installed capacity in RES and energy storage up to 3.4 GW in 2030 and up to 6.1 GW in 2035,
2. increasing of the share of the electricity supply from the zero emission (carbon) sources up to nearly 50% in 2035,
3. phasing out of the hard coal use for the heat production by 2030,
4. decommissioning of the hard coal fired units by 2030, with the exception of the 910 MW unit in Jaworzno,
5. implementation of the decarbonization strategy aimed at achieving climate neutrality in 2040.

The stakeholders affected by the above mentioned key actions are, first and foremost, TAURON Group's employees and the related local communities, customers, contractors, suppliers, administrative authorities and the non-governmental organizations (NGOs) monitoring the energy transition processes.

Operating Expenses (OpEx) and Capital Expenditures (CapEx) are disclosed in *section 13.10 of this report, in the part entitled* *Process of EU Taxonomy Alignment Assessment* and *Result of the EU Taxonomy Alignment Assessment*.

Climate Change Adaptation

Actions for adaptation to climate change, implemented, to a large extent, through the technological measures, encompass two key areas:

1. a change in the generation mix consisting of an increase in the share of the solar and wind based energy,
2. modernization of the distribution lines and the cooperation model with the storage systems, distributed generation sources and a greater share of the weather dependent generation sources.

Table no. 125. Achieved and expected reductions of the Greenhouse Has (GHG) emissions in accordance with the TAURON Group Strategy for 2025-2035 in relation to the emission (carbon) intensity per electricity production [kg CO_2/MWh]

Year	Carbon (emissions) intensity of electricity production [kg CO_2/MWh]
2022	770
2023	720
2024	704
2025	**708**
2030	225
2035 [1]	30
2040 [1]	0

[1] *The 910 MW unit in Jaworzno has not been included beyond 2030*

TAURON is the entity obtaining external financing for TAURON Group, with the exception of the specific cases such as project financing or loans drawn from the environmental funds, which due to their nature are obtained directly by TAURON Group's subsidiaries. The financing is obtained by TAURON on the basis of the consolidated financial statements, in the form of the bond issuances or taking out credits or loans, or through the conclusion of the guaranteed financing agreements. The funds are secured with an adequate lead time relative to the planned needs.

The external financing is obtained by TAURON for the general corporate purposes and for financing the capital expenditures of TAURON Group, in particular for the purposes consistent with the European Taxonomy, the expansion of the RES, targeted financing under the *National Recovery Plan* and the activities providing the support for the minimizing of the Group's impact on the climate. The financing from the environmental funds is obtained, first and foremost, by the subsidiaries in accordance with the requirements and conditions of the grant calls. The possibility of obtaining the

targeted and the preferential funds enabling the co-financing of the pro-environmental projects is analyzed on an ongoing basis.

The current engagement of the financing agreements and the available funds under the concluded financing agreements, along with an indication of the intended use of the funds, is described in notes 39 and 53.2 of the Consolidated Financial Report of TAURON Capital Group.

TAURON assumes that future investment plans will be financed with the use of its own funds and the external financing, using the instruments available at the given time on the financial market, corporate guaranteed financing in the form of loans, issuance of bonds with the sustainability indicators and the green bonds, dedicated financing in the form of the loans and grants from the environmental funds and the funds obtained from the *National Recovery Plan*, as well as in the form of the targeted financing obtained through the special purpose vehicles in the *project finance* formula.

Table no. 126. Decarbonization Levers Underpinning the Group's Climate Change Mitigation Activities

Decarbonization Lever	Area of Activities
Electrification of industry Expansion of prosumer energy Distributed generation sources	Customer focus and a rapid pace of expansion of the distribution line of business
Technology development Regulatory environment Growth in public awareness and acceptance of EU climate neutrality policy	Profitable growth of the capacity in RES and energy storage
Anti-smog measures Growing awareness of energy efficiency Regulatory environment Improvement of the quality of life (for example, convenience, thermal comfort, health)	Heat decarbonization and efficiency improvement
Growth in public awareness and acceptance of EU climate neutrality policy Growing awareness of energy efficiency Expansion of prosumer energy Improvement of the quality of life (for example, convenience, thermal comfort, health) Electrification of processes	Customer at the center and profitable growth of electricity supply
Regulatory environment Just transition programs Partnerships for the transition	Just transition of the conventional energy

Significant capital expenditures and operating expenses required for the implementation of undertaken or planned actions are indicated in notes 12.1 and 46 of the *Consolidated Financial Statements of TAURON Capital Group*.

Material capital expenditures and operating expenses required for the implementation of undertaken or planned actions, along with the key performance indicators required under Commission Delegated Regulation (EU) 2021/2178, are presented *in section 13.10 of this report*, *in the part entitled the* Result of the EU Taxonomy Alignment Assessment, in the CapEx and OpEx tables.

In the reporting year 2025 (and in the previous reporting periods), TAURON Group did not carry out activities and therefore did not implement or adopt the "capital expenditure plans" in accordance with the provisions and definition of the *Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021.*

(E1-4) Climate Change Mitigation and Adaptation Targets

TAURON Group's targets regarding climate change mitigation were published along with the *TAURON Group Strategy for 2025-2035*, and the most important ones include:

1. achieving climate neutrality by 2040,
2. increasing installed RES and energy storage capacity up to 3.4 GW by 2030 and up to 6.1 GW by 2035,
3. phasing out the hard coal use for heat generation by 2030,
4. decommissioning of the hard coal fired generation units by 2030, with the exception of the 910 MW unit in Jaworzno,
5. proactive expansion of the distribution grid enabling an increase in the distributed electricity volume by >3% per year, and doubling it by 2050,
6. a share of the zero carbon (emission) electricity sources in the total electricity supply of nearly 50% in 2035.

Achieving climate neutrality in 2040

Responsibility for the climate protection is one of the cornerstones of the *TAURON Group Strategy for 2025-2035*. The strategic objective is to achieve climate neutrality in 2040. The assumed target is achieved through the growth in the installed capacity in RES and energy storage facilities, phasing out the use of the hard coal for heat production, decommissioning of the hard coal fired units (with the exception of the 910 MW unit in Jaworzno), expansion and optimal modernization of the distribution grid, ensuring security of energy supply for the customers and the supply of the electricity from the zero carbon (emission) generation sources.

TAURON Group has a formalized greenhouse gas (GHG) emission reduction target (Scope 1) in place, expressed as a reduction of the CO_2 emissions per gross electricity production (indicator in kg CO_2/MWh). The pathway to the total reduction of the indirect emissions (Scope 2 and Scope 3) has not yet been defined. The designated target is climate neutrality in 2040.

Baseline values for the targets set

The year 2022 has been adopted as the baseline year for the disclosures, as it satisfies the representativeness requirements for the baseline emissions and meets the ESRS requirements for the establishing of the baseline values. In accordance with these standards, the baseline year and values shall remain unchanged unless there are material changes in the targets or reporting boundaries. In the reporting for 2025, the baseline year was changed to 2022 (previously 2019) due to the change in the target date for achieving climate neutrality in 2040 (previously 2050), which stems directly from the *TAURON Group Strategy for 2025-2035* adopted in December 2024 and it will require accelerating the time frame for achieving the climate neutrality target in 2040 and an adequate adjustment of the actions necessary to achieve this target. The baseline value established for 2022, against which the progress in achieving the greenhouse gas (GHG) emission reduction target (Scope 1) is measured, is representative with respect to the activities covered thereby and the impact of the external factors for TAURON Group due to the following facts:

1. the structure and Business Model of TAURON Group as of 2022, which had reflected the condition of the generation assets and the decisions related to the continuation of the *Green Turn of TAURON* path,
2. the electricity and heat generation mix of TAURON Group as of 2022 had reflected the generation structure of the energy segment in Poland, with a clear predominance of the conventional sources,
3. 2022 had been a fairly stable year in terms of conducting activities in TAURON Group's value chain.
4. There have been no material changes in the greenhouse gas (GHG) emissions reduction target for the subsequent years, and no material changes have occurred with regard to the reporting boundaries.

GHG Emission Reduction – Scope 1

The greenhouse gas (GHG) emission reduction targets for TAURON Group have been established with respect to the direct Scope 1 CO_2 emission and in reference to the carbon emission intensity value (an indicator expressed as a reduction of the CO_2 emission per gross electricity production in kg CO_2/MWh). TAURON Group has an established target for the greenhouse gas (GHG) carbon emission intensity reduction in place, and this reduction target has been directly transferred as a related target in terms of the absolute values, both

for the target year as well as for the intermediate years.

The Report has adopted the baseline year 2022 (Scope 1, for which the GHG emission reduction target has been established), and the baseline value of the greenhouse gas (GHG) emission in the baseline year has been adopted on the basis of the *Report on the Non-Financial Information of TAURON Capital Group for 2022*, in the total amount of the direct Scope 1 CO_2 emission of 13 773 702 tons CO_2e (Mg CO_2e).

This target applies to TAURON Group's subsidiaries operating in the electricity and heat generation lines of business (primarily the TAURON Wytwarzanie and TAURON Ciepło subsidiaries) and it is linked to the time horizon of the TAURON Group Strategy for 2025-2035, i.e. to 2035 (climate neutrality in 2040). The document associated with this target is *TAURON Group's Climate Policy*.

The following table presents the target metrics related to the management of the identified impacts and risks, along with their baseline value and the 2025 performance.

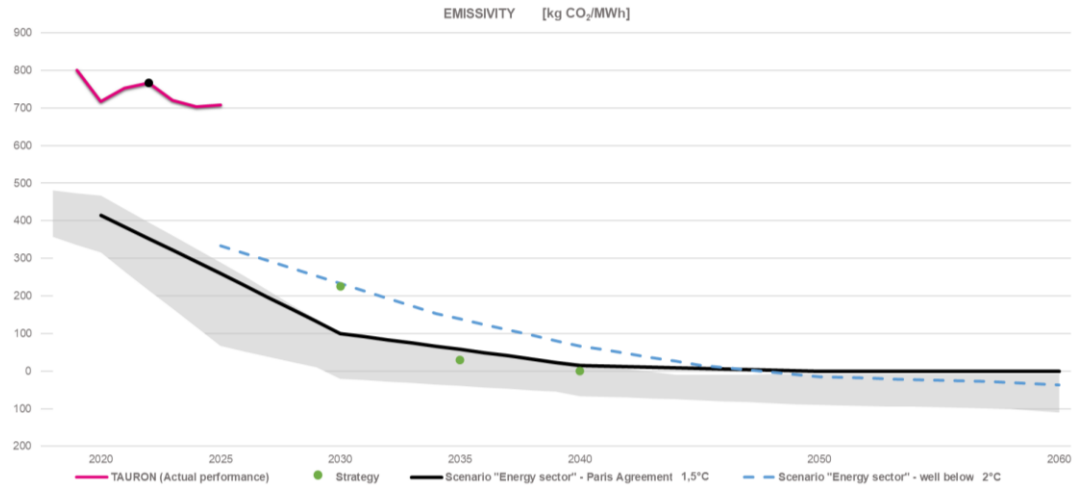
Table no. 127. Target metrics associated with the management of the IROs related to climate change mitigation – Target #2 – Scope 1 greenhouse gas (GHG) emission reduction in 2030 and 2035 (intermediate targets) and in 2040

Metric	Baseline value[1]	2025 Performance	2030 Target [2]	2035 Target	2040 Target Climate Neutrality	2050 Target
Absolute value of Scope 1 greenhouse gas (GHG) emission [Mg CO_2e]	13 773 702	9 825 368	4 024 783	536 638	0	0
Percentage of the Scope greenhouse gas (GHG) emission reduction (in relation to the emissions in the baseline year) [%]	-	29	71	96	100	100
Carbon emission intensity value of Scope 1 greenhouse gas (GHG) emission reduction [kg CO_2/MWh]	770	708	225	30	0	0

[1] *The base year for the Scope 1 greenhouse gas (GHG) emission is 2022.*
[2] *The only adopted target for 2030 is the greenhouse gas (GHG) emission reduction target for Scope 1.*

The regulatory changes and the social expectations are amplifying the importance of the climate and environmental issues and the need for the expansion of the RES. This will allow the carbon emission intensity to be reduced from approximately 770 kg CO_2/MWh in 2022 to approximately 225 kg CO_2/MWh in 2030, and then to approximately 30 kg CO_2/MWh in 2035, and to achieve climate neutrality in 2040, as presented in the figure below.

Figure no. 56. Direct Scope 1 CO_2 emission reduction targets for TAURON Group planned to be achieved in 2030 and 2035, presented as the carbon intensity indicator per gross energy production and the direct CO_2 emission level against the climate scenarios [1]



[1] *Sectoral Decarbonization Approach (SDA) for the energy sector - on the chart: alignment with the 1.5°C scenario (black line and shaded area) and the well below 2°C scenario (dashed blue line), based on IEA ETP B2DS with the GHG emission intensity on the Y-axis.*

> ***TAURON Group Strategy for 2025-2035*** **announced in December 2024 and the Group's updated Business Model are fully consistent with the implementation of the Paris Agreement, which assumes limiting the average global temperature to below 2°C relative to the pre-industrial level and striving not to exceed a temperature increase of more than 1.5°C.**

The Scope 1 emission reduction targets for TAURON Group have not been subject to external verification.

Greenhouse gas (GHG) emission reduction – Scope 2 and Scope 3

TAURON Group does not have the established and formally approved greenhouse gas (GHG) emission reduction targets for Scope 2 and Scope 3 for 2030 in place. The Greenhouse gas (GHG) emission reduction for Scope 2 and Scope 3 is achieved through:

1. a reduction of the Scope 2 greenhouse gas (GHG) emission for 2030 in accordance with the forecast of the energy mix in Poland for 2030 based on the National Energy and Climate Plan assumptions,
2. a reduction of the Scope 3 greenhouse gas (GHG) emission for 2030 based on a change in the generation asset mix and structure, and a change in the energy supply mix for 2030 under the assumptions of the *TAURON Group Strategy for 2025-2035*, which is at the same time consistent with the Cross-Sector (ACA) GHG emission reduction scenario by at least 42% in the value chain (total for all of the three Scopes 1, 2 and 3).

The baseline values of the indirect greenhouse gas (GHG) emission for Scopes 2 and 3 have been adopted at the 2025 values for Scope 2 and from the *Report on the Non-Financial Information of TAURON Capital Group for 2024*, for the total indirect Scope 3 GHG emission.

The following table presents the target metrics related to the management of the identified impacts and risks, along with their baseline values and the 2025 performance.

Table no. 128. Scope 2 and Scope 3 GHG Emission Reduction Targets for 2040

Metric	Base value[1]	2025 Performance	2030 Target [2]	2035 Target	2040 Target Climate Neutrality	2050 Target
Absolute value of the Scope 2 greenhouse gas (GHG) emission using the location based method [Mg CO_2e]	1 118 942	1 118 942	-	-	0	0
Percentage of the Scope 2 greenhouse gas (GHG) emission reduction using the *location based* method (in relation to the emissions in the baseline year) [%]	-	0	-	-	100	100
Absolute value of the Scope 2 greenhouse gas (GHG) emission using the *market based* method [Mg CO_2e]	962 262	962 262	-	-	0	0
Percentage of the Scope 2 greenhouse gas (GHG) emission reduction using the *market based* method (in relation to the emissions in the baseline year) [%]		0	-	-	100	100
Absolute value of the Scope 3 greenhouse gas (GHG) emission [Mg CO_2e]	17 131 722	16 060 983	-	-	0	0
Percentage of the Scope 3 greenhouse gas (GHG) emission reduction (in relation to the emissions in the baseline year) [%]	-	6	-	-	100	100

[1] The base year for the Scope 2 greenhouse gas (GHG) emission is 2025, and for the Scope 3 is 2024. The adoption of 2025 as the base year for the Scope 2 is a result of the method of settling the "balancing difference" with regard to the distribution grid losses. The settlement methodology applicable in 2025 will be continued in the subsequent years.
[2] TAURON Group does not have the established and formally approved greenhouse gas (GHG) emission reduction targets for Scope 2 and Scope 3 for 2030 in place.

TARGET #1: Growth of the Installed capacity in RES and Energy Storage

The implementation of this target allows for managing of the material impacts, risks and opportunities identified under the sub-topics of *climate change adaptation* and *climate change mitigation*.

The positive impacts are related, first and foremost, to increasing of the share of RES in the power system, reducing of the CO_2 emissions, expanding of the energy storage systems and stabilizing of the prices for the consumers. The material risks, in turn, are related to the delays in the implementing of the RES investment projects resulting from, for example, the regulatory changes or the transition to a low emission (carbon) economy, which may force a reduction in the activities of certain lines of business of the Group, for example, as a result of the declining demand for the lime sorbents. On the other hand, the identified material opportunity is the diversification of the activities, the implementation of the investment projects in the new technologies, the expansion of the RES and the demand management, which translates into a competitive advantage for TAURON Group.

This target applies to the TAURON Zielona Energia and TAURON Ekoenergia subsidiaries and is linked to the time horizon of the *TAURON Group Strategy for 2025-2035*, i.e. until 2035. The document associated with this target is *TAURON Group's Climate Policy*.

The following table presents the target metrics related to the management of the IROs, along with their baseline value and the 2025 performance.

Table no. 129. Target metrics associated with the management of the IPOs related to climate change mitigation – Target #1

Metric	2024 Baseline Value	2025 Performance
Installed capacity in RES [GW]	0.87	1.018 [1]
Installed capacity in energy storage capacity (incl. ESP) [GW]	0	0 [2]
Share of RES and energy storage facilities (incl. ESP) in TAURON Group's total installed capacity [%]	16	17
Capacity of energy storage facilities (including ESP) [MWh]	0	0 [2]

[1] *In January and February 2026, two onshore wind farms with a combined capacity of 44 MW were commissioned. As of the report publication date, installed renewable capacity amounted to 1.062 GW.*
[2] *In February 2026, 2 energy storage facilities with the combined total capacity of 8 MW and 32 MWh were commissioned*

Depending on the specific processes, the individual metrics are monitored on a monthly, annual or other periodic basis

TARGET #2: Phasing out of hard coal for heat generation and the decommissioning of the hard coal fired generation units

The implementation of the target with respect to the direct greenhouse gas emission reduction allows for managing of the material impacts, risks and opportunities identified under the sub-topics of *climate change adaptation*, *climate change mitigation and energy*.

The negative impacts are related, first and foremost, to the high carbon intensity and energy intensity of the processes based on the use of the solid fossil fuels. On the other hand, the identified risks include the restricted access to the financing, an increase of the operating expenses and the need for the restructuring in the face of the energy transition.

This target applies to the TAURON Ciepło and TAURON Wytwarzanie subsidiaries and it is linked to the time horizon of the *TAURON Group Strategy for 2025-2035*, i.e. until 2035. The document associated with this target is *TAURON Group's Climate Policy*.

Table no. 130. Target metrics associated with the management of the IROs related to climate change mitigation – Target #2

Metric	2024 Baseline Value	2025 Performance
Share of low- and zero emission (carbon) sources in electricity generation [%] [MWhs of electricity produced from zero-emission sources / MWhs of electricity produced]	14	13
Installed capacity of the hard coal fired generation sources [MW]	4 510	4 510

TARGET #3: Expansion and optimal modernization of the distribution grids and ensuring security of energy supply for the customers

The implementation of this target allows for managing of the material impacts, risks and opportunities identified under the sub-topics of *climate change adaptation*, *climate change mitigation and energy*.

The positive impacts are related, first and foremost, to the implementation of the smart power grids and meters, which increases the power system's efficiency and stability. The negative impacts, in turn, are related to the greenhouse gas (GHG) emission from the supply chain of the materials used for the modernization of the grid and from the energy losses resulting from the operating of the outdated infrastructure. On the other hand, the identified risks are related, firs of all, to the high costs of adapting the grid to the progressing climate change.

This target applies to the TAURON Dystrybucja subsidiary and it is linked to the time horizon of the *TAURON Group Strategy for 2025-2035*, i.e. until 2035. The document associated with this target is *TAURON Group's Climate Policy*.

The following table presents the target metrics related to the management of the identified IROs, along with their baseline value and the 2025 performance.

Table no. 131. Target metrics associated with the management of the IROs related climate change mitigation – Target #3

Metric	2024 Baseline Value	2025 Performance
SAIDI [min / customer] [1]	192.95	134.19
SAIFI [no. / customer] [2]	2.3	2
Volume of the RES connected during the year [MW] [3]	1 205	882

[1] Indicator of the average system duration of a long and very long interruption, expressed in minutes per customer per year, calculated as the sum of the products of the duration of the interruption and the number of customers affected by the interruption during the year, divided by the total number of customers served.
[2] Indicator of the average system frequency of long and very long interruptions, calculated as the number of customers affected by all such interruptions during the year divided by the total number of customers served.
[3] Micro-installations and industrial installations connected to the TAURON Dystrybucja grid.

Depending on the specific processes, the individual metrics are monitored on a monthly, annual, or other periodic basis

TARGET #4: Share of zero emission (carbon) electricity volume in the total electricity supply

The implementation of this target allows for managing of the material impacts, risks and opportunities identified under the sub-topic of *energy*.

The positive impacts are related, first and foremost, to providing the support for the customers in optimizing energy consumption through the modern tariffs and subsidies, as well as through improving their comfort and safety thanks to the infrastructure modernization. On the other hand, the identified material risks include an increase in the wholesale electricity prices affecting the offering for the final consumers and a decline in the demand for the utilities, which poses a threat to the achievement of the margins and the stability of the customer base.

This target applies to the TAURON Sprzedaż and TAURON Sprzedaż GZE subsidiaries and it is linked to the time horizon of the *TAURON Group Strategy for 2025-2035*, i.e. until 2035. The document associated with this target is *TAURON Group's Climate Policy*.

The following table presents the target metrics related to the management of the IROs, along with their baseline value and the 2025 performance.

Table no. 132. Target metrics associated with the management of the IROs related to climate change mitigation – Target #4

Metric	2024 Baseline Value	2025 Performance
Share of low- and zero emission (carbon) electricity volume in the total electricity supplied to the end customers [%]	10.9	13.6

Depending on the specific processes, the individual metrics are monitored on a monthly, annual, or other periodic basis.

With respect to the risks related to the biomass availability, economic sentiment fluctuations, weather extremes and the carbon emission intensity of the purchased energy, TAURON Group's subsidiaries have not set any measurable targets, as these depend on the unpredictable external and market conditions over which the subsidiaries have limited direct operational control.

Science Based Targets (SBTi)

TAURON Group, with respect to its procedures and process for collecting the GHG emission data, is ready to define the climate targets in line with the *Science Based Targets initiative* (SBTi) (https://sciencebasedtargets.org/). This initiative defines a methodology that provides the support for the organizations in the establishing of the ambitious reduction targets and in transitioning of the business activities to facilitate the shift to a low emission (carbon) economy. The main assumptions with regard to the SBTi - consistent criteria and the recommendations currently applied by TAURON Group include:

1. definition of the boundaries and inventory taking across the three greenhouse gas (GHG) emission scopes (Scope 1, 2, 3) in an approach consistent with the *GHG Protocol Corporate Standard* and, for Scope 3, based on the *GHG Protocol Corporate Value Chain (Scope 3) Standard*,
2. an approach consistent with the Sectoral Decarbonization Approach for the energy sector aligned with the 1.5°C scenario and the SBTi scientific approach,
3. in determining of the values of the Scope 1 CO_2 greenhouse gas (GHG) emission reduction targets for 2030 and 2035 under the adopted *TAURON Group Strategy for 2025-2035*, an approach with the targets set at the more ambitious levels than the reference pathway under the Cross - Sector (ACA) reduction scenario was applied: -42% for 2030 and -90% for 2050 (ACA scenario with the 2020 base).

Decarbonization Levers

The decarbonization levers resulting from the adopted *TAURON Group Strategy for 2025-2035* and their overall quantitative contribution to achieving the greenhouse gas (GHG) emission reduction targets for TAURON Group (use of the renewable energy, fuel switching, electrification, energy efficiency) are as follows:

1. Decarbonization lever – Use of the renewable energy:
   1) growth in the installed RES capacity up to 2.7 GW in 2030 and up to 4.3 GW in 2035, primarily in the wind based energy,
   2) growth in the green energy production up to approximately 6 TWh in 2030 and up to approximately 9 TWh in 2035.
2. Decarbonization lever – Fuel switching:
   1) phasing out the hard coal use for heat production by 2030,
   2) decommissioning of the hard coal fired units by 2030, with the exception of the 910 MW unit in Jaworzno, alongside TAURON Group's readiness to spin off the hard coal fired generation assets (or the 910 MW unit in Jaworzno separately), and in the absence of a spin off, the financial independence (*ringfencing*).
3. Decarbonization lever – Heat decarbonization and efficiency improvement:
   1) 100% of the low- and zero carbon (emission) heat in 2030,

2) > 1.1 GWh of the new or modernized low emission (carbon) heating capacity. The heat generation units adapted for the gradual introduction of the decarbonized fuel technologies, taking into account a detailed analysis of the availability, costs and the infrastructure development,
3) maintaining of the status of an efficient district heating system for the key areas of the operations,
4) all of the significant heat generation source locations with the storage capability,
5) use of the *power-to-heat* technology, in particular for the domestic hot water purposes.

4. Decarbonization lever – customer at the center and electrification:
   1) growth in the electricity supply volume up to 40 TWh in 2035 for the current and new customers across Poland,
   2) development of the products related to the electrification of the society, services and industry, as well as the management of the energy consumption profile (dynamic tariffs, Demand Side Management (DSM) programs, energy storage, EV),
   3) development of electromobility,
   4) contracting of the clean energy on the market, including the PPAs and the purchasing of the green energy on the spot market. The share of the zero- and low emission (carbon) electricity volume > 30% in 2030 and close to 50% in 2035,
   5) growing demand of TAURON's customers for electricity.
5. Decarbonization lever – Energy efficiency:
   1) actions for climate change mitigation with respect to improving of the energy efficiency through the implementation of the Energy Management System (EMS) at TAURON Group's subsidiaries based on the ISO 50001 standard (the full implementation of the EMS is planned at the turn of 2025 / 2026).

The implementation of the *TAURON Group Strategy for 2025-2035*, along with the use of the *decarbonization levers* will enable the achievement of the greenhouse gas (GHG) emission reduction targets for TAURON Group in 2030 of 72% for Scope 1 (direct GHG emissions) and of at least 42% in total across the value chain (combined for Scopes 1, 2 and 3). TAURON Group has set a climate neutrality target for 2040.

For the assessment of the physical risks for TAURON Group, the following climate scenarios were analyzed: RCP8.5 (high scenario, BAU) and RCP4.5 (medium scenario). The climate scenario in line with limiting global warming to 1.5°C (RCP2.6) was analyzed as the so-called *transition scenario* for the purposes of developing the *TAURON Group Strategy for 2025-2035* and for identifying the material changes related to the environment, society, technology, market and policy, as well as for defining the *decarbonization levers*. Under the RCP2.6 scenario, the assumptions were adopted in line with the Cross - Sector (ACA) GHG emission reduction scenario of at least 42% in the value chain (combined for all of the three Scopes 1, 2 and 3) and a general approach in line with the Sectoral Decarbonization Approach for the energy sector aligned with the 1.5°C scenario and based on the SBTi scientific approach.

(E1-5) Energy consumption and energy mix

TAURON Group is conducting its business operation in the sectors with a significant climate impact. Due to the Business Model applicable for the conducting of the activities by TAURON Group and taking into account the activities carried out by Group's subsidiaries – all of TAURON Group's revenues have been classified as earned in the sectors with a significant climate impact.

The energy consumption related to the in-house operations and the energy mix of TAURON Group in 2025 was predominantly based on the fossil fuels, which were used for the production of electricity and heat by the Group's generation sources. The shift in TAURON Group's energy mix towards the RES will continue to progress along with the successive increase in the energy production from the RES stemming from the investment projects commissioned in the subsequent years in accordance with the adopted *TAURON Group Strategy for 2025-2035*.

Table no. 133. Information on the energy consumption and the energy mix, including with respect to the sectors with a significant climate impact for TAURON Group in 2025, along with the comparative information for the previous reporting period [1], [2], [3]

#	Energy consumption and energy mix	unit	2025	2024
1.	Total energy consumption from fossil fuel sources, including:	MWh	30 461 881	27 795 864
1.1.	■ coal and coal product fuel consumption,	MWh	27 353 799	25 885 927
1.2.	■ crude oil and petroleum product fuel consumption,	MWh	671 910	519 603
1.3.	■ natural gas fuel consumption,	MWh	324 134	158 791
1.4.	■ other fossil fuel consumption,	MWh	88 736	94 062
1.5.	■ consumption of purchased or acquired electricity, heat, steam and cooling from fossil fuel sources.	MWh	2 023 303	1 137 481
2.	Share of fossil sources in total energy consumption	%	97	98
3.	Energy consumption from nuclear sources	MWh	0	0
4.	Share of nuclear energy in total energy consumption	%	0	0
5.	Total renewable and low emission (carbon) energy consumption, of which:	MWh	792 223	505 048
5.1.	■ fuel consumption from renewable sources, including biomass (also covering industrial and municipal waste of biological origin, biogas, renewable hydrogen, etc. [1]	MWh	752 117	466 498
5.2.	■ consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources [1]	MWh	371	0
5.3.	■ consumption of self generated renewable energy without the use of fuel	MWh	39 735	38 550
6.	Share of renewable sources in total energy consumption [2]	%	3	2
7.	Total energy consumption (calculated as the sum of rows 6, 7 and 11) [3]	MWh	31 254 105	28 300 912

[1] the 2025 data includes the TAURON Sprzedaż subsidiary, which concluded a contract for the purchase of electricity for the organization's purposes with an RES guarantee of origin.
[2] the 2024 data – a correction of an obvious editorial error for the item "Share of renewable sources in total energy consumption". In the document entitled "Management Board Report on the activities of TAURON Poland Energia S.A. and TAURON Capital Group for the financial year 2024", the figure was 0%, but should be 2%. The 2024 data for the direct calculation for 2024 as a percentage share for the item "Total renewable and low emission (carbon) energy consumption (calculated as the sum of rows 8 – 10)" relative to the item "Total energy consumption (calculated as the sum of rows 6, 7 and 11)".
[3] Year on year changes do not indicate a constant downward or upward trend, and result, first and foremost, from the following factors:
- an increase in the item "Consumption of purchased or acquired electricity, heat, steam and cooling from fossil fuel sources" (unfavorable change) results directly from an increase in the "network loss / balance difference" for electricity distribution (in 2025 – 3.5%, in 2024 – 2%),
– an increase in the item "Total renewable and low emission energy consumption" (favorable change) results directly from an increase in the biomass consumption (year on year) by the electricity and heat generation units

Table no. 134. Energy production from the non-renewable and renewable sources for TAURON Group in 2025, along with the comparative information for the previous reporting period

Electricity generation from non-renewable sources and from renewable sources	unit	2025	2024
Electricity generation from non-renewable sources	MWh	13 314 949	12 451 839
Electricity generation from renewable sources	MWh	2 086 039	1 914 035

Table no. 135. Total Energy Consumption in the High - Climate - Impact Sectors for TAURON Group in 2025, along with the comparative information for the previous reporting period

Total Energy Consumption in High Climate Impact Sectors	unit	2025	2024
Total energy consumption in high climate impact sectors	MWh	31 254 105	28 300 912
Net revenue from activities in high climate impact sectors	PLN m	33 277	32 535
Energy intensity – high climate impact sectors	MWh/PLN	0.000939	0.000870

Table no. 136. Energy Intensity related to the activities in the High Climate Impact Sectors for TAURON Group in 2025, along with the comparative information for the previous reporting period

Energy intensity per net revenue	unit	2025	2024
Energy intensity expressed as total energy consumption within activities in climate-significant sectors per net revenues from activities in high climate impact sectors sector activities per net revenue)	MWh/PLN	0.000939	0.000870

The high climate impact sectors that are used to determine the energy intensity of TAURON Group were defined in accordance with the assignment to the sectors listed in Sections A – H and L of Annex I to Regulation (EC) No 1893 / 2006 of the European Parliament and of the Council (as defined in Commission Delegated Regulation (EU) 2022 / 1288) and on the basis of the classification of the Group's subsidiaries' activities in accordance with the Polish Classification of Activities (PKD) (primary activity) and using the NACE codes.

The activities of TAURON Group's subsidiaries used to determine the energy intensity of the Group were assigned to the economic fields defined in sections:

- **D** (electricity, gas, steam and air conditioning supply),
- **B** (mining and quarrying),
- **C** (manufacturing),
- **E** (water supply; sewerage, waste management and remediation activities),
- **F** (construction industry),
- **G** (wholesale and retail trade; repair of motor vehicles and motorcycles),
- **H** (transportation and warehouse management).

The high climate impact sectors used to determine the energy intensity of TAURON Group had a similar structure both in 2025 as well as in 2024 (the previous reporting period).

The net revenue from the activities in the high climate impact sectors in the amount agreed for 2025 of PLN 33 277 million (in the previous reporting period for 2024 this amount had stood at PLN 32 535 million) was fully assigned to the line item in the Consolidated Financial Statements of TAURON Capital Group entitled: *Revenue from sales (detailed information is presented in notes 12.1, 12.2 and 14 of the Consolidated Financial Statements of TAURON Capital Group).*

(E1-6) Gross greenhouse gas (GHG) emissions for Scopes 1, 2 and 3 and total greenhouse gas (GHG) emissions

The total greenhouse gas (GHG) emissions broken down into Scope 1 and 2 emissions and all of the material (significant) Scope 3 emissions (in categories: 1, 2, 3, 5, 11 and 15) for TAURON Group are presented in the table below.

Gross Scope 1 and 2 emissions presented in the table below constitute a disclosure pursuant to ESRS E1-6 §44 a, i.e., this is the disaggregated data for the consolidated TAURON Group for the accounting purposes (parent entity and subsidiaries).

As a result of identifying material Scope 3 categories and taking into account the scale of the estimated greenhouse gas (GHG) emissions belonging to these categories and other criteria provided in the *GHG Protocol Corporate Value Chain (Scope 3)* – the following Scope 3 emission categories were identified as material (significant) for TAURON Group: 1, 3, 11 and 15. Aspects such as the financial expenditures, impact, associated transition risks and the transition related opportunities were taken into account.

There were no material changes in the definition of what constitutes the reporting entity and its upstream and downstream value chain that could affect the year on year comparability of the greenhouse gas (GHG) emissions (i.e. the impact on the comparability of the greenhouse gas (GHG) emissions in the current and previous reporting period).

The Business Model based on the Business Units does not have a material impact on the boundaries and value chain, upstream and downstream.

A difference was identified affecting the value of the Scope 3 greenhouse gas (GHG) emissions in the form of a change or an update of the GHG emission indicator values (in the databases) used in the calculations for the specific categories: Cat. 1, 2, 5, 11 and 15 – however, this change cannot be attributed as *a material (significant) change in the*

definition of what constitutes the reporting entity and its upstream and downstream value chain under the ESRS definition.

For TAURON Group, no effects of material events and changes in the circumstances (that could be relevant to the disclosures on the greenhouse gas (GHG) emissions) in the value chain occurred in the period between the date of the publication of this report and the data closing date for the *Consolidated Financial Statements of TAURON Capital Group*.

The biogenic CO_2 emissions from the biomass combustion are presented in the last line item of the table below.

The TAURON Group uses the location - based and market - based methods for the calculating of the Scope 2 greenhouse gas (GHG) emissions.

In both methods, the electricity for the end customer comes from TAURON Group's supply subsidiaries, which have a statutory obligation to redeem the certificates (guarantees) of origin from RES. In 2025, the RES certificates (guarantees of origin) were required to constitute, and did constitute, 8.5% of the mix of each electricity trading company. It is possible to fulfill this obligation by paying a substitution fee.

At the same time, TAURON Group's electricity supply subsidiaries are calculating the actual mix of the energy sold to the end customer, and based on such a mix TAURON Sprzedaż supply subsidiary (the Group's leading company in electricity trading), the greenhouse gas (GHG) emission indicator was adopted for the Scope 2 market - based emission calculations for TAURON Group.

The biogenic carbon dioxide CO_2 emissions from the biomass combustion in the electricity mix of TAURON Sprzedaż supply subsidiary constituted 3.8%.

The greenhouse gas (GHG) emissions other than CO_2 (in particular CH_4 and N_2O) in the electricity mix of TAURON Group's supply subsidiaries are not available, either with respect to the average grid emission factors using the location - based method or for the market - based method.

For determining of the material Scope 3 emissions in the specific categories: 1, 2, 3, 5, 11 and 15 for TAURON Group, the TAURON Group Business Model and the results of the materiality threshold analysis were taken into account in order to select the specific Scope 3 categories for disclosure. For all of the Scope 3 categories subject to disclosure, the calculation methodologies for the Scope 3 greenhouse gas (GHG) emissions were adopted in accordance with the *GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard* guidelines and in accordance with the appropriate levels of accuracy with regard to the quality and scope of the primary (source) data obtained at the upstream and downstream level in the value chain.

The exclusions of the given Scope 3 greenhouse gas (GHG) emission category from the calculations and disclosures resulted solely from the premise that it was not possible to assign the given Scope 3 category as material from the perspective of the activities conducted within TAURON Group in connection with the Business Model, taking into account the results of the materiality threshold analysis conducted to select the specific Scope 3 categories for disclosure.

All of the 15 categories were included in the Scope 3 greenhouse gas (GHG) emission estimation balance. For some categories, zero GHG emissions were estimated due to the absence of a given type of operations (activity) in TAURON Group's Business Model, for example, franchise operations. Based on the results of the materiality threshold analysis for the individual Scope 3 categories for disclosure, the following were identified as the **marginal activities conducted** under TAURON Group's Business Model:

- upstream and downstream leases (categories 8 and 13),
- business travel (category 6),
- as well as categories 4, 7 and 9 that do not affect the final result of the total Scope 3 GHG emission calculations (below the materiality thresholds).

TAURON Group's Business Model defines the scope and boundaries within which the Scope 3 greenhouse gas (GHG) emissions are measured using the input data from the specific activities within the upstream and downstream value chain.

The percentage of the Scope 3 emissions calculated using the primary data obtained from the suppliers (including the internal suppliers, i.e., from TAURON Group's subsidiaries) or other value chain partners came in at 84.6%. The results of the total Scope 3 emission calculations were included as the sum of the disclosed categories (categories: 1, 2, 3, 5, 11 and 15), and the percentage was calculated as a share of the primary data used for calculating the greenhouse gas (GHG) emissions within these disclosed categories.

Such a high percentage of the Scope 3 emissions calculated on the basis of the primary data in

TAURON Group's value chain was achieved due to the fact that Category 3 *Fuel and energy related activities (not included in Scope 1 or 2)* and Category 15 *Capital (Equity) Investments* were calculated exclusively using the primary data. The Scope 3 Category 3 greenhouse gas (GHG) emissions were calculated based on the data from an internal supplier (from TAURON Group's supply subsidiary), i.e., on the basis of the primary data on the volume of electricity supplied (MWh) and the primary data on the value of the greenhouse gas (GHG) emission indicator for the electricity supplied (tons CO_2e/MWh). The Scope 3 Category 15 greenhouse gas (GHG) emissions were calculated based on the directly obtained data.

The biogenic CO_2 emissions from the biomass that occurred in 2025 in the upstream and downstream value chain constituted approximately 3.8 % of the total Scope 3 emissions (the share of the biogenic CO_2 emissions from the biomass in the electricity supply mix). In the Scope 3 emission calculations, where possible, the emission indicators were applied that accounted for the emissions of other greenhouse gases (such as CH_4 and N_2O) and the CO_2 emissions occurring in the biomass life cycle other than the emissions from the combustion or biodegradation, including in particular the greenhouse gas (GHG) emissions from the biomass transportation.

Table no. 137. Total greenhouse gas (GHG) emissions broken down into Scope 1 and 2 emissions and material Scope 3 emissions for TAURON Group in the reporting for 2025, along with the comparative information for the previous reporting period [1, 2, 3]

				Interim targets and the years to which the target applies			
	Baseline year 2022	**2025**	2024 (prior reporting period)	2025	2030	2040	Annual target in % (2025) / baseline year [2025 / 2022]
Scope 1 Greenhouse Gas (GHG) Emissions:							
Gross Scope 1 Greenhouse Gas (GHG) emissions (tCO_2e) [1]	13 773 702	**9 825 368**	9 244 487	-	29%	0%	71%
Percentage of Scope 1 greenhouse gas (GHG) emissions from regulated emission trading systems (%)	-	**98%**	98%	-	-	-	-
Scope 2 Greenhouse Gas (GHG) Emissions:							
Gross Scope 2 greenhouse gas (GHG) emissions using the location-based method[2] (tCO_2eq)	-	**1 118 942**	713 093	-	-	-	-
Gross Scope 2 greenhouse gas (GHG) emissions using the market-based method[2] (tCO_2eq)	-	**962 262**	555 585	-	-	-	-
Scope 3 Greenhouse Gas (GHG) Emissions:							
Total gross indirect Scope 3 greenhouse gas (GHG) emissions (tCO_2e) [3], including:	-	**16 060 983**	17 011 853	-	-	-	-
■ Category 1 – Purchased Goods and Services	-	**822 057**	719 539	-	-	-	-
■ Category 2 – Capital Goods	-	**901 904**	356 612	-	-	-	-
■ Category 3 – Fuel- and Energy Related Activities (excl. Scopes 1 and 2)	-	**11 540 440**	12 827 685	-	-	-	-
■ Category 5 – Waste Generated in Operations	-	**53 176**	52 191	-	-	-	-
■ Category 11 – Use of Sold Products	-	**695 169**	879 562	-	-	-	-
■ Category 15 – Capital (equity) investments	-	**2 048 236**	2 232 996	-	-	-	-
Total Greenhouse Gas (GHG) Emissions (Scope 1 + Scope 2 + Scope 3):							
Total greenhouse gas (GHG) emissions (Scope 1 + Scope 2 "location-based method" + Scope 3) (tCO_2eq)	-	**27 005 292**	26 969 432	-	-	-	-

Total greenhouse gas (GHG) emissions (Scope 1 + Scope 2 "market-based method" + Scope 3) (tCO_2eq)	-	**26 848 613**	26 811 925	-	-	-	-
Biogenic emissions from biomass combustion (tCO_2e)	471 242	**287 736**	182 929	-	-	-	-

[1] Year on year change for the item "Scope 1 greenhouse gas (GHG) emissions" do not indicate a constant downward or upward trend, and result, first and foremost, from an increase in electricity production in the conventional hard coal fired generation units.
[2] Year on year change for the items "Gross Scope 2 greenhouse gas (GHG) emissions using the location-based method" and "Gross Scope 2 greenhouse gas (GHG) emissions using the market-based method" do not indicate a constant downward or upward trend, and result, first and foremost, from the following factors:
– directly from an increase (an unfavorable change) in the "grid loss / balancing difference" for the electricity distribution (in 2025 – 3.5%, in 2024 – 2%) and the resulting increase in the volume of the electricity purchases to cover the "grid loss / balancing difference",
– a decrease (a favorable change) in the GHG emission indicators, both for the "Location - based" method as well as the "Market - based" method.
[3] Year on year changes for the item "Scope 3 greenhouse gas (GHG) emissions" do not indicate a constant downward or upward trend, and result, first and foremost, from the following factors:
– an increase in the item "Category 1 Purchased goods and services" (an unfavorable change) results directly from an increase in the emission indicators of the "spend - based" method and an increase of the expenditures,
– an increase in the item "Category 2 Purchased capital goods" (an unfavorable change) results directly from an increase in the emission indicators of the "spend - based" method and an increase of the expenditures (CAPEX),
– a decrease in the item "Category 3 Fuel and energy related activities (not included in Scope 1 or 2)" (an unfavorable change) results directly from an increase in the volume of the electricity sold to the end customers,
– an increase in the item "Category 5 Waste generated in operations" (a favorable change) results directly from a decrease in the volume of the waste,
– a decrease in the item "Category 11 Use of sold products" (an unfavorable change) results directly from an increase in the volume of the gas sold to the end customers,
– a decrease in the item "Category 15 Capital (Equity) Investments" (an unfavorable change) results directly from an increase in the direct emissions at the companies with the Group's equity interest (equity share method).
The sum presented for the item "Total gross indirect Scope 3 greenhouse gas emissions (tCO_2eq)" includes Scope 3 categories 1, 2, 3, 5, 11 and 15 (the materiality threshold for the disclosures is included). For the 2024 disclosures, the sum for the item "Total gross indirect Scope 3 greenhouse gas emissions (tCO2eq)" including all of the Scope 3 categories 1, 2, 3, 4, 5, 6, 7, 8, 9, 11 and 15 for 2024 came in at 17 131 722 (tCO_2eq).

The following methodologies, material assumptions and emission factors used for calculating or measuring the greenhouse gas (GHG) emissions, along with the justification for their selection, were used for calculating the total greenhouse gas (GHG) emissions:

1. **Scope 1 Greenhouse Gas (GHG) Emissions:**
   1) The first group for calculating the Scope 1 greenhouse gas (GHG) emission volumes comprised the GHG emissions from the electricity and heat generation sources for which the CO_2 emission values were subject to a verification by the independent verifiers for the settlement purposes under the EU ETS system.
   The basis for calculating the Scope 1 GHG emission volumes in this group, using the greenhouse gas (GHG) emission accounting method provided in *ISO 14064 - 1:2018*, consisted of the approved CO_2 emission monitoring plans and protocols from a verification of the CO_2 emission volumes in accordance with the EU ETS system requirements. The first group covers approximately 97% of all of the Scope 1 GHG emissions for TAURON Group.
   The biogenic emission from the use of the biomass fuel was also calculated within this group.
   The result constitutes the CO_2 greenhouse gas emission following a verification for the EU ETS purposes, expressed in tCO2e.
   2) The second group for calculating the Scope 1 greenhouse gas (GHG) emission volumes comprised the other Scope 1 GHG emissions from the Group's subsidiaries' energy generation sources not covered by the EU ETS. The Scope 1 GHG emission volumes in this group were calculated using the principles, requirements and guidelines presented in the *GHG Protocol Corporate Standard*, based on the annual data from the periodic emission measurements PRTR (Pollutant Release and Transfer Register) and the fuel energy consumption data (the data from the operational monitoring reporting systems), and using the relevant GHG emission indicators published by KOBiZE in the publication entitled: *Calorific Values (WO) and CO_2 Emission Indicators (WE) in 2022 for reporting under the Greenhouse Gas Emission Allowances Trading System for 2025.*
   The result of calculating the greenhouse gas (GHG) emission volume in tCO_2e is the product of a multiplying of: fuel energy input in MWh (or GJ) and the relevant greenhouse gas emission indicator expressed in tCO_2e/MWh (or tCO_2e/GJ).
   3) The third group for calculating the Scope 1 greenhouse gas (GHG) emission volumes comprised the other Scope 1 GHG emissions for the greenhouse gases (GHG): CH_4, N_2O, HFC, PFC, SF_6 and NF_3 from the primary and auxiliary processes accompanying the activities of TAURON Group's subsidiaries (gas leak emissions, including those associated with the failures). The Scope 1 GHG emission volumes in this group were calculated using the principles, requirements and guidelines presented in the *GHG Protocol Corporate Standard*, based on the annual data from the pollutant emission measurements PRTR, the data on the GHG emission quantities from the auxiliary processes (HFC, PFC, SF6 emissions) (the data from the operational monitoring reporting systems), and using the latest global warming values published by the IPCC based on the 100 - year time frame (Assessment Report 6) in order to calculate the CO_2 equivalent emissions of gases other than CO_2.
   The result of calculating the greenhouse gas (GHG) emission volume in tCO_2e is the product of a multiplying of: the quantity of the greenhouse gas in tons (Mg) and the relevant CO_2 equivalent indicator value for the given greenhouse gas (tCO_2e).
   4) The fourth group for calculating the Scope 1 greenhouse gas (GHG) emission volumes comprised other GHG emissions from the auxiliary processes related to the fuel use in the transportation as part of the in-house operations of TAURON Group's subsidiaries. The GHG emission volumes in this group were calculated using the principles, requirements and guidelines presented in the *GHG Protocol Corporate Standard*, based on annual data on the fuel quantities (gasoline, diesel) settled under the environmental use fees and the relevant GHG emission indicators for the transportation operations from the database: *https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2025*.

   The result of calculating the greenhouse gas (GHG) emission volumes in tCO_2e is the product of a multiplying of: the quantity of the fuel in tons (Mg), the calorific value of the fuel in MWh/tonne (or GJ/tonne) and the relevant greenhouse gas emission indicator expressed in tCO_2e/MWh (or tCO_2e/GJ).

2. **Scope 2 Greenhouse Gas (GHG) Emissions:**
   1) The basis for calculating the Scope 2 location - based GHG emission volumes comprised the greenhouse gas (GHG)

emissions as the product of a multiplying of: the energy obtained and purchased for the in-house operations (MWh) and the average CO_2 carbon intensity indicator for the electricity for the end customers in Poland according to the KOBiZE publication: *CO_2, SO_2, NO_X, CO and total dust carbon intensity indicators for the electricity based on the information contained in the National Database on the Greenhouse Gas (GHG) and Other Substance Emissions for 2025*. The result of calculating the greenhouse gas (GHG) emission volume is the product of a multiplying of:

- the quantity of the electricity obtained and purchased for own operations (MWh) multiplied by the relevant greenhouse gas emission indicator per MWh of the electricity for the end customers in Poland expressed in tCO2e/MWh,
- the quantity of the energy obtained and purchased for the in-house operations (MWh), excluding the Scope 1, primarily the gas fuel for building heating purposes, multiplied by the relevant greenhouse gas emission indicator per MWh of the gas fuel energy expressed in tCO_2e/MWh,
- the quantity of the energy obtained and purchased for the in-house operations (MWh) was obtained from TAURON Group's databases based on the actual utility settlements on the basis of the invoices.

2) The basis for calculating the Scope 2 market - based GHG emission volumes comprised the greenhouse gas (GHG) emissions as the product of a multiplying of: the energy obtained and purchased for the in-house operations (MWh) multiplied by the CO2 carbon intensity indicator for the electricity for the end customers of TAURON Group's subsidiaries (the TAURON Polska Energia's supply subsidiary's indicator was adopted). The result of calculating the greenhouse gas (GHG) emission volume is the product of a multiplying of:
   - the quantity of the electricity obtained and purchased for the in-house operations (MWh) multiplied by the relevant greenhouse gas emission indicator per MWh of electricity for the end customers expressed in tCO_2e/MWh,
   - the quantity of energy obtained and purchased for the in-house operations (MWh), excluding Scope 1, primarily the gas fuel for building heating purposes, multiplied by the relevant greenhouse gas emission indicator per MWh of the gas fuel energy expressed in tCO_2e/MWh,
   - the quantity of energy obtained and purchased for the in-house operations (MWh) was obtained from TAURON Group's databases based on the actual utility settlements on the basis of the invoices.

   The result of calculating the greenhouse gas (GHG) emission volume in tCO_2e is the product of a multiplying of: the quantity of the energy obtained and purchased for the in-house operations (MWh) and the relevant greenhouse gas emission indicator expressed in tCO_2e/MWh.

3. **Scope 3 Greenhouse Gas (GHG) Emissions:**
   1) Scope 3 Category 1: The basis for calculating the Scope 3 GHG emission volumes in Category 1 *Purchased goods and services* based on the expenditures (PLN) comprised the products of a multiplying of:
      - expenditures (in PLN) incurred in connection with the purchase of the goods and services in the relevant categories: Material consumption, Maintenance and repair services, Consulting services and Other external services. The expenditures (PLN) were determined using the consolidated data for the financial reporting of TAURON Group for 2025,
      - greenhouse gas (GHG) carbon intensity indicators related to the expenditures and appropriately assigned to the type of activity – database: *https://assets.publishing.service.gov.uk/media/66422097f34f9b5a56adc5fe/Conversion_factors_KgCO2_per___spent__by_SIC_code.ods (data current as of 2025),*
      - the volume (in Mg) of the purchased (supplied) hard coal fuel from the methane mine (PKW ZG Brzeszcze) in connection with the purchase of the goods and services – it is applicable to two of TAURON Group's subsidiaries for 2025 (TAURON Wytwarzanie and TAURON Ciepło),
      - greenhouse gas (GHG) carbon intensity indicators related to the extraction of the hard coal fuel in the methane mine.

      The result of calculating the Scope 3 greenhouse gas (GHG) emission volumes in Category 1 *Purchased goods and services* based on the expenditures (the first component) and the volume of the purchased fuel from the methane mine (the second component) is expressed in tCO_2e. A combination of the two methods was used to calculate the Scope 3 Category 1 greenhouse gas (GHG) emissions: the so-called "spend - based" method for calculating the Scope 3 Category 1 GHG emissions

pursuant to the *GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard* for the expenditure - based components, and the so-called "average - data" method for calculating the Scope 3 Category 1 GHG emissions pursuant to the *GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard* for the component relating to the GHG emissions from the purchased (supplied) hard coal fuel from a methane mine (PKW ZG Brzeszcze).

2) Scope 3 Category 2: The basis for calculating the Scope 3 GHG emission volumes in Category 2 *Capital goods* based on the expenditures (PLN) comprised the products of a multiplying of:
   - expenditures (in PLN) incurred in connection with the purchase of the capital goods. The expenditures (PLN) were determined using the CapEx spent in the individual operating segments on the basis of the consolidated data for the financial reporting of TAURON Group for 2025,
   - greenhouse gas (GHG) carbon intensity indicators related to the expenditures and appropriately assigned to the type of the activity – database: *https://assets.publishing.service.gov.uk/media/66422097f34f9b5a56adc5fe/Conversion_factors_KgCO2_per___spent__by_SIC_code.ods (data current as of 2025).*

   The result of calculating the Scope 3 greenhouse gas (GHG) emission volumes in Category 2 *Capital goods* based on the expenditure is expressed in tCO_2e.
   The so-called "spend - based" method was used to calculate the Scope 3 Category 2 greenhouse gas (GHG) emissions pursuant to the *GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard*.
3) Scope 3 Category 3: The basis for calculating Scope 3 GHG emission volumes in Category 3 *Fuel and energy related activities* (not included in Scope 1 or 2) based on the volume of the energy sold (MWh) comprised the products of a multiplying of the energy volumes and the greenhouse gas (GHG) emission indicators, respectively:
   - the volume of the energy sold (MWh) within the activities of TAURON Group's supply subsidiaries (excluding the volumes included within Scopes 1 and 2),
   - the greenhouse gas (GHG) carbon intensity indicator for the electricity sold in tCO_2e/MWh (carbon intensity indicator for the electricity of TAURON Poland Energia's supply subsidiary), based on the data source: https://www.tauron.pl/tauron/o-tauronie/struktura-paliw,
   - the volume of the energy sold (MWh) as part of the activities of TAURON Group's supply subsidiaries,
   - the greenhouse gas (GHG) carbon intensity indicator for the heat production in tCO_2e/GJ (the carbon intensity indicator for the heat production by the TAURON Wytwarzanie and TAURON Ciepło subsidiaries), based on own data on the heat production (GJ) and the CO_2 equivalent emissions attributed to the heat production (tCO_2e).

   The result of calculating the Scope 3 greenhouse gas (GHG) emission volumes in Category 3 *Fuel and energy-related activities not included in Scope 1 or 2* is expressed in tCO_2e.

4) Scope 3 Category 5: The basis for calculating the Scope 3 GHG emission volumes in Category 5 *Waste generated in operations* based on the total weight of the hazardous and non-hazardous waste related to the operations of TAURON Group's subsidiaries (tons, Mg) and the method and procedures for the waste management comprised the products of a multiplying of:
   - the total weight of the hazardous and non-hazardous waste generated as part of the activities of TAURON Group's subsidiaries (tons, Mg),
   - the greenhouse gas (GHG) carbon intensity indicators related to the waste management methods expressed in tCO_2e/Mg. The indicators were obtained from the database: *https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2025*.

   The result of calculating the Scope 3 greenhouse gas (GHG) emission volumes in Category 5 *Waste generated in operations* is expressed in tCO_2e.

5) Scope 3 Category 11: The basis for calculating the Scope 3 GHG emission volumes in Category 11 *Use of sold products* based on the volume of the energy sold as the gas fuel (MWh) comprised the products of a multiplying of:
   - the volume of the gas fuel sold (MWh or GJ) as part of the activities of TAURON Group's supply subsidiaries,

– the greenhouse gas (GHG) carbon intensity indicator for the energy sold in tCO_2e/MWh (or tCO_2e/GJ). This indicator is based on the data published by KOBiZE in the study entitled: *Calorific Values (WO) and CO_2 Emission Indicators (WE) in 2022 for reporting under the Greenhouse Gas Emissions Trading System for 2025.*

The result of calculating the Scope 3 greenhouse gas (GHG) emission volumes in Category 11 *Use of sold products* is expressed in tCO_2e.

6) Scope 3 Category 15: Calculations of Scope 3 GHG emission volumes in Category 15 *Capital (Equity) Investments* were carried out based on the data obtained on the direct greenhouse gas (GHG) emissions from the assets treated as the capital investments in the companies in which TAURON Group holds equity interests but does not have the operational control over those companies.

The estimation of the GHG emission volumes in this category comprised the products of a multiplying of:
– direct greenhouse gas (GHG) emissions obtained from the companies in which TAURON Group holds equity interests but does not have the operational control over those companies (in tCO_2e),
– the percentage share of the equity interests in the above mentioned companies.

The result of calculating the Scope 3 greenhouse gas (GHG) emission volumes in Category 15 *Capital (Equity) Investments* is expressed in tCO2e.
The so-called investment-specific method was applied for the Scope 3 Category 15 greenhouse gas (GHG) emission calculations pursuant to the *GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard.*

Table no. 138. Greenhouse gas (GHG) carbon emissions intensity (total greenhouse gas (GHG) carbon emissions per net revenue) for TAURON Group in 2025, along with the comparative information for the previous reporting period

	2025 tCO_2eq/PLN	2024 tCO_2eq/PLN
Greenhouse gas (GHG) carbon emissions intensity (total greenhouse gas (GHG) carbon emissions per net revenue) *Location - based method*	0.000812	0.000833
Greenhouse gas (GHG) carbon emissions intensity (total greenhouse gas (GHG) carbon emissions per net revenue) *Market – based method*	0.000807	0.000828

The agreed net revenue amount for TAURON Group (the denominator for calculating the greenhouse gas (GHG) carbon emission intensity) in the net amount of PLN 33 277 million for 2025 (respectively, the net amount of PLN 32 535 million in the previous reporting period) was entirely attributed to the item in the *Consolidated Financial Statements of TAURON Capital Group* entitled: "Revenue from sales" (*the detailed information is presented in notes 12.1, 12.2 and 14 of the Consolidated Financial Report of the Capital Group*).

(E1-7) GHG removal projects and GHG emission reduction projects financed by carbon credits

TAURON Group is implementing its greenhouse gas (GHG) emission reduction plans, but not through the greenhouse gas (GHG) removal and storage projects and not through the greenhouse gas (GHG) emission reduction financed by the carbon credits (carbon permits).

(E1-8) Internal Carbon Pricing

TAURON Group has a system for setting of the internal carbon emission prices. Such a system essentially covers the calculation prices used when making the investment decisions with respect to the capital expenditures for the new electricity and heat generation projects, as well as the internal charges for the CO_2 emissions. The internal carbon pricing system is applied in the settlement of the CO_2 allowances for the purpose of the greenhouse gas (GHG) EU ETS trading system for 2025. The price used price is the CO_2 allowance price as of the date of the purchase or sale transaction.

The internal carbon pricing system is applied between the affiliated (related) entities within TAURON Group. The internal carbon emission prices are set at the time of a conclusion of a transaction and are based on the market prices in the settlements for the given year. In addition, TAURON Group uses the internal carbon pricing system as the transaction prices with the external entities. This pricing approach stems from the Polish tax law provisions and constitutes a material element of the tax rules applicable within TAURON Group.

The internal carbon pricing system is applied at TAURON Group within the area of the business operations.

For the asset impairment tests and the commercial projections, the current CO_2 emission allowance prices from the year of the assessment are adopted, and for the future projections, the prices are based on a price path (curve) that takes into account the projected change in the CO_2 emission allowance prices taking into account the inflation rate forecasts. This market based approach to the setting of the internal carbon emission prices is widely used by the entities operating in the energy sector in Poland and in the EU. The internal price of the CO_2 emissions is an element of a project profitability assessment and investment analyses, impacting the choice of the technology, the sequencing of the project implementations and the decisions regarding the modernization of the assets.

In addition, the internal carbon pricing system is also used in the technical and economic analyses of investment projects. The projected path (curve) of the high carbon emission prices in the years 2025 – 2040 helps in the decision making and encourages the implementation of the climate related policies and targets, in particular the implementation in accordance with the assumptions of the *TAURON Group Strategy for 2025-2035* for the development of the RES projects, the decarbonization of the existing heat generation assets, as well as the investments in the expansion of the electricity distribution grids in accordance with the anticipated trend of the manufacturing industry electrification and the transition to the zero- and low emission (carbon) energy by the end customers.

The CO_2 emission allowance prices in the future projections (price paths (forward curves)) are adopted based on the key criterion of the projected price changes for the energy sector and result from supply and demand analyses of the EU ETS and the available external forecasts and surveys regarding the future CO_2 emission allowance price trends. The forecasting of the CO_2 emission allowance prices is an element of the long term planning assumptions at TAURON Group and is subject to agreement and acceptance (approval) by the Auditor in the process of verifying the long term assumptions in the financial reporting stream. A dedicated team within the Company is responsible for updating of the CO_2 emission allowance price paths (forward price curves), with the updates carried out at least once a year.

In the current reporting year, the internal CO_2 emission allowance pricing system primarily covers the Scope 1 direct CO_2 emissions from the Group's in-house electricity and heat generation sources under the EU ETS. In the current reporting year, the verified direct CO_2 emission from TAURON Group electricity and heat generation sources covered by the EU ETS came in at 9 064 199 tons of the CO_2, which also represented 98% of the total Scope 1 GHG emissions for TAURON Group. The Scope 2 and Scope 3 greenhouse gas (GHG) emissions are not subject to the internal carbon emission pricing system in the reporting year for 2025.

The carbon emission prices used in the internal carbon pricing systems are in line with the prices used in the *Consolidated Financial Report of TAURON Capital Group*, in particular with regard to the internal carbon emission prices applied in relation to:

1. assessment of the useful life and residual value of the assets (intangible assets and tangible fixed assets),
2. asset impairment (impairment tests),
3. where applicable, for the fair value measurement of the assets acquired through the acquisitions.

(E1-9) Anticipated financial effects from material physical and transition risks and climate related opportunities

TAURON Group is planning to disclose the anticipated financial effects of material physical risks and transition risks, as well as potential climate related opportunities in the future once the organization has achieved the readiness for such disclosures and the best practices have been developed with regard to presenting such effects in a transparent manner that does not compromise business confidentiality.

13.12. Pollution (E2)

(E2.IRO-1) Description of the processes for identifying and assessing material Impacts, Risks and Opportunities related to pollution

The description of the processes for identifying and assessing the actual and potential material impacts, risks and opportunities (including those related to the pollution) is described in *section 13.8 of this report in the part related to IRO-1*.

The process of examining and assessing materiality with regard to identifying and assessing the material impacts, risks and opportunities related to pollution for TAURON Group was conducted based on an analysis of TAURON Group's business model. The materiality assessment was conducted with respect to the in-house operations as well as the upstream and downstream value chain, taking into account a review of own locations (sites) and own business activities using the so-called LEAP (*Locate, Evaluate, Assess, Prepare)* approach – two stages, i.e.:

1. identification of the locations (sites) of the generation assets related to the pollutant emissions and the locations (sites) where the pollutant emissions to air, soil and water originate from (no material emissions to soil were identified as part of the Group's activities),
2. assessment of the impacts and dependencies of TAURON Group's assets related to pollution for each material location.

The actual and potential material impacts, risks and opportunities related to pollution were identified under the sub-topic: *air pollution*.

TAURON Group, as part of the overall process of materiality examination and assessment, also conducted the consultations with the representatives of the affected communities, which is described in more detail in *section 13.8 of this report, in the part related to SBM-2*.

Material pollution as part of the Group's own operations and in its value chain is related to air pollution. TAURON Group's material impacts, risks and opportunities in this area result, first and foremost, from the activities in the area of electricity and heat generation.

The other IRO-1 sub-topics related to ESRS E2, i.e., *water pollution, soil pollution, pollution of living organisms and food resources, potentially hazardous substances, substances of very high concern and microplastics*, were not identified as the material topics for disclosure – either with regard to the assessment of the material impacts, risks and opportunities, or with regard to the financial materiality assessment.

Table no. 139. Locations (sites) where pollution is a material issue as part of TAURON Group's business activities and its upstream and downstream value chain in 2025

BU / Subsidiary	Emissions of pollutants to air
Location Jaworzno (3 facilities)	
Location Łaziska (1 facility)	
Location Będzin Łagisza (1 facility)	Material impact in own operations
Location Trzebinia Siersza (1 facility)	
Location Stalowa Wola (1 facility)	
Location Katowice (Katowice CHP)	
Location Tychy (Tychy CHP)	
Location Bielsko-Biała (Bielsko - Biała EC1 CHP)	
Location Czechowice-Dziedzice (Bielsko-Biała EC2 CHP)	Material impact in own operations
Location Cieszyn (Cieszyn CHP)	
Location Olkusz (Olkusz Heating Plant)	

Location Zawiercie (Zawiercie Heating Plant)

Location Kamienna Góra (Kamienna Góra Heating Plant)

The locations where pollution is a material issue within TAURON Group's value chain are situated in the areas of the mining operations that supply TAURON Group's subsidiaries with the fuel for the hard coal fired power plants.

(E2-1) Policies related to pollution

TAURON Group's Environmental Policy

In 2017, TAURON Group adopted *TAURON Group's Environmental Policy,* which ensures the management of the material impacts, risks and opportunities related to, among other things, pollution. The Environmental Policy defines the Group's integrated approach to the managing of the issues related to the impact of its activities on the natural environment, including the direction of its environmental actions and the principles to be followed in the environmental matters. The Environmental Policy is the reference point against which all of TAURON Group's subsidiaries' activities in the area of environmental protection and environmental management are assessed. The Policy had last been updated in 2022.

The Environmental Policy contains the general principles, values and vision guiding TAURON Group in reducing its impact on the natural environment, both with respect to the direct as well as the indirect impacts across the entire value chain. The document also presents the principles of responsible communication on the environmental issues ensuring the legibility and understanding of TAURON Group actions that may have an impact on the environment, as well as the environmental initiatives.

Due to the different activity profiles, including the production and service activities of the Group's subsidiaries, their environmental impact varies materially. The principles of the Environmental Policy are therefore transferred to the individual internal documents of the Group's individual subsidiaries, commensurate with their role in TAURON Group's value chain and the scale of their impact.
The principles guiding TAURON Group with regard to the environmental pollution include:

1. identifying and documenting of the material areas of impact of all of the types of TAURON Group's activities on the natural environment at all of the stages of the asset life cycle,
2. ensuring the compliance of TAURON Group's operations with the environmental protection regulations, taking into account the local conditions, the specifics of the activities conducted, while at the same time striving to increase the efficiency,
3. conducting of an information policy ensuring the understanding of TAURON Group's activities that may have an impact on the environment,
4. monitoring of the proposed legal regulations in order to take the proactive (preemptive) environmental actions as part of TAURON Group's activities, and in particular in the investment and asset management processes,
5. actively seeking the technical and organizational solutions in order to minimize the potentially adverse impact of TAURON Group's activities on the environment,
6. monitoring and sharing of the sector specific environmental good practices,
7. continuous improvement of TAURON Group in the area of the environmental protection,
8. cooperating with all of the parties and process participants in order to identify and minimize the environmental impact, including, among other things, the negative impacts related to the pollution.

The Environmental Policy covers the full spectrum of the pollutant emissions specific to the profile of the business operations conducted, taking into account all of the environmental components.

Currently, TAURON Group's impact with regard to the emissions is determined by the impact of the conventional energy. These are the particulate and gaseous emissions emitted to the air from the combustion processes. Through the Environmental Policy, TAURON Group defines the principles for action in the area of pollution, which form the basis for defining of the targets, actions and metrics relating to the material impacts and risks presented in the following table.

Table no. 140. Identified Material Impacts and Risks Related to Pollution Linked to the Environmental Policy

Negative Impacts
Transportation of the fossil fuels using the fossil fuel powered means generates greenhouse gas (GHG) emissions and other air pollutants.
Violations of the safety rules in the explosion hazard zones may lead to the fires, failures and uncontrolled emissions, threatening the environment and the surrounding community.
Positive Impacts
Implementation of the investment projects in the renewable energy sources (RES) provide the support for the energy transition and genuinely reduces the air pollutant emissions.
Risks
Increased operating expenses resulting from the regulatory changes related to the air pollution (modernization costs, environmental use charges) in the process of a sustainable economic transition.

With regard to preventing, mitigating and remediating the actual and potential impacts, and counteracting the risks, *the Environmental Policy* introduces a mechanism for monitoring the environmental impact of the activities and reporting. Based on this monitoring and taking into account the changing external regulations, TAURON Group plans and undertakes actions in order to reduce the identified scale of the environmental impact. In undertaking such actions, each subsidiary defines the measurable targets and determines the method and frequency of the monitoring thereof.

TAURON Group is monitoring, on an ongoing basis, the main aspects of the direct and indirect environmental impact of its operational activities as well as in the upstream or downstream value chain, which is implemented, among other things, with respect to achieving the targets defined within the Environmental Policy.

The geographic area for TAURON Group's operational activities is Poland.

The Policy applies to all of the Group's subsidiaries. The Environmental Protection and Circular Economy Team at TAURON is responsible for updating of the Policy, while the oversight over the implementation of its provisions is exercised by the Vice President of the Management Board responsible for Asset Management at TAURON.

TAURON Group's Environmental Policy is a publicly accessible document.

Taking into account the interests of the key stakeholders when determining the scope of the *TAURON Group's Environmental Policy* is possible under the general rules with the use of the formula of submitting requests through the stakeholder communication channel of TAURON Group.

(E2-2) Actions and resources related to pollution

TAURON Group's activities in 2025 were focused on pollution prevention, by directly implementing the targets indicated in the *TAURON Group Strategy for 2025-2035* (described in detail in *section 2.4 of this report*).

These actions addressed the identified negative impacts related to the pollutant emissions from the fossil fuel transportation (an indirect effect of the changes in the fuel mix) and the risks of the fires and failures in the explosion hazard zones, which could lead to the uncontrolled release of the pollutants into the environment. The minimization of the negative effects is achieved, first and foremost, through the implementation of the RES investment projects, which provide the support for the energy transition and genuinely reduce the air pollutant emissions. The measures taken also address the identified risk associated with the increased operating expenses resulting from the regulatory changes related to air pollution (modernization costs, environmental use charges).

Adaptation of Generation Units to BAT Conclusions

The fulfillment of TAURON Group's commitments with regard to reducing of the air pollutant emissions had involved the completion in 2021 of a program to adapt the conventional electricity and heat generation units classified as the large combustion plants (LCP) to the requirements of the BAT conclusions (Best Available Techniques). As a result of these actions, the key generation assets of

TAURON Wytwarzanie and TAURON Ciepło currently achieve the pollutant concentration levels in line with the best available techniques and the BAT conclusions. Other medium and smaller fuel combustion sources of TAURON Group's subsidiaries also comply with the legal requirements with regard to the permissible pollutant concentration values defined in the emission permits.

TAURON Group's subsidiaries are conducting their activities in accordance with the relevant administrative permits. In 2025, the pollutant emission volumes coming from TAURON Group's fuel combustion facilities were significantly below the permissible annual limit levels. The Group is not implementing any new air emission reduction programs from the solid fuel combustion units. Currently, the ongoing and planned maintenance as well as the modernization work is being carried out on the air protection equipment and installations of the generation sources.

Prevention and control of pollution

As part of the operational activities related to the environmental management, TAURON Group conducts ongoing monitoring of the air emission volumes with regard to those defined in the permits, including the nitrogen oxide compounds (NO_X), sulfur oxides (SO_2) and the particulate matter (dust) (continuous and periodic measurements) as well as other air pollutants such as the emissions of metals, HCl and HF (periodic measurements for the PRTR reporting – National Register of Pollutant Release and Transfer). For the medium and small fuel combustion sources, the monitoring is conducted in the form of the periodic emission measurements, in accordance with the provisions of the environmental operating permits. Pollutant emission control is an element of the process management with regard to reducing the pollutant emissions and may translate into the emission reduction measures (for example, installation modernizations, operational improvements, corrective (repair) actions).

The above mentioned activities are conducted in all of the material locations indicated in the table in *section E2.IRO-1 of this report*.

The resources and actions used by TAURON Group for pollution prevention and control include, among other things:

1. maintaining of the flue gas cleaning equipment and installations in the proper condition (reduction of the air pollutant emissions),
2. equipping the electricity and heat generation units with the systems and installations compliant with best available techniques (BAT), enabling a high degree of the pollutant reduction commensurate with the scale of impact regarding pollutant emissions from the production processes,
3. using of the adequate quality fuels and efficient utilizing of the fuel energy,
4. applying of the modern technical solutions taking into account the technological progress,
5. using automatic process equipment control systems.

Minimizing Pollutant Emissions

An action contributing to the reduction of TAURON Group's air pollutant emissions is the implementation of the *TAURON Group Strategy for 2025-2035*, which assumes the gradual decommissioning of the conventional assets in the medium term perspective, and thus a policy of limiting the investments to the necessary minimum in the conventional energy, as well as other beneficial actions related to changing the energy mix towards the expansion of the RES generation units (wind energy, photovoltaics).

The overriding voluntary policies and commitments are the national and the EU legal requirements, which impose the environmental protection standards and requirements. TAURON Group's subsidiaries are obliged by the management targets to conducting its activities in compliance with the applicable standards, regulations and legal provisions. In this regard, each of the Group's subsidiaries is monitoring the effectiveness of implementing the Environmental Policy and its actions associated with the material impacts, risks and opportunities related to pollution, with the aim of avoiding incidents in the form of the exceedances of the permissible pollutant emission levels, which could result in the imposition of the administrative penalties.

The basic actions reflecting the commitment in the upstream value chain include the observance of the proximity principle (delivery of the fuels, materials and raw materials) and the resource efficiency principle (minimization of the pollution at the source related to the resource acquisition).

Actions and resources related to pollution in the mitigation hierarchy can be assigned to pollution

reduction through compliance with the implementation requirements, such as the BAT requirements.

(E2-3) Targets related to pollution

Responsibility for reducing the pollutant emissions is one of the elements of the *TAURON Group Strategy for 2025-2035*. The main target in this regard involves not exceeding the emission limits defined in the integrated permits and the strict emission standards resulting from the EU BAT conclusions.

The adoption of the targets in compliance with the limits defined in the administrative decisions ensures that they were established on the basis of the irrefutable scientific evidence such as the current state of the environmental quality and the technology availability, as the impact of an installation should not cause a significant deterioration of the environmental status or endanger human life or health. The stakeholders take part in the target setting process through the possible participation of the public in the administrative proceedings.

TARGET #1: Optimal Use of Energy and Natural Resources

The implementation of this target allows for managing of the material impacts and risks identified under the sub-topic of *air pollution*.

The positive impacts are related, first and foremost, to the investments in the renewable energy sources (RES), providing the support for the energy transition and reducing the pollutant emissions. The negative impacts, in turn, include the emissions from the fossil fuel transportation and the risk of failures and uncontrolled substance releases in the explosion hazard zones. The risks are related to an increase in the operational and modernization costs as a consequence of the tightening of the environmental regulations.

This target applies to the TAURON Wytwarzanie and TAURON Ciepło subsidiaries and is linked to the time horizon of the *TAURON Group Strategy for 2025-2035*, i.e. until 2035. The document associated with this target is *TAURON Group's Environmental Policy.*

The table below presents the target metric linked to the management of the identified impacts and risks along with its baseline value and the 2025 performance.

Table no. 141. Target metric associated with the management of the IROs related to the pollution – Target #1

Metric	2024 base value	2025 performance [1]
Number of exceedances of the emission standards and BAT-AELs	0	3

[1] *The target metric related to the management of the IROs regarding the air pollutants is subject to the monthly monitoring and reporting by the Group's subsidiaries. The data presented in the table refers to the number of the individual incidents with the recorded exceedances of the emission standards and / or BAT AELs in 2025. The exceedances were related to the same installation (gas and oil fired boiler room). The relevant notification was made to the Regional Inspectorate for Environmental Protection (WIOŚ). No administrative penalties were imposed in connection with the exceedances of the emission standards and BAT AELs by the installation for 2025.*

Depending on the specific processes, the individual metrics are monitored on a monthly, annual, or other periodic basis.

Air pollutant emission limits

With regard to the pollutants emitted to the environment, TAURON Group applies the operational emission limits stemming from the legal obligations, administrative decisions and the internal operational plans. These constitute the maximum permissible values used for the ongoing assessment of the compliance and effectiveness of the pollution reduction measures.

Table no. 142. Operational air pollutant emission limits for TAURON Group taking into account the locations with a material impact (sum of the limits for the operated fuel combustion installations), applicable in 2025

#	Emission sources (sum of the installations operated by the Group's subsidiaries)	2025 operational limit and performance – values in Mg / year					
		Nitrogen oxides (NO_X)		Sulfur oxides (SO_2)		Dust	
		Limit	2025 performance	Limit	2025 performance	Limit	2025 performance
1.	TAURON Wytwarzanie	18 007	5 007	15 205	3 422	1 177	173
2.	TAURON Ciepło	3 076	846	4 123	1 100	319	75

TAURON Group, conducting operations in the electricity and heat generation sector, does not use the potentially hazardous substances or the substances of very high concern, in accordance with its business model, and therefore does not set the targets related to the prevention and control in this respect.

(E2-4) Air pollution

Table no. 143. Quantities and types of the pollutants emitted to air as part of TAURON Group's operations (own operations) in 2025 along with the comparative information for the previous reporting period [1],[2]

#	Name of substance (pollutant) in accordance with the reporting to E-PRTR	Quantity of pollutants – emission to air in Mg					
		BU / Company					
		Generation TAURON Wytwarzanie		Heat TAURON Ciepło		TAURON Nowe Technologie, Kopalnia Wapienia Czatkowice, TAURON Dystrybucja, SCE Jaworzno [3]	
		2025	2024	**2025**	2024	**2025**	2024
1.	NO_X	5 007.449	5 029.000	846.209	777.000	44.447	35.000
2.	SO_2	3 421.707	3 564.000	1 100.300	1 087.000	4.057	2.000
3.	Dust	173.232	162.000	74.543	62.000	2.953	8.000
4.	Carbon monoxide (CO)	2 108.771	2 123.000	772.234	826.000	0.815	-
5.	Ammonia (NH_3)	62.429	46.000	4.749	3.000	-	-
6.	Chlorine and its inorganic compounds (as HCl)	1 451.020	1 889.000	496.177	581.000	-	-
7.	Mercury and its compounds (as Hg)	0.031	0.020	0.007	0.020	-	-
8.	Fluorine and its inorganic compounds (as HF)	12.981	6.400	1.333	0.900	-	-
9.	Arsenic and its compounds (as As)	0.174	0.100	0.022	0.030	-	-
10.	Cadmium and its compounds (as Cd)	0.055	0.100	0.004	0.004	-	-
11.	Chromium and its compounds (as Cr)	1.070	0.700	0.065	0.100	-	-
12.	Copper and its compounds (as Cu)	1.171	0.500	0.050	0.040	-	-
13.	Nickel and its compounds (as Ni)	0.973	0.800	0.039	0.040	-	-
14.	Lead and its compounds (as Pb)	0.275	0.600	0.032	0.040	-	-
15.	Zinc and its compounds (as Zn)	2.489	1.400	0.310	0.200	0.014	-
16.	Polycyclic aromatic hydrocarbons (PAH)	0.004	0.002	1.611	0.070	-	-
		12 243.831	**12 823.622**	**3 297.685**	**3 337.444**	**52.286**	**45.00**

[1] The data presented in the table was aggregated in accordance with the assignment of the Group's subsidiaries to the individual Business Units (BUs) and in accordance with the materiality level with regard to the air pollutant emissions. Year on year changes with regard to the air pollutant emission volumes do not indicate a constant downward or upward trend, and result, first and foremost, from the variability in the quality and parameters of the fuel burned (primarily the hard coal).

[2] Items 1–16 represent the individual air pollutants within the Group's subsidiaries listed according to the list of the pollutants included in Annex II to Regulation (EC) No. 166 / 2006 of the European Parliament and of the Council (57) ("Regulation on the European Pollutant Release and Transfer Register", "E-PRTR Regulation") emitted to air, with the exception of the greenhouse gas (GHG) emissions, which are disclosed in accordance with ESRS E1 Climate change. The Group's subsidiaries classified as the "New businesses" are subject to the obligation to report the air emissions only with regard to the NO_X, SO_2 and the dust (this applies to: TAURON Nowe Technologie, Kopalnia Wapienia Czatkowice).

[3] The data with regard to the air pollutant emissions for SCE Jaworzno are included for the first time for 2025. The data presented in the table for 2024 did not include SCE Jaworzno, and the comparative pollutant volumes for SCE Jaworzno for 2025 are respectively: NO_X – 0.8 Mg, SO_2 – 0.05 Mg and dust – 0.002 Mg, and carbon monoxide (CO) – 0.2 Mg.

TAURON Group does not produce or use microplastics as part of its business operations.

By implementing the successive increases in the share of the RES generation sources as part of changing the fuel mix used for the electricity and heat generation, in accordance with the adopted *TAURON Group Strategy for 2025-2035*, TAURON Group is at the same time achieving the positive effects in terms of reducing the pollutant emissions to air and water.

The pollutant emission measurements for TAURON Group's fuel combustion installations are carried out in accordance with the methodology specified in the integrated permits or permits for the introduction of gases and dust to air, which complies with the requirements of the regulation on the conduct of the emission measurements.

In the large fuel combustion sources, the air pollutant emission measurements are carried out using the continuous flue gas emission monitoring. In the medium and small fuel combustion sources, the periodic pollutant emission measurements are carried out. For the very small generation sources (SCE Jaworzno), the method of estimating the pollutant emissions based on the emission factors (indicators) is used. The scope and methodologies for conducting the emission measurements for the settlement purposes comply with the conditions of the integrated permits and the air pollutant emission permits.

The process of collecting data for the pollution reporting purposes is organized at the level of TAURON Group's subsidiaries. The process of collecting the pollutant emission data, which is subsequently used to calculate the amounts of the charges for the commercial use of the environment by the Group's subsidiaries, is composed of several stages:

1. acquiring the relevant data from the emission computers of the continuous pollutant emission monitoring systems (automated measurement systems),
2. acquiring the relevant data from the reports prepared for the periodic measurements and for the purposes of the *National Pollutant Release and Transfer Register* with regard to the pollutant emissions,
3. acquiring the data recorded from the measuring instruments and meters as well as within the fuel and raw material consumption recording systems,
4. processing the relevant scopes (ranges) of data for the calculation of the pollutant emission volumes and for the calculation of the charges for the commercial use of the environment.

The pollutant emission data is archived as part of the procedures of the environmental supervision system or operational control at the Group's subsidiaries.

The data for the calculation of the charges for the commercial use of the environment for the Group's subsidiaries conducting their activities as part of the so-called non-production processes, in particular for the calculation of the charges for the pollutant emissions from the use of the motor vehicles and the raw material consumption, constitutes a separate accounting process.

The list of TAURON Group's installations falling within the scope of the application of the *Industrial Emissions Directive* and the EU BAT conclusions:

1. TAURON Wytwarzanie – Jaworzno II Power Plant (fluidized bed unit no. 1 fired with the biomass and fluidized bed units no. 2 and 3 fired with the hard coal), Jaworzno III Power Plant (units no. 1 – 6 fired with the hard coal), Łagisza Power Plant (CFB460 MW fluidized bed unit fired with the hard coal), Siersza Power Plant (fluidized bed units no. 1 and 2 fired with the hard coal), Nowe Jaworzno (910 MW unit fired with the hard coal),
2. TAURON Ciepło – Katowice Combined Heat and Power Plant (BCF-100 fluidized bed unit fired with the hard coal, peaking and back up boiler room, 3 oil and gas fired boilers, KG-140 boiler commissioned in 2025), Tychy Combined Heat and Power Plant (BC-35 fluidized bed unit fired with the biomass, BC-50 fluidized bed unit fired with the hard coal, WR40 water boiler fired with the hard coal), EC1 Combined Heat and Power Plant in Bielsko - Biała (BC-50 fluidized bed unit fired with the hard coal, peaking and back up boiler room, 3 oil and gas fired boilers), EC2 Combined Heat and Power Plant in Czechowice - Dziedzice (OFz-230 fluidized bed unit fired with the hard coal, peaking and back up boiler room, 2 boilers fired with the light heating oil commissioned in 2025, the cogeneration system under construction).

The list of all of the compliance schedules or derogations granted by the competent authorities in accordance with Article 15 section 4 of Directive 2010 / 75 / EU, which are related to the implementation of BAT - AELs (Associated Emission Limits):

1. TAURON Wytwarzanie – Jaworzno II Power Plant (BAT - AEL derogation with regard to HCl = 400 mg/m³ for the fluidized bed units 2 and

3), Jaworzno III Power Plant (BAT - AEL derogation with regard to NOX = 200 mg/m³ for the units 2, 4, 6), Łagisza Power Plant (BAT - AEL derogation for CFB460 fluidized bed unit with regard to HCl = 400 mg/m³), Siersza Power Plant (BAT - AEL derogation with regard to HCl = 400 mg/m³ for the fluidized bed units 1 and 2),

2. TAURON Ciepło – Katowice CHP Plant (BAT - AEL derogation with regard to: HCl = 540 mg/m³, NOX = 200 mg/m³, Hg = 5.18 µg/m³ for the BCF-100 fluidized bed unit), Tychy CHP Plant (BAT - AEL derogation with regard to HCl = 540 mg/m³ for the BC-50 fluidized bed unit), EC1 CHP Plant in Bielsko-Biała (BAT - AEL derogation with regard to: HCl = 600 mg/m³ for the BC-50 fluidized bed unit), EC2 CHP Plant in Czechowice - Dziedzice (BAT - AEL derogation with regard to: HCl = 415 mg/m³ for the BC-50 fluidized bed unit and HCl = 600 mg/m³ for the BC-50 fluidized bed unit).

The scope of the direct air emission measurements covers primarily the nitrogen oxides NO_X, sulfur oxides SO_2 and the dust with respect to the large combustion plants (LCP) in the area of the emissions from the industrial installations subject to the regulations of the Industrial Emissions Directive (IED) (integrated pollution prevention and control) and for the selected medium combustion plants – MCP (Medium Combustion Plants) Directive. When presenting the information on the air and water pollutant emission volumes, the following quantification methods were applied in the following order:

1. direct measurements of the air pollutant and wastewater emissions using the recognized continuous monitoring systems (automated measurement systems),
2. periodic pollutant emission measurements and the measurements for the purpose of determining the pollutant substance indicators for PRTR.

The continuous air pollutant emission monitoring systems are subject to the periodic calibration and parallel measurements in accordance with standard *PN-EN 14 181:2015-02* in the testing procedure carried out by the accredited emission measurement laboratories. The periodic pollutant emission measurements and the measurements for the PRTR purposes are also performed by the accredited emission measurement laboratories.

(E2-6) Anticipated financial effects arising from risks and opportunities related to pollution

In TAURON Group's activities conducted during the reporting period there were no material incidents with respect to pollution that would have been recorded by the competent authorities (for example, the Regional Environmental Protection Inspectorate) through a formal procedure, and there were no completed proceedings resulting in the imposition of the administrative penalties in this regard.

The Group did not identify or incur any material operating expenses (OpEx) and capital expenditures (CapEx) that would have been incurred during the reporting period in connection with the potentially serious pollution incidents.

13.13. Water (E3)

(E3.IRO-1) Description of processes for identifying and assessing material impacts, risks and opportunities related to water

The description of the processes for identifying and assessing the material impacts, risks and opportunities (including those related to water) is presented in *section 13.8 of this report in the part related to IRO-1*.

TAURON Group conducts activities in which the direct water use is necessary only within the territory of Poland, i.e., only on the basis of the strictly identified national regulations. The direct abstraction (intake) of the surface water, groundwater or for the hydro power purposes is subject to the numerous administrative obligations and may only take place on the basis of the water permits, which define and specify the obligations incumbent on the water user.

As part of the review conducted, it was assessed that the water related impacts were related to the conventional and hydro power plants. None of TAURON Group's conventional power plants has an open cooling system, so this sector of the operations is not particularly exposed to the potential water deficits.

Water deficits, as well as the emergency situations such as flooding, have a direct impact on the production shortfalls at the hydro power plants,

whose operations are directly dependent on the hydrological condition of the rivers on which they are located. In this regard, the run of river hydro power plants are more exposed than the reservoir based ones. For these reasons, both the regulatory environment as well as the physical risks related to the water scarcity or flood risk are continuously monitored as part of own operational activities.

TAURON Group, as part of the overall materiality assessment process related to IRO-1, also conducted the consultations with the representatives of the affected communities, as described in greater detail in *section 13.8 of this report in the part related to SBM-2.*

(E3-1) Policies related to water

TAURON Group's Environmental Policy

The Group has *TAURON Group's Environmental Policy* in place, which also addresses the issues related to water. A detailed description of the policy (its target, scope, monitoring process and responsibilities) is provided in *section 13.12 of this report (in the E2-1 section).*

TAURON Group's Environmental Policy does not provide for any exclusions relating to the lines of business, including the areas potentially exposed to the water deficits. The document is general in nature and covers the entirety of the Group's activities, without differentiating them by location or water risk level.

Although some of the Group's facilities (plants) provide drinking water supply services to the local residents (for example, Siersza Power Plant in Trzebinia, Łaziska Power Plant in Łaziska Górne), the Environmental Policy does not directly address the water treatment, as this is an ancillary activity rather than the primary business activity. In addition, the drinking water treatment standards are strictly regulated by the detailed sanitary regulations, which take precedence over the Group's internal normative acts.

TAURON Group does not conduct activities related to designing products and services with a view to addressing the water related issues and protecting the marine resources, and as a consequence, this matter is not the subject of the Environmental Policy.

> **The Environmental Policy assumes the minimization of the negative impacts of own operations, and the requirements of the Water Law regulating the conditions of water use for all of the water users take precedence over it. The Water Law regulates water management in accordance with the principle of sustainable development, in particular the shaping and protection of the water resources, the use of water and the management of the water resources.**

TAURON Group's Environmental Policy defines the framework for actions in the area of water management and serves as the basis for setting targets, actions and metrics relating to the identified material impacts and risks presented in the table below. For ESRS E3, no material opportunities were identified in the DMA analysis.

Table no. 144. Identified Material Impacts and Risks Relating to Water Linked to the Environmental Policy

Negative Impacts
Both TAURON Group and its suppliers and customers in the value chain use water resources for their ongoing activities, which may cause a deterioration in the quality of surface water as a result of the discharge of the process waste water and sewage.
Positive Impacts
Closed water circuits (for example, closing of the water circuits in the technological processes) may reduce water consumption at TAURON Group.
Risks
Declining water reserves in many regions and competition for the water resources between the electricity generation, agriculture and communities may lead to a situation where the power plants are unable to operate at full capacity or at all.

(E3-2) Actions and resources related to water

In 2025, TAURON Group continued its actions related to water management.

These actions addressed the identified negative impacts relating to the possibility of a deterioration in the quality of the surface water as a result of the discharge of the process waste water and sewage (the negative impact is related to the entire value chain). These actions do not involve any material financial resources and are conducted as part of the ongoing operational activities.

Water protection actions

Operational actions were carried out in the conventional power plants, combined heat and power plants and the heating plants of the Group, including:

- ongoing monitoring of the quantities and quality of the water abstracted and the quality and parameters of the discharged waste water,
- use of the closed water circuits (maintaining them in operation) and returning the water with the relatively good parameters to the other production processes with the lower requirements, for its reuse, in order to limit the consumption of the raw water abstracted directly from the environment,
- use of the physical water treatment processes (instead of the traditional chemical processes, for example, ion exchange),
- treatment of the waste water to the parameters enabling its discharge to the surface water or transfer to the external companies.

The 910 MW unit in Jaworzno, the Łagisza Power Plant in Będzin belonging to TAURON Wytwarzanie and the Bielsko - Biała CHP Plant belonging to TAURON Ciepło are equipped with the water treatment installations for the steam and water (combined cycle) circuits with the use of the membrane technologies. The solutions applied do not require the use of the chemicals in the bed regeneration processes and result in the generation of the waste water streams containing the concentrated salts from the raw water. This affects the nature and composition of the generated process waste water and the manner of its further management (utilization) within the installation.

At TAURON Group's largest combined heat and power plant – the Katowice Generation Plant – its water management is based, to the large extent, on the re-use of the water in the form of the treated municipal waste water from the Dąbrówka Mała–Centrum Waste Water Treatment Plant, which after treatment is used as the cooling water. The water re-use allowed for the abstraction from the environment to be reduced by approximately 430 thousand m³ in 2025 and by approximately 600 thousand m³ in 2024.

These actions can be attributed to the reduction of the water use, for example, through the measures aimed at improving of the efficiency as well as the water recovery and reuse.

Based on the data analyzed for 2025, TAURON Group is operating mainly in the areas with the low or medium water risk according to *WRI Aqueduct* (risk < 40%) and the very low and low risk according to the *WWF Water Risk Filter*.

TAURON Group, by optimizing the waste water treatment processes, modernizing and applying the new waste water treatment methods and the decommissioning of the open cooling system facility in Stalowa Wola, has significantly reduced the total volume of the waste water generated since 2021.

The actions taken by the Group in 2025 will be continued in the future without the specification of the concrete time horizons. Their expected outcome is a reduction in the water use, the regeneration of the aquatic ecosystems affected by the Group's activities and the greater preparedness for the physical risks associated with the droughts and storms (torrential rains).

(E3-3) Water targets

Responsibility for the water resource management is one of the elements of *TAURON Group Strategy for 2025-2035*. The primary target in this regard is related to not exceeding the water abstraction limits specified in the water law permits and the integrated permits.

TARGET #1: Optimal Use of Energy and Natural Resources

The implementation of this target allows for managing of the material impacts and risks identified under the sub-topic of *water.*

The positive impacts are related, first and foremost, to the implementation of the closed water circuits, which allows for an effective reduction of the water consumption in the technological processes. The negative impacts, in turn, encompass the potential deterioration in the quality of the surface water as a result of the waste water and process water discharges throughout the value chain. The risks are related to the reduced capacity or downtime of the generation units resulting from the shrinking water resources and the growing competition for the water resources between the different sectors of the economy.

This target is binding for the Group's subsidiaries using the water services (holding the water law permits) and is linked to the time horizon of the *TAURON Group Strategy for 2025-2035*, i.e. until 2035. The regulation linked to this target is *TAURON Group's Environmental Policy*.

The table below presents the target metric linked to the management of the identified impacts and risks along with its baseline value and the 2025 performance.

Table no. 145. Target Metrics Related to the Management of the IROs related to the Water – Target #1

Metric	2024 baseline value	2025 performance
Number of the violations of the water abstraction limits and the amount of the penalties / fines imposed by the authorized authorities	0	0

Water volumes abstracted for the generation purposes are monitored using the method of the direct continuous measurement and reported to the competent administrative authorities. TAURON Group uses the direct water abstraction (intake) from the environment only within the territory of Poland.

(E3-4) Water consumption

Water consumption by the Group's subsidiaries is defined as the total water abstraction from the individual sources minus the waste water discharge.

Recycled and reused water is sourced from the external sources such as the mine water and the treated municipal waste water. This water is purchased from the third parties, subjected to the additional purification or treatment processes (if required) and then used in the technological processes as a substitute for the primary water – accordingly, this volume is presented as part of the total water abstraction (intake).

Table no. 146. Water consumption in 2025

#	Required disclosure	unit	2025	2024[3]
1.	Total water abstraction (intake), including:	m^3	30 529 215	35 683 639
1.1.	■ abstraction of the surface water – rivers, lakes [1], including:	m^3	19 073 774	14 299 623
1.1.1.	– abstraction from the wetland areas	m^3	0	0
1.2	■ abstraction of groundwater	m^3	2 997 965	1 902 307
1.3.	■ rainwater collected directly and stored	m^3	0	0
1.4.	■ abstraction from the municipal water supply network	m^3	2 914 127	2 483 229
1.5.	■ total volume of recycled and reused water (mine water and treated municipal waste water)	m^3	5 543 349	16 998 480
2.	Total water discharges (discharged waste water)	m^3	15 938 621	15 115 975
3.	Total water consumption, including:	m^3	14 590 594	20 567 664
3.1.	■ total water consumption in the water stressed areas, including areas with significant water deficit [2]	m^3	6 718	0
4.	Total volume of stored water and changes in storage	m^3	0	0
5.	Water intensity: total water consumption in own operations in m^3 per 1 million EUR of net revenue	m^3 / EUR m of net revenue	1 859	2 722

6.	Share of results obtained from the direct measurement, sampling and extrapolation, or the best estimate used solely for the internal circuits	%	100	100

[1] Also included is the purchase of water for the technological purposes, implemented on the basis of a commercial agreement, abstracted from a surface water reservoir by an external entity.
[2] Determined on the basis of the tool made available by the World Resources Institute called the Aqueduct Water Risk Atlas.
[3] Data corrected.

In 2024, the water consumption had been overstated due to the simplification involving treating of the total water abstraction (intake) as consumption, which had resulted in the water consumption of 35 683 639 m³ and the water intensity index of 4 723 m³/EUR million, while after the correction made in accordance with the ESRS E3-4 requirements, the actual water consumption had come in at 20 567 664 m³ and the water intensity of 2 722 m³/EUR million.

A material change in the year on year water abstraction level was recorded by TAURON Group during the period under review. This change resulted, first and foremost, primarily from the modified structure of the generation assets' operating regime, involving the reduced utilization of the units with the higher unit water demand and the increased utilization share of the units characterized by the higher water efficiency. In addition, the ongoing actions aimed at rationalizing of the use of the water resources had an impact, including the optimization of the contract terms and the increased utilization of the water abstracted from own water intakes. The level of the water abstraction was also impacted by the operational factors, such as the unit availability and the maintenance works carried out, which shaped the actual water demand.

(E3-5) Anticipated financial effects arising from material risks and opportunities related to water

TAURON Group is planning to disclose the financial effects arising from the material risks and opportunities related to water in the future, once the organization has achieved the readiness for the disclosures in this area.

13.14. Biodiversity and Ecosystems (E4)

(E4-1) Biodiversity and ecosystem transition plan and integration of biodiversity and ecosystems in the Strategy and the Business Model

The *TAURON Group Strategy for 2025-2035* and Business Model of TAURON Group are resilient to the biodiversity and ecosystem risks. TAURON Group conducts its own operations only in one geographic region (Central Europe, EU), which means that the approach to the biodiversity is sanctioned and stable with respect to the legal requirements. The Business Model is based on a synergistic approach towards climate change mitigation, while complying with the nature protection regulations, which take precedence over TAURON Group's internal normative acts.

The Group has not adopted a dedicated biodiversity and ecosystem transition plan. The environmental protection specialists employed by the Company were engaged in the assessment of the resilience of TAURON Group Strategy for 2025-2035 and Business Model.

The resilience analysis in relation to the biodiversity and ecosystems refers to the different time perspectives, in line with those used for the analysis of the investment projects, and covers the following scope, which takes into account the identified key raw materials and activities with the material actual or potential impacts on the biodiversity and ecosystems along the value chain.

Table no. 147. Resilience analysis with respect to the biodiversity and ecosystems

#	Position in the value chain	Scope of impact	Resilience
1.	upstream value chain	Raw materials / fossil fuels	The key raw materials currently delivered to the generation sources are the fossil fuels, the extraction of which is conducted on the basis of the already issued licenses and permits. The Group does not plan to develop sources based on the hard coal, so there is no risk that in the longer term it will be dependent on the direct, further possible exploitation of its seams and their development, which may be restricted or even made impossible due to the direct factors of the impact of the extraction on the biodiversity loss. Other transition fuels such as natural gas and light heating oil are being diversified and reduced to the necessary minimum. An important raw material / fuel for the Group both now as well as in the future will be biomass. The KZR INiG system, implemented in the Group by Bioeko Grupa TAURON, ensures compliance with the Renewable Energy Directive (RED II), which is key to meeting the sustainable development requirements, i.e.: **Life cycle assessment:** The KZR INiG system assesses the entire life cycle of the biomass fuels, from the raw material acquisition to the final consumption, providing full transparency and control over the environmental impact at every stage. **Compliance with the RED II Directive:** The RED II Directive requires biomass to meet specific sustainability criteria, including GHG emission reductions and biodiversity protection. **Supplier requirements:** Bioeko Grupa TAURON requires all participants in the biomass supply chain to TAURON Group to document compliance with sustainability criteria, ensuring that the entire supply chain meets the highest environmental standards. **Transparency and reporting:** The KZR INiG system requires regular reporting and documentation of sustainable development activities, which increases the transparency and accountability of all supply chain participants. In the EU, biomass is defined in the RED Directive, and for the forestry area only residues from timber production are listed, not the full quality wood, which eliminates the problem of the deforestation.
2.	own operations	Existing facilities / installations	The existing facilities and installations of TAURON Group are located only in Poland, i.e., in a homogeneous and known regulatory environment, in line with the European standards. They operate on the basis of the already issued administrative decisions. The impact of the conventional power plants, combined heat and power plants and heating plants is being progressively reduced through decreasing pollutants discharged to the environment as a result of a change in the fuel mix. There are no plans to develop or build new generation sources based on fossil fuels in areas other than industrial areas of the low natural value. Modernizations or refurbishments of the existing hydro power plants or the related facilities may only be carried out after conducting the appropriate procedures involving the authorities responsible for the nature protection management and the investment process control. This means that the protection of biodiversity and valuable ecosystems in the case of water facilities may determine whether or not approvals are granted for planned technical works, impose additional requirements that need to be taken into account, or shape the work schedules of TAURON Group. In the extreme cases, the biodiversity related solutions imposed may even affect the productivity of such power plants. The existing wind farms in some cases have imposed temporary operational restrictions associated with the bird migration period. However, these are known and taken into account in annual production plans. 2 out of 14 wind farms operated by TAURON Group have such restrictions. The existing photovoltaic farms do not have significant operational restrictions related to biodiversity protection. In their case, such aspects are taken into account at the investment project stage. The existing distribution grids are operated based on the overriding principle of safety and continuity of electricity supply, and therefore there may be a need to trim tall trees even during the bird breeding season. However, this is limited to the necessary minimum and to the emergency situations or the situations preventing failures. As preventive actions for the biodiversity, TAURON Dystrybucja carries out the "*Bocian nasz"* (Our Stork) campaign, aimed at relocating and building nests for these large birds to ensure safe breeding in the immediate vicinity of distribution infrastructure. Good knowledge of the bird habits and a cooperation with the ornithology specialists means that problems with failures and the nest - power line collisions are becoming increasingly rare.
3.	own operations	Planned investment projects	Wind farms and photovoltaic farms, as well as the distribution lines, must obtain the relevant approvals within administrative procedures before the start of investments, a significant part of which is the assessment of the potential impact of the investment on nature, in particular biodiversity and ecosystems. When locating farms in the non-industrial areas (the so-called green fields), biodiversity and ecosystem issues are the primary and most important determinant for obtaining implementation approvals. In some cases, they may cause additional criteria to be taken into account in the design, in others they may cause a significant extension of the investment process due to the necessary field surveys and natural environment monitoring, and in some extreme cases they may block the possibility of implementing the investment project. Pre-investment natural inventories in the green field areas allow for the identification of the presence of the invasive alien species. Often, combating the invasive species becomes an element of the project preparation phase, which has a positive effect on the biodiversity and native ecosystems.

4.	own operations	Raw materials used	Kopalnia Wapienia Czatkowice extracts a limestone deposit using the open pit (cast) methods, from which it obtains natural material for its products (milled products for the energy sector, crushed aggregates, and fertilizer lime). The open pit extraction is associated with a change in the use of the forest or agricultural land. The extraction is conducted on the basis of the licenses and the environmental decisions held, taking into account the natural compensation with regard to the replacement plantings. The business perspective of Kopalnia Wapienia Czatkowice is strictly defined by the extraction license until 2060.
5.	downstream value chain	Environmental organizations	Non-governmental environmental organizations constitute a material stakeholder that represents, among other things, issues related to biodiversity and ecosystems. These organizations may significantly impact the investment processes as part of the procedures ensuring the public participation.
6.	downstream value chain	Scientific and research institutions	Scientific (academic) and research institutions, along with the development of the technologies emerging outside of the industrial areas, in cooperation with the industry (trade) associations, engage in developing the new research methodologies for the aspects related to the biodiversity and ecosystems, for example, with respect to the natural environment monitoring or combining of the ecosystem functions with the energy functions.

Table no. 148. Business Model resilience results with respect to the biodiversity and ecosystems.

#	BU	Perspective	Resilience
1.	Generation	up to 5 years over 5 years	Fully resilient Moderately resilient – applies to 1 location only
2.	Heat	up to 5 years over 5 years	Fully resilient Moderately resilient – potential restriction in the development of the new biomass fired generation sources
3.	RES	up to 5 years over 5 years	Moderately resilient – potential restriction in the development of new sources on the green field sites Fully resilient
4.	Trading	indefinitely	Fully resilient
5.	Distribution	indefinitely	Fully resilient
6.	Supply	indefinitely	Fully resilient
7.	Customer Service	indefinitely	Fully resilient
8.	CUW	indefinitely	Fully resilient
9.	New Services	until 2060	Moderately resilient – potential restriction in the pace of access to the deposit at Kopalnia Wapienia Czatkowice due to the additional obligations arising from the species protection

Stakeholder engagement in the aspects of the biodiversity and ecosystems is two-fold, i.e. mandatory or voluntary, and in this regard it encompasses the following modes of interaction (cooperation).

Table no. 149. Stakeholder engagement in the aspects of the biodiversity and ecosystems

#	Nature	Stakeholder	Type and scope of engagement
1.	Mandatory	Public administration including: 1. Regional Directorates for Environmental Protection, 2. Polish Waters (Wody Polskie), 3. Regional Environmental Protection Inspectorates, 4. Marshal's Offices (Regional Governments), 5. City Halls, 6. Municipal Offices, 7. County Offices.	Within the scope of their competences, they agree in administrative proceedings on: 1. material conditions for the use of the environment during the implementation and operation or use of the project, with particular emphasis on the need to protect valuable natural values and natural resources, 2. determine the need to carry out natural compensation, 3. determine the need to monitor the impact of the project on natural components, 4. appropriately with regard to the location of the project, taking into account possible environmental hazards, in particular given the existing and planned land use, the self-purification capacity of the environment and the renewal of natural resources, and natural and landscape values.

2.	Mandatory	Non-governmental organizations, ecological and social associations (or representatives of directly adjacent communities) participating as parties in administrative proceedings.	Within the scope of their competences, knowledge or representing a distinct perspective, they contribute their views on the conditions of environmental use during the implementation, operation or use phase of the project.
3.	Voluntary	TAURON Group as an employer within development campaigns.	Promoting ecological awareness with regard to biodiversity and ecosystems among employees, e.g., by organizing webinars and educational forest walks.
4.	Mandatory	Professional naturalists providing services to companies, including e.g.: 1. botanist, phytosociologist, 2. chiropterologist, 3. chiropterologist, 4. ornithologist.	Carrying out natural monitoring for own operations or investment projects within the scope indicated by administrative decisions, for example: 1. monitoring for the assessment of the health status of tree stands, 2. monitoring of bat population numbers and the status of their habitats, i.e., winter roosts and summer shelters, 3. monitoring of the composition of foraging chiropterofauna, 4. monitoring of breeding birds in the forested protection belt area.
5.	Voluntary	1. Ostaniec Ecotourism Association (Stowarzyszenie Ekoturystyki Ostaniec), 2. Complex of Landscape Parks of the Małopolska Region, 3. Children and school youth.	A recurring event organized by Kopalnia Wapienia Czatkowice– the Bat Festival *(Festiwal Nietoperzy),* aimed at: promoting actions focused on the protection of chiropteran fauna, educating about the impacts of open-pit mining activities on protected habitats and species, and the actions taken for continuous improvement of habitat condition and species population numbers.
6.	Voluntary	1. TAURON Dystrybucja – electricians securing nests, 2. Ornithological organizations, bird ringers, 3. Regional Directorates for Environmental Protection in Kraków, Katowice, Opole and Wrocław, 4. Local authorities – city and municipal offices (in particular environmental protection departments), 5. Local communities engaged in environmental matters, 6. Wildlife rehabilitation centers, 7. Environmental protection organizations – *TAURON's Storks (Bociany TAURONA)* initiative.	*TAURON's Stork (Bociany TAURONA*) campaign – restoration of a protected species through securing stork nests and thus energy infrastructure, through the installation of platforms for white stork nests, which are massively built on TAURON Dystrybucja power grid poles.

(E4.SBM-3) Material Impacts, Risks and Opportunities and their interaction with the Strategy and the Business Model

TAURON Group is conducting its own operations only in one biogeographic region of the world, i.e. in Poland, where the forms of nature protection are defined by the detailed statutory provisions. Some of the subsidiaries' activities are conducted in or in the immediate vicinity of the biodiversity sensitive areas. Such areas, on the basis of the EU legislation, are primarily considered to be areas of the *NATURA 2000* network.
As part of the update of the double materiality assessment process, the material impacts related to the biodiversity and ecosystems were identified in the following sub-topics: impacts on ecosystem services and dependencies on them, and impacts on the extent and condition of ecosystems. In 2025, the following potential issues related to the biodiversity and ecosystems were identified as material for TAURON Group within its own operations:

1. failure to take appropriate actions to reduce the pollutant emissions may potentially exacerbate the environmental problems in the local ecosystems,
2. the manner of land development for the new investment projects may potentially affect the degradation of the local ecosystems.

TAURON Group's actions that may have a potentially negative impact on the biodiversity sensitive areas (NATURA 2000) include: greenhouse gas (GHG) emissions from the fossil fuel combustion through their global impact on climate change and the expansion of the energy infrastructure in the biodiversity sensitive areas.

The above mentioned activities, while potentially having a negative impact on such areas, are conducted in compliance with the law. For example, the development and maintenance of the RES sources and the distribution infrastructure is carried out in accordance with the permits, using the technologies and organizational solutions that minimize the negative impacts on the natural resources, habitats and ecosystems. Such an approach allows for the implementation of TAURON Group Strategy for 2025-2035, whose goal is the pursuit of climate neutrality, with one of the strategic commitments being the responsible use of the natural resources.

A specification of the biodiversity sensitive areas, their identification and information on TAURON Group's assets that may affect the biodiversity and ecosystems are presented in the tables below.

Table no. 150. List of the locations (sites) that are material with respect to biodiversity within own operations conducted in Natura 2000 areas

Location of generation assets	Natura 2000 habitat Code and name	Natura 2000 bird Code and name
TAURON Ekoenergia – Hydro power pl ants		
EW Wrzeszczyn	PLH020054, Ostoja nad Bobrem	
EW Olszna		PLB020005, Bory Dolnośląskie
EW Pilchowice I	PLH020054, Ostoja nad Bobrem	
EW Pilchowice II	PLH020054, Ostoja nad Bobrem	
EW Czchów	PLH120085, Dolny Dunajec	
EW Kuźnice	PLC120001, Tatry	PLC120001, Tatry
EW Janowice		PLB020002, Grądy Odrzańskie
EW Głębinów		PLB160002, Zbiornik Nyski
EW Otmuchów		PLB160003, Zbiornik Otmuchowski
EW Turawa		PLB160004, Zbiornik Turawa
TAURON Ekoenergia – Wind farms		
FW Zagórze		PLB320009, Zalew Szczeciński
TAURON Zielona Energia – Photovoltaic farms		
PV Bałków	PLH260013, Dolina Białej Nidy	
TAURON Dystrybucja – Distribution lines		
Puszcza Niepołomicka		PLB120002
Dolina Górnej Wisły		PLB240001

Tatry		PLC120001
Pieniny		PLC120002
Stawy Wielikąt i Las Tworkowski		PLB240003
Dolina Sanki	PLH120059	
Ostoja w Paśmie Brzanki	PLH120047	
Przełom Warty koło Mstowa	PLH240026	
Dobromierz	PLH020034	
Góry Kamienne	PLH020038	
Masyw Chełmca	PLH020057	
Ostoja Babiogórska	PLH120001	
Dolina Prądnika	PLH120004	
Michałowiec	PLH120011	
Torfowiska Orawsko-Nowotarskie		PLC120003
Cieszyńskie Źródła Tufowe	PLH240001	
Łąki w Sławkowie	PLH240043	

Table no. 151. Identification of the priority areas with respect to the biodiversity – distance of own operations facilities from the nearest Natura 2000 area

Location of generation assets	**Natura 2000 habitat**		**Natura 2000 bird**	
	Distance (km)	Code and name	Distance (km)	Code and name
TAURON Wytwarzanie				
Elektrownia Jaworzno III	6,70	PLH240042, Łąki w Jaworznie		
Elektrownia Jaworzno II	5,62	PLH240042, Łąki w Jaworznie		
Elektrownia Nowe Jaworzno	5,62	PLH240042, Łąki w Jaworznie		
Elektrownia Łaziska			19,76	PLB240001, Dolina Górnej Wisły
Elektrownia Siersza	7,27	PLH240042 Łąki w Jaworznie		
TAURON Ciepło				
Zakład Wytwarzania Katowice (Katowice Generation Plant)	14,37	PLH240037, Lipienniki w Dąbrowie Górniczej		
Zakład Wytwarzania Tychy (Tychy Generation Plant)			9,96	PLB120009, Stawy w Brzeszczach
Zakład Wytwarzania Bielsko EC1 (Bielsko EC1 Generation Plant)	2,59	PLH240005, Beskid Śląski (Silesian Beskids)		
Zakład Wytwarzania Bielsko EC2 (Bielsko EC2 Generation Plant)			4,30	PLB240001, Dolina Górnej Wisły
Obszar ciepłowni – Ciepłownia Zawiercie (Zawiercie Heating Plant Area)	6,03	PLH240009, Ostoja Środkowojurajska		
Obszar ciepłowni – Ciepłownia Olkusz (Olkusz Heating Plant Area)	3,58	PLH120006, Jaroszowiec		
Obszar ciepłowni – Ciepłownia Kamienna Góra (Kamienna Góra Heating Plant Area)	1,48	PLH020011, Rudawy Janowickie		
TAURON Ekoenergia – Hydro power plants (HPP)				
HPP Kraszowice	5,55	PLH020077, Żerkowice-Skała		

HPP Bobrowice I	2,30	PLH020095, Góra Wapienna		
EW Bobrowice II	2,00	PLH020054, Ostoja nad Bobrem		
EW Bobrowice IV	2,80	PLH020095, Góra Wapienna		
HPP Bystrzyca	3,57	PLH020019, Pasmo Krowiarki (Krowiarki Range)		
HPP Leśna	0,08	PLH020013, Sztolnie w Leśnej		
HPP Lubachów	0,02	PLH020071, Ostoja Nietoperzy Gór Sowich		
HPP Ławica	1,34	PLH020043, Przełom Nysy Kłodzkiej koło Morzyszowa		
HPP Opolnica	0,58	PLH020062, Góry Bardzkie		
HPP Szklarska Poręba I			0,24	PLB020009, Góry Izerskie
HPP Szklarska Poręba II	0,44	PLC020001, Karkonosze	0,44	PLC020001, Karkonosze
HPP Włodzice	1,90	PLH020077, Żerkowice-Skała		
HPP Rożnów	0,17	PLH120020, Ostoje Nietoperzy okolic Bukowca		
HPP Dąbie	3,96	PLH120069, Łąki Nowohuckie		
HPP Przewóz	4,31	PLH120069, Łąki Nowohuckie		
HPP Olcza	1,60	PLC120001, Tatry	1,60	PLC120001, Tatry
HPP Marszowice	2,49	PLH020036, Dolina Widawy		
HPP Wały Śląskie	0,34	PLH020036, Dolina Widawy		
HPP Wrocław I	4,56	PLH020017, Grądy w Dolinie Odry		
HPP Wrocław II	4,62	PLH020017, Grądy w Dolinie Odry		
HPP Brzeg			0,31	PLB020002, Grądy Odrzańskie
HPP Kopin			0,05	PLB020002, Grądy Odrzańskie
HPP Nysa	0,62	PLH160001, Forty Nyskie		
TAURON Ekoenergia – Onshore wind farms				
Onshore wind Lipniki			5,43	PLB160003, Zbiornik Otmuchowski
Onshore wind Wicko	3,59	PLH220045, Górkowski Las		
Onshore wind Marszewo	1,63	PLH320068, Jezioro Wicko i Modelskie Wydmy		
Onshore wind Dobrzyń			5,68	PLB040005, Żwirownia Skoki
Onshore wind Inowrocław	12,54	PLH040007, Jezioro Gopło	12,54	PLB040004, Ostoja Nadgoplańska)
Onshore wind Mogilno	15,31	PLH040028, Ostoja Barcińsko-Gąsawska		
Onshore wind Śniatowo			3,66	PLB320001, Bagna Rozwarowskie
Onshore wind Gołdap	6,40	PLH280005, Puszcza Romincka		
Onshore wind Piotrków	12	PLH100026, Lubiaszów w Puszczy Pilickiej	46	PLB140003, Dolina Pilicy
Onshore wind Majewo	5	PLH280029, Doliny Erozyjne Wysoczyzny Elbląskiej	12	PLB280010, Zalew Wiślany

TAURON Ekoenergia – Photovoltaic farms				
PV Choszczno I	2,10	PLH320004, Dolina Iny koło Recza	7,50	PLB320016, Lasy Puszczy nad Drawą
PV Choszczno II	2,30	PLH320004, Dolina Iny koło Recza	7,30	PLB320016, Lasy Puszczy nad Drawą
TAURON Inwestycje – Photovoltaic farms				
PV Mysłowice-Dziećkowice	7,50	PLH240042, Łąki w Jaworznie	13,60	PLB120009, Stawy w Brzeszczach
PV Jaworzno	2,70	PLH240042, Łąki w Jaworznie	16,30	PLB120009, Stawy w Brzeszczach
TAURON Zielona Energia – onshore wind farms				
Onshore wind Warblewo	1,5	PLH220052, Dolina Słupii (Słupia Valley)	5,70	PLB22002, Dolina Słupi
Onshore wind Mierzyn	1.4	PLH320047, Warnie Bagno	13	PLB 990003, Zatoka Pomorska
Onshore wind Gamów	5	PLH240010, Stawy Łężczok	15	PLB240003, Stawy Wielikąt i Las Tworkowski
Onshore wind Nowa Brzeźnica	10,4	PLH240045, Lemańskie Jodły		
TAURON Zielona Energia – Photovoltaic farms				
PV Postomino	2	PLH220038 Dolina Wieprzy i Studnicy	8	PLB990002 Przybrzeżne wody Bałtyku
Kopalnia Wapienia Czatkowice				
Kopalnia Wapienia Czatkowice	Direct vicinity	PLH120005 Dolinki Jurajskie		

The conventional assets are located outside of Natura 2000 areas, at a distance of up to several dozen kilometers from the nearest protected areas.

No material negative impacts of TAURON Group's own operations were identified with regard to the land degradation, desertification, soil sealing or an impact on the endangered species. However, a negative impact within the value chain was demonstrated with respect to the land degradation resulting from the mining activities. In view of the ongoing energy transition process of TAURON Group and the move away from the hard coal based power generation sources, this impact will be minimized.

(E4.IRO-1) Description of processes for identifying and assessing material Impacts, Risks, Dependencies and Opportunities related to biodiversity and ecosystems

The description of the processes for identifying and assessing the material impacts, risks and opportunities (including those related to the biodiversity and ecosystems) is presented in more detail in *section 13.8 of this report in the part related to IRO-1*.

The materiality assessment process based on ESRS 2 IRO-1 with respect to identifying and assessing the material impacts, risks and opportunities related to the biodiversity and ecosystems for TAURON Group was conducted on the basis of an analysis of TAURON Group's business model. The materiality assessment was conducted within own operations and the upstream and downstream value chain, including a review of own locations (sites) and own business activities.

The actual and potential material impacts, risks and opportunities related to the biodiversity and ecosystems were identified in the following sub-topics: *impacts on the extent and condition of ecosystems, impacts on ecosystem services and dependencies on them*.

Based on the analysis conducted, TAURON Group identified dependencies on the biodiversity and ecosystems and the related ecosystem services within its own operations; however, it did not identify the material physical or transition risks or opportunities related to the biodiversity and ecosystems.

TAURON Group, as part of the overall materiality assessment process related to IRO-1, also conducted the consultations with the representatives of the affected communities.

TAURON Group's most material impact on the biodiversity is related, first and foremost, to the existing RES assets (hydro power plants, wind power plants and PV power plants) and the electricity distribution infrastructure, as well as the RES investment projects under way in the context of the adequate land management for the new investment projects.

With regard to TAURON Group's own activities, the identification and assessment of the material impacts and dependencies related to the biodiversity and ecosystems is a mandatory element of every investment process that requires obtaining of an environmental conditions decision. During the processes of obtaining the necessary administrative decisions, the consultations with the affected communities take place; these communities are informed in the manner provided for in the *Act on the provision of the information on the environment and its protection, public participation in the environmental protection and the environmental impact assessments.*

The locations that are material with respect to the biodiversity within own operations are indicated in *section 13.14 of this report in the part related to* *E4.SBM-3*.

In the case of the activities located in or near the biodiversity sensitive areas, the use of the water resources or the conduct of the maintenance or repair work is also agreed upon through the administrative procedures, which require carrying out a relevant analysis of the impact on the conservation objectives of such areas. The locations of TAURON Group's facilities may potentially be assessed as a source of the negative impacts on the affected communities. In reality, a negative impact is unlikely, as the regulatory authorities would implement mandatory remedial actions or, in an extreme case, suspend the installation's operations if violations of any environmental standards were to be identified.

Within the administrative decisions, the mandatory biodiversity loss mitigation measures may be imposed, depending on the manner of the impact and the type of the project. These may include, for example, the technical solutions to be taken into account in design, time restrictions with regard to conducting of the activities, or the natural compensations in the form of the replacement plantings.

The Group’s subsidiaries are operating on the basis of the national regulations related to the nature protection (conservation). Within these regulations, when creating the forms of nature protection or covering certain species with the related species protection, the systemic risks are taken into account, including the risk of an ecosystem collapse or the risk that a critical natural system will cease to function due to the reaching of the tipping points and the collapse of the ecosystems.

In the case of impacts in the value chain (downstream), based on the publicly available studies, the hard coal extraction has the greatest impact on the biodiversity with respect to the land degradation, an impact on the condition of the ecosystems and the contamination of the watercourses.

The Group does not have the tools to identify all of the factors in the value chain; however, for the domestic fossil fuel sources used by the Group, the locations are known and are located outside the areas of natural value. This information is applicable only to the part of the value chain that the Group is able to verify.

Within the current reporting cycle, the adopted risk analysis methodology was focused on the direct exposures, intentionally excluding the complex cascading effects (the so-called domino effect) from the current assessment scope. Due to the high uncertainty of the input parameters, the described approach does not account for the correlation between the biodiversity loss and the systemic financial risk resulting from the cross - sector linkages. This approach allows for the credibility of the results to be maintained on the basis of the currently available and verified datasets.

The greatest risks in this area may be associated with the exploitation of the fuel and raw material sources outside of the standards set out in the national or the European regulations. Unfortunately, due to the complexity and dispersion of the supply chain, it is not possible to responsibly disclose the full list of the factors negatively affecting the biodiversity outside of own operations.

No need to implement the biodiversity loss mitigation measures was identified.

(E4-2) Policies related to biodiversity and ecosystems

TAURON Group's Environmental Policy

The Group has *TAURON Group's Environmental Policy* in place, which also addresses the issues related to the biodiversity and ecosystems. A detailed description of the policy (its target, scope, monitoring process and responsibilities) is provided in *section 13.12 of this report in the E2-1 section.*

The principles followed by the Group with respect to the biodiversity and ecosystems include:

1. identifying and documenting of the material areas of impact of all of the types of TAURON Group's activities on the natural environment at all of the stages of the asset life cycle,
2. ensuring compliance of TAURON Group's operations with the nature protection (conservation) regulations, taking into account the local conditions and the specifics of the activities conducted,
3. taking into account the impact of the key assets on the biodiversity,
4. promoting nature protection (conservation), and in particular the preservation of habitats, plant and animal species located within the key locations, for the purpose of protecting the biodiversity and the functioning of the ecosystems.

Table no. 152. Direct factors related to a loss of biodiversity in which Group activities are involved.

Impact factor	Occurrence in own operations
Climate change	Burning of the fossil fuels for electricity and heat production Use of carbonates in electricity and heat production processes
Land use change	Open cast (pit) exploitation of the limestone deposits
Freshwater use change	Electricity generation in run-of-river and reservoir hydro power plants located at dams or weirs located on rivers
Pollution	Burning of fossil fuels for electricity and heat production Use of machinery and equipment and transportation

As part of its own operations, the Group does not conduct any activities causing:

1. change in sea use,
2. direct exploitation of areas of natural value (timber harvesting or agricultural expansion into such areas),
3. the spread of the invasive alien species,
4. a growing share of the artificial land.

The Group's ongoing transition towards the renewable energy sources (RES) involves reducing of the dependence on the fossil fuels, which promotes an improvement in the quality of the ecosystem services and may affect the condition of the species and ecosystems. Photovoltaic or wind farms do not require sealing significant land surfaces, leaving the biologically active surfaces and not contributing to the land degradation.

An important raw material / fuel for the Group now and in the future will be biomass. In this regard, the Group is covered by the mandatory *KZR INiG* certification system, which aims to confirm the compliance with the sustainable development criteria with respect to the biofuels and biomass. The *KZR INiG* system is managed by the *Oil and Gas Institute – National Research Institute*. The certification has a global reach and has been approved by the European Commission, making it equivalent to other systems such as *Red Cert* or ISCC. *KZR INiG* covers all of the entities in the biomass supply chain, from the raw material producers to the electricity suppliers. In light of the above, no separate anti-deforestation policy was adopted.

Due to the specific nature and significance of the direct impact on climate change of the existing conventional energy activities, *TAURON Group's Environmental Policy* has not been focused on supporting the traceability of the products, components and raw materials with the material actual or potential impacts on the biodiversity and ecosystems along the value chain, nor on the sustainable practices with regard to the oceans and seas.

In the other detailed areas, the Group is guided by the compliance with the national and the EU regulations established for the purposes of maintaining or improving the conditions for the biodiversity sensitive and ecosystem sensitive areas. The EU is a leader in the global efforts aimed at protecting nature. TAURON Group does not conduct own operations in other parts of the world where the biodiversity protection has a lower priority or is not regulated.

Through its *Environmental Policy*, TAURON Group manages all of the identified material negative impacts related to the biodiversity and ecosystems.

For ESRS E4, no material risks, opportunities or positive impacts were identified in the DMA analysis. The details are presented in the table below.

Table no. 153. Identified Material Negative Impacts Related to the Biodiversity and Ecosystems Linked to the Environmental Policy

Negative Impacts
Failure to take appropriate and timely actions by TAURON Group in order to reduce the pollutant emissions may exacerbate the environmental problems in the local ecosystems, for example, in the Upper Silesia.
The manner of land development for the new investment projects by TAURON Group may constitute a material factor affecting the degradation of the local ecosystems.
The extraction of the energy raw materials (for example, hard coal) leads to the land degradation, changes in the hydrogeological conditions and a negative impact on the extent and the condition of the ecosystems.
Mine water, which may contain chemical contaminants and heavy metals, may be discharged to the local watercourses, which may affect the water quality.

(E4-3) Actions and resources related to biodiversity and ecosystems

Actions related to biodiversity and ecosystems addressed the identified negative impacts relating to the potential degradation of the local ecosystems as a result of the pollutant emissions, adverse land transformations for the new investment projects, disruption of the soil structure and the hydrogeological conditions as a result of the raw material extraction, and a contamination of the surface water with the chemical substances from mine drainage.

In 2025, due to the scale of land transformations and the change in its use, the key actions with respect to the biodiversity were carried out by the Kopalnia Wapienia Czatkowice. In addition, the impacts with respect to the biodiversity and ecosystems were identified in connection with the implementation of the RES projects in the non-industrial areas as well as in the areas of TAURON Group's distribution activities.

Expansion of carboniferous limestone deposit exploitation toward the village of Paczółtowice – chiropterological monitoring

Chiropterological monitoring covering the population size of bats and the condition of their habitats in the nearby wintering sites and summer shelters, the composition of foraging chiroptera (detector surveys) and bat capture in nets (an important supplement to the detector surveys providing the valuable information on the species status). The monitoring results aim to detect any potential deterioration in the protection status of the objects due to the mine's activities and to undertake active measures aimed at improving it. Covering of all of the summer and winter shelters in the vicinity of the Czatkowice mine with monitoring allows for:

1. a full and comprehensive assessment of the population status and changes in the numbers of the individual bat species in the vicinity of the mine,
2. adequate interpretation of the winter and summer monitoring data (for example, a decline in the bat numbers in a given shelter may be the result of the bat migration and the more numerous settlement of other shelters, rather than a deterioration of the shelter's condition),
3. adequate decisions on whether to undertake or abandon the ongoing or planned protective (conservative) actions,
4. formulating the protective actions in the caves serving as the summer bat shelters (this is particularly important due to the high pressure from the persons exploring caves),
5. maintaining the species richness of the bats in the vicinity of the limestone mine in Czatkowice.

In addition, in 2025, based on the recommendations from the monitoring carried out in 2024, 30 bat boxes were installed in the forest compartments adjacent to the areas of current extraction and on the edges of the forested protection strip. The actions taken are aimed at increasing the population numbers and the species richness of chiropterofauna.

Bat Festival in Jerzmanowice

In 2025, the company was actively engaged in the ecological education and the promotion of the bat protection, once again co-organizing the annual *Bat Festival (Festiwal Nietoperzy) in Jerzmanowice*. The event covered the scientific as well as the artistic and recreational panels. The Festival is aimed at

increasing the public awareness of the importance of protecting these mammals and their habitats, as well as the mine's participation in the activities aimed at improving the condition of their habitats.

The Mine took part in a competition organized by Aggregates Europe – UEPG (which brings together the aggregate producers at the European level). In this competition, in the Biodiversity category, the subsidiary presented the activities aimed at providing the active protection of the bat fauna, which was awarded an honorable mention.

Kopalnia Wapienia Czatkowice is planning to continue its bat protection (conservation) activities.

Expansion of carboniferous limestone deposit exploitation toward the village of Paczółtowice – ornithological monitoring

Ornithological monitoring of the breeding birds in the protection strip is aimed at determining the impact of the mining extraction on avifauna.

Comparing the results of the monitoring conducted from 2016 to 2025, it was found that the species composition of the birds began to change due to the growth of the young forest and its densification. The species associated with the open areas, such as the corn bunting and yellowhammer, have clearly begun to retreat, while the breeding birds associated with the forest environment have appeared, such as the wood warbler, as well as great tits and the wryneck, which is associated with the aging of the individual trees and the presence of the cavities in them, presumably the natural ones, that may be used by these species. The dominant species remain those characteristic of the edges of the tree stands with shrubs, clearings and forest plantations. In the subsequent years, the trend related to an increase in the number of the birds associated with the tree stands will presumably continue as the numbers of the species associated with open areas decline.

Kopalnia Wapienia Czatkowice is planning to continue its bird protection (conservation) activities.

Actions offsetting potential biodiversity loss – TAURON Zielona Energia

The Group's activity as part of which actions directly offsetting the potential biodiversity loss are taken is the development of the RES projects in the non-industrial areas, carried out by TAURON Zielona Energia. These actions do not have a material financial impact. As part of the projects under way, nature related supervision is conducted, among other things, and solutions are applied in order to minimize the impact of the facilities on the animals through the use of the adequate technical solutions, for example:

- raising the fencing above the terrain surface,
- adapting the timing of the works to the field conditions (for example, the breeding season),
- voluntary relinquishment of a part of the area designated for the development in favor of leaving an undeveloped, wetland area in the center of the farm for the purpose of the amphibian habitation (for example, in the case of the photovoltaic farm project in Bałków).

TAURON's Storks (Bociany TAURONA) – TAURON Dystrybucja

TAURON Dystrybucja takes care of more than 2 200 stork nests in the area of its operations. This involves, first and foremost:

- placing of the new nests on the special steel platforms to ensure the safety of: the power grid, birds and the surroundings,
- caring for the nests by reducing their size and cleaning them when they have accumulated debris,
- relocating the nests to another location in the exceptional and justified cases, mainly for safety and sanitary reasons.

In carrying out these activities, the subsidiary is cooperating with the specialists, i.e., ornithologists, scientists and the Regional Directorates for Environmental Protection, in order to ensure that the actions taken do not harm the birds.

In addition, the subsidiary engages in the research activities and initiatives, including the Program for the Study and Protection of the White Stork in Poland conducted by the Małopolskie Ornithological Society in Kraków, primarily providing the personnel and the logistical support for the ringing campaign.

In 2025:

- thanks to the rings funded by TAURON Dystrybucja, the rings were attached to 1 251 birds (since 2020, i.e., since the start of the campaign, more than 8 278 birds have been ringed) in 34 counties in the following

voivodeships: Opole, Lower Silesia, Silesia and Małopolska,

- nearly 300 interventions at the stork nests – including the installation and replacement of the platforms under the stork nests with the new ones, nest maintenance,
- online coverage from a stork nest on a power grid pole in Niepołomice,
- the introduction of the *Rules of Conduct for the White Stork Nests in the area of the operations of TAURON Dystrybucja S.A.,* the goal of which is to define the uniform rules for dealing with the white stork nests located on the company's distribution grid elements, taking into account the applicable legal regulations with a particular consideration of: procedures in the cases of the nest construction, their maintenance, protection during the planning and implementation of the operational and investment related activities, defining the responsibilities of the persons coordinating and implementing work on the grid and keeping the records (inventory) of the nests.

Research and protection of the Mediterranean gull

In 2025, TAURON established the cooperation with the Upper Silesian Museum in Bytom for the research and protection (conservation) of the Mediterranean gull. The primary objective of the project is to protect the Mediterranean gull, which lives exclusively in Europe. Its main breeding range is in the Black Sea basin, and in other countries it lives only in the local clusters. The key breeding sites are located in the south of Poland, including in the Silesian Voivodeship.

The project aims to learn about the bird movement routes and habitats used by the juvenile individuals, as a key element of the effective protection is the knowledge of the birds' life history from the hatching to the first breeding. The field work was conducted in the areas of TAURON's operations in the key colonies at the Goczałkowice Reservoir and the Łężczok and Landek ponds.

Thanks to the support provided by TAURON Group in 2025, it was possible to:

1. equip ten Mediterranean gulls with the telemetric transmitters, which enabled the collection of approximately 40 000 precise records of their location and the flight parameters,
2. track bird migrations across Europe, which allowed for the identification of their key feeding grounds and the potential future habitat locations,
3. examine the flight capabilities of the juvenile gulls, which in the nocturnal flights cover the distances exceeding 500 km in a continuous flight, moving at an average speed of 30 to 50 km/h. The maximum distance covered was 2 000 km.

TAURON Group is planning to continue this project.

(E4-4) Targets related to biodiversity and ecosystems

Responsibility for the biodiversity and ecosystem management is one of the elements of *TAURON Group Strategy for 2025-2035*. The primary target in this regard is related to the absence of the material violations of the nature protection requirements, including the biodiversity and ecosystems.

TARGET #1: Optimal Use of Energy and Natural Resources

The implementation of this target allows for managing of the material impacts and risks identified under the sub-topic of *impacts on ecosystem services and dependencies on them, and impacts on the extent and condition of ecosystems.*

The negative impacts are related, first and foremost, to the potentially adverse transformation of the local ecosystems and land as a result of, for example, inadequate land management for TAURON Group's new investment projects or an improper operation of the existing installations.

This objective is applicable to all of TAURON Group's subsidiaries and is linked to the time horizon of the *TAURON Group Strategy for 2025-2035*, i.e. until 2035. The regulation linked to this objective is *TAURON Group's Environmental Policy.*

The table below presents the target metrics linked to the management of the identified impacts along with their baseline values and the 2025 performance.

Table no. 154. Target Metrics Related to the Management of the IROs with respect to the Biodiversity and Ecosystems – Target #1

Metric	Baseline Value 2024	2025 Performance
Number of events meeting the definition of the environmental damage to the protected species or the protected natural habitats	0	0

TAURON Group's subsidiaries are obliged by the management objectives to the compliance with the applicable regulations and thus may not cause any material violations also with regard to the nature protection requirements. For this purpose, each of the subsidiaries, depending on the specifics of the processes carried out, is monitoring the indicators on a monthly, annual or another basis, in order to avoid the administrative penalties or barriers to the development of the subsidiaries.

TAURON Group does not conduct its own operations in other parts of the world where the biodiversity protection has a lower priority or is not regulated.

With regard to the negative impacts associated with the extraction of the energy raw materials, causing, among other things, disturbances to the local water resources and a deterioration in the quality of the surface water resulting from the discharge of the saline mine water, which may disturb the balance of the local ecosystems, no measurable environmental targets were set. These impacts are indirect in nature and occur at the earlier stages of the value chain, over which TAURON Group has no direct operational or decision making control.

(E4-5) Impact metrics related to changes in biodiversity and ecosystems

Some of the Group's assets, including the individual generation installations and sections of the power transmission lines, are located in or near the biodiversity sensitive areas. For none of them was the exertion of a significant negative impact identified, beyond the conditions for the environmental use specified in the administrative decisions. The identified impact amounts to the occupation of the land surface for infrastructure, which does not, however, lead to the ecosystem degradation or an interruption of the migration corridors in the vicinity of these facilities.

The area of the territory associated with the Group's activities in such areas stands at approximately 93 km2 (estimated data), which constitutes only a small fraction of the total area of the *Natura 2000* sites in Poland, which according to the Statistics Poland (GUS) data for 2024 stands at approximately 85 000 km^2 (date of the last GUS update: 21.07.2025).

The operation of the energy infrastructure, including the power grids, is conducted in accordance with the environmental requirements. The operational work – in particular the maintenance of the vegetation along the power lines – is limited to the scope necessary to ensure the safe functioning of the infrastructure and does not cause any material changes in the structure of the local habitats.

The Group is monitoring the compliance with the requirements relating to the protection of the species and habitats, including the conditions contained in the environmental decisions.

(E4-6) Anticipated financial effects arising from risks and opportunities related to biodiversity and ecosystems

TAURON Group is planning to disclose the anticipated financial effects arising from the material physical risks and risks related to the biodiversity and ecosystems in the future, once the organization has achieved the readiness for such disclosures.

13.15. Resource use and circular economy (E5)

(E5.IRO-1) Description of processes for identifying and assessing material Impacts, Risks and Opportunities related to resource use and circular economy

The description of the processes for identifying and assessing the material actual and potential impacts, risks and opportunities (including those related to resource use and circular economy) is presented in more detail in *section 13.8 of this report, in the part related to* IRO-1.

In accordance with the adopted *TAURON Group's Environmental Policy*, TAURON Group's subsidiaries are obligated to identify and document the material areas of impact of all of the types of activities on the natural environment at all of the stages of the asset life cycle, and to implement the sustainable development principles throughout the entire supply chain.

TAURON Group reviewed its resources and operations in order to identify the actual and potential impacts, risks, and opportunities related to the circular economy within its own operations and in the upstream and downstream value chain. As a result of the updated materiality assessment process regarding resource use and circular economy, the following E5 sub-topics were identified as material for the disclosures in line with *ESRS 2 IRO-1: waste, resources outflows, and resources inflows*. The sub-topic of *resources inflows, including resource use*, is a new material topic identified in 2025.

The material impacts, risks and opportunities related to resource use and circular economy are concentrated, first and foremost, at TAURON Group's entities engaged in the generation of electricity and heat, which account for the greatest resource use as well as the generation of waste and the combustion by-products.

The materiality assessment identified the key resources used by the Group, including in particular the non-renewable energy resources, as well as the secondary resources and combustion by-products managed as the substitutes for the primary raw materials.

The concentration of resource use, negative impacts and the related risks occurs, first of all, within TAURON Group's own operations, in particular in the processes of electricity and heat generation. At the upstream level of the value chain, this concentration is related to the availability of the selected raw materials.

The material impacts, risks and opportunities related to maintaining the current operating model and transitioning to a circular economy are included in the list of the material IROs presented in *the* SBM-3 *disclosure (section* 13.8 *of this report).*

As part of the overall materiality assessment process related to IRO-1, TAURON Group also conducted the consultations on resource use and circular economy. An indirect participation in the consultations was provided by the representatives of the local government units, non-governmental organizations and TAURON Group's employees who are the representatives of the local communities residing in the immediate vicinity or near the locations of TAURON Group's assets that are the primary sources of pollution.

In addition, apart from the dialogue conducted for the purpose of the double materiality assessment, the results of the public consultations on resource use and circular economy were adopted as a supplement to the results of the consultation with the potentially affected communities (local communities). These consultations were held pursuant to the *Act of October 3, 2008, on providing access to information on the environment and its protection, public participation in environmental protection and environmental impact assessments*, within the framework of the investment processes or the cessation of the operations.

(E5-1) Policies related to resource use and circular economy

TAURON Group's Environmental Policy

The Group has *TAURON Group's Environmental Policy* in place, which also addresses the issues related to resource use and circular economy. The detailed description of the policy (its target, scope, monitoring process and responsibilities) is provided in *section 13.12 of this report (in the* E2-1 *section).*

The principles guiding TAURON Group in the area of waste management and in seeking the solutions aimed at implementing the circular economy principles are:

1. supporting actions aimed at reducing or not increasing the consumption of the raw materials

(commodities) and materials, and looking for the opportunities to implement them as the best practice within TAURON Group,

2. minimizing the stream of the generated waste through product innovation, supply chain management and a conscious (informed) process of asset decommissioning,
3. segregating waste, promoting the use of the waste generated in the product life cycle, and thereby striving to reduce the raw material consumption, decrease the amount of waste deposited at the landfill sites and increase the stream of waste used as part of the recovery and recycling processes,
4. monitoring the process waste and the by-products in terms of their quality and environmental impact throughout TAURON Group's supply chain,
5. identifying and documenting material areas of impact of all of the types of TAURON Group's activities on the natural environment at all of the stages of the asset life cycle,
6. ensuring the compliance of TAURON Group's operations with the environmental protection regulations, taking into account the local conditions, the specifics of the activities conducted, while at the same time striving to increase efficiency,
7. implementing an information policy that ensures understanding of TAURON Group's activities that may have an impact on the environment,
8. monitoring the proposed legislation in order to take proactive environmental actions as part of TAURON Group's activities, and in particular in the investment and asset management related processes,
9. actively seeking technical and organizational solutions in order to minimize the potentially adverse impact of TAURON Group's activities on the environment,
10. monitoring and sharing the sector specific environmental good practice,
11. continued improvement of TAURON Group in the area of environmental protection.

TAURON Group's Environmental Policy defines the framework for action in the area of resource use and circular economy, and provides the basis for setting the objectives, actions and metrics relating to the identified material impacts, risks, and opportunities presented in the table below.

Table no. 155. Identified Material IROs Relating to Resource Use and Circular Economy Linked to the Environmental Policy

Negative Impacts
TAURON Group uses non-renewable fossil sources as part of its core business activities.
Positive Impacts
TAURON Group, by using the secondary raw materials – including fly ash as a substitute for the construction materials – tangibly reduces the consumption of the primary resources, going beyond the legal obligations related to the waste management. These actions provide the support for the development of the circular economy by reducing the demand for the natural raw materials and limiting the landfilling.
By investing in the technologies that enable the use of fly ash as a full value component in, for example, concrete production, TAURON Group not only reduces the amount of the landfilled waste but also tangibly substitutes the primary raw materials, providing the support for the circular economy in a manner that goes beyond the legal obligations.
Risks
Biomass deficit in the market caused by the increasingly stringent regulations.
Inability to sell or a loss of the planned margin on the sales of the CCBs (coal combustion by-products) and CMBs (coal mining by-products) as the full value construction products. The risk of a decline of the revenue from the operating activities.
Lack of availability and ability to receive the CCBs and CMBs.
Improper waste management may result in a violation of the environmental requirements and, as a consequence, the need to incur the additional costs associated with achieving compliance with the formal and legal requirements, fines and penalties and the compensation for damages.
Opportunities
CCBs have beneficial applications, as they are used, for example, in the production of the fly ash concrete or gypsum board panels, which provides the opportunities for generating the additional revenue

(E5-2) Actions and resources related to resource use and circular economy

In 2025, TAURON Group was successively implementing actions related to resource use and circular economy.

These actions addressed the identified negative impacts related to the use of the non-renewable fossil resources in the core business activities. The minimization of the negative impacts is achieved, first and foremost, through the substitution of the natural raw materials with the CCBs (coal combustion by-products) and the CMBs (coal mining by-products), which provide the support for the circular economy and reduces waste landfilling. The actions undertaken also respond to the identified risks related to the CCB management.

TAURON Group is actively looking for the solutions that introduce the concept of the circular economy.

These are the key actions undertaken on an ongoing basis and they are aimed at implementing the organizational solutions that support:

1. care for the natural environment,
2. reducing the nuisance of the generated waste,
3. maximizing the use of the by-products from the mining and combustion of the hard coal for the purpose of generating electricity,
4. minimizing the costs associated with the disposal of the environmentally hazardous waste and assigning the new functions to the land (sites) transformed as a result of the industrial activities, as well as the partnerships in the field of circular economy.

Actions to Promote the Use of CCBs and CMBs

As part of TAURON Group's operations, the cycles of the substances produced within the Group are closed, and the re-use of the combustion and mining by-products in the economy and industry is promoted (for example, through the promotion of the fly ash / bottom ash products and the presentation of the offering at the trade fairs and conferences), as described in more detail in *section 13.15 in part E5-5 of this report.* Re-use of the substances contributes to the protection of the natural resources and reduction of the waste deposited at the landfill sites.

TAURON Group is implementing a circular economy model that generates added value. The plan is to use the maximum amount of the generated post-process by-products (ashes, slags, ash - slag mixtures, gypsum and mining by-products) for economic purposes, thereby reducing the consumption of the natural raw materials and limiting the environmental footprint.

> **TAURON Group is successively implementing actions as a result of which products are being created in place of the previously generated waste. The stream of the post-process waste has been decreasing since 2016 in favor of the by-products.**

As part of the framework of the tasks aimed at the re-use of the solid waste, the following issues have been identified:

1. technological processes are conducted in such a manner that the waste generated during these processes is of the highest possible quality, so that it is suitable for use as a full value product for re-use on the market,
2. new directions for their use in the various branches of industry are constantly being sought,
3. combustion by-products generated within the Group obtain certificates entitling them to be placed on the market as the full value products,
4. processes aimed at maintaining the high quality of the combustion by-products generated within the Group are conducted on an ongoing basis, including the following processes:
   - adequate selection of the production raw materials,
   - adequate selection of the production fuels,
   - ensuring adequate granulation of the by-products,
   - ensuring consistency of the by-product parameters.

In 2025, TAURON Group produced 1.25 million Mg of the process by-products from the combustion for the purpose of generating electricity, of which as much as 96% was placed on the market as the high quality products for use, among other things, in the construction, road building, mining and agriculture (in 2024, this was, respectively, 1.2 million Mg of the process by-products and 99% of them were placed on the market as products). The remaining portion of these substances was transferred in the form of waste to the further authorized recipients with whom TAURON Group's subsidiaries have contracts in place that guarantee their further economic use, among other things, in land reclamation, large scale

leveling and filling of the post - exploitation voids in mining.

In 2025, 123 thousand Mg of ash from TAURON Group's power plants was delivered to mines as a valuable raw material for use in the fire prevention (in 2024, this figure had stood at 97 thousand Mg of ash).

At TAURON Ciepło, 100% of the generated combustion by-products, i.e. 147 thousand Mg, were transferred for re-use in the various branches of industry, of which 89% were placed on the market as products (in 2024, this figure had stood at 138 thousand Mg, of which 94% had been placed on the market as products).

Use of waste derived raw materials deposited at landfill sites

TAURON Group is focused on the local cooperation and the use of the waste derived raw materials, utilizing the waste stored at the landfill sites, settling ponds and waste storage facilities. An example of this activity is the launch, in 2025, of the processing of the waste coming from the landfill site at TAURON Wytwarzanie Łaziska Power Plant. In the first year, approximately 40 thousand Mg of the waste was processed.

Development of the product offering based on the CCBs

TAURON Group, as part of providing the support for the actions aimed at reducing or not increasing the consumption of the raw materials (commodities) and materials, as well as looking for the opportunities to implement them as the best practice, is developing its range of the construction product offerings and in 2025 the new construction products were placed on the market, developed on the basis of the slags coming from TAURON Wytwarzanie power plants (Jaworzno III, Łaziska, Nowe Jaworzno) under the name *Slag Sand*. The new product meets the requirements of the EN 13242 standard.

New activity

As part of closing of the cycles and looking for the directions for the use of the waste generated in the process of decommissioning activities, a cooperation was established with the external companies operating in the concrete and cement industry. The opportunities for the use of the rubble in the production of cement, concrete and aggregate are being jointly sought.

In 2025, actions were initiated to process and reuse the waste from the demolitions and divestments carried out by TAURON Group. The machinery fleet was supplemented with the adequate equipment that will be able to be used for the new types of aggregates based on the rubble.

All of the above mentioned actions contribute to the reduction of the use of the natural resources, such as the natural aggregates, sand and gravel.

Management of assets (property) and land following cessation of operations

TAURON Group's approach to the management of the assets and land following the cessation of the operations (decommissioning of the activities) depends on the nature of the individual activities. The priority is to maximize the use of the land from the decommissioned activities for the new industrial functions. The re-use of land is treated as an element of resource management from a circular economy perspective, and therefore it is presented within E5. This is presented in the table below.

Table no. 156. Types of Activities and Land Designated for Re-use

Type of Activity, Land		Priorities / Directions	Tools
Mining Activity	Limestone Mine (open pit mining)	Actions to restore the forest ecosystems through a reclamation towards forest planting on an area of more than 73 ha.	Technical design for the reclamation of the post-exploitation quarry at the Czatkowice Mining Plant.
Power Plants, Combined Heat and Power Plants, Heating Plants	Cessation of Operations	1. designation of the industrial land for the new economic functions (a loss of their industrial nature is not anticipated for the social reasons), 2. adaptation of the existing buildings and industrial land to stimulate further development, or demolition and dismantling conducted in accordance with approved projects incorporating selective waste management.	1. methods of proceeding in the event of the cessation of installation operations, as specified in the held administrative decisions, 2. environmental impact assessment procedures for new activities, 3. analyses of whether the operation of the installation involves or involved the use, production, or release of a risk causing substance, and whether there is or was a possibility of contamination of the soil, land, or groundwater on the site of the plant.
	Transition / Fuel Switching	1. use and adaptation of existing infrastructure for new energy and heat generation technologies, 2. with regard to surplus assets: demolitions and dismantling conducted in accordance with approved projects incorporating selective waste management.	
Waste Landfill Sites, Waste Storage Facilities, Large Area Land Historically Associated with Waste Management	Reclaimed Land	Designating them for new industrial functions related to renewable energy sources.	1. reclamation reserves, 2. reclamation plans, 3. post-exploitation monitoring, 4. environmental impact screening assessments for the new activities.
	Land in the Exploitation Phase	Designing reclamation towards the target new industrial applications.	

A material trend change associated with the sector's transition is the move away from treating the land historically associated with waste disposal as wastelands, toward assigning new functions thereto, such as for the construction of the photovoltaic farms. Due to the specific nature of the structures used for mounting panels, which does not require high bearing capacity of the native soils, the land previously excluded from economic use is being restored for the function of electricity generation without the need to exclude the biologically active surfaces.

Plans for the closure and decommissioning of facilities are regularly updated. During the decommissioning of the facilities, measures are taken to address or avoid the significant impacts on the environment or landscape.

Actions for the Use of Waste from Water Management

As part of closing of the cycles of the substances and raw materials, approximately 4 thousand Mg of the waste generated from the water management at TAURON Wytwarzanie is returned and used as a sorbent in the processes of fuel combustion for the electricity generation purposes, serving to reduce the pollution emissions from these processes.

Other Actions Supporting the Concept of the Circular Economy

In the case of the new investment projects related to the photovoltaic farms, wind farms, distribution grids or electric vehicle charging installations, they are implemented in compliance with the *do no significant harm* (DNSH) principle and the transition towards a circular economy, i.e. the available equipment and components with high durability and recyclability that can be easily dismantled and repaired are used.

TAURON Group's offering for the households and SMEs includes professional repair services with respect to the malfunctions in the internal electrical installations, audio and visual equipment, household appliances, PCs, air conditioning units, internal water and sewage installations, front door locks, and broken windows, that are carried out on-site. The offering that includes the services provided by an electrician, locksmith, glazier, plumber and other specialist services allows for an extension of the life

cycle of the used products through their repair, which is implemented as part of the actions aimed at promoting the circular economy activities.

As part of the implementation of the circular economy related activities, in 2025, there was no need to take any steps in order to provide the remedial measures for the persons harmed as a result of the actual material impacts, or to cooperate in this regard or to provide the support for such measures.

(E5-3) Targets related to resource use and circular economy

The responsibility for resource use and circular economy is one of the elements of *TAURON Group Strategy for 2025-2035*. The main objective in this respect is related to striving to achieve a full operational compliance with the environmental regulations and maximizing the use of the resources within the circular economy.

TARGET #1: Optimal Use of Energy and Natural Resources

The implementation of this target allows for managing of the material IROs identified under the sub-topic of *resources inflows, including resource use, waste and resources outflows related to products and services*.

The positive impacts are related, first and foremost, to the active support for the circular economy by replacing the primary raw materials with the secondary materials (for example, fly ash), which goes beyond the standard legal obligations. The negative impacts, in turn, include the use of the non-renewable fossil sources within the core business operations. On the other hand, the risks are related to the instability of the biomass and by-product market, as well as the potential fines and costs resulting from the deficiencies in the waste management. The identified opportunities include the possibility of generating the additional revenues through the commercial use of ash in the construction sector.

This target is applicable to all of TAURON Group's subsidiaries and is linked to the time horizon of the *TAURON Group Strategy for 2025-2035*, i.e. until 2035. The regulation linked to this target is *TAURON Group's Environmental Policy*.

The table below presents the target metrics related to the management of the identified IROs along with their baseline values and the 2025 performance.

Table no. 157. Target Metrics Associated with the Management of the IROs Related to Resource Use and Circular Economy – Target #1

Metric	2024 Baseline Value	2025 Performance
Number of violations of the waste management regulations resulting in a penalty of > PLN 100 thousand	0	0
Share of the CCBs with by-product status re-introduced into market circulation [%]	99	96

With regard to resource use and waste management, the reference point (benchmark) is ensuring that there are no material violations of the requirements and standards relating to the specified operational limits on the volume of the waste generation or resource consumption, and the minimization of the use of the primary raw materials. These requirements relate to the sustainable procurement and use of the renewable resources. With regard to the waste generation, the limits specified in the administrative permits and decisions related to the waste management or by-products are applicable. TAURON Group, in accordance with its adopted Environmental Policy, aims for the complete utilization of the waste.

The set operational limit values in the area of waste management specified in the administrative permits held, and resources outflows, are continuously monitored on a monthly and annual basis and reported to the senior management as well as to the external supervisory authorities (to the extent specified in the operational limits in the relevant permits and decisions).

(E5-4) Resources Inflows

At TAURON Group, resource use in the operational processes is based primarily on the materials and the raw materials necessary for conducting energy related business operations and the technological processes. The data on resources inflows is obtained from the material related records and the operational balance sheets of the Group's subsidiaries, which ensures a reliable mapping of

the actual consumption during the reporting period. The masses of the raw materials are determined, first and foremost, on the basis of the direct measurements performed by the certified weighing scales and measuring meters (counters), and in the absence of such data, the mass (weight) balances and the information derived from the purchasing documents and accounting records (entries) are used. The presented values are relate to the main resources used in the core business operations and they reflect the actual usage profiles of the material inputs in the production processes.

Table no. 158. Main Resources Inflows to TAURON Group in 2025

#	Process / Disclosure Category	Unit	Reported Value
1.	Total mass (weight) of the products as well as the technical and biological materials used in the reporting period, including:	tons	6 929 395
1.1.	■ Hard coal	tons	4 676 004
1.2.	■ Hard coal in the slurry assortment	tons	121 723
1.3.	■ Natural gas and other energy gases	tons	33 328
1.4.	■ Heating oil	tons	48 482
1.5.	■ Diesel fuel, gasoline	tons	9 270
1.6.	■ Limestone – extraction, including:	tons	1 782 456
1.6.1.	– limestone – consumption by TAURON Group's subsidiaries	tons	188 325
1.7.	■ Biomass for energy purposes, including:	tons	258 133
1.7.1.	– biomass of forest origin	tons	218 575
1.7.2.	– biomass of agricultural origin	tons	39 558
2.	Percentage value (share) of the biological materials (and biofuels used for purposes other than energy) used to manufacture products and provide services by the entity (including packaging).	-	TAURON Group did not use the biological materials or biofuels for purposes other than energy. Biomass is used exclusively as fuel in the energy processes.
3.	Mass in the absolute and percentage value (share) of the re-used or recycled components, products, and the secondary materials used to manufacture products and provide services by the entity (including packaging).	-	TAURON Group does not use the re-used materials or recycled materials as input resources in its production processes.

(E5-5) Resources outflows

The main stream of outflows arises from the electricity production processes in the conventional energy combustion processes.

Production processes are planned and implemented in such a way that the quality of the resulting materials would enable their further market use in many branches of industry. TAURON Group has implemented a number of measures aimed at maintaining the best possible quality of waste and by-products so that they could be the high quality materials.

The residual products from the main production processes carried out by TAURON Group are the energy combustion by-products – these are the mineral substances consisting mainly of silicon as SiO_2, aluminum Al_2O_3, iron Fe_2O_3, MnO, TiO_2, CaO, MgO, SO_3, P_2O_5, Na_2O, K_2O and Cl. They are not substances classified as hazardous, and the detailed studies carried out during the registration of these substances at the *European Chemicals Agency under the REACH system* have confirmed that they do not have hazardous properties and that their re-use does not need to be restricted in any way.

No particularly hazardous, radioactive, or radiologically active substances are generated as part of the activities of TAURON Group.

The analyses of the properties, parameters and chemical composition of the substances arising from the production processes performed by TAURON Group are carried out in accordance with the methodology specified in the integrated permits or in the sector specific permits conditioning the generation or processing of such waste, in accordance with the guidelines of the legal requirements in the area of waste management or the requirements of the reference documents authorizing their re-introduction to market.

Through a participation in the mandatory waste management data collection system operating in Poland, registered in the Waste Database Register, the information on the waste generation, transportation and transfer to the authorized recipients is monitored. The data on the further stages of the waste processing is obtained and analyzed by TAURON Group as part of its own monitoring processes and the cooperation with the recipients. This ensures a comprehensive overview of the flow of the materials to, through and from the organization, and provides the ability to control the internal processes to prevent waste generation. This approach provides the possibility of implementing the circular economy solutions. TAURON Group's actions, beyond mitigating and remedying the negative effects after waste generation, are also focused on managing waste as resources. This approach is very advanced, as TAURON Group has for years been systematically transforming waste into by-products. These materials (ash, slag, gypsum) no longer have a formal waste status. The Group focuses on maintaining a significant share of the by-product market. Its operating subsidiary, Bioeko Grupa TAURON, is engaged in the circular economy, generating revenues and reducing the environmental impact.

Bioeko Grupa TAURON operates in the circular economy, generating revenue while reducing environmental impact.

In conducting the technological processes aimed at improving the quality of the combustion by-products, the Group does not have a problem with the waste generated at source. As part of this process, the procedure for recognizing waste as by-products, as defined in Article 5 of *Directive 2008/98/EC of the European Parliament and of the Council of November 19, 2008, on waste and repealing certain directives*, is also used.

Table no. 159. Total Quantity of Waste from Own Operations

#	Process / disclosure category	Unit	2025		2024[2]	
			Hazardous waste	Non-hazardous waste	Hazardous waste	Non-hazardous waste
1.	Total quantity of waste generated	tons	831.6	105 819.4	1 060.8	100 249.6
2.	Total quantity of waste for which disposal was avoided, by mass (weight), broken down by the following types of recovery process, including:	tons	827.1	81 179.4	908.6	82 530.5
2.1.	■ preparation for re-use [1]	tons	525.4	894.8	0	0
2.2.	■ recycling	tons	182.6	79 763.1	825,7	5 627.7
2.3.	■ other recovery processes	tons	119.1	521.5	82.9	76 902.8
3.	Quantity of waste directed to disposal, by mass, broken down by the following types of waste treatment, including:	tons	4.5	24 640.0	152.2	17 719.1
3.1.	■ incineration	tons	1.1	0.7	0	0
3.2.	■ landfilling	tons	0.0	24 510.3	1.6	16 599.7
3.3.	■ other disposal processes	tons	3.4	129.0	150.6	1 119.4
4.	Total quantity of waste not recycled	tons	648.9	26 056.3	235.1	94 621.9
5.	Share of waste not recycled	%	78	24.6	22	94
6.	Total quantity of radioactive waste	tons	0.0	0.0	0	0

[1] In accordance with the definition provided in Directive 2008/98/EC of the European Parliament and of the Council, "preparation for re-use" means recovery operations consisting of checking, cleaning or repairing, by which products or components of products that have become waste are prepared so that they can be re-used without any other pre-processing.
[2] Data corrected.

In the course of the work on the disclosure compliant with ESRS E5-5, an area was identified in which the presentation of the 2024 data required a correction (adjustment) to ensure the full compliance with the ESRS requirements.

Under ESRS E5-5 (waste), the data had been presented in accordance with the national environmental reporting categories (for example, BDO), rather than following the ESRS structure based on the distinction between the waste diverted from the disposal and the waste directed to the disposal. In addition, certain operational categories did not correspond to the methods required by the standard, and the absence of the information on the final waste management method made a proper classification (assignment) difficult. As a consequence, certain waste streams in 2024 had been classified under the *diverted from disposal* category, in particular with respect to the waste in storage (landfilled) and the *othe*r category for which no information on the final waste management process had been available.

As part of the correction (adjustment), the 2024 data had been reclassified in accordance with the definitions under ESRS E5-5; where the information on the final waste management process had not been available, a conservative approach had been applied and the waste had been assigned to the disposal category. Landfilling encompasses the waste actually transferred to landfill (i.e. 12 270 Mg in 2025 and 11 786.5 Mg in 2024) as well as the waste temporarily in storage that had not yet been transferred for a further waste management as of the date of the report (the most adverse environmental scenario had been assumed).

The aggregate figure did not chang; however, the presentation method has been revised. The comparative data for 2024 had been restated and presented in accordance with the definitions and disclosure structure required by ESRS E5-5. The figures as reported in accordance with last year's disclosure are presented in the tables below.

Table no. 160. Total weight of hazardous waste [Mg] by waste treatment method in 2024 – the Report of the Management Board Report on the operations of TAURON Polska Energia S.A. and TAURON Capital Group for 2024

No.	Process / disclosure category	Total weight of hazardous waste by waste treatment method in 2024 [Mg]
1.	Re-use	0
2.	Recycling	825.7
3.	Recovery (including energy recovery)	82.9
4.	Disposal	111.0
5.	Storage	1.6
6.	Other [1]	39.6
7.	Total weight of waste	1 060.8

[1]*The TAURON Group does not generate radioactive waste.*

Table no. 161. Total weight of non-hazardous waste [Mg] by waste treatment method in 2024 – the Report of the Management Board on the activities of TAURON Polska Energia S.A. and TAURON Capital Group for the financial year 2024

No.	Process / disclosure category	Total weight of non-hazardous waste generated in 2024 by waste treatment method [Mg]
1.	Re-use	0
2.	Recycling	5 627.7
3.	Recovery (including energy recovery)	76 902.8
4.	Disposal	83.8
5.	Landfilling	11 786.5

6.	Storage	4 813.2
7.	Composting	0.0
8.	Other	1 035.6
9.	Total weight of waste	100 249.6

The municipal waste has not been included in the above presented tables, as it does not constitute a material waste stream for TAURON Group. It is exclusively of a social and office nature and corresponds in its composition to the waste generated by the households. This waste is also not associated with the technological activities or production processes of the Group. In accordance with the national regulations, the producers of the municipal waste do not maintain records of it in the BDO system. The organization of the municipal waste collection is carried out with the use of the municipal systems or on the basis of a contract with an authorized recipient, in accordance with the Act on the maintenance of cleanliness and order in municipalities.

TAURON Group does not generate hazardous waste as part of the main streams of waste generated in the production processes. Under the adopted Environmental and Climate Policy, the TAURON Group undertakes to efficiently run its processes in order to minimize the quantity of the hazardous waste generated.

The quantity of the hazardous waste generated in 2025 came in at 831.6 Mg, which represented 1% of the waste arising from the operational activities (in 2024, this figure had clocked in at 1 061 Mg). This is an insignificant quantity in the entire line of business related to the extraction activities.

All sites where the hazardous waste is generated as well as stored are subject to monitoring and measurements in order to minimize the potential hazards posed by the hazardous waste and to optimize the processes with respect to the hazardous waste management.

Due to the profile of TAURON Group's business operations, the following waste is not generated:

1. radioactive waste,
2. material quantities of the packaging waste.

Kopalnia Wapienia Czatkowice places products in packaging on the market. In 2025, the quantity of the products in packaging placed on the market came in at 21 058.82 Mg (in 2024 the figure had clocked in at 16 621.68 Mg).

The recyclable material content ratio for packaging in 2025 came in at 99.55% for paper and cardboard packaging, and 100% for plastic packaging (in 2024, it had clocked in at 73% and 45%, respectively).

The methodology used to calculate the data related to resources outflows management is based on the actual measurements from the weighing systems installed at the individual generating units, or on the measurements and inventory takings of the warehouses and landfill sites.

(E5-6) Anticipated Financial Effects Arising from Material Risks and Opportunities Related to Resource Use and Circular Economy

The anticipated financial effects arising from material risks and opportunities related to resource use and circular economy have not yet been determined; however, TAURON Group declares its readiness to make the disclosures in this respect in the future.

SOCIAL RESPONSIBILITY

13.16. Own workforce (S1)

(S1.SBM-2) Interests and views of stakeholders

Employees are one of TAURON Group's key stakeholders, on whom TAURON Group has a material impact. The competencies and knowledge of the employees are important in building the organization and conducting business – their opinions and views are systematically taken into account in shaping the corporate culture, and they also constitute an important element in developing the *TAURON Group Strategy for 2025-2035* and the Business Model. On the other hand, in both, the materiality assessment as well as its update, TAURON Group's employees and the trade unions were included in the detailed dialogue, the results of which were used to identify the key impacts, risks and opportunities.

During the development of *TAURON Group Strategy for 2025-2035*, the Group's employees were included in the consultations – the meetings with the stakeholders were held during which the issues that were most material for the employees were addressed. The conclusions drawn from these meetings were taken into account in formulating the strategic assumptions, including those related to the social challenges in the context of carrying out a just transition or engaging in a dialogue with the local communities. On the other hand, TAURON Group's Business Model identifies the key stakeholders for the Group and emphasizes the importance of a continuous dialogue and of taking their interests into account in the business processes.

TAURON Group is striving to create a friendly workplace and provide adequate conditions for development. The employee opinion surveys on the current needs, consultations with the trade unions, and an ongoing, open dialogue allow for the identification of the employee needs and expectations, which have an impact on the decisions taken. The Management Board of the Company is open to a dialogue with the social partners (work force) – the meetings are organized on a regular basis to discuss the situation of the work force, working conditions and the current challenges. The management boards of the subsidiaries are also conducting a dialogue with the trade unions operating within those entities.

> **TAURON Group runs initiatives such as *#Your Idea Has Power (#Twój Pomysł Ma Moc),* which provide the employees with an opportunity to submit proposals for improvements to be made at the Group's subsidiaries.**

TAURON Group is committed to respecting human rights, counteracting discrimination and creating a safe and friendly working environment. TAURON Group enables employees and persons performing work to engage in a dialogue and report irregularities, including, for example, in the area of human rights or discrimination.

Investments in training, health promotion programs, and professional development for the employees are an integral part of the company's activities. Through such initiatives, TAURON Group is building a corporate culture based on trust and cooperation, which supports the achievement of its business objectives in line with the principles of sustainable development.

(S1.SBM-3) Material Impacts, Risks and Opportunities and Their Interaction with Strategy and Business Model

The identified material impacts, risks and opportunities, including those related to own workforce, are directly linked to *TAURON Group Strategy for 2025-2035* and Business Model, which are focused on the sustainable development, the energy transition and the tailoring of the products and services to customer needs, as well as the development of a corporate culture based on the ESG values.

The employees are among TAURON Group's key stakeholders; accordingly, both the *TAURON Group Strategy for 2025-2035* as well as the Business Model address the employee expectations. The impacts and dependencies related to own workforce, as well as to the *TAURON Group Strategy for 2025-2035* and Business Model, have implications for TAURON Group's material risks and opportunities. The employees play an important role

in setting the strategic directions for TAURON Group's expansion.

> **The core strategic priorities include the development of an ESG based corporate culture oriented toward value creation, which is pursued by fostering a collaborative, equitable and diversity respecting work environment in which the employees feel safe and motivated.**

culture oriented toward value creation, which is pursued by fostering a collaborative, equitable and diversity respecting work environment in which the employees feel safe and motivated.

The Business Model addresses the needs and objectives set out in *TAURON Group Strategy for 2025-2035* – the employees as well as their knowledge and competencies constitute a key asset of the Group. Aware of its impact on the employees, TAURON Group has included in its Business Model's assumptions, among other things, a commitment to cooperate with the social partners in identifying the material impacts of its operations on the work force. Transparent communication and dialogue are conducted, as are the efforts to identify the employee needs and expectations.

The employees on whom TAURON Group has or may have a material impact are covered by the scope of the disclosure defined in ESRS 2. Conducting of an analysis of the stakeholder needs and expectations is required under ESRS and it is an element of the strategy building process. The impacts, risks and opportunities related to the employees have been identified through the double materiality assessment process, both from the perspective of own operations, as well as the value chain.

In analyzing the impacts, risks, opportunities and dependencies, TAURON Group takes into account all of the employees and the persons belonging to its own workforce resources. Given TAURON Group's broad business activities, the employed workers have a diverse experience and carry out a wide variety of tasks. Own workforce includes the administrative employees (in the managerial, supervisory and white collar roles) as well as the blue collar workers performing manual labor. In addition, the Group also hires non-employees who constitute a part of own workforce resources – they are, among others, the individuals under the management contracts, self-employed persons, temporary workers and those undertaking apprenticeships and internships.

Further information on this topic can be found in *section 13.16 of this report, in the parts relating to S1-6 and S1-7*.

The material impacts, risks and opportunities related to TAURON Group's employees were identified in the updated double materiality assessment process with respect to the following sub-topics: working conditions, equal treatment and equal opportunities for all and other work related rights.

In the case of the identified negative impacts, TAURON Group is seeking to eliminate them, or – where this is not possible – to minimize their impact on the employees. An example of the material negative impacts on the employees are the equality related issues, such as the marginalization of the persons with the disabilities in the labor market or a potential violation of the equal treatment principles in employment. In order to counteract the negative impacts, TAURON Group is placing emphasis on the equality issues, which is reflected in the processes, beginning at the recruitment stage and continuing throughout the entire period of the employment. The provisions of the *Human Rights Respect Policy* and of the *Diversity Policy* are implemented, and the internal regulations are updated on an ongoing basis, as described in *section 13.16 of this report (in the parts relating to S1-1 and S1-5)*.

TAURON Group has identified widespread positive and negative impacts on its won work force resources relating to the working conditions in the broad sense. Unsatisfactory compensation levels, a lack of opportunities to develop competencies and advance professionally, overtime work and working under time pressure may result in the negative impacts on the employees – reducing the levels of employee satisfaction and well being. TAURON Group is seeking to minimize these impacts while at the same time reinforcing the identified positive impacts such as: offering stable and attractive employment conditions, and the ability to take advantage of remote work and flexible employment arrangements.

The working conditions are a key issue for the employees. TAURON Group makes every effort to ensure that communication is efficient and takes the form of a dialogue. An example of this is the emphasis placed on the effective cooperation with the Social Council, which provides for a better representation and protection of the employee interests and responds to the identified positive impact.

TAURON Group has identified risks and opportunities arising from the dependencies and impacts on its own work force resources. TAURON

Group is aware of the potential associated with the capitalizing on the material opportunities such as:

- adherence to the high work health and safety (WHS) standards, which translate into a reduction in the number of the workplace accidents,
- taking care of (safeguarding) the employee rights,
- developing employee competencies, which fosters innovation and efficiency gains,
- fair treatment, which strengthens the development of the engaged (committed) teams.

These actions stem from *TAURON Group Strategy for 2025-2035* and are being implemented on an ongoing basis – for example, in the area of work health and safety, training and educational initiatives are conducted aimed at maximizing the level of protection of the workforce resources' health and lives.

The implemented actions related to the safeguarding of the employee rights and fair treatment improve work efficiency, increase the effectiveness of delivering the key projects, as well as maintaining business efficiency.

At the same time, TAURON Group is aware of the identified risks in the areas related to the working conditions (for example, the risk of losing the specialized staff, competency gaps and the growing pay expectations), equal treatment or the other work related rights.

The transition of the energy sector that TAURON Group is taking part in brings with it the social consequences such as the changes in the employment structure and the shifts in the competence profile required. *TAURON Group Strategy for 2025-2035* identifies these impacts and dependencies and takes into account the social aspects of the transition by incorporating them into the Group's strategic plans and actions.

Within TAURON Group, in accordance with the provisions of the *Human Rights Respect Policy* (described in *section 13.16 of this report, in the part relating to S1-1),* there are no instances of child labor, forced labor or compulsory labor, which also stems from the provisions of the Labor Code.

In view of the challenges facing the energy sector, TAURON Group is taking actions aimed at minimizing the negative effects of the ongoing transition for the employees who are adversely affected by it, while at the same time seizing the opportunities available in this regard.

> **TAURON Group is implementing actions aimed at providing the support for the employees affected by the energy transition, including, among other things, through shielding programs. In addition, a dedicated help line for the employees is available, and meetings are organized in each division in order to present the opportunities available within the framework of the energy transition.**

The organizational changes, including the shutting down of the selected business units, or the energy transition, are leading to the headcount reductions and may give rise to the employees' concerns regarding the employment stability. In connection with this, the following actions are being taken:

1. implementation of the pilot training programs in order to support the employees in the process of retraining, adjusting their qualifications and credentials, as well as preparing for employment at TAURON Group's subsidiaries,
2. provision of the additional training programs in order to equip the employees with the versatile (transferable) competencies that can be utilized across TAURON Group (for example, *IT Program* – focused on the Microsoft Power tools and a program focused on the development of the soft skills),
3. offering opportunities for the professional development, training and upskilling, which may lead to improved career prospects,
4. offering employees free psychological support in the form of the individual (one on one) consultations,
5. conducting the analyses in order to prepare the individual relocation proposals within TAURON Group (providing employment stability).

(S1-1) Policies Related to Own Workforce

TAURON Group implements, carries out and monitors key policies that ensure the management of the material impacts, risks and opportunities related to own workforce resources. These policies apply to all of the subsidiaries covered by this report and take into account the interests of own workforce resources and their representatives. TAURON's Management Board is responsible for setting the policy objectives and overseeing their implementation.

TAURON Group operates in compliance with the national law and adheres to the internationally recognized regulations and principles set out, among other things, in:

1. *International Bill of Human Rights*, which comprises:
   1) Universal Declaration of Human Rights,
   2) International Covenant on Civil and Political Rights,
   3) International Covenant on Economic, Social and Cultural Rights,
2. Principles related to the fundamental rights set out in the Declaration of the *International Labor Organization* (ILO),
3. *European Convention on Human Rights,*
4. *UN Guiding Principles on Business and Human Rights,*
5. *OECD Guidelines for Multinational Enterprises on Responsible Business Conduct,*
6. *OECD Due Diligence Guidance for Responsible Business Conduct,*
7. *10 Principles of the UN Global Compact.*

The above mentioned regulations provided the basis for the development and implementation of the internal regulations, including those concerning the policies related to own workforce. The policies are consulted with the key functional (substantive) areas or with the social partners (work force), whether at the stage of development or in the updating of their provisions.

In accordance with the adopted standard, all of the new regulations and changes introduced in the policies are communicated to the employees via email, announcements and the intranet, and their key content is available on the Company's website, which enables access by the external stakeholders. For the employees without access to a computer at work, the content of the policies is communicated by their line managers (superiors). Th newly hired persons are familiarized with the key policies during the onboarding process.

The key policies related to own workforce resources are:

1. TAURON Group's Human Capital Management Policy, along with the associated Principles:
   1) Employee Upskilling Principles,
   2) TAURON Group's Principles of Cooperation with Schools and Universities,
   3) TAURON Group's Recruitment Principles,
2. *TAURON Group's Human Rights Respect Policy,*
3. *TAURON Group's Diversity, Equal Opportunities and Inclusion Policy,*
4. *Policy on Compliance with Ethical Principles and Prevention of Mobbing and Discrimination,*
5. *TAURON Group's WHS Policy,*
6. *Data Protection Policy for TAURON Group Entities.*

Through the above mention policies, the TAURON Group manages all of the identified material IROs (impacts, risks, and opportunities) relating to own workforce. The details are presented in the table below.

Table no. 162. Identified Material IROs Relating to Own Workforce

Negative Impacts	Related documents
Inadequate or inappropriate technical measures for the protection of employees' personal data may lead to unauthorized access to the confidential information.	Data Protection Policy
Violation of equal treatment principles in employment – discrimination against employees, non-compliance with the equality policy, failure to provide employees with opportunities for professional development, failure to ensure employees' freedom of association.	Human Capital Management Policy, Policy on Compliance with Ethical Principles and Prevention of Mobbing and Discrimination, Human Rights Respect Policy
Employee dissatisfaction arising from: unsatisfactory compensation levels, reduction of social benefits, reduction or discontinuation of the Employee Pension Program, lack of opportunities for upskilling, lack of opportunities for professional development, overtime work and working under time pressure, unfavorable working environment.	Human Capital Management Policy

Organizational changes including the shutting down of the selected business units and the transition toward the renewable energy sources, are leading to workforce reductions and may give rise to employee concerns regarding employment stability.	Human Capital Management Policy
Pressure to increase workload without the adequate conditions (time, staffing, compensation in the form of the additional overtime pay) may negatively affect employees' work-life balance and thereby reduce their well being.	Human Capital Management Policy
Failure to include the persons with the disabilities in the employment diversity policy leads to their marginalization in the labor market and perpetuates social inequalities.	Human Capital Management Policy, Policy on Compliance with Ethical Principles and Prevention of Mobbing and Discrimination
Positive Impacts	
Stable employment (predominantly based on the labor contracts) and compensation, benefits packages (healthcare, insurance, social benefits), opportunities for training, and additional employee support programs.	Human Capital Management Policy
Ability to take advantage of the remote work and flexible employment arrangements by the selected professional groups.	Human Capital Management Policy
Effective cooperation with the Social Council can provide better representation and protection of the interests of all of the employees, regardless of their trade union membership.	Human Capital Management Policy, Policy on Compliance with Ethical Principles and Prevention of Mobbing and Discrimination
TAURON Group is implementing concrete actions to support employees affected by the energy transition, including through retraining programs, career counseling, and psychological support, which enhances the company's image and builds lasting stakeholder relationships.	Human Capital Management Policy
Risks	
A leak of the employees' personal data may result in: administrative financial penalties, civil liability compensation, criminal liability, potential termination of the service provision contracts, and reputational damage (a loss of image).	TAURON Human Capital Management Policy, Policy on Compliance with Ethical Principles and Prevention of Mobbing and Discrimination, WHS Policy, Human Rights Respect Policy, Data Protection Policy for TAURON Group Entities
A loss of the specialized staff generates a decline in efficiency and high expenditure on recruiting and training new and existing employees.	Human Capital Management Policy
Rising inflation and the general wage dynamics in the economy translate into growing pay expectations, resulting in the increased operating expenses at TAURON Group's subsidiaries and the risk of thecollective disputes.	Human Capital Management Policy
Non-compliance with the equal treatment principles may lead to protests, a loss of the key staff, increased personnel costs and the risk of the legal sanctions.	Human Capital Management Policy, Policy on Compliance with Ethical Principles and Prevention of Mobbing and Discrimination, Human Rights Respect Policy
Employment uncertainty and employee retirements may result in the loss of key competencies, giving rise to competency gaps and increased costs associated with recruiting and training new staff.	Human Capital Management Policy
Below market wages as compared to the private sector, physically demanding and hazardous work, and shift work reduce the company's attractiveness as an employer. As a consequence, for example, the recruitment costs are going up.	Human Capital Management Policy
Increased operating expenses arising from ensuring the development of own workforce skills – costs of the training and potential employee absences.	Human Capital Management Policy
Opportunities	
High WHS standards reduce the risk of accidents and operational downtime, improving safety and operational stability.	WHS Policy
Safeguarding employee rights enhances TAURON Group's standing as a potential business partner.	Human Capital Management Policy
Fair treatment and equal opportunities foster the development of engaged, diverse teams with the higher performance levels, translating into better operational results and lower staff turnover costs.	Human Capital Management Policy, Diversity Policy

Efficiency gains resulting from employee competency development foster innovation, process optimization, and the adoption of the new market solutions, translating into increased revenues and an enhanced competitive position.	Human Capital Management Policy

TAURON Group's Human Capital Management Policy

TAURON Group's Human Capital Management Policy is a document setting out the key directions for the human capital management and providing the support for the achievement of TAURON Group's strategic objectives. The Policy is based on *TAURON Group's Code* and applicable *TAURON Group Strategy for 2025-2035* in place. The Policy covers the management staff, employees and all of the areas of human resources management within TAURON Group's subsidiaries, setting out the common directions and the key areas of activity, and referring to the identified impacts, risks and opportunities.

The goal of the Policy is to provide the support for the management staff and the employees in building an environment conducive to dialogue, change and organizational development, while at the same time taking into account the business needs and the environment, as well as the risks and opportunities associated with the actions undertaken. The provisions of the Policy describe and clarify the HR processes that are related to TAURON Group's key directions of activity, including placing an emphasis, among other things, on ensuring the flexible conditions for the development of knowledge and skills, and providing the support for the cooperation, autonomy and initiative of the work force.

TAURON Group's Human Capital Management Policy defines the strategic areas such as organizational development, performance (efficiency) management as well as competence and organizational management, setting out the objectives and the supporting actions in those areas. They are described in the table below.

Table no. 163. Objectives and activities under TAURON Group's Human Capital Management Policy

Area: Organizational Development
Objective: Implementing and promoting a corporate culture that supports the development of TAURON Group
■ Strengthening employee engagement and creating a safe and inspiring work environment by: being open to communication with employees, gathering and providing feedback, and involving employees in improving the work environment.
■ Building the image of TAURON Group as an attractive employer – both internally and externally – by: conducting employee opinion surveys, creating tools for easy and effective communication with employees, and cooperating with universities and schools.
■ Ensuring efficient information flow and creating conditions for a collaborative dialogue with Social Partners: strengthening inter-area and intergenerational cooperation, creating an environment conducive to knowledge and experience sharing, promoting knowledge sharing.
■ Building relationships with customers and raising awareness of environmental protection and climate change.
■ Supporting TAURON Group in the change process through access to knowledge and market solutions: designing development programs and delivering knowledge, monitoring market trends and solutions.
Area: Organizational Performance (Efficiency) Management
Objective: Focus on organizational efficiency, (performance)
■ Clear and consistent definition of roles, responsibilities, and required authorities for positions.
■ Creating clear, market based compensation principles that motivate effective work: supporting the delivery of tasks and objectives arising from the strategy, developing employee remuneration systems linked to results achieved, and building tools to support management by objectives.
■ Minimizing risks related to human capital management.
■ Ensuring compliance with ethical principles and diversity standards: conducting educational activities, maintaining an environment free from mobbing and discrimination.
■ Optimization, standardization, and digitization of processes within the Human Capital Management Area, increasing organizational flexibility and efficiency.

Area: Competence and Organizational Management

Objective: Supporting competence development

- Developing employee competencies to meet the needs of a changing energy sector: developing competencies to prepare for change management, focusing on acquiring new qualifications and upskilling employees.
- Creating a culture based on self-development: supporting employees through a variety of individual development tools.
- Ensuring continuity of competencies for the energy sector through the education of pupils and students.
- Ensuring employee retention: creating development opportunities for employees and maintaining a motivating workplace atmosphere, implementing employee-friendly solutions.
- Ensuring intergenerational knowledge transfer by: implementing development programs, implementing internal training programs, and promoting experience sharing across generations.
- Developing the leadership competencies of the management staff.
- Creating and improving tools for the development, motivation and assessment of the employee potential.

In 2025, the provisions of the Policy were reviewed in the context of the changes arising from EU Directive 2022 / 2381 (*Women on Boards*) and the *Pay Transparency Directive* (EU Directive 2023 / 970). A comprehensive update of the provisions of the Policy is planned for 2026.

The Director in charge of the Human Resources at TAURON is responsible for updating the Policy, while an oversight over the implementation of its provisions is exercised by the President of the Management Board of the Company.

Employee Upskilling Principles

The document *Employee Upskilling Principles* supports the implementation of the objectives of *TAURON Group's Human Capital Management Policy* by defining the employee development standards across the Group.

Providing a work environment that supports employee development is one of the key elements *TAURON Group Strategy for 2025-2035*. Upskilling is an integral part of the corporate culture, and enabling the employees to develop their knowledge and competencies translates into the innovation and efficiency of the entire Group.

Employee Upskilling Principles is a document that standardizes the development standards applicable to the individual subsidiaries, while taking into account the specific characteristics of each entity. In accordance with the provisions of the Principles, any employee may take part in the development initiatives, regardless of gender, age, national or ethnic origin, religion or any other grounds. By promoting equality and respect for diversity, TAURON Group provide the support for each employee in their professional development in line with their role in the organization and taking into account TAURON Group's current needs.

The employees may take part in various forms of upskilling aimed at acquiring specialist knowledge, skills and the adequate qualifications, as well as developing competencies. These include, among other things, internal and external training (including the specialist and e-learning formats), industry (trade) conferences, seminars, workshops and foreign language teaching courses.

In 2025, a review was conducted and the *Employee Upskilling Principles at TAURON Polska Energia S.A.* were updated twice. The updates included, among other things, TAURON subsidized foreign language teaching course for the employees and, an introduction starting from 2026 - as part of the participation in the course - of access to an AI-assisted language learning application.

The Director in charge of the human resources is responsible for updating the Principles. The oversight over the implementation of the provisions is exercised by the President of the Management Board of the Company.

Principles of Cooperation with Schools and Universities at TAURON Group

The Principles of Cooperation with Schools and Universities at TAURON Group describe the assumptions for the collaboration between TAURON Group's subsidiaries and the educational institutions, including the general recommendations for organizing apprenticeships, internships and other forms of the education cooperation related initiatives.

These activities are aimed at:

1. attracting the best pupils, students and graduates from the perspective of business needs,
2. preparing the future staff in terms of the substantive knowledge and the strategic competencies,
3. strengthening the collaboration between academia and business,
4. building a positive employer image that enables pupils, students and graduates to gain initial professional experience,
5. building a culture of dialogue that will enable an intergenerational knowledge transfer.

When planning the long term employer branding activities in the labor market, or selecting the target groups among the pupils, students and graduates, TAURON Group's subsidiaries should take into account a number of aspects:

1. the strategic and long term staffing plans of TAURON Group's subsidiaries,
2. the current and future staffing needs reported by the individual organizational units and departments,
3. the level of TAURON Group brand awareness at the universities and in schools,
4. the employees' willingness to actively engage in a cooperation with the schools and universities.

The Principles are of a general nature and do not preclude the application of the specific regulations in the area of a cooperation with the educational institutions, provided they are in line with these Principles. The Director in charge of the human resources is responsible for updating the Principles. The oversight over the implementation of their provisions is exercised by the President of the Management Board of the Company.

Recruitment Principles at TAURON Group

The recruitment activities are carried out in accordance with *TAURON Group's Recruitment Principles*, which ensure the uniform standards for conducting of the recruitment, selection and onboarding of the newly hired persons. This document establishes the operational framework for all of the Group's subsidiaries, ensuring a consistent approach and the high quality of the recruitment processes.

The key elements of the recruitment policy include: transparency of actions, application of equal treatment principles, including for the persons coming from the groups particularly vulnerable to threats, professional communication and care for the positive image of TAURON Group as an employer.

The recruitment process comprises three stages: candidate sourcing, candidate selection and the onboarding of a new person into the organization. Each process is preceded by an analysis of the staffing needs, budget assessment and the selection of the adequate recruitment methods, established and implemented in cooperation with the relevant area manager. The qualifications, skills and experience of the candidates are one of the key elements of the candidate selection stage.

The standards applicable to the candidate selection at TAURON Group include:

1. long term work force planning, taking into account the promotions, role changes and other personnel movements,
2. consistency of the recruitment activities with the *Human Capital Management Policy* applicable at TAURON Group,
3. ensuring uniform assessment criteria and objective comparison of the persons applying for a given position,
4. ensuring a fair, impartial and professional recruitment process, and maintaining a high quality of the contacts with the candidates, including transparent communication principles and the provision of feedback,
5. ensuring a fair and professional treatment of the candidates, including adherence to the commitments made and the provision of the accurate feedback, as well as the full confidentiality and information security throughout the recruitment process.

The application of these Principles enables the recruitment processes to be conducted in a consistent, transparent manner and in compliance with the applicable regulations, while at the same time strengthening the image of TAURON Group as an attractive employer.

The Director in charge of the human resources is responsible for updating the Principles, while the oversight over their application is exercised by the President of the Management Board of the Company.

TAURON Group's Human Rights Respect Policy

TAURON Group's Human Rights Respect Policy sets out the principles of actions and behaviors related to the human rights within TAURON Group, dedicated to all of the stakeholders, in particular the employees, counterparties (contractors) and business partners. The content of the Policy is available in the intranet and on TAURON's website in the Compliance tab.

The content of *TAURON Group's Human Rights Respect Policy* takes into account the due diligence process, manifested in, among other things, the operation of the irregularity reporting system and the taking of the remedial measures in the event of the confirmed irregularities, the verification (vetting) of the counterparties (contractors) and the inclusion of the adequate contractual clauses in the agreements with the external entities (for example, a compliance clause). The content of the Policy was developed through a collaboration among the internal functional units whose activities encompass the human rights issues (including, among other things, the Strategy, ESG and Regulations Area and the Human Resources Area). The updated Policy was adopted by TAURON's Management Board in January 2025.

The Policy explicitly sets out TAURON Group's detailed principles dedicated to the respect and protection of the human rights, namely:

1. a prohibition of discrimination and mobbing,
2. a prohibition of slavery,
3. a prohibition of forced labor (including the labor connected with human trafficking),
4. a prohibition of child labor,
5. freedom of association and employee engagement,
6. compliance with the employee rights with respect to the employment and compensation terms, as well as the work health and safety,
7. the right to live in a clean, healthy and ecologically balanced environment.

The Director in charge of compliance at TAURON is responsible for updating the Policy. The oversight over the implementation of the provisions of the Policy is exercised by the President of the Management Board of the Company.

Diversity, Equal Opportunities and Inclusion Policy

The Policy is aimed at eliminating the discrimination and sets out the principles of equal treatment and he diversity management standards within TAURON Group. The document includes a commitment to ensure respect for the human rights and oppose all of the forms of discrimination, in particular on the grounds of gender, age, religion, origin, denomination, disability, sexual orientation, family situation or form of employment. The above commitments apply to all of TAURON Group's employees, including persons from the groups particularly vulnerable to threats. The Policy takes into account the applicable national and EU legislation and provides the basis for building a work environment founded on respect, equality and openness to diversity.

In implementing the Diversity Policy, TAURON Group is seeking to:

1. shape the corporate culture and create a work environment in which every employed person feels respected and valued, and in which they can fully realize their potential, contributing to building TAURON Group's competitive advantage,
2. build an employer brand open to diversity, by respecting the *International Bill of Human Rights* and the principles related to the fundamental rights set out in the *Declaration of the International Labor Organization (ILO)* on the Fundamental Principles and Rights at Work,
3. raise the management staff's awareness of the diversity issues and discrimination prevention,
4. engage the management staff in providing the support for diversity,
5. prevent discrimination,
6. increase the identification and engagement of the persons employed by TAURON Group,
7. ensure the high quality task delivery by the employed persons, first of all through the application of the objective merit based criteria (work performance appraisal systems, objective accomplishment and

competence assessment systems that take into account only skills, results and commitment), and subsequently taking into account the benefits arising from the diversity,

8. comply with the ethical standards with a particular regard to the respect for diversity in the relationships with the customers, business partners and all of the other stakeholders,
9. engage socially through a cooperation with diverse suppliers and a participation by TAURON Group in the community initiatives supporting diversity,
10. adapt the internal and the intra corporate regulations by incorporating the diversity aspect.

The Director in charge of the human resources at TAURON is responsible for updating the Diversity Policy. The oversight of its compliance is exercised by the President of the Management Board of the Company.

TAURON Group's Policy of Compliance with the Principles of Ethics and Prevention of Mobbing and Discrimination

TAURON Group's Policy of Compliance with the Principles of Ethics and Prevention of Mobbing and Discrimination, responding to the identified impacts, risks and opportunities, sets out the principles for reporting the violations of the ethical principles, mobbing and discrimination (including with respect to the persons from the groups that are particularly vulnerable to threats), as well as the tasks, powers, and obligations of the Ethics Committee. The provisions of the Policy apply to all of the Group's employees.

The main assumptions of *TAURON Group's Policy of Compliance with the Principles of Ethics and Prevention of Mobbing and Discrimination* include:

1. ensuring compliance with the ethical principles in the area of preventing violations of employee rights and conflicts between employees,
2. defining the principles for preventing mobbing and discrimination in the workplace and in connection with the performance of work, thereby ensuring the implementation of the labor law provisions,
3. taking remedial action and mitigating the effects of the confirmed instances of the violations of the ethical principles, in particular the cases related to mobbing and discrimination,
4. taking actions against the persons who commit the violations of the ethical principles, in particular the cases related to mobbing and discrimination,
5. strengthening the positive relations among the employees.

In December 2025, a revised version of *TAURON Group's Policy of Compliance with the Principles of Ethics and Prevention of Mobbing and Discrimination* was introduced, taking effect as of January 2026.

The Director in charge of the human resources at TAURON is responsible for updating the Policy. Any proposed update to the Policy requires a prior agreement with the Director in charge of compliance and with the Social Dialogue Ombudsperson (Commissioner for Social Dialogue) at TAURON. The oversight over the implementation of the provisions of the Policy is exercised by the President of the Management Board of the Company.

The regulation supporting the Policy is *TAURON Group's Corporate Social Responsibility Code of Conduct* TAURON, which includes the corporate values and the principles of conduct in three areas: employee, natural environment and stakeholders (surroundings).

TAURON Group's WHS Policy

TAURON Group's WHS Policy constitutes one of the foundations of a consistent approach to the WHS management within TAURON Group. It defines a set of values, objectives and principles that establish the Group's directions of activity and impact the decision making in the area of work health and safety.

The objective of the WHS Policy is to define the values, principles of action and rules of conduct that serve to prevent the negative impacts of the Group's activities on the health and safety of the employees and other persons performing work on its behalf, and to support the continuous improvement of the working conditions. In particular, the Policy is focused on achieving 4 key objectives in the area of work health and safety, covering:

1. the elimination of the workplace accidents affecting all of the persons employed by and working on behalf of TAURON Group, as well as any other persons present on the premises where TAURON Group's subsidiaries are conducting their business operations,

2. ensuring optimal working conditions for all of the persons employed by and working on behalf of TAURON Group,
3. raising the qualifications of TAURON Group's employees with the aim of increasing the competence in improving their own safety and the safety of their colleagues and persons present on the premises where their work is being performed,
4. implementing and continuously improving an effective WHS management system closely aligned with the TAURON Group's ongoing activities.

TAURON Group is striving to develop its own best practice for reinforcing a safety culture among the employees, customers, contractors, visitors and the other stakeholders.

The safety of the employees, customers, contractors, visitors and the other stakeholders is treated as a priority and it has a material impact on the decisions and actions taken by TAURON Group's subsidiaries.

The WHS Policy applies to all of the employees of TAURON Group's subsidiaries, persons performing work on their behalf, contractors and suppliers, as well as other persons present on the premises of TAURON Group's facilities. The Policy applies to all of the processes carried out as part of the scope of TAURON Group's activities. The WHS Policy is communicated to the employees and other interested parties via the internal intranet website.

The WHS Policy was developed in accordance with the applicable legal regulations and on the basis of the market's best practice and the international standards for the work health and safety management, including the ISO 45001:2018 standard. The certified system conforming to this standard is currently in operation at the TAURON Wytwarzanie S.A. subsidiary.

All of the regulations associated with *TAURON Group's WHS Policy* are tailored to the profile and nature of the activities conducted by the individual subsidiaries (for example, internal orders, procedures, WHS instructions (manuals) and equipment operating instructions (manuals)). The applicable internal normative acts related to the emergency and accident situations, in particular with regard to the fire safety, explosion protection and procedures applicable in the event of a workplace accident, contribute to ensuring that due diligence is observed with respect to complying with the WHS regulations and principles.

The organizational unit in charge of the WHS matters is responsible for updating the WHS Policy, the President of the Management Board at TAURON is authorized to make and approve amendments to the above mentioned document and also exercises the oversight over the implementation of its provisions. TAURON Group's subsidiaries take part in the process of updating the WHS Policy, with the ability to submit comments and proposed changes, which are taken into account during the review and work on the improvements of the document's content.

Data Protection Policy for TAURON Group's Entities

The Data Protection Policy for TAURON Group's Entities defines the uniform principles for the processing and securing of the personal data at TAURON Group's entities, minimizing the risk of any violations of the rights of the natural persons (private individuals), and it regulates the matters relating to the management of the personal data protection breaches.

The main assumptions of the Policy include:

1. defining the principles for the correct and lawful processing of the personal data,
2. defining the method of conducting risk analysis and data protection impact assessments,
3. establishing the principles for raising awareness and training employees in personal data protection,
4. defining the principles for the transfer of personal data, including outside the EEA,
5. regulating the procedure for fulfilling the rights of the data subjects,
6. defining the method for reporting, handling and documenting the personal data protection breaches,
7. establishing the scope of employee responsibilities in the area of personal data protection.

The Director in charge of compliance and the Director in charge of security at TAURON are responsible for updating the Policy. Any updates require an opinion of the Data Protection Officer at TAURON. The Data Protection Officer at TAURON is authorized to submit the proposed amendments to the Policy. The oversight of compliance with the Policy is exercised by a member of the Management Board at TAURON in charge of the personal data protection matters.

The regulation applies to all of the employees of TAURON Group's subsidiaries.

(S1-2) Procedures for engagement with own workforce and workers' representatives on impacts

TAURON Group provides its own workforce resources with the ability to impact the decisions and actions aimed at managing the actual and potential impacts on the employees and their representatives. They may take part in the decision making processes, and their opinions are taken into account in developing the strategy, implementing the policies and shaping the corporate culture.

Social dialogue

TAURON Group has a defined and mapped process called the Social Dialogue whose goal is to ensure a constructive and efficient cooperation with the social partners (work force) within TAURON Group.

TAURON Group places a particular emphasis on conducting a constructive and open dialogue with the social partners (work force). The cooperation with the trade unions is based on the *Trade Union Act*, as well as the *Cooperation Agreement within the Framework of the Social Dialogue* as of September 13, 2016. The main principles of the agreement concluded with TAURON Group's Social Council include:

1. willingness to engage in an ongoing, reliable cooperation in good faith and with respect for the rights and interests of the parties, as well as acting with due professional diligence within the limits defined by the applicable legal regulations,
2. protection of the employee and trade union rights arising from the autonomous sources of the labor law and the universally binding legal provisions,
3. ongoing consultations and issuing of the opinions on the fundamental social and economic issues arising within TAURON Group,
4. fulfillment of the obligations arising from the agreements concluded within the framework of the social dialogue,
5. ensuring a proper representation of the employee interests, including guaranteeing that the organizational changes are implemented with respect for the employee interests,
6. establishment of the position of the Social Dialogue Ombudsperson to coordinate the cooperation in the area of a social dialogue, carry out the tasks related to a social dialogue, monitor the implementation of the resolutions and decisions adopted by the Social Council and the Management Board of the Company.

In accordance with the provisions of the agreement, the meetings of the Presidium of the Social Council with the Management Board take place on as needed basis, but no less frequently than once per quarter. In 2025, 25 meetings were held (as compared to 19 in 2024), during which both the current issues were discussed as well as the negotiations were conducted regarding the compensation levels within TAURON Group for 2025 and 2026. As a result, 4 agreements were signed in 2025, including 3 wage agreements covering TAURON Group's subsidiaries (as compared to 2 wage agreements signed in 2024).

In addition to the meetings with the Social Council, the management boards of the individual subsidiaries maintain a dialogue with the trade unions operating within those entities. In 2025, 228 meetings were held (as compared to 246 meetings in 2024).

The representatives of the social partners (work force) are also informed during the regular meetings and consultations on the issues relating to:

1. TAURON Group's economic and financial situation,
2. transition of the power sector,
3. implementation of the strategic initiatives,
4. employee matters within the Group.

In addition, since 2019 the Company has had the Social Council in place, whose task is to improve the information flow between the employer and the employees, and to provide the consultations on the matters relating to the company's activities and economic situation, as well as the anticipated changes thereto, such as the status, structure and planned changes to the headcount, as well as the actions aimed at maintaining the headcount level.

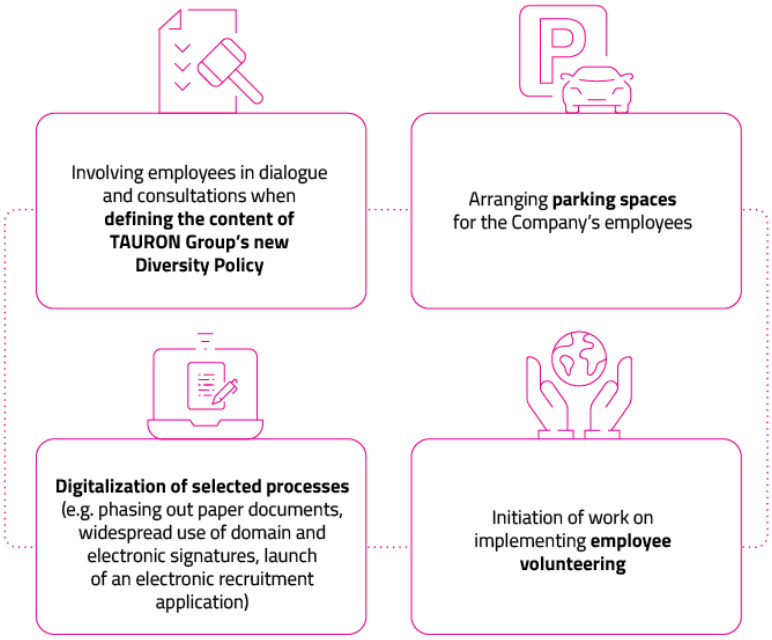
In 2025, 5 consultations were conducted on the organizational changes within the Company, and several meetings were held on the topic of the planned relocation of the Company's registered office and on other matters important for the employees (as compared to 9 consultations in 2024).

The social dialogue that has been conducted for a number of years constitutes not only a commitment to the taking care (safeguarding) of the employee rights but also an assurance that the fundamental human rights are upheld, as described in a greater

detail in *section 13.16 of this report, in the part relating to* S1-1.

Example of employee engagement – employee opinion survey

TAURON Group's employee opinion survey is conducted on a periodic basis by an external company. The most recent survey had been carried out in 2023, primarily in an online format as well as in a paper based format, which had ensured that all of the employees had been able to participate on an equal basis, including those without access to a computer. The survey participants, exercising their right to the freedom of expression, share their opinions and views, as well as provide a feedback on the labor related issues within TAURON Group. The results of the survey had led to the identification of the priorities and improvement initiatives, including, among other things, the following measures that have been implemented:



In connection with the announcement of *TAURON Group Strategy for 2025-2035* in December 2024 and the actions taken to implement and operationalize it, TAURON's Management Board has decided that the next Employee Opinion Survey will be scheduled in the first half of 2026.

TAURON Group's work force comprises the representatives of various generations. The work force also includes the persons with a varying degree of disability. Taking into account the diversity among its employees, TAURON Group is promoting a culture of openness by combating the age related and disability related prejudices and fostering an intergenerational dialogue to enable knowledge sharing. This is achieved through the activities related to accessibility accommodations for the persons with the disabilities (for example, an induction loop for the persons with the hearing impairments), the long standing accessibility program *TAURON Without Barriers (TAURON bez barier)*, and the *Magenta Meetings (Magentowe Spotkania)* mentoring program (a support for the young women by the experienced female leaders).

These activities are described in a greater detail in *section 13.16. of this report, in the part relating to* S1-4.

Employee Support in Difficult Circumstances

All of the employees who find themselves in a difficult personal situation may seek support from the *TAURON Foundation* or the social committee. The majority of TAURON Group's subsidiaries set up a Company Social Benefits Fund (ZFSS), whose primary goal is to fund the social activities for the benefit of the employees and their families. These funds may be allocated, among other things, to the

hardship grants for the employees or the former employees who are in a difficult personal situation caused by, for example, an illness, an adverse life event or the deteriorating financial circumstances.

TAURON Foundation allocates the financial resources every year to the support projects, including those for the employees and the former employees (retirees and pensioners) of TAURON Group and their family members who are in need. The persons who find themselves in a difficult personal situation may apply for support, among other things, with the health care, including the covering of the medical treatment and rehabilitation expenses, children's education and assistance in the event of the natural disasters or catastrophes. TAURON Foundation provides the financial support in the form of monetary donations. The goal of these activities is to ensure the necessary resources to cover the urgent needs, such as the medical or rehabilitation costs, children's education or other expenses related to improving one's life situation, for example in the event of the natural disasters.

The donations are awarded based on the defined criteria, which ensures their transparency and effectiveness in addressing the genuine needs of the beneficiaries.

In addition, in May and in June 2025, two webinars were organized at the TAURON Dystrybucja subsidiary as part of the initiative *How to Support Colleagues in the Crisis Situations – and Take Care of Yourself?* The webinars were focused on the mental health, emotions and empathy at the workplace. They zeroed in on recognizing the crises conditions, the principles for supporting colleagues, empathic communication, as well as on the controlling of the emotions and taking care of the personal boundaries. The participants were introduced to the practical tools to help manage their emotional tension and prevent burnout. The initiative formed a part of the HR activities aimed at the employee well being, and at building a culture of mindfulness and mutual support within the organization. Approximately 1 500 persons took part in the webinars in total.

Responsibility for employee engagement – Communication Without Barriers

Responsibility for employee engagement within the TAURON Group rests with the direct line managers (superiors), supervisors, senior management, as well as the management boards of the subsidiaries and the Management Board of the Company. Effective communication impacts engagement in achieving the objectives, improving the quality of work and building the desired corporate culture.

The management boards of the subsidiaries and the Management Board of the Company are directly responsible operationally for ensuring that such engagement (cooperation, relationship) takes place and that its results had an impact on the management of actual and potential impacts on the employees.

The goal of the internal communication within the Group is to provide the employees with an accurate, clearly written content that is interesting and engaging. The tools used for this purpose include: the intranet, email communications, webinars, video materials as well as graphics and photographs. Every year, the internal communication surveys are conducted via questionnaires, whose task is to collect the employee opinions (feedback) and, as a result, to improve the communication activities.

The main channels for communicating with the employees include:

1. Tauronet – the intranet, on which the most important information relating to TAURON Group's activities is published,
2. email box – email communication is the primary means of conveying material topics to the employees,
3. notice boards – some employees of TAURON Group's subsidiaries do not have access to a computer at work. The notice boards are located at the subsidiaries' registered offices, on which the persons responsible for communication post the most important information,
4. newsletter – once a month, both on Tauronet as well as in a paper version, *Coffee & Kilowatts* (*Kawa & kilowaty)* newsletter is published, summarizing the most interesting events from across TAURON Group.

An initiative that supports the communication, both with the employees, as well as with the customers, is *TAURON speaks like a human (TAURON mówi po ludzku).* This initiative involves simplifying the communications and correspondence, as well as promoting the plain language communication among the employees.

(S1-3) Processes for Remediating Negative Impacts and Channels for Own Workforce to Raise Concerns

Reporting Procedure and Methods

TAURON Group's' Procedure for Reporting Irregularities and Taking the Follow-Up Actions is the key regulation governing the operation of the irregularity reporting system within the Group, aimed at identifying irregularities and taking follow-up actions. Where an irregularity is confirmed, remedial actions are taken, such as a review of the applicable procedures, the delivery of the dedicated training, taking action in order to hold the perpetrator disciplinarily accountable, or the filing of a report with the law enforcement authorities. In accordance with the provisions of the Procedure, no retaliatory actions or attempts or threats of such actions may be taken against a whistleblower, a person who assisted in submitting a report, or a person associated with the whistleblower.

The irregularity reporting channels, the mechanism for processing the reports and issues related to the whistleblower protection are described in *section 13.20 of this report*, *in the part relating to* G1-1. The employees have access to the irregularity reporting channels and to the content of the Procedure. An extract from the regulatory provisions is also available on TAURON's website in the Compliance tab. The implemented irregularity reporting channels enable the reports to be made directly to the Director in charge of Compliance at TAURON or to the Compliance Coordinator at TAURON Group's other subsidiaries, as well as via the *Irregularity Reporting Form*, which enables the anonymous reports to be submitted online.

In accordance with the Whistleblower Protection Act, which has been in force since 2024, the external reporting mechanisms based on the third parties have been introduced (i.e. the Ombudsperson for the Civil Rights or a public authority), which are also referenced in TAURON Group's Procedure for Reporting Irregularities and Taking the Follow-Up Actions. TAURON Group does not undertake any activities that would restrict the employees from making use of the third party based grievance submission mechanisms.

Monitoring of Reports and Ensuring the Effectiveness of Reporting Channels

All of the reports are recorded in the internal irregularities register, which enables monitoring of the progress of the follow-up actions, including the results of the fact finding (investigation) proceedings and the effectiveness of the recommendations issued in connection with the completed proceedings. The follow-up actions carried out by the authorized persons are focused on the dialogue with all of the parties to the proceedings in order to establish the true facts of the matter and to issue the relevant recommendations. All of the observations relating to the ongoing fact finding proceedings and the reported cases are taken into account in the work on improving the irregularity reporting system.

The risk of the unethical conduct is one of the identified operational risks. As part of the monthly monitoring, the Director in charge of compliance at TAURON obtains, from the Compliance Coordinators and other functions, the information regarding: the number of the reports related to the potential unethical conduct submitted to the Compliance Coordinator or the Ethics Committee, the confirmed cases of discrimination (including harassment), and the initiated and ongoing court proceedings related to mobbing or discrimination. The consolidated information in this regard is reported to the Director in charge of risk at TAURON.

In 2025, the Compliance Area conducted an anonymous survey among the employees on the reporting of the irregularities and prevention of corruption within TAURON Group. The survey enabled the employees to share their observations on the activities undertaken by the Compliance Area and any possible improvements to be introduced in the future. The survey results are described in a greater detail in *section 13.20. of this report, in the part relating to* G1-1.

In 2025, the topics related to the mechanism used for reviewing (investigating) of the reported irregularities and the provision of the protective measures were the subject of the employee training (including e-learning training). In addition to the mandatory e-learning training, employees are required to submit a declaration confirming that they have become familiar with the content of the Procedure, in order to demonstrate their awareness of the existing structures for reporting and reviewing (investigating) of the reported irregularities.

Ethics Committee

In addition to the reporting channels provided for under the Procedure, the non-anonymous reports related to the violations of the ethical principles, including the reports relating to mobbing and discrimination, are dealt with (reviewed) by the Ethics Committee in accordance with *TAURON Group's Policy of Compliance with the Principles of Ethics and Prevention of Mobbing and Discrimination*.

In 2025, the Ethics Committee comprised two sub-committees:

1. an internal sub-committee, whose members are appointed and dismissed by the Management Board of the relevant subsidiary, while at the same time designating the sub-committee's chairperson,
2. a group sub-committee comprising 12 members designated from among the representatives of the trade unions operating within TAURON Group and 12 employer representatives designated by TAURON's Management Board.

It was up to an employee to take the decision which sub-committee they wished to approach in order to have their report examined.

All of TAURON Group's employees are required to become familiar with the principles described in the Policy and to complete the mandatory e-learning training as well as to submit the relevant declaration. The principles set out in the Policy are reinforced through the information campaigns and the content available on the intranet.

Other Channels for Raising Concerns

As part of the exercising of the right of association and the conducting of an active social dialogue, the employees may raise their concerns and needs with the relevant units operating within TAURON Group, i.e. the Social Dialogue Ombudsperson or the Social Council of TAURON Capital Group, which is composed of the representatives of the trade unions operating within TAURON Group, and, at the level of TAURON Group's individual subsidiaries, with the trade unions. The information on the activities of the trade unions can be found in *section 13.16 of this report, in the part relating to* S1-2.

(S1-4) Taking Action on Material Impacts on the Own Workforce, and Approaches to Managing Material Risks and Pursuing Material Opportunities Related to Own Workforce, and Their Effectiveness

TAURON Group's operations are based on an unconditional compliance with the labor law provisions and on ensuring safe workplaces for all of the employees. The activities aimed at the well being of the people and their families are carried out within TAURON Group through, among other things, a series of the special initiatives dedicated to reinforcing the family and universal human values. In this way, the social capital is built by strengthening the social bonds and mutual trust among the employees, which guarantees not only the growth of the company but, first and foremost, the development of each individual employee.

The activities listed below are carried out on a periodic basis and are planned for the coming years, while their scope responds to the organization's current needs. The effectiveness of the activities carried out is evaluated by analyzing the participation rates of the employees taking part in the initiatives. TAURON Group allocates the financial resources as part of the current budgets related to the activities of the human resources area. These initiatives not only minimize the negative effects of the activities but also provide the support for the long term sustainable development goals and build the positive relationships with the employees.

The activities responding to the identified material negative impact related to the potential pressure to boost the workload without ensuring the adequate conditions, which may negatively affect the employees' work - life balance and thereby reduce their well being, as well as the activities reinforcing the material positive impact related to the ability to take advantage of the remote work and flexible employment arrangements, are presented below.

Work - Life Balance Support Activities

Two Hours for Family. For People

Since 2012, TAURON Group has been taking part in the global social movement *Two Hours for Family. For People (Dwie Godziny dla Rodziny. Dla Człowieka),* organized by the Humanites Institute. The initiative encourages the employers to shorten the working day from 8 to 6 hours, so that the employees can devote additional time to building the relationships with their loved ones. This campaign strengthens the social capital and promotes mindfulness of others' needs.

In 2025, TAURON Group once again took part in the activities, with this year's edition held under the theme *Flavors Across Generations (Smaki przez pokolenia).* On May 15, the employees were able to finish work two hours early to spend that time with their family or to devote it to rest and recovery. An additional element of the campaign was the *#MyTwo Hours (#Moje2Godziny)* competition, in which the employees shared their ways of making a meaningful use of their free time. The most interesting, creative and passionate entries were awarded with a prize.

Working Time

TAURON Group supports the work life balance through the numerous activities related to a flexible approach to the working time.

TAURON Group enables its employees whose type of work permits it to take advantage of a remote work option to a greater extent than provided for under the applicable labor law. All of the employees (with the exception of those at TAURON Czech Energy) are entitled to an extra day off in observance of the Energy Sector Worker's Day or the Miner's Day in the case of Kopalnia Wapienia Czatkowice.

At some of the Group's subsidiaries, the employees may take advantage of the flexible working time arrangements, such as the equivalent or flexible working time systems, and the pregnant women are offered the option of reducing their working hours to 6 hours while retaining the right to their full compensation.

!ForHealth Campaign

TAURON Group joined the *!ForHealth (!NaZdrowie)* campaign, whose goal is to promote the health and preventive care, and to inspire people to make choices that have a positive impact on the length and quality of their lives. Among the topics addressed were the mental health of the children and adults, addictions, prevention of the lifestyle diseases and advances in medicine in treating of the selected conditions.

135 TAURON Group's employees took part in the initiative.

Employee Development Support Initiatives

The actions described below are:

- aimed at reinforcing the identified material opportunities related to the efficiency gains arising from the employee competence development and the enhancement of TAURON Group's standing as an organization committed to taking cares of (safeguarding) the employee rights,
- responding to the identified material negative impact related to the potential employee dissatisfaction due to a lack of opportunities for upskilling and professional development,
- reinforcing the identified material positive impact related to the ability to take advantage of the training and additional support programs for the employees,
- implemented in response to the risk of the increased costs arising from the need to ensure the development of own workforce skills.

Employee Onboarding Process

In 2025, 1 383 new employees joined TAURON Group – more than in 2024, when 1 050 new employees had joined the Group. The process of onboarding the newly hired persons is an important element of building TAURON Group's corporate (organizational) culture, based on the knowledge sharing and support during the initial weeks of employment. In 2025, 1 071 onboarding meetings were organized, covering an introduction to the day to day tasks and becoming familiar with the key principles applicable within the Group. For comparison, 966 such meetings had been held in 2024.

During the onboarding meetings, the new persons are becoming familiar with, among other things, *TAURON Group Strategy for 2025-2035*, information security principles, compliance regulations as well as the professional development opportunities. The meetings are supplemented by the sharing of the practical information on the day to day functioning within the organization, which facilitates a smooth transition to the new responsibilities.

From the first day of employment, each person is given access to the new employees' zone on the intranet. This zone provides the materials, instructions and tools necessary for a smooth transition through the adaptation process, enabling an independent acquisition of the knowledge and access to the resources at a convenient time.

Development Conversation

The development conversation is one of the management tools aimed at providing the support for the employee development and engagement through a dialogue with a line manager (superior). Its main feature is the development based on the employee's strengths, their needs and the mutual alignment of the current and future objectives and tasks. The development conversations have been implemented at TAURON Group's selected subsidiaries, including TAURON Dystrybucja. In 2024, training on this topic had been delivered for the management staff, and the webinars had been held for the managers and employees, while in 2025, 16 two day training sessions were delivered for TAURON Dystrybucja's management staff, during which the new persons in the managerial roles were introduced to the principles and methods of conducting the development conversations.

TAURON Group's Internal Trainer Academy and Internal Trainer Programs

TAURON Group is operating an *Internal Trainer Academy (Akademia Trenerów Wewnętrznych)*, which brings together the trainers from across TAURON Group. The individual subsidiaries are also running the *Internal Trainer Programs (Programy Trenerów Wewnętrznych)*, as part of which training is delivered for the employees of the given subsidiary.

The rules of the Academy and the Programs define the principles for knowledge sharing and the utilization of the potential of TAURON Group's employees in the role of the trainers.

The objectives of the *Internal Trainer Academy and Internal Trainer Programs* include:

1. maintaining and developing the key competencies within the Company and TAURON Group,
2. promoting the sharing of knowledge and experience within TAURON Group,
3. standardizing the work standards and the quality of the internal training delivered within TAURON Group,
4. shaping the desired employer image by enabling the employees to develop their qualifications and increasing access to the training.

Currently, the *Internal Trainer Programs* are in operation at 4 of TAURON Group's subsidiaries, with 79 internal trainers operating as part of those Programs. In 2025, they delivered 135 training sessions, attended by a total of 1 671 employees.

E-learning

Employees have unlimited access to a catalogue of the online training courses covering both the regulations applicable within the Group as well as the specialist knowledge in the substantive areas.

In 2025, a particular emphasis was placed on updating the knowledge in the areas that were key for safety and compliance with the regulations. The *Anti Money Laundering and Counter Terrorism Financing* training was updated, among other things, by adapting its content to the latest guidelines and the industry standards.

The scale of the use of the e-learning platform in 2025 confirms the growing importance of the digital development tools: 17 992 employees completed a total of more than 51 031 training courses, and 1 558 new users joined the platform.

Film Based Educational Campaign '*Where Energy is Accumulated'* and ESG Training

TU ENERGIA SIĘ GROMADZI

In October 2025, the first film based educational campaign was launched for TAURON Group's employees. The project will run until September 2026 and is aimed at increasing the employees' knowledge and awareness of ESG. Alongside the educational objective, a charitable objective is being pursued for the benefit of the children from orphanages. Each employee who completes the training contributes to a holiday trip for the children from orphanages. An important element of the campaign is its accessibility for all of the employees, regardless of the nature of their work or access to the IT infrastructure. Training courses can also be completed on the personal devices, which ensures the participation of the employees who do not use the company computers, phones or email addresses.

In addition, as part of the internal training, 450 individuals holding the managerial positions were trained on the key topics related to the sustainability.

Compliance at the Interface Academy

As part of the *Compliance at the Interface Academy*, in 2025, 16 dedicated training sessions were conducted across TAURON Group's Business Units (BUs) covering such topics as, among other things, anti-corruption measures and the development of the organizational culture. The detailed information on this initiative and other training programs conducted at TAURON Group is provided in *section 13.20. of this report, in the part related to G1-1*.

Male / Female Leader START – a development program for TAURON Group's managers

In 2025, TAURON Group launched the first edition of the *Male / Female Leader START (START Lidera / Liderki)* development program designed for the individuals taking on the managerial positions for the first time within the Group's subsidiaries. The program is addressed to 56 participants from 10 subsidiaries and has been structured as a year long cycle supporting the development of a coherent leadership model.

START Liderki | START Lidera

***Ideas Factory* webinars and training**

Twój Pomysł MA MOC

In 2025, a series of the *Ideas Factory (Fabryka Pomysłów)* development sessions was carried out as part of the *Your Idea Has Power (Twój pomysł ma moc)* program, comprising three online webinars and an in person workshop focused on the creativity, generating innovative ideas and the methodical concept development. The sessions were conducted by an expert in innovation, artificial intelligence and digital transformation. The initiative attracted a total of 1 143 participants.

Development of TAURON Group's senior management potential

In 2024, the *TAURON Group's Senior Management Potential Analysis* project had been carried out, addressed to TAURON's Management Board and its directors, as well as to the management boards of TAURON Group's subsidiaries. In 2025, as a continuation of this process, three key development activities were carried out, aimed at building strong integrity among the management team with respect to an alignment on TAURON Group's strategic expansion directions and increasing the readiness to engage in the Group's transition related changes. In 2025, a competence benchmark for the role of a Strategic Leader was developed with the use of the DISC D3 model. The outcome of the work was the development of the competence map. The next activity involved the development workshops, including, among other things, those preparing for a participation in a 360° diagnosis.

Mentoring programs at TAURON Group

TAURON Group is running a number of the mentoring programs, including, among other things:

- *Magenta Meetings (Magentowe Spotkania)* at TAURON Dystrybucja – providing the support for the female students majoring in electrical engineering and power enginseering in selecting and developing their career paths,
- Mentoring program for the management staff at TAURON Obsługa Klienta – aimed at sharing experience and knowledge among the senior management,
- Third Edition of the Expert Mentoring at TAURON Obsługa Klienta – dedicated to the newly hired and newly promoted managers,
- *PANTHERS Mentoring Power of Women (MentoringowaMocKobiet PANTERY)* at TAURON Obsługa Klienta – aimed at enhancing the competencies and developing the potential of women.

Initiatives supporting access to a qualified work force

The measures implemented in response to the identified material risks related to a shortage of the specialized staff arising from the employment uncertainty, employee retirements and the physically demanding and hazardous work, which may lead to the creation of a skills (competence) gap, a reduction of the attractiveness of the Group as an employer and an increase of the costs related to the recruitment and training of the new employees, are presented below.

Recruitment process support system

Within TAURON Group, the recruitment processes are managed with the use of an Applicant Tracking System (ATS), which provides comprehensive support at each stage of the new employee acquisition process. The tool enables planning and monitoring of the recruitment progress, organizing the incoming applications and conducting consistent and timely communication with the candidates within a single digital environment. As a result, the recruitment processes are conducted in a structured and transparent manner.

Employee Referral Program

TAURON Group is running an *Employee Referral Program* that provides the support for the recruitment processes by engaging the employees in recommending the candidates. The program enables an identification of the individuals with qualifications, competencies and attitudes aligned with the Group's organizational culture. The recruitment processes covered by the program are additionally communicated via the intranet and other internal channels.

The program's rules apply solely to the processes for which a consent has been granted for its use, and cover both the referring employees as well as the referred candidates. In 2025, the *Employee Referral Program* was used in 119 recruitment processes, in which 124 referred candidates took part. As a result, 11 individuals were hired.

The benefits of the program include, among other things: reduced time to hire, lower recruitment costs, access to the passive candidates, improved cultural fit and strengthening of the engagement in building TAURON Group's human capital.

Cooperation with the school and academic community

TAURON Group's cooperation with the education sector is focused primarily on the practical training of the future skilled professionals. TAURON Group cooperates with 13 universities and 56 schools. The goal of the projects carried out as part of this cooperation is to promote TAURON Group and the energy sector among pupils, students and graduates.

In 2025, TAURON Group organized 115 training sessions, workshops and lectures attended by 3 703 pupils and students, as well as 46 field trips and study visits to the Group's subsidiaries' facilities, attended by 1 031 pupils and students. Thes scholarships were awarded to 73 pupils. In addition, TAURON Dystrybucja co-funded the purchase of the electrical workshop equipment for the schools located in the area of the Company's operations on 30 occasions.

TAURON Group is seeking to have a tangible impact on the shape of the educational activities and projects in Poland. One example is the completion of 20 student internships as part of a project run by the University of Economics in Katowice entitled *Support for the Just Transition Process in the Region through the Strengthening of the Academic Staff at the University of Economics in Katowice*.

Apprenticeships and internships

TAURON Group is offering student internships, graduate internships and apprenticeships (traineeships). In 2025, 359 students and pupils completed unpaid apprenticeships under the bilateral or trilateral agreements with schools and universities. For comparison, 261 persons completed such apprenticeships in 2024. In 2025, 70 interns completed graduate internships (as compared 8 interns in 2024), and 52 trainees acquired competencies as part of the *Join Us (Przyłącz się)* program (as compared to 11 trainees in 2024). Following the completion of the internships or apprenticeships (traineeships), 18 persons found employment within TAURON Group. This is four times more than in 2024, when 4 interns and apprentices (trainees) had been hired.

In 2025, a development program was prepared for the participants of the apprenticeship program, encompassing a variety of activities supporting both knowledge acquisition as well as the practical skills development.

The program has been expanded to include the initiatives supporting preparation for entering the labor market.

Industry Skills Center in the Field of Electrical Engineering at the Vocational Training Center in Wrocław

In September 2025, the official opening of the Industry Skills Center (hereinafter: ISC) in the field of electrical engineering took place. Two sets of the industry specific vocational training for adults were delivered: *Basic Measurements of the Network Devices* and *Specialized Measurements*. 75 participants were trained in total. A further training session on the *Installation, Maintenance and Diagnostics of the Electrical Systems* was also conducted, attended by 59 participants. In addition, an industry specific training session for the teachers, entitled the *Electrical Measurements in Theory and Practice*, conducted by TAURON Dystrybucja employees, attended by 15 participants, was held.

In October 2025, the *Open Day Closer to Energy* event was organized, dedicated to the innovations, new technologies and the role of the artificial intelligence. The event attracted 150 participants. The next edition of the event is planned in 2026.

Energy Leaders Academy

As part of the collaboration with the Lesław A. Paga Foundation (PAGA) in 2025, TAURON served as a strategic partner of the 14th edition of the Energy Leaders Academy, i.e. a free, three month long educational and development program for the young students and university graduates. The program's objective is to develop the future leaders of Poland's energy sector. The project combines theory with practice through workshops, networking and mentoring that prepare the participants for the challenges of the energy transition. Through its partnership in the program, TAURON provides its support for the development of the future energy leaders and sustainability professionals who understand the challenges of the energy transition, which is in line with the Group's approach to ESG.

Job Fairs and Talent Days

In 2025, TAURON Group continued its efforts to strengthen its visibility as an attractive employer by actively participating in the events dedicated to the pupils, students and young professionals. The Group's representatives took part in the job fairs organized by the universities, secondary schools, local government units and other institutions. In 2025, TAURON Group's employees took part in a total of 46 such events.

Implementation Doctorate

Through its collaboration with the academic institutions (Silesian University of Technology, AGH University of Science and Technology, University of Silesia, Wrocław University of Technology, Jagiellonian University, and Warsaw School of Economics), TAURON Group enabled 16 of the Group's employees to continue their studies through the implementation doctoral programs in 2025. The core premise of the program is to establish a three party collaboration platform between universities, the company and the doctoral candidate, and also to conduct research whose findings can be applied to solving the challenges facing the company. The doctoral projects cover topics with respect to such areas as the humanities, social sciences as well as science and technology. In 2025, 10 doctoral procedures were concluded with a successful thesis defense and the awarding of a PhD degree.

Actions supporting diversity and equal opportunities

The following actions are described below:

- actions addressing the identified material negative impact related to the exclusion of the persons with the disabilities, which may lead to their marginalization in the labor market and perpetuate social inequalities,
- actions addressing the identified material risk of non-compliance with equal treatment principles, which may lead to protests, loss of key personnel as well as increased personnel costs and the risk of the legal sanctions,
- actions reinforcing the identified material positive impact associated with a fair treatment and equal opportunities, which translates into better operational performance and lower employee turnover costs.

TAURON Group is actively building a culture of diversity and openness and counteracts discrimination by creating an inclusive work environment in which each employee can feel respected and valued, and has the opportunity to develop their professional potential. The initiatives implemented promote the exchange of experience and the sharing of knowledge among the diverse employee groups and strengthen a culture of respect for diversity.

TAURON Without Barriers

This is a multi year accessibility program as part of which TAURON Group is systematically implementing measures aimed at eliminating accessibility barriers for the individuals with special needs, in particular the persons with the disabilities, seniors, individuals with illness and those experiencing social or digital exclusion – both among the employees as well as the customers.

Breaking Down Barriers

Kopalnia Wapienia Czatkowice is implementing the *Breaking Down Barriers* initiative, which focuses on actively supporting women taking up the positions traditionally associated with the male dominated occupations. Its goal is to challenge the occupational stereotypes, promote equal opportunities and create a work environment in which an employee's competencies matter more than the entrenched gender based assumptions.

TAURONOVA – Initiative for Women

TAURONOVA is a new initiative of TAURON Group, inspired by the principles of EU Directive 2022 / 2381 (*Women on Boards*), aimed at strengthening the role of women within the organization and building a culture based on equality, partnership and sustainable development. The project represents a response to the European corporate governance standards and supports the development of the Group's internal potential by promoting the diversity of the competences, perspectives and experience.

The initiative was launched in 2025. In the subsequent years, as part of the TAURONOVA initiative, the implementation of the development and educational activities that will support competence building, the development of the collaborative networks and the promotion of the role of women in business and in the energy sector is planned.

Diversity IN Check

Diversity IN Check In 2025, TAURON Group's subsidiaries took part in the Diversity IN Check survey organized by the Responsible Business Forum. This survey assesses the maturity level of the employers in the area of diversity management and enables monitoring of the progress in building the inclusive organizations. Among the employers identified as most advanced in the diversity and inclusion management in Poland were: TAURON Polska Energia, TAURON Sprzedaż and TAURON Nowe Technologie. Against the aggregate results of the 104 organizations that took part in this edition of the survey, TAURON Polska Energia achieved a score higher than the average result with respect to the management basics, and a score close to the average result with respect to building engagement and the accessibility of the products and services.

Accommodations for persons with disabilities

TAURON Group's selected subsidiaries have implemented accommodations designed to improve the safety, comfort and infrastructure accessibility for the persons with the disabilities. These include both workplace adaptations and the modernization of the selected facilities, as well as the development of the tools supporting the communication at TAURON Group's selected subsidiaries. These accommodations arise from both the statutory requirements as well as TAURON Group's own initiatives. The examples of the non-standard voluntary solutions that have been implemented include the induction loops for the hearing impaired persons using the hearing aids and the mobility aids for the persons with a limited mobility – the sofas designed to facilitate sitting down and standing up. These solutions have been implemented at the Customer Service Outlets (Punkty Obsługi Klienta – POK).

Educational activities on diversity and equal opportunities

In the area of communications, the implementation of the feminine form job titles and the updating of the email signatures was continued. In the recruitment processes, work was continued on implementing the uniform standards for the use of the gender neutral language, the standardized candidate assessment criteria and the mixed gender composition of the recruitment panels.

The educational activities were also continued, including training on the unconscious bias (prejudice), anti-discrimination measures and the importance of diversity in management including, among other things:

- an inclusivity and collaboration training for the employees of Kopalnia Wapienia Czatkowice, held in February 2025, attended by 256 employees,
- a webinar on the inclusive language entitled *Feminine Form Job Titles. What is All the Fuss About?,* conducted in March 2025. The topic of the webinar addressed the role of the language in shaping the organizational culture and the work environment. The goal of the initiative was to raise the employee awareness and support the HR activities in the areas of diversity, equality and inclusive communication,

- a webinar on the diversity, entitled *Partnership Through the Eyes of Women and Men*, for the TAURON Obsługa Klienta subsidiary's employees, attended by 106 participants,
- an e-learning training module on the diversity and inclusivity was developed; the deployment of the training on the Group's e-learning platform is planned in 2026.

The Group's subsidiaries also conducted internship programs in the technical and specialist areas, supporting the competence diversity and helping the young people enter the job market. The initiatives reinforcing the organizational culture were also developed in parallel, including, among other things, *#Equal In Diversity (#RówniWRóżnorodności)* aimed at developing openness, empathy and collaboration within teams.

Initiatives supporting prevention of mobbing and discrimination

The following measures were implemented in response to the identified material negative impacts related to the potential breaches of the principle of equal treatment in employment, employee discrimination, non-compliance with the equality policies, a failure to provide employees with the professional development opportunities and a failure to ensure freedom of association.

Employee training

In 2025, the following training initiatives were implemented:

- anti-mobbing training organized for the managerial staff at the TAURON Dystrybucja subsidiary. The training program is planned for the years 2024 – 2026. The training consists of two parts: the first is conducted in a cooperation with psychotherapists, who familiarize the participants with the scope of the mobbing and discrimination phenomena, while the second covers the relevant legal provisions and is delivered by a legal counsel. In 2025, 464 persons attended the training,
- labor law training for the managerial staff and the HR employees at the TAURON Wytwarzanie subsidiary. The program covered, among other topics, the responsibility of the individuals holding the managerial positions for maintaining a work environment free from discrimination, mobbing and harassment. In 2025, 135 persons attended the training,
- a webinar entitled *The Power of Dialogue* – From a Conflict to Collaboration: Cultivating a Mobbing Free Culture, for the TAURON Obsługa Klienta subsidiary's' employees, which was attended by 140 participants.

Activities supporting the protection of human rights

TAURON Group, a spart of its business operations, supports the protection of the human rights while preventing the situations in which those rights might be violated. In the case of the suspected human rights violations, an investigation proceeding is conducted as part of the Group's whistleblowing system in place, to detect and confirm the irregularities and to issue the recommendations including the remedial measures. The goal of the activities is, among other things, to prevent similar incidents from occurring in the future. The whistleblowing (irregularities reporting) system, including the remedial actions taken upon the confirmation of the irregularities, is described in a greater detail in *section 13.20. of this report, in the part related to* G1-1.

In order to identify the (positive and negative) impact on the human rights, prevent and mitigate its negative effects, TAURON Group conducts a due diligence process with respect to the human rights. In 2025, the identification and assessment of the actual and potential negative effects and impacts related to the activities of TAURON Group's subsidiaries was carried out. The analysis was preceded by the workshops on the assessment of TAURON Group's impacts and effects on the human rights, attended by the employees of TAURON Group's Compliance Area and of other areas involved in the preparation of the sustainability report. As a result of the risk identification and assessment, an action plan was developed for each subsidiary to minimize the negative impact of the organization's activities on the human rights. The assessment of TAURON Group's activities' impact on the human rights, the risks associated with non-compliance with the human rights and the mitigation measures arising from the analysis conducted in 2025 will be set out in TAURON Group's Human Rights Respect Report, to be updated in 2026.

Activities supporting workplace safety

The safety of the employees, customers, contractors, visitors and all of the other stakeholders continues to be a priority issue that has a highly material impact on the decisions and actions taken within TAURON Group's subsidiaries. For this reason, meeting the highest work health and safety (WHS) standards in every area of the Group's operations is of the utmost importance.

TAURON Group identifies and eliminates or assesses and controls the risks associated with the known causes of injuries, work related accidents, occupational diseases and the near miss incidents arising from the performance of the specific tasks or presence in the work environment, and also implements the adequate preventive measures aimed at minimizing the risk of the injuries, work related accidents, occupational diseases and near miss incidents.

The following actions were implemented in order to reinforce the identified material opportunity associated with the high WHS standards, which reduce the risk of the accidents and downtime, thereby improving the safety and operational stability.

Educational activities on Work Health and Safety

In 2025, TAURON Group's employees had an opportunity to actively participate in a broad range of the initiatives supporting the development of a safety culture. These activities were designed with the promotion of the WHS principles, raising awareness of the hazards and developing practical safe working skills in mind. Through the diverse forms of engagement, from the educational projects and the preventive campaigns to the integration events focused on the safety topics, the employees can not only expand their knowledge but also actively contribute to the shaping a safe work environment.

Among the WHS initiatives undertaken, a wide range of the training and educational activities was included. TAURON Group's subsidiaries carried out, among other things:

- training on: working at height, e-learning *Conscious Driver, Change WHS with 4P – Safe at* Work, the psychological aspects of the workplace accidents, and the first aid training with the use of the VR technology,
- educational campaigns and activities promoting a safety culture: Safety Breeds Trust, Collaboration Breeds Success. It All Starts with Caring for People, Your Safety Is in Your Hands, See It – Act on It,
- safety culture supporting activities through Safety Talks – short, regular conversations with the employees dedicated to developing the safety culture and raising the hazard awareness,
- numerous webinars, for example: NO for the Compromises on Safety, A Minute for Safety, The Impact of Work Organization on the WHS Level,
- newsletters: Stop Routine, Stop Accidents!, WHS Quarter.

Other activities

The Group's subsidiaries were organizing the competitions promoting the safety culture, including: 11 WHS competitions across TAURON Dystrybucja Branches, WHS knowledge contests for the employees of TAURON Wytwarzanie's power plants and of the Head Office, a WHS knowledge quiz related to the internal WHS and fire safety regulations at TAURON Ciepło.

TAURON Group is also monitoring the contractor safety by conducting inspections of the external entities performing work on behalf of TAURON Group. It should be noted that the entities performing work at TAURON Group's subsidiaries are contractually required to comply with the applicable WHS procedures and rules.

Initiatives supporting the protection of the personal data

As part of the double materiality assessment process in 2025, the material negative impacts and risks were identified related to a potential leak of the employees' personal data, which could lead to an unauthorized access to the confidential information and result in the administrative penalties.

TAURON Group is aware of the importance of responsible personal data management. In 2025, the following activities were implemented:

1. Employee training:

1) e-learning training on the basic principles of the personal data protection and the procedures implemented within TAURON Group,
2) on-site onboarding training aimed at outlining the employee's responsibility for the entrusted data and the process for reporting breaches,
3) webinars as part of the 2nd edition of the *Security Day* at TAURON Group, aimed at raising awareness among TAURON Group's employees with respect to the information security, including the personal data protection,
4) *Sensitive (Wrażliwe)*, a drama series produced as part of the 1st Film Based ESG Education Campaign - the film draws particular attention to the necessity of careful handling of the personal data and the application of the principles arising from the applicable regulations. The employees were also provided with the practical guidance on minimizing the risk of the unauthorized disclosure of the personal data in their daily professional and personal lives.

TAURON Group is conducting a systematic risk analysis for the personal data processing activities, including the identification of threats, assessment of the likelihood of their occurrence and the determination of the adequate remedial measures. The regular conducting of the risk analyses supports the minimization of the breach risk, including the potential data leaks and it constitutes an element of the Group's continuous improvements of the security mechanisms.

Initiatives supporting the just transition

The following measures implemented in response to the identified material negative impacts related to the organizational changes, including the shutting down of the selected business units or the transition towards the renewable energy sources (RES), as well as the measures reinforcing the identified material positive impacts associated with the taking of the concrete actions supporting the employees affected by the energy transition, including, among other things, through the reskilling programs, career counseling as well as the psychological (mental) support are presented below.

The initiatives carried out by TAURON Group aimed at increasing the headcount, securing the external funding and achieving an economic diversification in the regions where the Group is present will form the backbone of the future activities in the area of mitigating the negative impacts on its own workforce resulting from the transition to a greener economy.

Dialogue with the power plant employees

TAURON Group is taking steps to support the employees affected by the energy transition, including, among other things, the reskilling programs, career counseling as well as the psychological support. In March and April 2025, individual informational meetings were held with the employees at the individual power plants, during which they were informed of their options in the context of the energy transition.

Collaboration with Instrat

TAURON Group signed a letter of intent with the Instrat think tank in November 2024, and the collaboration continued in 2025. Instrat supports TAURON Group in the process of planning and managing the just transition in the south of Poland. As an independent partner, it has already presented to the representatives of TAURON the preliminary opinions and concepts, while further recommendations are to be developed in 2026 in order to improve the just transition planning and management process.

Instrat's support includes in particular clarifying of the key challenges and assisting in the identification of the possible solutions by preparing of the facts ad data based analyses.

Initiatives supporting effective employee dialogue to safeguard their interests

The following measures:

1. implemented in response to the identified material risk associated with the inflation and wage increases, translating into the growing pay expectations, rising operating expenses and the risk of the collective disputes,
2. reinforcing the identified material positive impacts associated with the effective cooperation with the Social Council, which ensures an improved representation and protection of the interests of all of the employees,

are described in *section 13.16. of this report, in the part concerning S1-2, and are related to the consultations with the social partners, which allows for risk mitigation and responds to the expectations regarding wage levels and employment stability*.

(S1-5) Targets for managing material negative impacts, enhancing positive impacts, and managing material risks and opportunities

TAURON Group Strategy for 2025-2035 assumes building a modern, responsible and engaged organization in which the employees constitute a key pillar of the energy transition. The document underscores the necessity of creating an organizational culture based on the values of Responsibility, Engagement, Efficiency and Energy, which set the direction for the human capital management and the shaping of a work environment conducive to collaboration, competence development and the reinforcement of an ethical conduct.

Building the future ready competences, supporting the energy transition and promoting values are the foundations that shape the approach to the employees and constitute a key element of the Group's long term vision.

The Company identifies the positive impacts associated with a stable employment, the adequate compensation, as well as the support for the employees in the energy transition process (including, among other things, reskilling (retraining), career counseling, psychological support). At the same time the Company takes note of the potentially negative impacts arising from the employee dissatisfaction with the working conditions and pay, the absence of a work - life balance, the organizational changes and the headcount reductions related to the transition towards the renewable energy sources (RES).

The Company also takes into account the risks related to the wage pressure driven by the inflationary conditions and the falling attractiveness of the energy sector as an employer, as well as the opportunities arising from the taking care of the labor (workers') rights.

The management of these impacts, risks and opportunities is carried out operationally by the relevant substantive units of the human resources area.

The targets adopted by TAURON Group, as set out below, cover the management of the majority of the identified material impacts, risks, and opportunities (IROs).

The stakeholders were not involved in setting of the below targets.

TARGET #1: Inclusive organizational culture based on the ESG values

The implementation of this target allows for the management of the material impacts, risks and opportunities identified in the following sub-topics:

1. Working Conditions, under which the following were identified:
   1) material negative impacts that may arise from a lack of the development opportunities or an inadequately adapted work environment. These factors may generate employee dissatisfaction, reduce morale, increase turnover risk and affect an overall employee well being,
   2) material positive impacts associated with an increased efficiency resulting from investments in the employee skills development, the offering of the flexible working arrangements, effective employee engagement, which supports innovation, process optimization and the implementation of the new market solutions, while building the employees' sense of security, loyalty and commitment,
   3) material risks relating to the increase in the operating expenses associated with providing of the competence development and organizing of the training, recruitment costs, possible absenteeism from work and the risk related to the job insecurity (employment uncertainty) and retirement. While these costs are a natural element of the investment in the human capital, they may affect the organization's short term operational efficiency.
2. Equal treatment and equal opportunities for all, under which the following were identified:
   1) material negative impacts associated with unequal treatment of the employees and discrimination, which may lead to conflicts, collective disputes and a reduction in the company's attractiveness as an employer,
   2) material risks arising from non-compliance with equal treatment principles, which may lead to the escalation of conflicts, a loss of the key personnel as well as increased costs and the risk of the legal sanctions,

3) material opportunities associated with fair treatment and the provision of equal development opportunities through the promotion of inclusivity and the building of diverse teams, which constitute the foundation of the organization's long term competitive advantage.

This target applies to all of the Group's subsidiaries and is linked to the time horizon of the *TAURON Group Strategy for 2025-2035*, i.e. until 2035. The policies associated with this target include: *TAURON Group's Human Capital Management Policy*, along with the associated Principles; *TAURON Group's Human Rights Respect Policy; TAURON Group's Ethics Compliance and Anti-Mobbing and Anti-Discrimination Policy; and TAURON Group's Diversity, Equal Opportunities and Inclusivity Policy*.

The following table presents the target metrics related to the management of the identified IROs, along with their baseline values and the 2025 performance.

Table no. 164. Target metrics associated with the management of the IROs related to own work force – Target #1

Metric	Baseline Value	2025 Performance
% of employees trained in the field of ethics, corruption, mobbing [1] (Value not less than in the previous year)	76 (2024)	80
Average number of the training hours per employee by gender (value no lower than the market benchmarks, for example, Sedlak & Sedlak; the target was met in 2024 and in 2025)	19.5 (F: 17.9 / M: 20,1) (2024)	20.8 (F: 18.9 / M: 21.6)
Employee engagement rate [%] (calculated every 2 years) [2] (the result not worse than in 2023)	53 (2023)	The study will be conducted in 2026 [3]
Inclusivity Index (per Diversity IN Check survey)[4] (Result no worse than in 2025, i.e. the overall final score above 50% and the continued position on the ranking list of the employers most advanced in the diversity management in Poland)	Decision to take part in the survey	53

[1] Average of the number of employees who completed training on responsible business, compliance management, anti-corruption, and whistleblowing divided by the total number of the employees of TAURON Group.
[2] In accordance with the methodology of the external firm conducting the employee opinion survey.
[3] In order to maintain a consistent methodology and the continuity of the cooperation with the contractor. In addition, in connection with the announcement of the TAURON Group Strategy for 2025-2035 in December 2024 and the actions taken with respect to its implementation and operationalization, the decision of TAURON's Management Board, the date of the next Employee Opinion Survey is scheduled for the first half of 2026.
[4] Methodology of the Responsible Business Forum survey based on the recognized international standards including, among other things: SDGs, ISO 26000, GRI Standards, OECD Guidelines for the Multinational Enterprises, ISO 30415.

Depending on the individual process, the metrics are monitored on a monthly, annual, or on other periodic basis.

TARGET #2: Safe workplace for TAURON Group's employees

The implementation of this target allows for the management of the material impacts, risks and opportunities identified in the working conditions sub-topic, under which the Group identified a material opportunity arising from the maintenance of the high work health and safety standards. The effective WHS systems, the adequate operational procedures and the systematic employee training contribute significantly to reducing the risk of the workplace accidents, incidents and the near miss events. Taking care of safety minimizes the number of the operational outages, supports operational stability and contributes to the development of an organizational culture based on the responsibility, risk awareness and mutual care.

This target applies to all of the Group's subsidiaries and is linked to the time horizon of the *TAURON Group Strategy for 2025-2035*, i.e., until 2035. The policy associated with this target is *TAURON Group's WHS Policy*.

The following table presents the target metrics related to the management of the identified IROs, along with their baseline values and the 2025 performance.

Table no. 165. Target metrics associated with the management of the IROs related to own workforce – Target #2

Metric	2024 Baseline Value	2025 Performance
Accident severity rate for TAURON Group employees (downward trend) [1]	42.03	65.93
Accident frequency rate for TAURON Group employees (downward trend) [2]	3.43	3.1
% of TAURON Group's employees and contractors covered by the scope of the WHS policy	100	100

[1] Accident severity rate = Total number of days of absence due to workplace accidents divided by the number of persons injured in workplace accidents (excluding fatalities).
[2] Accident frequency rate = Number of cases (persons injured) divided by the number of hours worked by employees multiplied by 1 000 000.

The target achievement is monitored through the systematic WHS status reviews, analysis of the accident and occupational disease indicators and the near miss events, the workplace condition inspections, and also, at the Group's selected subsidiaries, the internal audits. Based on the results of these activities, the preventive and corrective actions are implemented. aimed at preventing the workplace accidents, occupational diseases and the near miss events.

At TAURON Group's individual subsidiaries, depending on the given subsidiary's needs, the internal inspections are conducted involving the WHS services and / or the line managers.

As part of the safety monitoring conducted by the WHS and fire safety services in 2025, TAURON Group's individual subsidiaries carried out the inspections covering both their own activities as well as the external entities. The total number of the inspections conducted at the subsidiaries with the highest accident risk (TAURON Dystrybucja Pomiary, TAURON Ciepło, TAURON Dystrybucja, TAURON Ekoserwis, TAURON Nowe Technologie, TAURON Wytwarzanie, TAURON Obsługa Klienta, Bioeko Grupa TAURON, TAURON Inwestycje) in 2025 came in at 20 987, of which 2 917 were the inspections of the external companies. By comparison, in 2024: 19 146 inspections had been conducted, including 2 936 of the external companies.

TARGET #3: Security, business continuity, and risk management at TAURON Group

The implementation of this target allows for the management of the material impacts, risks and opportunities identified in the other work related rights sub-topic, under which the Group identified a material negative impact related to the security and confidentiality of the employees' personal data and the risk of a leak of such data. Such situations may give rise to the employees' concerns related to the protection of their privacy, and they may also affect their well being and a sense of stability in the work environment. This target applies to all of the Group's subsidiaries and is linked to the time horizon of the *TAURON Group Strategy for 2025-2035*, i.e., until 2035. The policy associated with this target is the *Personal Data Protection Policy*.

The following table presents the target metrics related to the management of the identified IROs, along with their baseline values and the 2025 performance.

Table no. 166. Target metrics associated with the management of the IROs related to own workforce – Target #3

Metric	Baseline Value	2025 Performance
Percentage share of the employees with access to the training platform trained in the information security (no less than 85% of the employees)	91	93 [1]
Percentage share of the employees with access to the training platform trained in the cybersecurity (no less than 85% of the employees)	91	93 [1]
Number of the identified incidents resulting in a personal data breach requiring a notification of the Breach to the President of the Personal Data Protection Office (UODO) (target: 0 incidents)	1	1
Value of the financial penalties imposed in the cases of the personal data protection breaches in the amount of PLN 0.	0	0

[1] Information security and cybersecurity training was delivered via e-learning and it was completed by the employees with access to the training platform.

Depending on the individual process, the metrics are monitored on a monthly, annual, or on other periodic basis.

The targets described above were established as a result of an analysis of TAURON Group's previous activities. During the target setting process, TAURON Group did not consult directly with its own workforce or their representatives; however, experience gained from such collaboration was taken into account.

The specific tasks will be carried out by the teams and functions responsible for the relevant subject matter (substantive) areas.

(S1-6) Characteristics of TAURON Group's work force

Within TAURON Group, the employment data is aggregated as the average monthly headcount expressed on an annualized basis, and as the headcount as of December 31 of the given year.

Table no. 167. Average headcount (FTEs) at TAURON Group in 2024 and 2025 by gender

	Poland 2025	Total TAURON Group [1] 2025	Poland 2024	Total TAURON Group [1] 2024
Women	5 152.32	5 157.91	5 03837	5 044.37
Men	13 896.27	13 902.27	13 691.65	13 697.65
Total	**19 048.59**	**19 060.18**	**18 730.02**	**18 742.02**

[1] *TAURON Czech Energy employs fewer than 50 employees, which does not represent at least 10% of the total number of the employees.*

The following table presents the breakdown of the employees by the contract type who were employed as of December 31, 2024, and as of December 31, 2025. Due to the fact that Polish law does not include the provisions related to the minimum guaranteed working hours, these have not been included in the table below.

Table no. 168. Number of TAURON Group's employees by contract type (labor contracts) and gender as of December 31, 2024, and as of December 31, 2025

	Poland as of 31.12.2025	Total TAURON Group [1] 31.12.2025	Poland as of 31.12.2024	Total TAURON Group [1] 31.12.2024
Number of employees under labor contracts	**19 254**	**19 267**	**18 788**	**18 800**
Women	5 221	5 228	5 088	5 094
Men	14 033	14 039	13 700	13 706
Number of employees on the fixed term contracts (incl. probationary and replacement)	**1 627**	**1 627**	**1 457**	**1 457**
Wome	494	494	478	478
Men	1 133	1133	979	979
Number of employees under the open ended contracts	**17 627**	**17 640**	**17 331**	**17 343**
Women	4 727	4 734	4 610	4 616
Men	12 900	12 906	12 721	12 727
Number of the full time employees	19 161	19 171	18 683	18 693
Women	5 166	5 170	5 021	5 025
Men	13 995	14 001	13 662	13 668
Number of the part time employees	**93**	**96**	**105**	**107**
Women	55	58	67	69
Men	38	38	38	38

[1] *TAURON Czech Energy employs fewer than 50 employees, which does not represent at least 10% of the total number of the employees.*

The turnover rate for the years 2024 – 2025 at TAURON Group came in at approximately 7%, with 1 402 employees departing in 2024 and 1 300 in 2025. The following factors were taken into account in calculating the number of the departures:

1. external terminations due to the retirement / early retirement, mutually agreed termination agreements, notice by either party, employee death, disability pension, long term illness, expiry of the fixed term contracts, disciplinary dismissals, pre-trial detention, call up to the regular military service,
2. departures under the *Voluntary Redundancy Programs* through the fixed term leaves, excluding the employees on the suspension (parental leave, unpaid leave or a rehabilitation benefit),

3. transitions to the suspension (parental leave, unpaid leave or a rehabilitation benefit),
4. consolidation to a single employer of the employees who previously worked for more than one employer within TAURON Group,
5. transition to a management contract.

The turnover rate and the number of the departures do not include the intra Group transfers within TAURON Group.

The Report of the Management Board on the Operations of TAURON Polska Energia S.A. and TAURON Capital Group for 2025 discloses the number of the employees as of December 31, 2025, and the average monthly headcount on an annualized basis for 2025, which stand at 19 097 and 18 889, respectively. The difference arises from the inclusion in the scope of the sustainability reporting scope of the additional companies, namely TAURON Ekoserwis and Spółka Ciepłowniczo-Energetyczna Jaworzno III.

(S1-7) Characteristics of non-employee workers constituting own workforce resources of TAURON Group

Within TAURON Group, in addition to the employment under the labor contracts, the non-employee workers who nonetheless constitute own workforce resources are also hired. The data presented in the table below reflects the status as of December 31, 2024, and as of December 31, 2025.

Table no. 169. Number of non-employee workers constituting own workforce of TAURON Group by contract type and gender as of December 31, 2024, and as of December 31, 2025

	Total TAURON Group as of 31.12.2025	Total TAURON Group as of 31.12.2024
Number of persons hired other than under a labor contract	**602**	**534**
Women	328	284
Men	274	250
Persons under the management contracts	**52**	**42**
Women	10	9
Men	42	33
Self employed persons	**1**	**1**
Women	0	0
Men	1	1
Agency / temporary workers	**178**	**168**
Women	137	131
Men	41	37
Persons completing graduate internships / traineeships (apprenticeships)	**28**	**4**
Women	15	3
Men	13	1
Persons providing services under the civil law contracts	**275**	**271**
Women	141	128
Men	134	143
Members of Supervisory Boards	**68**	**48**
Women	25	13
Men	43	35

Within TAURON Group, the members of the management boards of the subsidiaries are engaged (hired) under the management contracts, while the member of the supervisory boards are appointed to fulfill that function.

Self employed persons, agency workers and persons providing services under the civil law contracts are engaged (hired) to ensure work continuity within the defined time frames (due to the seasonal nature of the tasks). In addition, they also provide support with respect to the non-standard tasks requiring specialist expertise that are not recurring and therefore do not necessitate changes to the permanent headcount. This arrangement allows for

the flexible responses to the current operational needs in the situations where the available human resources are insufficient to carry out all of the assigned tasks.

(S1-8) Scope of collective bargaining and social dialogue

Scope of collective bargaining

At the majority of TAURON Group's subsidiaries, the working and employment conditions are determined through the *Company Level Collective Bargaining Agreements (CBAs).* Depending on the arrangements adopted, at certain subsidiaries the most senior management level (level N-1) is excluded from the CBA, and their conditions are determined by the individual labor contracts based on the *Principles of Compensation at TAURON Group*. At the subsidiaries that do not apply the CBAs, the compensation and working conditions are regulated by the *Compensation Regulations* and the *Labor Regulations*. The content of these regulations is consulted with the social partners (work force).

Table no. 170. Percentage of all of the employees covered by the Collective Bargaining Agreements at TAURON Group as of December 31, 2024, and as of December 31, 2025

	Poland as of 31.12.2025	Total TAURON Group [1] as of 31.12.2025	Poland as of 31.12.2024	Total TAURON Group [1] as of 31.12.2024
Number of the employees covered by the collective bargaining agreements	18 077	18 077	18 180	18 180
Total number of the employees	19 254	19 267	18 788	18 800
Percentage share of the employees covered by the collective bargaining agreements	93.9%	93.8%	96.8%	96.7%

[1] *TAURON Czech Energy employs fewer than 50 employees, which does not represent at least 10% of the total number of employees.*

For the non-employee workers constituting own workforce, the working and employment conditions are determined by the individual civil law contracts or the management contracts. In the case of the temporary workers, the conditions in line with the applicable CBA are applied.

Social dialogue

The majority of TAURON Group's subsidiaries have trade union organizations; accordingly, the percentage of the employees at the subsidiaries with work force representatives in 2025 came on at 99.4% (99.5% in 2024).

The detailed description of the social dialogue is provided in section 13.16 of this report, in the part related to S1-2.

Table no. 171. Scope of the collective bargaining and the social dialogue in 2024 and 2025

	Scope of collective bargaining		Social dialogue
Degree of coverage	Workers - EEA [1] (in the case of the countries where the entity has > 50 employees representing > 10% of the total number of the employees)	Non-EEA employees (an estimate for the regions where the entity has > 50 employees representing > 10% of total number of the employees)	Representation at the work place (EEA only)
80 - 100%	Poland	Not applicable	Poland

[1] *EEA – European Economic Area*

(S1-9) Diversity metrics

For the purpose of this disclosure, the top management refers to the members of the management boards of TAURON Group's subsidiaries. As noted in *section 13.16 of this report, in the part related to S1-7*, these individuals are engaged (hired) under the management contracts, with the exception of the members of the management board of TAURON Czech Energy, who are engaged (hired) under the labor contracts.

The following tables present data on the gender distribution and the age structure of the members of the management boards of the subsidiaries and the employees of TAURON Group, based on the headcount as of December 31, 2024, and as of December 31, 2025.

Table no. 172. Gender distribution and age structure in the absolute numbers and the percentage shares for the management boards and the employees of TAURON Group as of December 31, 2025

	Management Board			Directors			Managers			Other administrative position (white collar workers)			Blue collar workers		
	up to 30 years	above 30 up to 50 years	above 50 years	up to 30 years	above 30 up to 50 years	above 50 years	up to 30 years	above 30 up to 50 years	above 50 years	up to 30 years	above 30 up to 50 years	above 50 years	up to 30 years	above 30 up to 50 years	over 50 years
Women	0	8	1	0	30	19	6	284	167	459	2 635	1 410	17	79	122
Men	0	21	23	0	51	83	11	553	779	534	2 287	2 266	1 159	2 344	3 971
Total	0	29	24	0	81	102	17	837	946	993	4 922	3 676	1 176	2 423	4 093
Percentage share															
Women	0.0%	15.1%	1.9%	0.0%	16.4%	10.4%	0.3%	15.8%	9.3%	4.8%	27.5%	14.7%	0.2%	1.0%	1.6%
Men	0.0%	39.6%	43.4%	0.0%	27.9%	45.4%	0.6%	30.7%	43.3%	5.6%	23.8%	23.6%	15.1%	30.5%	51.6%
Total	0.0%	54.7%	45.3%	0.0%	44.3%	55.7%	0.9%	46.5%	52.6%	10.4%	51.3%	38.3%	15.3%	31.5%	53.2%

Table no. 173. Gender distribution and age structure in the absolute numbers and percentage shares for the management boards and employees of TAURON Group as of December 31, 2024

	Management Board			Directors			Managers			Other administrative position (white collar workers)			Blue collar workers		
	up to 30 years	above 30 up to 50 years	above 50 years	up to 30 years	above 30 up to 50 years	above 50 years	up to 30 years	above 30 up to 50 years	above 50 years	up to 30 years	above 30 up to 50 years	above 50 years	up to 30 years	above 30 up to 50 years	above 50 years
Women	0	8	1	0	29	13	10	289	134	545	2 548	1 275	20	91	140
Men	0	17	17	0	49	80	14	585	734	549	2 265	2 116	1 037	2 410	3 866
Total	0	25	18	0	78	93	24	874	868	1 094	4 813	3 391	1 057	2 501	4 006
Percentage share															
Women	0.0%	18.6%	2.3%	0.0%	17.0%	7].6%	0.6%	16.4%	7.6%	5.9%	27.4%	13.7%	0.3%	1.2%	1.9%
Men	0.0%	39.5%	39.5%	0.0%	28.7%	46.8%	0.8%	33.1%	41.6%	5.9%	24.4%	22.8%	13.7%	31.9%	51.1%
Total	0.0%	58.1%	41.9%	0.0%	45.6%	54.4%	1.4%	49.5%	49.2%	11.8%	51.8%	36.5%	14.0%	33.1%	53.0%

(S1-10) Adequate wage

All of the employees of TAURON Group receive an adequate wage.

TAURON Group has the *Principles of Compensation at TAURON Group* in place, which implement the simple and transparent compensation principles based on the market conditions and they are motivating for an effective work. The compensation system at each of TAURON Group's subsidiary is defined in the *Company's Collective Bargaining Agreement* or in the *Compensation Regulations*. The compensation reflects the value, type and quality of the work, the employee's level of competence and it is determined on the basis of the tariffs that are based on the valuation of the specific job positions.

The social partners are involved in the process of determining the valuation of the specific job positions and introducing of the changes to the compensation systems as well as determining of the level of the wage increases, both at the Group level through TAURON Group's Social Council, and at the level of the individual subsidiaries.

All of the changes to the minimum wage at the national level are implemented in the compensations throughout TAURON Group. The level of the adequate wages at TAURON Group has been set at the level of the minimum wage applicable in Poland, and in the case of TAURON Czech Energy, at the minimum wage applicable in the Czech Republic.

(S1-11) Social protection

All of TAURON Group's employees are covered by the social protection arising from the applicable statutory provisions.

(S1-12) Persons with disabilities

TAURON Group's own workforce includes employees with a varying degree of disability. The following table indicates the percentage of such employees by gender, based on the headcount as of December 31, 2024, and as of December 31, 2025.

Table no. 174. Percentage share of the persons with the disabilities at TAURON Group as of December 31, 2024, and as of December 31, 2025

	% of persons with disabilities at TAURON Group as of 31.12.2025	% of persons with disabilities at TAURON Group as of 31.12.2024
Women	2.5	2.3
Men	1.1	1.1
Total	**1.5**	**1.4**

(S1-13) Training and skills development metrics

TAURON Group's employees have the opportunity to take part in the various development initiatives, including training, specialist courses and conferences. The quantitative data on the average and the total training hours per employee in 2025, broken down by gender and position category, is presented in the table below. The average number of training hours was calculated using the employment data described in section 13.16. of this report, in the parts related to S1-6 (for employees) and S1-7 (for the members of the management board).

Table no. 175. Training and skills development metrics at TAURON Group as of December 31, 2025

Training and skills development metrics at TAURON Group	2025	2024
Average number of the training hours by gender	**20.83**	**19.48**
Women	18.88	17.94
Men	21.56	20.05

Average number of the training hours by category	21	20
Management Board	45	50
Directors	49	69
Managerial Positions	35	26
White collar workers	17	16
Blue collar workers	22	22

(S1-14) Work Health and Safety metrics

TAURON Group is taking the necessary preventive measures aimed at ensuring the best possible protection of the health condition of its work force, including, among other things, identifying and regularly monitoring of the risks, estimating of the occupational risks at the workplace, as well as steadfastly striving to reduce the number of the accidents by intensifying of the activities promoting a safe behavior at the workplace. The numerous training courses are provided for both the employees, as well as the external entities performing the work for TAURON Group's subsidiaries.

Systematic monitoring of the workplace accident and occupational disease figures takes place both at the level of TAURON Group's individual subsidiaries and at the Group level as a whole. The coordination and consolidation of the accident statistics and other WHS reporting data is managed centrally at TAURON Group's level, based on the information submitted by the individual subsidiaries.

> **100% of TAURON Group's employees are covered by an occupational health and safety management system based on the statutory WHS requirements as well as the internal standards applicable at TAURON Group's subsidiaries.**

All of the regulations at TAURON Group's individual subsidiaries are tailored to the profile and type of the work performed (for example, internal orders, procedures, WHS instructions and equipment operating instructions). In addition, the individual subsidiaries have the internal normative acts in place in the case of the emergency and accident situations (for example, the manuals or documents with respect to the protection against explosion, the manuals with respect to the fire safety of the facilities or the procedures for responding to the workplace accidents).

In 2025, no fatal accidents were recorded among TAURON Group's employees and among the employees of the external companies (in 2024, 1 fatal accident had been recorded among TAURON Group's employees).

At TAURON Group's subsidiaries in 2025, 93 workplace accidents were recorded (103 accidents in 2024), in which a total of 97 persons were injured (108 persons in 2024).

At one of TAURON Group's subsidiaries, an incident had occurred in September 2024 that was reported to the employer in the second half of March 2025. Following the post-accident investigation, it was classified as a workplace accident. To ensure the comparability and consistency with the adopted reporting methodology, the incident had been included in the 2024 data.

At the end of 2025, TAURON Group had recorded two accident events whose post-accident investigations were concluded in January 2026. Both events were classified as the workplace accidents and were included in the 2025 statistical data.

In addition, in 2025, a post-accident report was prepared at TAURON Group's subsidiary following the finalization of a court ruling, relating to an incident from 2018. In the course of the post-accident team's proceedings, the incident was classified as a workplace accident. In accordance with the ESRS S1-14 reporting requirements, this accident was not included in the 2025 statistics, as the report covers only the incidents that occurred during the reporting period.

TAURON Group's individual subsidiaries maintain the workplace accident registers and submit the reports to TAURON on the number and type of the workplace accidents. The following table presents the workplace accident statistics for TAURON Group, broken down by gender and accident type.

Table no. 176. Workplace accident statistics at TAURON Group by gender and accident type

	2025	2024
Total number of persons injured in workplace accidents	**97**	**108** [1]
Women	6	19
Men	91	89
Number of persons fatally injured in workplace accidents	**0**	**1**
Women	0	0
Men	0	1
Number of persons injured in minor workplace accidents	**96**	**107**
Women	6	19
Men	90	88
Number of persons injured in serious workplace accidents	**1**	**0**
Women	0	0
Men	1	0
Number of collective (mass) accidents	**3**	**4**

[1] *Restated 2024 data incorporates the 2024 incident that was reported to the employer in the second half of March 2025. Following the post-accident investigation it was classified as a workplace accident.*

The accident frequency rate in 2025 came in at 3.1. In 2024, after including the accident from 2024 that was not reported to the employer until 2025, the rate clocked in at 3.43.

Table no. 177. Accident Frequency Rate

Accident Frequency Rate [2]	**2025**	**2024**
Employees	3.1	3.43 [3]
Non-employee workers constituting own workforce resource of the entity [4]	--	--

[2] *Accident frequency rate = Number of the cases (persons injured) divided by the number of hours worked by employees multiplied by 1 000 000.*
[3] *Restated 2024 data incorporates the 2024 incident that was reported to the employer in the second half of March 2025. Following the post-accident investigation it was classified as a workplace accident.*
[4] *TAURON Group does not report the accident frequency rate for the non-employee workers constituting own workforce resource of the entity due to the unavailability of data on the number of the hours worked. TAURON Group is currently developing a data collection mechanism with a view to reporting the accident frequency rate for the non-employee workers constituting own workforce resource in the subsequent years.*

In 2025, one case of an occupational disease (chronic periarticular shoulder inflammation) was recorded among TAURON Group's employees. In 2024, one case of an occupational disease (Lyme disease) was recorded among TAURON Group employees.

TAURON Group's individual subsidiaries maintain registers covering confirmed occupational disease cases as well as the suspected cases, and they also monitor and take measures to prevent such diseases. The subsidiaries are required to submit the information on the number of the occupational disease cases to the Company in the internal WHS reports.

The number of days lost due to the work related injuries as well as the fatalities resulting from the work related accidents, due to the work related ill health and the fatalities resulting from the work related ill health, in respect of the entity's employees for 2025, stands at 6 395 (for 2024: 4 497 days).

The Among the most important documents governing the WHS issued in the workplace at TAURON Group is the Integrated Management System implemented at TAURON Wytwarzanie, which encompasses the Environmental Management System and the Work Health and Safety Management System under ISO 14001:2015 and ISO 45001:2018.

The ISO 45001 standard sets out the requirements for a work health and safety management system, along with the guidelines related to its application. At other TAURON Group's subsidiaries, the internal

workplace condition inspections and the WHS status analyses are conducted. Approximately 11% of TAURON Group's employees, employed at the TAURON Wytwarzanie subsidiary, are covered by the *Integrated Work Health and Safety Management System*, *periodically certified in accordance with the ISO 45001 standard*.

In 2025, no cases of the work related ill health, that would be subject to reporting, were reported among the persons who had formerly been a part of the entity's workforce resources.

(S1-15) Work - life balance metrics

All of TAURON Group's employees are entitled to the family related leave, including a maternity, parental and caregiver's leave. In accordance with the Polish and European legislation, a caregiver's leave is available to all of the employees; accordingly, all of the employees are entitled to a family related leave.

Table no. 178. Percentage share of eligible employees who took a family related leave in 2024 and 2025

	Number of employees entitled to a family leave in 2025	Number of eligible employees who took a family related leave in 2025	Percentage share of eligible employees who took a family related leave in 2025	Number of employees entitled to a family leave in 2024	Number of eligible employees who took a family leave in 2024	Percentage share of eligible employees who took a family leave in 2024
Women	5 228	399	7.6%	5 094	379	7.4%
Men	14 039	607	4.3%	13 706	594	4.3%
Total	**19 267**	**1 006**	**5.2%**	**18 800**	**973**	**5.2%**

(S1-16) Compensation metrics (gender pay gap and total compensation)

For the calculation of the compensation metrics, the annual compensation has been computed as the sum of the compensation paid out, excluding the jubilee awards, vacation pay equivalents and the retirement / disability / military severance payments.

Gender Pay Gap

The gender pay gap is defined as the percentage difference between the average compensation level of women and men, relative to the average compensation level of men.

Table no. 179. Gender pay gap in 2024 and 2025

	Total TAURON Group 2025	Total TAURON Group 2024
Gender Pay Gap	8%	10%

At TAURON Group, the difference between the compensation of women and men reflects the specific nature of the energy sector and the resulting employment structure. In the years 2024 – 2025, men accounted for 73% of the work force.

Total compensation ratio

The total compensation ratio is calculated as the ratio of the annual total compensation of the highest paid individual to the median annual total compensation of the employees, excluding the highest paid individual. The ratio presented in the table below has been calculated in two variants in order to present the transparent and comprehensive contextual information, as follows:

1. Basic total compensation ratio:
   1) numerator – the total annual compensation of the highest paid individual at TAURON Group, regardless of the contract type, in 2025,
   2) denominator – the median annual total remuneration of the employees at TAURON Group employed under a labor contract.
2. Alternative total compensation ratio:
   1) numerator – the total annual compensation of the highest paid individual at TAURON

Group, regardless of the contract type, including the estimated value of the variable compensation for the achievement of the management objectives in 2025. The potential variable compensation may be paid out in 2026, subject to the determination that the management objectives set for 2025 have been met at the 100% level, and upon the satisfaction of the following conditions:

- the approval of the Report of the Management Board on the Operations of TAURON Polska Energia S.A. and TAURON Capital Group for the financial year 2025, and the Financial Statements of TAURON Polska Energia S.A. for the year ended on December 31, 2025, drawn up in accordance with the International Financial Reporting Standards as adopted by the European Union,
- upon the granting by the General Meeting of the Shareholders of the Company of a discharge from the duties to the Member of the Management Board,

2) denominator – the median annual total compensation of the employees of TAURON Group employed under a labor contract.

Table no. 180. Total compensation ratio in 2024 and 2025

	Total TAURON Group 2025	Total TAURON Group 2024
Total compensation ratio	11.0	6.5 [1]
Alternative total compensation ratio	12.1	13.0

[1] In 2025, the highest earner was paid out the variable compensation for 2024, which increased the ratio by 4.5 as compared to 2024. In 2024, the variable compensation for 2023 had not been paid out because this person had not been in the Company's structures in 2023.

(S1-17) Incidents, complaints and serious human rights impacts

The Director in charge of compliance (Chief Compliance Officer) at TAURON Polska Energia monitors the risk of an unethical conduct within TAURON Group on a monthly basis. As part of the unethical conduct risk monitoring, not only the incidents involving the suspected discrimination (including harassment) are examined, but also all of the manifestations of unethical behavior (for example, breaches of the principles of social coexistence), as well as the initiated and pending court proceedings related to mobbing or discrimination.

Table no. 181. Incidents, complaints, and serious human rights impacts [1]

Metric	Number / Information for 2025	Number / Information for 2024
Total number of cases of discrimination, including harassment	1	1
Number of complaints submitted through the whistleblowing channels concerning unethical conduct	14	17
Total amount of fines, penalties and compensations for damages resulting from incidents and complaints disclosed above	None	None

[1] The data refers to the cases of unethical behavior reported in 2025 to the Ethics Committee or through the channels for reporting irregularities to the Compliance Area at TAURON Group.

In accordance with the information on the website regarding notifications submitted to the *OECD National Contact Point for Responsible Business Conduct*, no complaints concerning the activities of TAURON Group's subsidiaries were submitted in 2025. No complaints against TAURON Group's subsidiaries had been disclosed in 2024 either.

Similar as in the previous reporting period for 2024, no serious incidents involving violations of the human rights were identified within TAURON Group in 2025.

13.17. Workers in the Value Chain (S2)

(S2.SBM-2) Interests and Views of Stakeholders

Workers in the value chain are, first and foremost, the employees of TAURON Group's subcontractors. As part of the double materiality assessment, they were classified as a stakeholder group with a high impact on TAURON Group's financial performance.

> **TAURON Group's operations are only possible with the involvement of the suppliers of the products and services as well as their employees. The effectiveness of establishing and maintaining the relationships with the business partners, based on the code principles, respect for the human rights and the work health and safety (WHS), is a factor impacting the pace and quality of the delivery of *TAURON Group Strategy for 2025-2035.***

TAURON Group Strategy for 2025-2035 sets out the ESG commitments, including the commitments to building a sustainable working environment and having a positive impact on the society, and to managing the business based on the best practice. The sustainability commitments shape the model of the cooperation with the business partners, which in turn has a positive impact on the working conditions of the workers in the value chain.

Respect for the interests, views and rights of the workers in the value chain is reflected in *TAURON Group's Corporate Social Responsibility Code of Conduct* and the *Code of Conduct for Counterparties of TAURON Group's Subsidiaries*. These documents support the delivery of the *TAURON Group Strategy for 2025-2035* by promoting an ethical culture and strengthening the social responsibility. *TAURON Group's Corporate Social Responsibility Code of Conduct* sets out the Group's commitments in the areas of the human rights, workers' rights and the environmental matters. The commitments relating to diversity, equal treatment, support for professional development, freedom of association, as well as the possibility of reporting irregularities (whistleblowing) through the available channels, are included. The counterparties (contractors) of TAURON Group are required to become familiar with and comply with the provisions of the codes, as well as *TAURON Group's Policy of Respect for Human Rights*. The employees of TAURON's counterparties (contractors) have the right to expect that the provisions set out in the above mentioned documents will be respected with regard thereto. TAURON Group expects that the direct counterparties (contractors) business partners also impose the requirements on their own counterparties (contractors) in the area of compliance with the human rights and the WHS rules.

TAURON Group does not directly consult its *TAURON Group Strategy for 2025-2035* with the workers in the value chain, and the Business Model is not adjusted to the interests and rights of the workers in the value chain. At the same time, the Group monitors the expectations and the potential risk areas related to the workers in the value chain through the due diligence processes, materiality analyses and the information provided by the business partners. The conclusions drawn from these processes represent an indirect source of knowledge on the interests and needs of this stakeholder group, and are used in assessing the impacts, risks and opportunities related to the value chain.

> *Due to the absence of the direct dialogue with the workers in the value chain, TAURON Group relies on the data received from the suppliers and subcontractors and on the results of the internal analyses.*

The results of these analyses have an impact on the decisions related to the management of the impacts on the workers in the value chain, for example, by updating the supplier requirements, procurement policies or the responsible business conduct standards.

(S2.SBM-3) Material Impacts, Risks and Opportunities and their interaction with Strategy and Business Model

> **As part of their business operations, TAURON Group's subsidiaries engage with various entities providing supplies, services or construction and assembly works. The disclosures relating to the persons performing work for TAURON Group are focused in particular on the employees of the material contractors and suppliers and on the areas in which the material impacts, risks or opportunities have been identified.**

The workers in the value chain over whom the TAURON Group exercises, or may exercise, a material impact, including the impacts connected with its own operations and value chain, and also through its products or services and business relationships, are covered by the disclosure scope defined in ESRS 2. Conducting of an analysis of the stakeholder needs and expectations is a requirement under the ESRS and an integral element of the *TAURON Group Strategy for 2025-2035* development. The double materiality assessment identified the material impacts and risks related to the workers in the value chain in the sub-topics of: working conditions, equal treatment and equal opportunities for all and other work related rights.

In 2025, the majority of contracts for which a full procurement process was conducted were concluded with the entities domiciled in Poland.

The workers in the value chain (at the direct counterparties) represent the following categories:

1. the persons performing work at TAURON's sites (but who are not the Group's employees) (for example, construction workers, engineers, legal counsels),
2. the workers employed by the entities in the upstream value chain (for example, the persons involved in the coal mining and component production for the investment project implementation purposes),
3. the workers employed by the entities in the downstream value chain (for example, the persons involved in the logistics services, meter reading service providers),
4. the workers who, within the above mentioned categories, are particularly exposed to the negative impacts (for example, migrant workers, trade union members).

TAURON Group's business model generates the greatest engagement of the workers in the value chain through the implementation of the new investment projects, maintenance of the infrastructure, extraction of the fossil fuels, ongoing fault rectification and the services provided for TAURON Group's customers. The scale and dispersal of this work, as well as the pressure to maintain a continuous supply and meet schedules, increase the risks related to WHS and the coordination of the work involving multiple contractors and subcontractors, in particular at the construction sites and energy facilities.

Workers in the value chain may perform work on TAURON Group premises, at the contractor's locations or at other places of contract performance. Among these individuals, there may also be persons with the disabilities. In the case of the work carried out on the land belonging to TAURON Group, the work supervision organization rules apply, including the WHS requirements and authorization permits to perform work.

The responsibility for ensuring the compliance with the labor law requirements rests with the employers of those individuals, while the TAURON Group takes into account the requirements related to the safe and adequate working conditions at its facilities within the applicable procedures and contractual requirements.

Given the complexity of the products and services supplied to TAURON Group's subsidiaries, some persons throughout the entire supply chain may be involved in the extraction and processing of the raw materials, including metals or minerals. The supply chain verification is being implemented progressively and with the use of a risk based approach, with the priority given to the direct suppliers and the higher risk procurement categories, first and foremost broken down by the key procurement categories at the given TAURON Group's subsidiary.

In connection with the cooperation undertaken with the third parties, TAURON Group's subsidiaries have not recorded any reported or confirmed incidents of child labor or forced labor in the performance of the contracts, within the scope covered by the applicable supervision and contract monitoring tools. In view of the new investment projects involving the complex design, procurement and installation of the new low emission (carbon) technologies, for example the renewable energy source (RES) installations and the energy storage systems, where some components originate from the countries outside the European Union, TAURON Group identifies the risk of the violations at the further links in the supply chain, of a systemic nature (as they result from the market and industry conditions and a limited transparency in the complex, multi tier supply chains, rather than from the individual incidents identified with a specific TAURON Group counterparty (contractor)), including the risk of child labor or forced labor, as well as the environmental risks associated with the raw material sourcing, in particular for those materials included on the list of the critical raw materials.

Therefore, where justified, TAURON Group, in addition to the requirement to comply with the *Code of Conduct for Counterparties of TAURON Group's Subsidiaries*, reserves the right to conduct the audits not only with

respect to the direct subject matter of the contract, but also with respect to the working conditions of the persons involved in its delivery or performance.

This allows, to some degree, for a mitigation of the risk of the reputational damage to TAURON Group resulting from an unlawful or unethical conduct by a business partner – in particular where this relates to the human trafficking, forced or compulsory labor, and child labor.

In the case of the identified negative impacts, TAURON Group is seeking to eliminate them, and where this is not possible – to minimize their impact on the workers in the value chain. The examples of the incidental material negative impacts include: a failure to meet the contractor verification standards, which creates a business risk of engaging with the external entities whose business practices may, whether directly or indirectly, breach the generally applicable labor law provisions (including the use of child labor and / or forced labor); and the violations of the principle of equal treatment in employment by suppliers and producers in the undertaking's supply chain. The material negative impacts associated with the employment of workers in the mining sector, which is a part of TAURON Group's supply chain, are related to an elevated risk of accidents and occupational diseases.

The double materiality assessment identified a material risk related to workers in the value chain: the risk of the reputational damage to TAURON Group resulting from non-compliance with the human rights by the business partners, leading to the financial losses. TAURON Group identifies which workers in the value chain may be particularly exposed to the negative impacts, using the risk assessment, information gathered during the dialogue with the counterparties (contractors), signals coming from the reporting channels, as well as the available industry and national analyses.

TAURON Group mitigates the negative impacts and risks by requiring the contractors to comply with the *Code of Conduct for Counterparties of TAURON Group's Subsidiaries*, in particular in the area of ensuring the adequate working conditions for workers in the value chain. Compliance with these principles is secured by the right to conduct verification activities (audits) at the suppliers.

(S2-1) Policies related to workers in the value chain

TAURON Group has not adopted a single dedicated policy related to the workers in the value chain. In the area of managing the impacts on the workers throughout the entire value chain, the Group applies a systemic approach, assuming a close cooperation with the external entities providing the services and supplies. A key element of the management practices is exercising influence through the business relationships and the requirements placed on the contractors (who are the employers of the workers in the value chain).

This approach is based on the assumption that primary responsibility for the working conditions, safety, compliance with the law and employment standards towards the employees of the subcontractors and suppliers rests with those employees' employers. TAURON Group, however, shapes these conditions indirectly – through the contractual requirements, cooperation standards and the supervisory mechanisms applied with respect to the counterparties (contractors).

TAURON Group's subsidiaries have no formal regulations governing the cooperation with the persons (workers) in the supply chain. Indirectly, the relations with the contractors and their representatives are described, inter alia, in *TAURON Group's Procurement (Purchase Order) Regulations* (the detailed description is provided in *section 13.20. of this report, in the part related to G1-2),* and a dialogue is recommended to be conducted in accordance with the guidelines provided in TAURON's internal regulations.

TAURON Group's subsidiaries have not recorded any instances of non-compliance with the *UN Guiding Principles on Business and Human Rights, the International Labor Organization Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises,* which are related to the workers in the value chain.

In order to ensure access to remedies, access is provided to the whistleblowing (irregularities reporting) channels that enable the workers in the value chain to signal (flag) the human rights violations, allowing for the adequate remediation process to be triggered. Upon a confirmation of a negative impact, the remedial actions are taken to restore a state of compliance with the law, or the remediation programs are implemented.

The key policies related to the workers in the value chain are:

1. *TAURON Group's Corporate Social Responsibility Code of Conduct,*
2. *Code of Conduct for Counterparties of TAURON Group's Subsidiaries,*
3. *Human Rights Respect Policy,*

4. *TAURON Group's WHS Policy.*

Through the above policies, TAURON Group manages all of the identified material IROs related to the persons performing work in the value chain (workers in the value chain). The details are presented in the table below.

Table no. 182. Identified material IROs related to the persons performing work (workers) in the value chain

Negative impacts	Related documents
Failure to meet contractor verification standards creates a business risk of engaging with external entities that may, including indirectly, violate generally applicable labor law provisions (including the use of child labor and / or forced labor).	Corporate Social Responsibility Code of Conduct, Code of Conduct for Counterparties, Human Rights Respect Policy, WHS Policy
Accidents in the mining sector caused by ground subsidence, methane explosions and machinery failures may disrupt business continuity and adversely affect the health and lives of workers in the value chain at the hard coal suppliers.	Corporate Social Responsibility Code of Conduct, Code of Conduct for Counterparties
Violations of the principle of equal treatment in employment by suppliers and producers in the undertaking's supply chain – discrimination against workers, non-compliance with equality policies, failure to ensure workers' opportunities for professional development, failure to ensure workers' freedom of association.	Corporate Social Responsibility Code of Conduct, Code of Conduct for Counterparties, Human Rights Respect Policy
The mining sector is an industry with significant exposure to the risk of accidents and occupational diseases. In addition, non-compliance with the regulations can lead to accidents.	Corporate Social Responsibility Code of Conduct, Code of Conduct for Counterparties
Positive Impacts	
TAURON Group establishes the requirements under, inter alia, the *Code of Conduct for Counterparties* of the Group's Subsidiaries, including in the area of ensuring the adequate working conditions for the workers in the value chain. Contractual provisions are also introduced regarding the possibility of the verification activities (audits) at the suppliers.	Corporate Social Responsibility Code of Conduct, Code of Conduct for Counterparties, WHS Policy
Risks	
Reputational damage to TAURON Group resulting from non-compliance with the human rights by the business partners, leading to the financial losses.	Corporate Social Responsibility Code of Conduct, Code of Conduct for Counterparties

Corporate Social Responsibility Code of Conduct

TAURON Group's Corporate Social Responsibility Code of Conduct constitutes the foundation of the organization's ethical culture, establishing the values, principles of conduct and the standards of accountability that guide the actions of the employees and business partners throughout the entire value chain. The above mentioned Code is a public document, available on the internet, and it is also accessible to all of TAURON Group's employees on the intranet. The document describes TAURON Group's approach to the human rights, workers' rights and the environmental matters. The Code governs the principles of conduct for all of the employees, co-workers and business partners of TAURON Group. The objective of the Code is to ensure that the Group's activities are conducted in a responsible, transparent, lawful manner and in line with the organization's values. The Code supports the delivery of the *TAURON Group Strategy for 2025-2035* by promoting an ethical culture, countering misconduct (abuse, fraud), strengthening social responsibility and building stakeholder trust (the detailed description is provided in *section 13.20. of this report, in the part related to G1-1).*

The Code applies not only to all of TAURON Group's employees, regardless of their form of employment, position or length of service, but also to the business partners (and their employees). In the external relations, it constitutes a set of the principles that the Group expects the counterparties (contractors), suppliers and other stakeholders to comply with.

The Code regulates, among other things, the following principles: respect for the law and workers' rights, prohibition of discrimination and mobbing, honesty and transparency in the business relations, prevention of conflicts of interest, anti-corruption, environmental protection and resource stewardship, and corporate social responsibility in the relations with the environment (stakeholders).

The Code constitutes an integral element of the *Compliance Management System*, covering the prevention, detection and response to the irregularities.

Responsibility for updating *TAURON Group's Corporate Social Responsibility Code of Conduct*

lies with the Director in charge of the compliance at TAURON, while the oversight over the implementation of its provisions is exercised by the President of the Management Board of the Company.

Code of Conduct for Counterparties

TAURON Group has in place the *Code of Conduct for TAURON Group's Counterparties* (hereinafter the Code), the provisions of which are consistent with the *International Labor Organization* standards. The Code is a public document – available on the internet via the procurement platform, and also accessible to all of TAURON Group's employees on the intranet. The detailed description of the Code is provided in *section 13.20. of this report, in the part related to* G1-2.

The counterparties (contractors) are required to comply with the *Universal Declaration of Human Rights* and the *European Convention on Human Rights*.

TAURON Group's subsidiaries, as part of the procurement process, require the counterparties (contractors) to submit the declarations confirming that they have become familiar with the Code and commit to complying therewith in the performance of the contract. In 2025, TAURON Group conducted 3 408 procurement proceedings under the full procurement procedure, and 22 911 bids were submitted along with the declarations confirming that the Code had been studied and would be complied with in the performance of the contract (purchase order) (in 2024: 2 726 proceedings and 11 341 bids respectively).

Work is currently under way to update the Code, including, among other things, to make the provisions related to the responsible business conduct more detailed. The responsibility for updating the Code lies with the Director in charge of the procurement (purchasing) at TAURON, while the oversight over the implementation of its provisions is exercised by the Vice President of the Management Board in charge of the procurement (purchasing).

TAURON Group's Human Rights Respect Policy

The description of the policy and its objectives, scope of application, implementation process and the oversight arrangements is provided in *section 13.1.6 of this report, in the section related to* S1-1. The Human Rights Respect Policy takes into account the *UN Guiding Principles on Business and Human Rights, the International Labor Organization Declaration and the OECD Guidelines for Multinational Enterprises*. TAURON Group's objectives and principles relating to the human rights also cover the persons performing work in the value chain.

TAURON Group's WHS Policy

The description of the policy and its objectives, scope of application, implementation process and the oversight arrangements is provided in *section 13.16. of this report, in the section related to* S1-1.

Operational management of the value chain worker issues

TAURON Group requires its counterparties (contractors) to respect the human rights, not only through the acceptance of and compliance with the *Corporate Social Responsibility Code of Conduct and the Code of Conduct for Counterparties*, but also by applying the relevant contractual clauses relating to the issues of human trafficking, forced or compulsory labor and child labor. The contractual provisions also specify the responses to the potential violations and reserve the right to conduct inspections or audits of the counterparty (contractor) depending on the subject matter of the contract. In the relations with the counterparties (contractors), the contractual provisions and the tender requirements relating to safety, personnel qualifications, work organization and responsibility for the subcontractors are applied.

In assessing the possibility of entering into a cooperation with the counterparties (contractors), TAURON Group's subsidiaries are guided by the free-market principles, and in particular: the counterparty's (contractor's) compliance with the generally applicable legal regulations, good commercial practices, the quality of the goods and services offered, the competitiveness of the bid conditions, the counterparty's (contractor's) reputation and professionalism, satisfaction of the procurement or sales needs of a TAURON Group's subsidiary, delivery of the business objectives and *TAURON Group Strategy for 2025-2035* and taking care of the image of TAURON Group.

(S2-2) Processes for engaging with workers in the value chain regarding impacts

TAURON Group has not implemented a general process for engaging with the workers in the value chain, and there are no formal rules for assigning the responsibility for an engagement with the workers in the supply chain, nor have uniform methods, indicators or tools been implemented for assessing the effectiveness of an engagement with the workers in the value chain.

Cooperation during the performance of services and deliveries

Within TAURON Group, gaining knowledge on the perspectives of the workers in the value chain takes place primarily through an ongoing operational contact during the performance of the contracts, in particular in the areas where the material impacts, risks or opportunities have been identified. Due to the significant geographic dispersal and the wide scope of the goods, services and the construction works procured, the responsibility for the contact (interaction) with the contractor rests with the individuals at various levels of the organization, depending on the size and complexity of the contracts (purchase orders).

The cooperation is either direct (at TAURON Group's premises) or indirect, via the contractors and the persons supervising the contract performance. In the case of the construction and assembly works as well as the operational activities, the WHS requirements and briefings, instructions and the authorization procedures for permitting the commencing of work are applied, as well as the coordination of works and meetings with the contractors on work organization, schedules and identified hazards. In addition, the operational meetings are held with the service (maintenance) companies, and the on-site mechanisms are available for reporting irregularities and hazards, used as a source of feedback. The conclusions drawn from this cooperation are used to correct (adjust) the work organization and preventive activities, including in the WHS area; and upon the completion of the work orders, in the selected cases the evaluations or surveys relating to the contract performance are used. Based on the history of the cooperation, the business decisions are made, for example regarding an increased supervision during the contract performance in certain procurement categories, corrective and remedial actions, and changes to the qualification criteria for certain contract categories.

The highest position within the Group's subsidiaries responsible for ensuring that this cooperation is conducted is the person managing the organizational unit in charge of the investment projects or operations.

In 2025, approximately 2 750 entities were engaged within the framework of the procurement processes (in 2024: more than 1 200 entities), of which over 99% are the entities registered in Poland. Violation and irregularity reporting (whistleblowing) mechanisms are based on the possibility of the anonymous and voluntary reporting of the irregularities within TAURON Group's value chain. TAURON Group Irregularity Reporting (Whistleblowing) System is described in detail *in section 13.20. of this report, in the part related to G1-1*.

As of the time of drawing up of this report, TAURON Group's subsidiaries had not concluded any global agreements with the international trade union federations regarding the respect for the human rights of the workers in the value chain, including their rights to the collective bargaining. In spite of the absence of the global agreements, the national trade union organizations operating within TAURON Group conduct an extensive social dialogue, effectively representing the interests of the employees across all sectors of the activities.

The aspect of a dialogue is particularly material in the context of the energy transition, also from the perspective of the workers in the value chain. This matter is described in a greater detail *in section 13.18. of this report, in the parts related to S3-3 and S3-4*.

In order to understand the perspective of the persons who may be particularly exposed to the negative impacts or marginalized, TAURON Group combines the on-site conversations and observations conducted at the work locations with the analysis of the WHS data and signals coming from the irregularities reporting, in order to identify any issues that are not always visible in the formal communication with the contractor.

(S2-3) Processes for remedying negative impacts and channels for value chain workers to raise concerns

Reporting procedures and methods

Reports concerning irregularities submitted by the workers in the value chain may be transmitted through the whistleblowing channels referred to in *section 13.20. of this report in the part related to G1-1*. The reporting (whistleblowing) channels made available by TAURON Group do not require access to the internal intranet. Reports may also be submitted via the *Irregularity Reporting Form* available on TAURON's website. The information on the possibility of submitting reports relating to the irregularities and the information on the available reporting channels is included in the *Code of Conduct for Counterparties of TAURON Group's Subsidiaries* and in *TAURON Group's Corporate Social Responsibility Code of Conduct* that the counterparties (contractors) commit to comply with during the contract performance. In addition, this information is publicly available on TAURON's website under the Compliance tab.

Method of monitoring the reports and ensuring the effectiveness of the reporting channels

The fact finding (investigative) proceedings in the matters reported by the workers in the value chain are conducted on the basis of the same mechanisms as the proceedings arising from the reports submitted by TAURON Group's employees. The basis for accepting and handling of the reports is *TAURON Group's Procedure for Reporting Irregularities and Taking of the Follow-up Actions*, which provides for the handling of the cases in a confidential manner, with respect for the privacy rights and the data protection rights.

Upon a confirmation of an irregularity arising from a report submitted by a worker in the value chain, the adequate remedial measures are taken proportionate to the matter and to TAURON Group's binding agreement with the entity for which the reporting individual is directly performing work.

TAURON Group does not have any separate remediation processes dedicated solely to the workers in the value chain applicable in the case where the Group has caused or contributed to a material negative impact.

No dedicated activities are currently being conducted aimed at raising and assessing the awareness of the workers in the value chain regarding the available reporting channels, and TAURON Group's subsidiaries do not, as a general rule, communicate directly with these individuals regarding the possibility of reporting of the irregularities. At the same time, TAURON Group does not take any actions that would restrict these individuals from using the third party based grievance submission (filing, reporting) mechanisms.

TAURON Group takes actions aimed at verifying the extent to which the counterparties (contractors) are meeting sustainability standards.

As of 2025, the new contractual clauses are in force that provide for the possibility of conducting of the audits at the counterparties (contractors) in this regard.

(S2-4) Actions taken to address material impacts on workers in the value chain and approaches to managing material risks and capturing material opportunities, and their effectiveness

TAURON Group takes actions aimed at the responsible management of the impacts (actual and potential) on the workers in its value chain, by applying the ethical standards, compliance requirements and the principles set out in *TAURON Group's Corporate Social Responsibility Code of Conduct*. The principles set out therein are designed to ensure that the relations throughout the entire value chain are based on the respect for the workers' rights, non-discrimination, honesty and transparency.

Actions aimed at respecting the labor rights of the workers in the value chain

The following actions are described below:

1. actions strengthening the identified material positive impact related to the Group establishing the requirements for the counterparties (contractors) and introducing the contractual provisions related to the possibility

of the verification activities (audits) at the suppliers,

2. actions taken in response to the risk of reputational damage to TAURON Group resulting from non-compliance with the respect of the human rights by the business partners, leading to the financial losses,
3. actions taken in response to the identified material negative impacts related to a failure to meet the counterparty (contractor) verification (vetting) standards and a violation of the principles of equal treatment in employment by the suppliers and producers in the supply chain, as well as the risk of engaging with the entities that may, through their business practices, violate generally applicable labor law provisions, including those violating the principles of equal treatment or discriminating against workers.

Mandatory counterparty (contractor) verification (vetting)

At the bid collection stage, as part of the procurement (purchasing) processes, TAURON Group's subsidiaries require the counterparties (contractors) to submit:

1. a declaration (statement) confirming that they have become familiar with the *Code of Conduct for TAURON Group's Counterparties* and make a commitment to comply therewith in the performance of the contract for the benefit of TAURON Group's subsidiaries,
2. declarations (statements) confirming the absence of the legally binding (final) convictions of the persons representing the counterparty (contractor) or of the counterparty (contractor) itself for the offences committed in connection with a procurement (purchase order award) procedure, the offences against the rights of the persons performing paid work, the offences against the environment, the bribery offences, the offences against the commercial (trade) transactions or other offences committed for the purpose of a financial gain, as well as for the fiscal offences or for the offences of a participation in an organized criminal group or an association aiming at committing of an offence or a fiscal offence.

In the case of the high value contracts (purchase orders), the contractor is additionally assessed for its credibility, including any outstanding tax and social security contribution arrears, as well as the absence of any convictions for the corruption offences and offences verified on the basis of the information obtained from the National Criminal Register.

Application of mandatory standard contractual clauses

TAURON Group has standard contractual clauses in place, applicable to the contracts above the specified amounts, and some clauses are mandatory regardless of the contract value. The clauses aimed at managing the material impacts on the workers in the value chain include, among other things, the declarations (statements) by the counterparty (contractor) confirming that it has become familiar with the provisions of *TAURON Group's Corporate Social Responsibility Code of Conduct*, *Code of Conduct for TAURON Group's Counterparties* and *TAURON Group's Human Rights Respect Policy*, and that it makes a commitment to comply therewith during the cooperation with the Group's subsidiaries. The counterparty (contractor) declares that these provisions will be applied by all of the persons involved in the performance of the contract (its employees, subcontractors, third parties). The Group's subsidiaries reserve the right to conduct audits in order to verify the compliance with the provisions of the above mentioned Codes and Policy. The counterparty's (contractor's) commitments also include:

- counteracting the violations in the area of human rights and the fundamental freedoms, complying therewith and making every reasonable effort to require its employees, suppliers and subcontractors to comply with the national and international regulations in these areas,
- refraining from violating the human rights, in particular from employing children, using the forced labor and any form of discrimination, and requiring the same of its employees, suppliers and subcontractors.

In 2025, TAURON Group conducted a pilot survey of the selected investment projects of the Heat Business Unit, aimed at assessing the extent to which the human rights aspects are identified and monitored at the investment project level and which risk signals require a strengthened oversight.

Actions aimed at the safety of the workers in the value chain

The actions implemented in response to the identified material negative impact related to non-compliance with the WHS rules and the work related accidents are described below.

TAURON Group requires compliance with the WHS rules. In the event of a violation having been identified, the adequate corrective actions are taken, agreed upon with the counterparty (contractor) and proportionate to the size and scope of the contract. In particular, with respect to the work carried out on the premises belonging to TAURON Group, a decision to suspend work may be applied where this is necessary to protect health and life. In the case of the recurring non-conformities, the escalating actions are applied, proportionate to the nature and severity of the violations, including the referrals to the relevant inspection and supervisory authorities.

The effectiveness of the actions is monitored on the basis of the results of the direct supervision over the works, the analysis of the events and WHS non-conformities, the implementation of the corrective actions and the feedback obtained during the contract performance.

With respect to the positive impacts on the workers in the value chain, TAURON Group's individual subsidiaries take actions aimed at raising the safety culture, including, among other things, through the standardization of the selected organizational and WHS requirements, and through the implementation of the training sessions, briefings and other educational initiatives. The largest initiatives related to the training for the persons performing work for the benefit of TAURON Group took place at TAURON Ciepło (approx. 2 000 persons) and at TAURON Wytwarzanie (approx. 1 000 individuals). Further information on the WHS activities is provided *in section 13.16. of this report, in the part related to* S1-4.

As regards the negative impacts related to the accidents in the mining sector, TAURON Group does not conduct any dedicated activities because it has a limited direct operational control influence over the mine operations.

The material impacts identified as part of the double materiality assessment related to the workers in the value chain will be subject to a further analysis, and TAURON Group will make every effort to develop and implement the management of the material risks, opportunities and impacts. In the longer term, it is planned to progressively introduce and apply the best practice in this area.

TAURON Group provides access to the remedy mechanisms for the workers in the value chain through the whistleblowing channels. The effectiveness of the implementation of the remedial measures is verified by the monitoring of the reports submitted with the use of the above mentioned system.

In 2025, TAURON Group did not identify any reports relating to the serious issues and incidents involving the human rights violations connected with the upstream and downstream value chain and it did not collect any data on the resources allocated to managing its material impacts .

(S2-5) Targets related to managing material negative impacts, enhancing positive impacts and managing material risks and opportunities

TAURON Group's subsidiaries have not set the targets related to the persons performing work in the supply chain.

TAURON Group Strategy for 2025-2035 underlines the Group's responsibility for building a sustainable working environment based on the diversity, inclusion and equality at work. The partnership in the regional development and the just transition declared by TAURON Group will be implemented with due consideration for the workers in the value chain.

TAURON Group is planning to set the directly measurable targets related to the persons performing work in the supply chain. The current activities are focused on managing the supplier relations in line with TAURON Group's values. In this regard, the targets are focused on strengthening of the mechanisms used to control and verify the compliance with the human rights, primarily at the direct counterparties (contractors).

The reliable (accurate) setting of the measurable targets will be preceded by:

1. development of a mechanism for obtaining, from the counterparties (contractors), of the data on the accident frequency rate indicators with respect to the non-employees of TAURON

Group who are performing the work for its benefit,

2. systematic informing and raising awareness among the counterparties' (contractors') employees of the channels for reporting of the violations (whistleblowing channels) available at TAURON Group,
3. development of an effective (efficient) system for obtaining of the reliable (accurate) information on the application of the ESG and compliance principles at the counterparties (contractors), in particular with regard to the respect for the human rights,
4. development, across TAURON Group, of a consistent approach to the conducting of the audits at the selected counterparties (contractors) with regard to the compliance with the human rights.

The overarching direction of the actions towards the persons performing work in the supply chain is to ensure the optimal working conditions and to eliminate the accidents involving these individuals, in particular those performing work at TAURON Group's locations, through raising of the safety culture and providing education on the human rights. Equal treatment, prevention of discrimination and ensuring opportunities for the workers' professional development are also important issues.

In relation to the persons in the value chain, the activities are focused on those directly performing the work for the benefit of TAURON Group (and who are not its employees) in Poland. As part of the risk based approach, the verification and the requirements for the suppliers of the components from outside of the European Union will be progressively strengthened, in the procurement categories where TAURON Group identifies the risk of the violations in the further links in the supply chain, including the risk of child labor or forced labor, as well as the environmental risks associated with the sourcing of the raw materials, in particular those included on the list of the critical raw materials.

The effectiveness of the actions towards the persons performing the work in the value chain will be monitored in a manner adapted to the scale and nature of the contracts concluded, through the operational procedures and the indirect metrics – the findings from the inspections and audits, performance surveys and evaluations and the irregularity (whistleblowing) reports.

13.18. Affected communities (S3)

(S3.SBM-2) Interests and Views of Stakeholders

TAURON Group makes a commitment to conduct its operations in a socially responsible manner, taking into account the interests and needs of the local communities. From the perspective of the community interests and rights, ensuring access to the essential services, namely electricity and heat supply, is therefore of the fundamental importance. Both the *TAURON Group Strategy for 2025-2035* as well as the Business Model of TAURON Group respond to these expectations.

TAURON Group takes into account the views, interests and rights of the communities in its operational activities by fulfilling the commitments arising, among other things, from *TAURON Group's Corporate Social Responsibility Code of Conduct* and *TAURON Group's Human Rights Respect Policy*.

In accordance with the *TAURON Group Strategy for 2025-2035*, TAURON Group is implementing the CSR projects aimed at taking into account the social interest. The projects implemented for the benefit of the local communities create friendly workplaces and provide the support for the education and development of the children and young people. The initiatives and campaigns are focused on several dimensions: social, educational, sporting, ecological and cultural.

TAURON Group is cooperating with the local authorities and residents, endeavoring to improve their well being by creating the new jobs and increasing the revenues for the local budgets. Maintaining an ongoing cooperation with the local government units and residents is supported by the dedicated roles, including the local government liaison representatives (proxies), which facilitates the identification of the potential risks and stakeholder expectations.

TAURON Group is also taking part in the social support programs and investing in the local infrastructure, including the projects improving the quality of life of the residents, such as the modernization of the street lighting and the clean air initiatives.

The affected communities have a material impact on the shape and delivery of *TAURON Group Strategy*

for 2025-2035 – the community views (feedback) are taken into account, among other things, in the implementation of the Group investment projects or in the energy transition under way.

As part of the double materiality assessment, the local communities were classified as a stakeholder group with a high impact on TAURON Group's financial performance (earnings).

(S3.SBM-3) Material impacts, risks and opportunities and their interaction with the Strategy and Business Model

The affected communities upon which TAURON Group has or may have a material impact are covered by the scope of the disclosure set out in ESRS 2. Conducting of the analysis of the needs and expectations of the stakeholders is a requirement under ESRS and an integral element of the *TAURON Group Strategy for 2025-2035* development. The stakeholder mapping was completed with due diligence. Impacts, risks and opportunities related to the affected communities were identified as part of the double materiality assessment process, both from the perspective of own operations as well as the value chain. In this respect, the following sub-topics were identified: economic, social and cultural rights, as well as civil and political rights.

The affected communities are those that have a direct or indirect contact with TAURON Group and its current or planned activities:

1. communities (residents and workers) living or working in the areas where TAURON Group's assets are located or where the investment projects are being carried out,
2. communities (residents and workers) residing or performing the professional duties in the areas where TAURON Group's activities have an indirect impact.

The examples of the material impacts of TAURON Group, both negative and positive, as well as the risks and opportunities relating to the affected communities, include those associated with the energy transition process under way, which entails moving away from the hard coal based energy generation towards the low- and zero emission (carbon) energy sources. TAURON Group is generating the positive impacts by creating the new jobs, developing infrastructure, increasing tax revenues for the local governments and improving the overall well being of the society. At the same time, the above mentioned positive impacts may be diminished by the negative impacts such as:

job losses and a loss (reduction) of the fiscal revenues associated with TAURON Group's curtailment of the electricity generation from the conventional sources or a potential deterioration of the quality of life of the local communities (increased traffic, noise, landscape intrusion) resulting from the new investment projects of TAURON Group.

Aware of its impact on the communities, TAURON Group is cooperating with the local government units and residents while performing its business planning processes – by conducting an active dialogue, which supports the achievement of the sustainable development goals, allows for the needs of the affected communities to be taken into account and allows for the stakeholder expectations to be identified.

> **TAURON Group is conducting the communication and a dialogue with respect to its plans related to the hard coal fired power plants.**

This is material due to the identified potential negative impact related to the possible insufficient engagement of TAURON Group in a dialogue with the local communities and a failure to take their needs into account, as well as the risk of losing the stakeholder trust.

TAURON Group is seeking to eliminate the negative impacts and, where this is not possible - to minimize the level of the impact on the communities. An example of such action is increasing the production and supply of electricity and heat coming from the low- and zero emission (carbon) sources while at the same time phasing out the hard coal based sources. TAURON Group provides the support for the local communities by amplifying its positive impact and leveraging the opportunities through a participation in the social programs as well as the educational and environmental initiatives, such as *#WeźNieSmoguj #WeźOddychaj*, and the broadly understood social initiatives.

TAURON Group is aware of the fact that some communities are particularly vulnerable to the risk of adverse effects from its activities. A material negative impact that has been identified is the potential rise in the electricity prices, which may, as a consequence, lead to a deterioration of the financial situation of the households. An example of an action mitigating this risk is the initiation in 2025 of the *Energia Ziemi Kamiennogórskiej* Heat Energy Cluster project in Kamienna Góra, which is focused on developing of the local, low emission (carbon)

energy sources and shoring up of the region's energy security and economic growth. The initiative is based on the cooperation between the public and private sectors in the area of electricity and heat generation, storage and distribution, as well as raising the residents' energy awareness, with the prospect of enhancing the energy self sufficiency of the area.

One affected community particularly exposed to the risk of harm arising from TAURON Group's activities are the users of the public utility facilities, such as healthcare, education and public administration facilities, due to the high sensitivity of these facilities to the potential disruptions in the supply of electricity and heat. TAURON Group is seeking to minimize the potential consequences of any such supply interruptions by applying the adequate procedures and acting in accordance with the applicable legal regulations, treating these entities as a priority when responding to failures.

The material risks and opportunities relating to the affected communities and their mutual dependencies are of particular importance in the context of the implementation of the Group's projects and investments. For this reason, the views of the local communities are taken into account in, among other things, the environmental impact assessments for the new undertakings, thereby ensuring that actions are aligned with the expectations and needs of the surrounding environment. This approach reduces the risk of escalating the social tensions, the development of the negative media narratives, lasting reputational damage to the organization and the loss of trust among the local communities. An example of an engagement with the local stakeholders in 2025 was the preparation for the commencement of the renovation of the dam at the Pilchowice hydroelectric power plant. In order to communicate the up to date information to the residents, a Facebook group called *Remont Zapory w Pilchowicach (Pilchowice Dam Renovation*) was launched in January 2026. It provides the information on the stages of the works under way and the temporary disruptions associated with the ongoing overhaul.

By providing the support for the local social initiatives, TAURON Group strengthens the sense of belonging among the employees and has a positive influence on the Group's image within the communities in which it is operating. An example of a consistent support for the local community was the organizing in 2025 of the 8th edition of the *Dobry Sąsiad (Good Neighbour)* grant program by Kopalnia Wapienia Czatkowice, which provides the support for the pro-social initiatives aimed at improving the quality of life in the municipality of Krzeszowice.

(S3-1) Policies related to affected communities

TAURON Group is managing the material impacts on the affected communities in a systematic manner, along with the material risks and opportunities associated therewith.

In 2025, TAURON Group did not have a single separate policy dedicated to the affected communities. The principles relating to these communities are set out in several regulations, including *TAURON Group's Human Rights Respect Policy*, which is in line with the internationally recognized standards, in particular with the *UN Guiding Principles on Business and Human Rights*, and it also takes into account the references to the *International Labor Organization's Declaration on the Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises*. In 2025, no cases of the non-compliance with these standards in relation to the affected communities were identified in either TAURON Group's own operations or its upstream and downstream value chain.

The most important regulations within TAURON Group that govern the relations with the communities include:

- *TAURON Group's Corporate Social Responsibility Code of Conduct,*
- *TAURON Group's Principles for Conducting the CSR Projects,*
- *TAURON Group's Human Rights Respect Policy,*
- *Code of Conduct for Counterparties of TAURON Group's Subsidiaries,*
- *TAURON Group's Environmental Policy,*
- *TAURON Group's Climate Policy.*

TAURON Group is striving to respect the human rights and to understand the needs of the affected communities through an open dialogue with those affected by its activities, with respect for the freedom of expression and the right to raise the concerns and expectations. When making the business decisions, the degree of a potential impact on the communities residing in the given region is

analyzed, and an effort is made to balance TAURON Group's impact on those communities. TAURON Group does not identify any indigenous peoples that may be affected by its operational activities.

Through the above mentioned regulations, TAURON Group manages all of the identified material IROs (impacts, risks and opportunities) relating to the affected communities. The details are presented in the table below.

Table no. 183. Identified material IROs related to the affected communities

Negative impacts	Related documents
Emissions from electricity generation facilities pose a serious health risk to nearby communities, contributing to respiratory and cardiovascular diseases as well as neurological damage from exposure to lead and mercury.	Environmental Policy, Human Rights Respect Policy
A failure to restore assets and economic activity in regions undergoing the decommissioning of energy installations during the transformation process may cause lasting damage to local economies. Consequences may include a decline in tax revenues for local government units, job losses, rising unemployment, and deepening socio-economic inequalities, potentially generating social tensions and opposition to the further transition related activities.	Corporate Social Responsibility Code of Conduct
New investment projects carried out by TAURON Group may adversely affect the quality of life of local communities. Potential risk sources include, among others, noise, air and water pollutant emissions, increased traffic, landscape degradation, and restricted access to the local resources.	Environmental Policy, Human Rights Respect Policy
A failure by contractors to comply with TAURON's requirements in the area of social, environmental and ethical responsibility – as well as low representation of local suppliers and contractors (so-called local content) – may lead to human rights violations, negative impacts on local communities, and weakened social acceptance of investments. Such situations carry the risk of reputational damage, contractual disputes, and disruptions to project delivery in the value chain.	Corporate Social Responsibility, Code of Conduct, Human Rights Respect Policy
Insufficient engagement by TAURON Group in dialogue with local communities may render stakeholder consultations ineffective and prevent their interests and needs from being taken into account.	Corporate Social Responsibility Code of Conduct, Principles for Conducting CSR Projects
Security threats to the local communities arising from, for example, potential failures, fires, or network damage. In addition, unauthorized access to energy infrastructure – both protected and unprotected – poses a risk of serious threats to the health and lives of third parties, as well as to the operational continuity of TAURON's infrastructure.	Human Rights Respect Policy, Corporate Social Responsibility Code of Conduct
Rising electricity prices, over which TAURON may have a direct or indirect influence – through tariff, investment or contracting policy – may worsen the economic situation of local communities, particularly in regions with high levels of energy poverty. This may lead to a loss of social acceptance and the regulatory pressure.	Corporate Social Responsibility Code of Conduct
TAURON Group operates in a highly emissions-intensive manner, which directly affects living conditions in communities in terms of pollution and air quality. In addition, the organization's activities may involve noise and other impacts.	Environmental Policy, Human Rights Respect Policy
Mining activities may cause various types of damage, such as ground subsidence and damage to buildings, roads and infrastructure.	Corporate Social Responsibility Code of Conduct, Environmental Policy
Positive Impacts	
Taking into account the views of local communities and respecting their freedom of expression in the business planning process supports the achievement of sustainable development goals and enables the early identification of potential risks and stakeholder expectations. TAURON Group has dedicated positions (e.g. representatives for local government relations at TAURON Dystrybucja) whose primary role is to cooperate with the local communities.	Corporate Social Responsibility Code of Conduct, Human Rights Respect Policy, Principles for Conducting CSR Projects,
When planning investments in a given area, TAURON Group contributes to regional development – creating new jobs, developing infrastructure, and increasing revenues for the local government units.	Corporate Social Responsibility Code of Conduct
TAURON Group cooperates with government bodies and local communities, including through social support programs, investments in local infrastructure, and educational and environmental initiatives. Examples include projects improving residents' quality of life, such as street lighting modernization and clean air campaigns (e.g. the *#WeźNieSmoguj #WeźOddychaj* educational campaign, *the Ogrzej się z TAURON* sales offering and the heat consumer guide).	Principles for Conducting CSR Projects, Corporate Social Responsibility Code of Conduct
Risks	
Protests and dissatisfaction among local communities resulting from negative environmental impacts may lead to disruptions in the extraction of fuels and key raw materials, thereby causing difficulties in	Environmental Policy, Corporate Social Responsibility Code of Conduct

obtaining minerals and materials and production stoppages, resulting in customer dissatisfaction and loss of clients and revenues.	
Poor management of the transformation process may reduce financial performance through declining trust, social protests by local communities, employee turnover, and a loss of investors.	Climate Policy, Corporate Social Responsibility Code of Conduct
Insufficient or inadequate communication channels with local communities, resulting in a lack of respect for freedom of expression, may lead to an escalation of social tensions, the development of negative media narratives, and lasting reputational damage to the organization. As a result, the company may incur financial losses and lose the trust of key stakeholders, including partners, clients, and the local communities.	Corporate Social Responsibility Code of Conduct
Negative attitudes towards voluntary resettlements associated with investments may adversely affect financial performance through delay costs, social conflicts, reputational decline, associated legal risks, and a loss of investor trust.	Corporate Social Responsibility Code of Conduct
Opportunities	
Proactive activities for local communities may improve the TAURON Group's image, strengthen stakeholder relations, and positively affect financial performance through greater customer loyalty, reduced reputational risk, and higher operational efficiency.	Principles for Conducting CSR Projects
TAURON Group takes steps to build dialogue based on respect for freedom of expression, including by appointing a Social Dialogue Ombudsman as an institution supporting open and constructive communication with the local communities.	Corporate Social Responsibility Code of Conduct, Principles for Conducting CSR Projects
Sponsorship and support for local initiatives may have a positive effect on financial performance through increased brand recognition, which significantly influences brand value. Valuable brands generate greater engagement from both business (purchasing and investment readiness) and employees (brand ambassadors).	Corporate Social Responsibility Code of Conduct, Principles for Conducting CSR Projects

TAURON Group's Principles for Conducting CSR Projects

TAURON Group's Principles for Conducting CSR Projects (hereinafter: the Principles) is a document defining the CSR activities within TAURON Group and the principles for planning and implementing such projects that ensure transparency and compliance with the generally applicable legal regulations and the best practice. The CSR projects are carried out in two dimensions:

1. external – TAURON Group provide the support for the local communities and institutions by creating jobs and undertaking initiatives aimed at promoting education, sport, ecology and culture, and at developing a pro-social attitude,
2. internal – TAURON Group enables the employees to develop, ensures occupational safety and strengthens the bonds through the organization of the sports competitions, cultural events and employee volunteering.

The goal of the Principles is to define the management and supervision of the CSR projects. The document is intended to ensure the coherence and legitimacy of the activities carried out. TAURON Group assumes the responsibility for the impact of its decisions and activities on the society and the environment, acting in an ethical and transparent manner that supports the sustainable development and takes into account the needs and expectations of the stakeholders. The CSR activities serve to:

- raise public awareness of the energy transition and the sustainable energy sources,
- build long lasting relations with the stakeholders, in particular with the local communities, local governments and the non-governmental organizations (NGOs),
- support the achievement of TAURON Group's ESG goals and the implementation of its strategy,
- reduce the negative impact of TAURON Group's activities on the environment and strengthen its responsible image,
- consolidate TAURON Group's position as an employer of choice.

The CSR project proposals may be submitted via a form available on the website: www.tauron.pl/tauron/o-tauronie/tauron-dla-otoczenia/projekty. The content of the Principles is available to TAURON Group's employees on the internal intranet.

The Director in charge of the communications at TAURON is responsible for updating the Principles, while the oversight over the implementation of the provisions set out therein is exercised by the President of the Management Board of the Company.

Other policies governing the relations with communities at TAURON Group

TAURON Group's Human Rights Respect Policy (the detailed description is provided in *section 13.16 of this report, in the part relating to* S1-1) sets out TAURON Group's commitments towards the affected communities, including the right to live in a clean, healthy and ecologically balanced environment. The Policy is in line with the internationally recognized standards relating to the communities, including the UN Guiding Principles on Business and Human Rights.

TAURON Group places a particular emphasis on developing the low- and zero emission (carbon) sources and using the resources in a manner that respects human rights and is in accordance with *TAURON Group's Environmental Policy* (the detailed description is provided in *section 13.12 of this report, in the part relating to* E2-1) and the *TAURON Group's Climate Policy* (the detailed description is provided in *section 13.11 of this report, in the part relating to* E1-2).

The needs of the affected communities are also addressed by *TAURON Group's Corporate Social Responsibility* (the detailed description is provided in *section 13.20 of this report, in the part relating to G1-1*) and the *Code of Conduct for Counterparties of TAURON Group's Subsidiaries* (the detailed description is provided in *section 13.20 of this report, in the part relating to* G1-2), as these documents require the Group and its business partners to act ethically, minimize the negative impacts on the social environment and promote transparency in the relations with the local stakeholders.

The irregularities related to TAURON Group's relations with the affected communities may be reported through the whistleblowing channels indicated in *section 13.20. of this report, in the part relating to* G1-1.

TAURON Group identifies (actual or potential) impacts of its activities on the local communities – initiating the cooperation with the community representatives (for example, the representatives of the local government units) and taking the adequate remedial measures, for example in the form of the positive actions that counterbalance the negative impacts, including the initiatives improving the residents' quality of life.

In 2025, no instances of non-compliance with the *UN Guiding Principles on Business and Human Rights, the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises*, relating to the affected communities, as described in *TAURON Group's Human Rights Respect Policy,* were identified.

(S3-2) Processes for engaging with affected communities about impacts

TAURON Group ensures that the affected communities have an opportunity to influence decisions and actions aimed at managing the actual and potential effects. They may participate in the consultation processes, and their views (feedback) are taken into account when planning the investment projects, identifying the potential nuisances and designing the local CSR programs. The cooperation with the interested communities is undertaken on a voluntary basis, with the use of adequate communication channels, in order to minimize the risk of escalating the social tensions and the negative narratives.

In 2025, TAURON Group did not have the uniform formal processes for engagement with the affected communities in place and did not carry out the full monitoring or a comprehensive assessment of the effects.

The majority of TAURON Group's subsidiaries monitor the effectiveness of the cooperation through: media and environment monitoring, feedback and opinions collected from the customers, the informational meetings on the current and planned activities of TAURON Group and a dialogue with the local community representatives, in particular with the local government units.

TAURON Group is conducting its investing and operating activities in a transparent manner, offering the remediation measures and forms of support in the event of the potential negative impacts, in accordance with the applicable regulations in place. This also constitutes an element of the planning process for the new undertakings, in particular in the situations where they may affect the quality of life of the local communities (for example, through noise, air and water emissions, increased transportation traffic, landscape intrusion or the restricted access to the local resources).

Forms of engagement with affected communities

The cooperation between TAURON Group and the affected communities takes place, depending on the context and nature of the issue, both directly as well as through the trusted representatives. Both forms of the cooperation may be used in parallel to ensure the effectiveness of the actions and to respect the rights and interests of the communities, and to reduce the risk of the protests and delays resulting from the community dissatisfaction in the event of the potential negative impacts. The cooperation with the affected communities takes various forms, ranging from the direct negotiations with the property owners up to the open consultation meetings organized during the investment process.

Stages, type and frequency of cooperation with affected communities

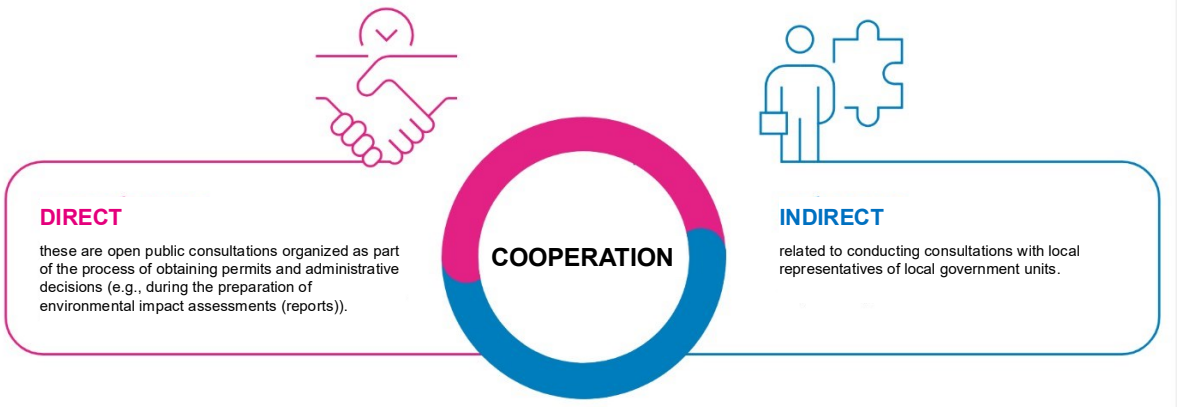
The cooperation with the affected communities takes place at the various stages of the project life cycle, both during the planning and construction, as well as subsequently during the operation. The type and frequency of the cooperation is tailored to the specific nature of the undertaking and the materiality of the identified impact. The communities are engaged in the process of impact assessment (for example, during the work on the environmental impact assessment reports) and in the selection of the remedial measures in connection with the negative impacts. An example is the additional work undertaken on the road modernization within a municipality.

The consultations are conducted at the key stages of the operations, such as:

1. planning and design (for example, the environmental impact assessment reports),
2. construction (for example, negotiations regarding the remedial measures),
3. operation (monitoring and assessment of the impact of the activities and the effectiveness of the mitigation measures),
4. changes to the asset portfolio and the manner of conducting the operations (for example, informing the local communities, including the local government units, of the planned changes and the potential effects thereof).

TAURON Group's subsidiaries responsible for implementing the investment projects delegate the responsibility for the community engagement, within their internal structures, to the individuals with the knowledge of the environmental, social and communication aspects (for example, the project manager or the members of the project team), to whom the affected communities may turn if necessary.

With regard to the cooperation undertaken with the communities that are particularly vulnerable to the impact or the marginalized communities, TAURON Group conducts a dialogue on the same principles as those described above. TAURON Group does not identify any indigenous peoples that may be affected by its operational activities.



Specific type of cooperation – local government liaison representative (proxy, power of attorney)

Within the organizational structures of TAURON's subsidiaries, there are dedicated positions of the local government liaison representatives (proxies, power of attorney), or alternatively the designated and delegated individuals responsible for communication within the subsidiary, who maintain the close relationships with the local authorities in their area of operations. They hold the regular meetings with the representatives of the local government units and also cooperate with the *County Crisis Management Centers, the Regional Energy Council*, and they participate in the meetings organized at the Marshal's Offices and Voivodeship Offices on the topics related to energy and the transition of the regions. The meetings with the local government unit representatives are related, among other matters, to the planned investment projects, the communication of the matters of significance for TAURON Group (in particular for TAURON Dystrybucja, TAURON Ciepło, TAURON Ekoenergia, TAURON Nowe Technologie, TAURON Wytwarzanie, TAURON Zielona Energia), as well as the handling of the current matters related to ensuring the supply of electricity and heat, asset modernization, power line collision removal, tree felling, etc. This provide the support for the continuous dialogue and the ongoing consideration of the stakeholder needs at the local level.

Oversight of the external engagement

The formal responsibility for the engagement lies with the management boards of TAURON Group's subsidiaries, which strengthens the consistency of the approach and the responsibility for the quality of the relations with the communities. The operational responsibility for the engagement is most frequently delegated to the project manager or the members of the project team implementing the given undertaking, or to the specialist units in the area of the operational activities.

Assessment of the effectiveness of social dialogue

Where the material impacts and risks related to the local communities have been identified during the implementation of an investment project, they are an element of the monitoring of the effectiveness of the completed investment project, as part of which the adequate metrics and a time frame of the monitoring activity are established.

In 2025, a pilot review of the best practice in the cooperation with the local communities was initiated at TAURON Group's selected subsidiaries. The subsidiaries that are the standouts in this area are TAURON Ekoenergia and Kopalnia Wapienia Czatkowice. In 2026, the work will be continued, involving the exchange of the experiences among those who most frequently cooperate with the local communities, and it is planned that a structured approach to the principles of the cooperation will be developed where appropriate.

(S3-3) Processes for remedying negative impacts and channels for affected communities to raise concerns

Approach to remediation

Transparency and cooperation with the affected communities form the foundation of the effective management of the remediation processes with respect to the remedying the effects of the negative impacts. TAURON Group applies a systematic approach to providing the remediation measures. The key processes include impact identification, conducting a dialogue, implementing the remedial measures and assessing their effectiveness using the metrics, feedback and the external audits. As part of the investment project implementation, open discussions with the affected communities are planned to be conducted in order to jointly develop the acceptable solutions, in particular with regard to the potential nuisances associated with the implementation of the investment project and the safety related issues such as the risk of failures, fires, grid damage and the unauthorized access to the infrastructure.

Channels for raising concerns

The communities may raise their concerns directly with TAURON Group's representatives during the consultations with the residents or with their own representatives, who are engaged in the discussions with TAURON Group's subsidiaries. The communities may also submit (present) their

position through the whistleblowing channels described in *section 13.20. of this report in the part relating to* G1-1.

The complaints submitted through the whistleblowing channels are handled in a confidential manner and with respect for the right to privacy, including also in the area of the data protection. These mechanisms support the ability to raise concerns even in the situations where the direct communication would be difficult, thereby reducing the risk of the ineffective consultations and the escalation of the social tensions.

The other contact channels include the contact forms, telephone numbers, email addresses, traditional correspondence, a help line, a Customer Service Centre and a heat and power emergency service. The detailed information is available on the websites of TAURON Group's subsidiaries.

TAURON also participates in the third party based mechanisms that enable the affected communities to file their complaints and that support the dispute resolution processes. These include the non-governmental organizations (NGOs) and the industry associations, which allow the affected communities to submit the complaints and queries independently of TAURON Group's internal systems.

TAURON Group is seeking to inform all of the interested communities of the planned investment projects. The information obtained through the consultations and the whistleblowing channels is forwarded in accordance with the relevant remit and then analyzed and reviewed by the adequate specialist units. Depending on the significance of the matter, the topics and issues raised by the local communities are escalated to the adequate management levels within TAURON Group, and the individual tools for their monitoring and management are selected. This enables a response to the risks affecting the quality of life and health of the communities, including the impacts related to the carbon emissions intensity of the operations and nuisances such as noise.

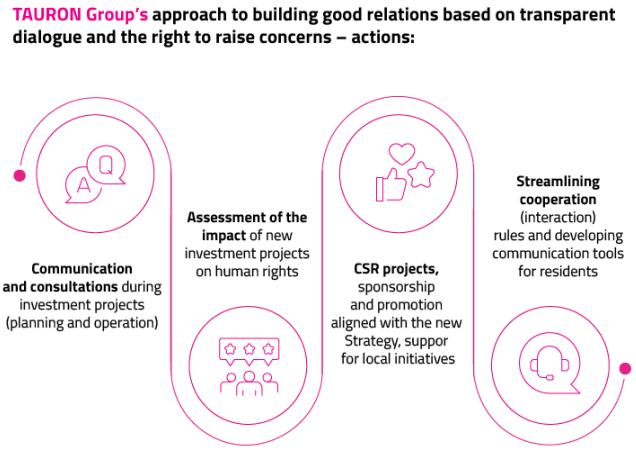
To date, no formal assessment of the effectiveness of the identified whistleblowing channels in relation to the affected communities has been carried out. In 2025, TAURON Group did not identify a need to take any additional actions that would require supporting (enhancing) the accessibility of the already implemented mechanisms. An assessment of whether the affected communities are aware of these structures or processes and whether they trust them has not yet been conducted.

(S3-4) Taking action on material impacts on affected communities and approaches to managing material risks and leveraging material opportunities related to these communities, and their effectiveness

In fulfilling TAURON Group's commitments to the local communities, a key role is played by a systemic approach to identifying, monitoring and addressing the impacts that the Group's activities may have on the social environment. These actions aim not only to minimize the potential negative effects, but above all to amplify the positive impacts through an active dialogue, partnership and conscious, responsible impact management. TAURON Group is developing and implementing the initiatives aimed at strengthening the social well being, safety, quality of life and the local development. These mechanisms encompass both the responses to the identified needs and the proactive actions that form a part of a long term strategy to build the shared value. The high quality of the relations with the communities and a transparent approach to the communication constitute the foundation for the effective social impact management and trust building.

TAURON Group manages all of the identified IROs through its actions, except for the negative impacts related to the mining activities, which may lead to the various types of damage, such as land subsidence, damage to the buildings, roads and infrastructure, as it has a limited direct operational control over the operations of the mines.

The actions listed below are implemented on a periodic basis and are planned for the future years; their scope corresponds to the current needs of the organization.



Initiatives supporting education, combating social exclusion and improving the well being of local communities

The following actions are described below (examples):

- strengthening the identified material opportunities related to building of the brand value and recognition, and improving the stakeholder relations through the local CSR initiatives and other proactive activities for the local communities,
- strengthening the identified material positive impact related to the implementation of the social support programs, investments in the local infrastructure and the educational activities.

Education for the local communities:

- **Bat Festival**: in September 2025 in the Będkowska Valley and Kluczwoda Valley, the 8th Bat Festival was held, with Kopalnia Wapienia Czatkowice as its partner. The event, attended by approximately 200 people, included, among other activities, a scientific conference, a recreational and sports part and the guided field trips led by the Jura guides. The initiative supported the development of the ecological awareness.
- **Educational campaign – Online Safety**: the guide *How Not to get Scammed Online* was published on the blog lepiej.tauron.pl, and the activities in traditional media (press) were carried out in the November – December 2025 time frame.
- **The cooperation with GOPR (Mountain Volunteer Search and Rescue Service):** promotion of an active lifestyle and safe behavior in the mountains, raising the awareness of the risks arising from the inadequate preparation for the trips and the way people should move on the trails and slopes, as well as the training sessions combining the theoretical knowledge with the practical exercises and the team work elements.
- ***Access to Wawel with TAURON***: without any interruptions since 2010, TAURON has been supporting the Wawel Royal Castle. The Access to Wawel with TAURON program involved the organization of 14 different meetings, workshops and concerts at the Wawel Royal Castle, attended by 227 people with the neurodiverse needs (ailments). The History in Light – Experience the Royal Story event was a series of mappings in which the history of Wawel was presented using light, images and sound.
- ***Lower Silesian and Silesian Science Festival***: support for the education, popularizing science among the communities and encouraging particularly the young people to engage with the world of science. Every year, a growing number of the participants are able to attend the workshops, lectures and visit stands from the various fields of knowledge.
- ***Electrification Project***: developing awareness among children and young people with respect to energy saving, energy security and the renewable energy sources. The activities were complemented by the Electrification Zone launched at the Mr. Kleks Fairy Tale family entertainment center. This is an interactive educational space where children and young people learn through an experimentation, discover the secrets of the renewable energy sources, learn the principles of energy saving and develop an interest in modern energy.
- ***The Energetyczni Association***, together with TAURON Ekoenergia, is implementing an original, proprietary project that introduces

young people to the significance of the renewable energy sources and their role in building a sustainable future. In 2025, 12 special presentations were delivered at the schools located near TAURON Ekoenergia's hydroelectric power plants and wind farms, attended by more than 300 people.

- ***Reflective School Program***: run jointly with the Silesian Police, promoting safe road behavior. In 2025, hundreds of the reflective elements – increasing the pupils' visibility and improving their safety – were distributed to more than 200 Silesian primary schools and to more than 50 000 pupils in the Silesian schools.

Combating social exclusion:

- ***The House of Guardian Angels Association (Stowarzyszenie Dom Aniołów Stróżów)***: TAURON has been supporting The House of Guardian Angels Association (Stowarzyszenie Dom Aniołów Stróżów), which helps children and young people from the post-industrial districts in Silesia. In addition to the financial support, the activities engaging the employees are carried out every year, including, among other things, the *We are Helping Squared (Pomagamy do Kwadratu)* campaign, involving the donation of the food, household chemicals and toys, as well as a participation in the *TAURON Run for the Angels (Biegnij dla Aniołów)* charity run and the *Family Katowice Cycling Rally with TAURON*.
- ***The Sherpas of Hope Foundation (Fundacja Szerpowie Nadziei):*** TAURON Group's employees, in the cooperation with the Sherpas of Hope Foundation (Fundacja Szerpowie Nadziei), took part in four mountain expeditions supporting people with the disabilities in reaching the mountain summits. The main events bring together more than 500 people (families with children with disabilities and volunteers), with approximately 20 – 30 TAURON volunteers participating in each.
- ***SIEMACHA Association***: a long standing partnership that supports more than 2 500 children and young people. The outcomes of this partnership include, among other things, the *TAURON Sports Games,* during which the employees of the Group's subsidiaries compete in various sports disciplines, integrate and strengthen their sense of community, as well as the *TAURON Music Star* music competition, aimed at the young vocalists. The main prize in the competition is the opportunity to take part in the recording of a Christmas album.
- **TAURON Foundation**: in 2025, the Foundation organized a competition for the beneficiaries of care and educational facilities under the motto *A World of New Energy*. The goal of the initiative was to develop the creativity of the children and young people and to promote the pro-ecological attitudes through the creation of the environmentally themed works. Several dozen original works prepared by the children were submitted to the Foundation's head office. The cash prizes were awarded to the authors of the best works, enabling the honorably mentioned facilities to receive the additional financial support. The detailed information about the projects implemented and supported by the TAURON Foundation is available on the Foundation's website: https://fundacja.tauron.pl/wspieramy/projekty-realizowane.

Improving the well being of local communities:

- ***Sports activities***: as part of the cooperation between TAURON and the Polish Gymnastics Association (PZG), a series of the *Gymnastics for Everyone with TAURON* events was held in Katowice, Opole, Wrocław and Kraków, promoting the gymnastics and an active and healthy lifestyle among the children and young people. 1 640 participants took part in the sports sessions led by the PZG representatives and watched live gymnastics exhibition shows. To promote an active lifestyle among the employees and the local communities, TAURON organizes the annual *TAURON Group Employees Volleyball Championship* and encourages a participation in the *TAURON Giants of Volleyball* charity tournaments (24 Polish and foreign teams – approximately 500 people in total), held in the cooperation with *UMKS Kęczanin*.
- **TAURON Silesian Park**: a new facility supported by TAURON. It is the largest inner city park in Europe – 530 hectares – visited by more than 3 million people every year. It is a place of particular significance for the residents of Silesia and for the development of the entire metropolitan area.

- **Książ Castle**: a patronage over one of the most recognizable heritage sites in Poland. The site attracts more than 300 000 tourists from Poland and abroad every year. In addition, as part of the partnership, TAURON became the title sponsor of the largest cultural events, including *the TAURON Summer Festival of Secrets*, *TAURON Gardens of Light* and *TAURON ECO-Education*.
- **Culture:** new projects in the field of film culture were: *the TAURON Young Horizons* festival and *the TAURON American Film Festival*. *TAURON Young Horizons (TAURON Młode Horyzonty)* is a modern, digitally driven festival aimed at the young audiences, which over 18 days is visited by nearly 70 000 attendees. *TAURON American Film Festival* is a celebration of the independent American cinema, bringing together a wide range of attendees, including the authors, filmmakers and directors. The festival attracts more than 50 000 participants.

Initiatives supporting regional development and just transition:

The following actions are described below (examples):

- strengthening the identified material opportunities related to the actions aimed at building a dialogue based on the respect for the freedom of expression,
- implemented in response to the risk of a reduced financial performance resulting from poor management of the transition, declining trust, social protests by the local communities, and the negative community attitudes towards the investment related resettlements,
- strengthening the identified material positive impact related to taking into account the voices of the local communities and respecting their freedom of expression in the business planning process, and contributing to the regional development through the local investment projects,
- addressing the identified material negative impacts associated with the possible dissatisfaction of the local communities with the new investment projects that may affect the quality of life, and with TAURON Group's failure to restore assets, which may lead to the weakening of the local economies, as well as the deterioration of the economic situation of the local communities as a result of the rising electricity prices.

TAURON Economic Round Table

As part of the *TAURON Economic Round Table*, a meeting was held at the Company's head office, attended by the representatives of the local governments of Jaworzno, Trzebinia, Mikołów, Chrzanów, Łaziska Górne and Będzin, as well as the management boards of TAURON Polska Energia, TAURON Wytwarzanie and TAURON Ciepło. The goal of the discussions was to explore the alternative business projects for the hard coal fired units.

TAURON Group also undertakes other continuous activities in order to support the employees affected by the energy transition, including through the retraining programs, career guidance and psychological support, and maintains an open dialogue with its stakeholders regarding the impact of the transition on the local communities.

Instrat Foundation

In 2025, the cooperation with the Instrat Foundation was continued, which resulted in the assistance in analyzing the key topics for the active planning and management of the just transition in the south of Poland.

***Energia Ziemi Kamiennogórskiej* Heat Energy Cluster implemented in Kamienna Góra**

In 2025, a key action was the initiation of the *Energia Ziemi Kamiennogórskiej* Heat Energy Cluster project, the goal of which is to develop the local, ecological energy sources and improve the region's energy security. The planned activities are intended to contribute to the effective use of the renewable energy resources and support the economic development of the Kamienna Góra County. The activities are based on the cooperation between the public and private entities (local government, energy companies and the local entrepreneurs) in the area of generation, storage, distribution and balancing of the demand for electricity, fuels and heat. This will contribute to securing the supply of heat, cooling and electricity at the prices below the tariff rates and will allow for generating the economic, social and environmental benefits to be achieved for the entire Kamienna Góra region. The Cluster also has a significant social impact, as it develops the residents' energy awareness. Ultimately, the activities of the Cluster's participants are intended to ensure energy self sufficiency for the Kamienna Góra County.

Expansion and modernization of the distribution grid

TAURON Dystrybucja is implementing the connections of the new facilities to the grid both in the new and in the existing economic activity zones, as well as for the enterprises located outside of these areas. The expansion and modernization of the existing grid enables the development of the new available grid connection capacities and provides the technical conditions to allow for a fuller integration of the electricity consumers and generators, and also enables the further electrification, for example, of the transportation and heating.

The investment plans take into account the needs of the given area, for example the grid connection potential based on the issued grid connection conditions or the implemented grid connection agreements, based on the expansion and replacement needs of the grid in the given area. The largest planned and ongoing investment tasks and the available grid connection capacities are published on the website – this information may be used by the potential investors or contractors in the given area. The Company cooperates with the local government units with respect to planning the expansion of the energy infrastructure in a manner that supports the local economic development and the maintaining of the jobs. In addition, it takes part in the consultations conducted by the municipalities and counties and cooperates in the updating of t he planning documents, in order to reduce the risk of blocking the local business development.

Initiatives supporting environmental and climate protection, reducing the impact of investment implementation, and improving the safety of local communities

The following actions are described below (examples):

- implemented in response to the risk of a revenue loss as a result of the protests and dissatisfaction of the local communities with the Group's negative environmental impact,
- addressing the identified material negative impacts related to:
  - air emissions and noise from the generation facilities and the potential health risks to the residents,
  - safety threats arising from the potential failures, fires and grid damage,
  - threats to the life and health of the third parties associated with the unauthorized access to the energy infrastructure,
  - various types of damage arising, such as ground subsidence and damage to the buildings, roads and infrastructure,
  - failure by the contractors to comply with the requirements with respect to the social, environmental and ethical responsibility, leading to the negative impacts on the communities and a weakened social acceptance of the investment projects.

#WeźNieSmoguj #WeźOddychaj

The fifth edition of the campaign is targeted at the primary and secondary school pupils. It promotes the district heating as the best solution for reducing the smog in the cities. The dedicated campaign website: https://wezniesmoguj.tauron.pl/ also provides four animated films from the previous editions, informational materials and interesting facts for the teachers to use during the lessons.

Actions mitigating the inconveniences related to investment implementation and improving safety

Actions addressing the prevention of the material negative impacts arising during the implementation of the investment projects are the works continuously carried out as part of own operations, including, among other things:

1. incorporating the design protection zones in order to reduce the noise and stroboscopic effects in the wind farm projects,
2. implementing waste management strategies, including the recycling of the hazardous materials,
3. scheduling oversized transportation during the night hours in order to avoid the traffic disruptions during the day and to minimize the inconveniences related to the deliveries, for example, the need to close the roads,
4. actions aimed at improving the residents' quality of life, for example:
   1) reconstruction of the bridge over the Dąbrocz river in the Miejska Górka municipality as part of the construction of a wind farm, which improved the safety and flow of traffic, supporting the local labor market and

economic development. During the implementation of the investment project, a number of the municipal roads were also reconstructed and handed over to the residents upon the completion of the works,

2) restoration of the asphalt surface of the county road T1885 (approx. 1 100 m) in the municipalities of Radków and Secemin as part of the construction of a photovoltaic farm, which enables a smoother traffic flow and contributes to the greater user safety,

3) cabling of the power grid – where technological conditions permit, TAURON Dystrybucja prioritizes the cable technology for the power line construction. This is beneficial both from an environmental perspective (no landscape pollution), a safety perspective (equipment out of reach of unauthorized persons), and a fault frequency perspective (equipment insensitive to the weather conditions or external damage),

5. safe power grid – the grid is designed and operated in such a way as to minimize the risk of the events posing the health risks to the people. All of the equipment posing such risk is adequately secured both through the advanced protection automation systems that respond instantly, a well as through the physical barriers designed to prevent any such event from occurring (fencing of the facilities, locking equipment in the specialist rooms, adequate suspension height of the wires).

Initiatives supporting dialogue with local communities

The actions (examples) addressing the identified material negative impacts related to the insufficient engagement by TAURON Group in a dialogue with the local communities, which may render the stakeholder consultations ineffective and prevent their interests and needs from being taken into account, as well as the risk associated with the insufficient or inadequate communication channels with the local communities, which may result in a failure to respect the freedom of expression are described below. In addition to the systemic actions described in *section 13.18 of this report, in the part relating to* S3-2, the following actions are being carried out:

Actions that are a part of the expansion of the Renewable Energy Sources (RES)

Approximately 150 meetings were held with the municipal authorities, the town / village councils and the residents in order to educate the local communities with respect to the renewable energy. The impact of investment projects on health, the environment, landscape and the municipal budget was explained. The dialogues were conducted with the investment project opponents – debunking myths, addressing concerns, and providing the substantive education in the area of RES.

Development and modernization of the electricity distribution grid

In February 2025, TAURON Dystrybucja invited all of the interested parties, including the local governments, to take part in the open consultations on the draft *Development Plan for Meeting the Current and Future Electricity Demand for the years 2026 – 2031*. The goal of the consultations was to obtain the opinions (feedback) and also to enable our customers to submit their electricity supply needs, as well as to strengthen the partnership relations and improve the communication with the company's stakeholders. The electricity supply needs of the local government units, and thus of their residents, are consulted as part of the process of reviewing the local planning (zoning) documents, for example, the general plans, the local spatial development (zoning) plans, the assumptions for the heat, electricity and gas supply plans, the low emission (carbon) economy (management) plans, the environmental protection programs, etc.

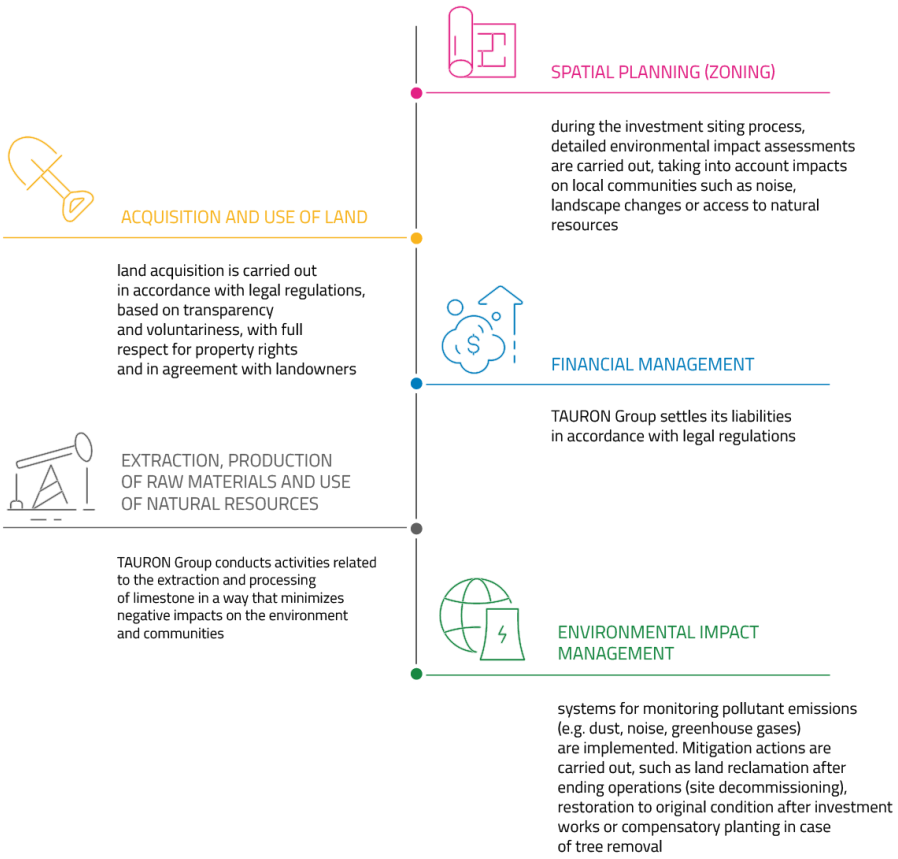
Modernization of the Pilchowice I Hydroelectric Power Plant Reservoir Facility

As part of the preparation of the dam overhaul investment project, the social consultations and extensive informational activities were carried out in 2025, including the meetings with the local governments, the management of a dedicated public social media group, the publication of the informational materials in the form of videos, answering the residents' questions on the internet forums and the cooperation with the local media. Three editions of the *Lower Silesian Flood Prevention Forum* were organized, the outcome of which was to raise the local community awareness that the implementation of the investment project will lead to an improved flood protection, which will directly contribute to the protection of the lives, health and property of the residents and to the stability of the development of the areas located downstream of the reservoir. The implementation of the works will generate the demand for the local services (transportation, catering, accommodation, small deliveries), which may temporarily support the local economy.

In the areas of activity listed below, TAURON Group is striving to reduce and refrain from contributing to

the material impacts on the affected communities, as illustrated in the figure below.

Figure no 57 Reducing impacts on the affected communities



In 2025, no serious human rights issues or incidents relating to the affected communities had been reported or identified.

TAURON Group commits financial, human, technological and time resources to the management of the material impacts on the local communities. These undertakings not only minimize the negative effects of the operations, but also support the long term sustainable development goals and build the positive stakeholder relations:

1. financial resources – investment budgets include the funds earmarked for the remedial actions, for example the property use fees (including the lease arrangements), modernizations, land reclamation or restoration of the local infrastructure and land where its condition has been worsened as a result of the investment project implementation, as well as the actions supporting the regions affected by the transition that are exposed to the social and economic risks,
2. human resources – the project teams include experts in the environmental, social consultation and mediation matters. The local representatives of the Group's subsidiaries are available at the local offices,
3. technological resources – depending on the specific nature of the investment project, it is covered by the impact monitoring, for example, noise and emission measurement systems, air and water quality,
4. time and operational commitment – investment project planning takes into account the time needed for the conducting of the social consultations, risk identification and monitoring, and a cooperation with the stakeholders. A project communication plan is also implemented.

(S3-5) Targets relating to the management of material negative impacts, Amplifying positive impacts, and managing material risks and opportunities

TAURON Group Strategy for 2025-2035 emphasizes the Group's responsibility towards the future generations, employees as well as the local communities. TAURON Group's goal is to maintain the good relations based on a transparent dialogue, with respect for the freedom of expression and the right to raise concerns.

The strategic objective for the years 2025 – 2035 is to strengthen the role of the local communities as a stakeholder of TAURON Group that fulfils the Group's commitments relating to the partnership in the regional development, the assignment of the new functions to the post-industrial areas (sites), and the focusing of the sponsorship and CSR activities on the environment, local communities and the employees.

CEL #1: Strengthening the role of local communities as a stakeholder of TAURON Group

The implementation of this target allows for the management of the material impacts, risks and opportunities identified in the sub-topics of economic, social and cultural rights of communities, and civil and political rights of communities.

The positive impacts are related, first and foremost, to TAURON Group's open dialogue and the cooperation with the local communities, the support for the local labor market and the implementation of the educational and ecological projects improving the residents' quality of life.

On the other hand, the material risks are related to the protests and the social tensions triggered by the negative operational impacts or a lack of a dialogue.

The identified material opportunities include strengthening TAURON Group's image and market position through a proactive dialogue and the support for the local initiatives, which translates into the better relations with the local communities.

This target applies across all of the Group's subsidiaries and is linked to the time horizon of the *TAURON Group Strategy for 2025-2035*, i.e. until 2035. The regulation associated with this target is the TAURON Group's Principles for Conducting CSR Projects. The table below presents the target metrics related to the management of the identified IROs, along with their baseline values and the 2025 performance.

Table no.184. Target metrics associated with the management of the IIROs related to the affected communities – Target #1

Metric	Baseline value	2025 Performance
Number of employee volunteering activities carried out for the communities during the year	8	11
Number of the individual employee engagements in the employee volunteering	50	358
Number of the campaigns carried out for the local communities	19	23

Depending on the individual processes, the metrics are monitored monthly, annually or at other intervals.

The effectiveness of the actions towards the affected communities is monitored in a manner adapted to the scale and nature of the projects, through the operational procedures and the indirect metrics using the data from the ongoing projects and the feedback obtained through the contacts with the communities. The scope and boundaries cover own operations and the key business relationships with respect to the implementation of the undertakings, and in the justified cases also the elements of the value chain directly related to the impact in the area (of the investment project) or in the region. The target was established as a result of an analysis of TAURON Group's past activities. During the target setting process, TAURON Group did not cooperate with the affected communities or their representatives; however, the experience in this area of cooperation was taken into account. The specific tasks will be carried out by the teams and areas responsible for the individual substantive scopes. With respect to all of the identified material negative impacts in the area of the affected communities, such as threats to the health and safety of the residents resulting from the emissions from the generation plants or the potential failures and damage to the grid, a lack of the activities related to the replacement of the assets, impacts on the quality of life during the implementation of the investment project, violations of the human rights by the counterparties (contractors) of TAURON Group, insufficient involvement in a dialogue with the local communities, an increase in electricity prices, no

dedicated targets were set, these negative impacts are managed through the operational activities.

With respect to all of the identified risks, i.e. the protests and dissatisfaction of the local communities, improper management of the transition, insufficient or inadequate communication channels and negative attitudes towards the voluntary resettlements, no dedicated targets were set, these risks are managed through the operational actions.

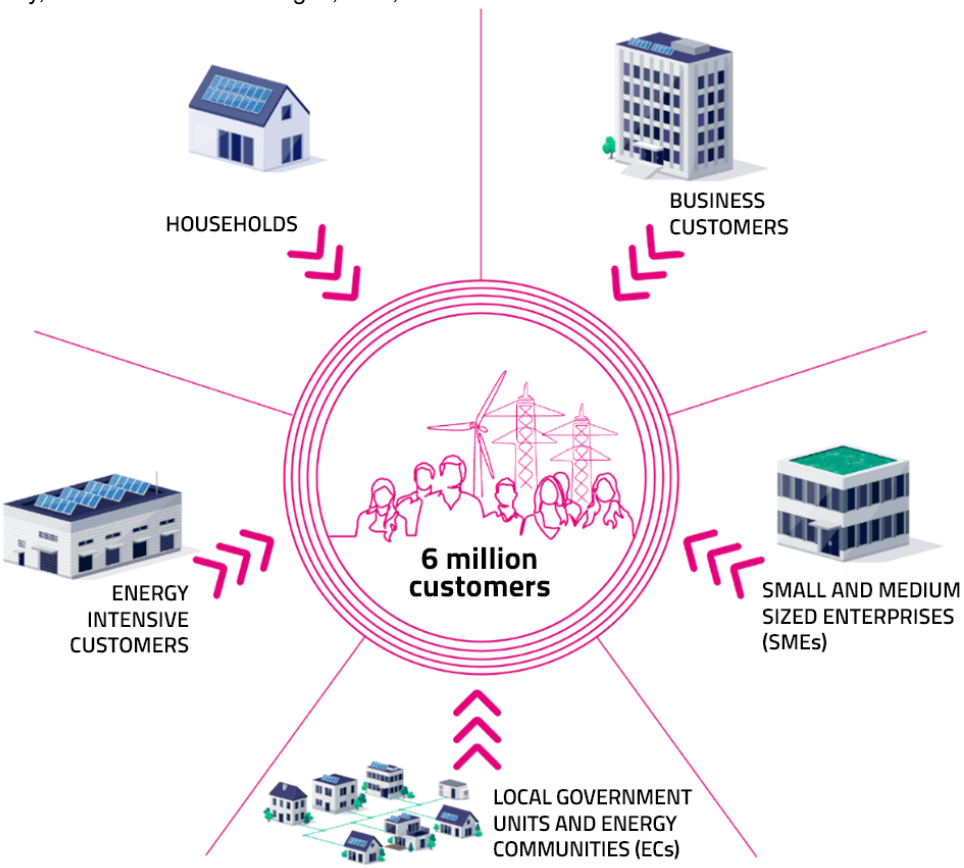
With respect to the identified opportunity to build a dialogue with the local communities and support local initiatives no dedicated targets were set, this opportunity is managed through the operational activities.

With respect to the identified positive impacts related to the taking into account the voices of the local communities and respecting their freedom of expression, as well as regional development through the implementation of TAURON Group's investment projects that support new job creation and infrastructure development, no dedicated targets were set. TAURON Group is conducting the initiatives described in *section 13.18. of this report in the part related to S3-4*, as well as other operational activities.

13.19. Consumers and end-users (S4)

Our customers

TAURON Group is serving a wide and diverse range of the customers, encompassing both the individual as well as the business customers. Depending on the business profile of the Group's individual subsidiaries, the customer relationships include, among other things, the supply and distribution of electricity, as well as the sales of gas, heat, aggregates, biomass and the by-products of the hard coal combustion and extraction process. In the case of the Group's selected subsidiaries, such as Bioeko Grupa TAURON and the Kopalnia Wapienia Czatkowice, the customers of a specific, non-standard nature are also present.



TAURON Group serves more than 6 million customers, the vast majority of whom are the retail customers using the Group's services in the B2C model. This customer group remains the direct focus of the Group's relationship building efforts.

In this chapter, in line with the results of the double materiality assessment and the definition of a consumer and an end-user adopted in the ESRS, TAURON Group focuses on the information concerning the material sustainability issues (matters) relating to the individual customers. The scope of the disclosures covers, in particular, the material impacts, risks and opportunities (IRO), as well as the policies, actions, engagement mechanisms and targets associated therewith that are related to the Group's relationships with the consumers and end-users.

Individual customers play an important role in *TAURON Group's Strategy* and in the energy transition process. Their needs, expectations and experiences influence product design, the organization of the service processes and the development of the communication channels. Customer feedback is an important source of information for TAURON Group, supporting the operational and strategic decision making and the building of the long term relationships based on trust, transparency and high quality services.

(S4.SBM-2) Interests and views of stakeholders

The foundation of the company's growth is 6 million consumers who use the electricity supplied by TAURON every day. Accordingly, the customer orientation has been embedded in the Group's key business and operational priorities.

From the perspective of the consumers' and end-users' needs, the fundamental requirement is ensuring the provision of the basic services – access to electricity and heat. Both the *TAURON Group Strategy for 2025-2035* as well as the Business Model of TAURON Group respond to these expectations. The objective is to achieve the position of the most pro-customer (customer-centric) energy group in Poland, with a strong emphasis on customer experience and service improvement.

As part of the double materiality assessment, TAURON Group's customers were classified as a stakeholder group of key importance that TAURON Group has a material impact upon, and they were included in a close dialogue. Dialogue with the key stakeholders takes place not only within the framework of the planned activities but also in the course of the day to day operations. The Group is developing an omni-channel approach to customer contact and provides a wide range of contact channels. TAURON Group's collaboration with the customers is conducted in accordance with the applicable laws and market standards.

In line with the *TAURON Group Strategy for 2025-2035*, TAURON Group is striving to support the customers in achieving their energy use and management goals, including their energy transition, while ensuring their satisfaction, maintaining the long-term partnership relationships, and providing 100% clean energy by 2040.

(S4.SBM-3) Material Impacts, risks and opportunities and their interaction with Strategy and Business Model

Consumers and end-users on whom TAURON Group exerts or may exert a material impact are covered by the disclosure scope defined in ESRS 2. Conducting an analysis of the stakeholder needs and expectations is an ESRS requirement and an integral part of the strategy development. Impacts, risks and opportunities related to the customer and the end-users were identified through the double materiality assessment process, from both an own-operations and a value chain perspective. The actual and potential impacts, risks and opportunities related to the consumers were identified with respect to the sub-topics of: personal safety of consumers or end-users, social inclusion of consumers or end-users, and impacts on consumers or end-users related to information.

The key customers on whom TAURON Group exerts material impacts include, first and foremost, Individual customers (households). The management of the relationships with the consumers and the end users, as well as the management of the impacts is based primarily on *TAURON Group's PRO Customer (Pro Client) Social Policy*, which is described in more detail in *section 13.9 of this report, in the part related to S4-1*. With respect to the impacts on the above mentioned key consumers:

1. TAURON Group does not offer its customers products that are inherently harmful. However, electricity generation in Poland is still predominantly based on the high emission (carbon) sources, which has a negative impact on pollution levels and may contribute to the development of chronic diseases (for example, asthma). It should be noted, however, that TAURON Group is in the process of energy transition and moving away from the hard coal based generation sources, which had a direct impact on the customers, who are increasingly being offered electricity coming from the green generation sources,
2. as part of its relationships with the customers, TAURON Group processes their personal data and has a potentially significant impact on their right to privacy. Aware of this impact, TAURON Group exercises due diligence in protecting privacy, complies with the applicable legal regulations in this area, and implements adequate security measures,
3. customers expect precise and understandable information about the products and services on offer (including tariffs, price lists and contract terms). The TAURON Group conducts relevant educational initiatives and continually works to improve the transparency and clarity of the information provided to the customers (for example, simplifying invoices),
4. TAURON Group's activities address the needs of the vulnerable consumer groups exposed to the risk of energy poverty.

The material positive impact on the customers is associated with providing access to the diverse contact channels – direct, electronic, traditional and by telephone – which enables free communication with TAURON Group, including the submission of enquiries, complaints and grievances, supporting transparency and responsiveness of service. TAURON Group reinforces this impact through the implementation of the strategic priorities, namely: the development of the digital customer service channels, the development of the products, services and sales channels, and the adherence to the principle: customer experience at the highest level. Transparent communication with the customers strengthens the relationships and minimizes the risk of complaints, customer loss, as well as of the sanctions from the institutions such as URE (the Energy Regulatory Office), UOKiK (the Office of Competition and Consumer Protection) or the Consumer Ombudsman.

TAURON Group works to change the customer habits by implementing pro-environmental initiatives, including the educational activities that raise climate awareness. Programs directed at the younger users are also carried out, for example, programs teaching the children how to safely use the electrically powered devices. This is directly linked to the identified positive impact in this respect.

The above mentioned activities are, at the same time, linked to taking advantage of an identified opportunity – climate education promotes changes in consumption habits, supporting TAURON Group's actions on climate change mitigation. These activities also reduce the risk of misleading the consumer, which could result in a loss of trust.

TAURON Group has identified potential negative impacts related to the security of the customer data, with respect to access to data by unauthorized persons and a breach of privacy, as well as with respect to the particular vulnerability (exposure) of the Group's technical infrastructure to attacks on the customer databases.

TAURON Group has also identified material risks in the area of data security, namely: the risk of a personal data leak, which may entail consequences such as fines, the need to pay damages, or contract termination by the customer, as well as the risk associated with the potential complaints, proceedings related to the marketing practices, misleading the customer, which may generate additional costs for TAURON and result in a loss of the customer loyalty.

In seeking to minimize the potential negative impacts and risks, the TAURON Group takes care of the protection of the personal data and user privacy through the continued improvements of the security measures, investments in the protection systems, and employee education. Potential privacy breaches and errors in the personal data protection are a common threat to all of the companies that serve large customer volumes. TAURON Group's facilities that are a part of the critical infrastructure are subject to special oversight, verification, and ongoing improvement of the existing safeguards and systems.

TAURON Group is aware that some of its customers are particularly vulnerable (exposed) to its negative impacts. The identified material negative impacts are related to a potential increase of the electricity prices and high electricity bills, which may, as a consequence, lead to the restricted access to the basic commodity, which are electricity and heat, a risk the low income customers are particularly vulnerable (exposed) to.

(S4-1) Policies related to consumers and end-users

TAURON Group implements, executes and monitors the key policies through which the management of the material impacts, risks and opportunities related to the consumers and end-users is ensured. TAURON Group's policies related to the consumers and end-users are universal in scope and cover all of the customer groups without exclusions, including the persons in difficult circumstances or specific user groups that may be particularly vulnerable (exposed) to the negative impacts, such as persons with disabilities, senior citizens and persons at risk of digital exclusion.

TAURON Group's policies are implemented and communicated in compliance with the highest standards of transparency and accessibility for all of the employee groups. Each policy is communicated to the employees.

TAURON Group manages impacts, risks and opportunities related to consumers and end-users primarily on the basis of *TAURON Group's PRO-Customer Social Policy*. Other key related policies and documents include:

1. *TAURON Group's Corporate Social Responsibility Code of Conduct*
2. *TAURON Group's Human Rights Respect Policy,*
3. *Personal Data Protection Policy for TAURON Group's Entities,*
4. *TAURON Group's Anti-Corruption Policy,*
5. *TAURON Group's Cybersecurity Policy.*

Through the above mentioned policies, TAURON Group manages all of the identified material IROs related to the consumers and end-users. The details are presented in the table below.

Table no. 185. Identified material IROs relating to consumers and end-users

Negative impacts	**Related documents**
High energy bills for the low-income customers restrict access to the basic commodity of electricity and heat.	TAURON Group's PRO-Customer Social Policy, TAURON Group's Human Rights Respect Policy, TAURON Group's Corporate Social Responsibility Code of Conduct
Lack of technical measures ensuring appropriate protection of customers' personal data – unauthorized access to data, privacy breaches.	TAURON Group's PRO-Customer Social Policy, Personal Data Protection Policy for TAURON Group's Entities
Rising electricity prices may lead to social exclusion and a deterioration in the standard of living of individual customers.	TAURON Group's PRO-Customer Social Policy TAURON Group's Human Rights Respect Policy.
Critical infrastructure companies are particularly exposed to attacks on customer databases, requiring continuous improvement of protection systems.	TAURON Group Cybersecurity Policy, Personal Data Protection Policy for TAURON Group's Entities.
Positive Impacts	
Special protection of children through the implementation of educational programs teaching children how to behave near energy infrastructure and how to safely use electrically powered devices.	TAURON Group's PRO-Customer Social Policy
Providing customers with access to diverse contact channels – direct, electronic, traditional and telephone – enables free communication with the TAURON Group, including the submission of enquiries, complaints and grievances, supporting transparency and responsiveness of service.	TAURON Group's PRO-Customer Social Policy
Risks	
A breach of personal data of consumers and / or end-users may result in: class-action lawsuits, administrative fines, civil liability compensation, criminal liability, the possibility of service contract termination, and reputational damage (loss of image).	TAURON Group's PRO-Customer Social Policy Personal Data Protection Policy for TAURON Group's Entities.
Costs arising from complaints and proceedings concerning marketing practices, fines resulting from misleading consumers and/or end-users, and loss of their loyalty.	TAURON Group's PRO-Customer Social Policy

Opportunities	
Climate education of consumers and/or end-users promotes changes in consumption habits, supporting the TAURON Group's actions on climate change mitigation.	TAURON Group's PRO-Customer Social Policy TAURON Group's Corporate Social Responsibility Code of Conduct

TAURON Group's PRO-Customer Social Policy

The Policy sets out the strategic directions for the activities related to consumers and end-users, ensuring consistency of the processes implemented throughout TAURON Group.

The goal of the Policy is to create the adequate organizational and business conditions required to achieve TAURON Group's strategic objectives in the area of customer relations and market environment.

The Policy includes the main assumptions for the implementation of the sales and customer service process and establishes a general framework for the processes carried out across different business segments. These processes are conducted in a uniform manner throughout TAURON Group, while taking into account the specific nature of the individual markets and the needs of the customers. The Policy covers both the general consumer base as well as the specific user groups that may be particularly vulnerable to the negative impacts.

The Policy allows for the management of the material impacts, risks and opportunities related to consumers and end-users through:

1. ensuring equal access to products and services for all of the customer groups,
2. identifying, assessing and minimizing the risks related to the quality of the delivery, customer service or the availability of products and services,
3. taking advantage of the opportunities arising from the development of the new technologies, such as RES (Renewable Energy Sources), and the growing sustainability expectations,
4. adapting the operational activities and offerings to the changing needs of the customers and market regulations.

The Policy indicates that TAURON Group's activities minimize the potential negative effects for the individual customers, particularly with respect to access to the products and services such as electricity, gas, heat and other products.

TAURON Group declares a full commitment to the protection of the rights of the consumers and end-users, acting in accordance with the national law and adhering to the internationally recognized regulations and principles, including those set out in, among other things:

1. International Bill of Human Rights,
2. European Convention on Human Rights,
3. UN Guiding Principles on Business and Human Rights,
4. OECD Guidelines for Multinational Enterprises on Responsible Business Conduct,
5. OECD Due Diligence Guidance for Responsible Business Conduct.

TAURON Group's policy is in line with the above mentioned internationally recognized instruments and regulations.

TAURON Group has implemented multi-channel mechanisms enabling the consumers and end-users to raise concerns and to report instances of the negative effects of the activities.

The Policy on human rights and relations with the consumers and end-users takes into account both the formal structures as well as the support tools.

TAURON Group regularly communicates information on the key policies and principles to the stakeholder groups that are relevant to the achievement of the objectives of the policy objectives and its implementation. This communication includes making the information on implemented documents available on the digital internal and external platforms (intranet / internet) or, where appropriate, through the traditional methods.

Responsibility for updating the Policy lies with the Director in charge of the customer at TAURON, while the oversight over the compliance with its provisions is exercised by the President of the Management Board of the Company.

The Company is planning to update the Policy in 2026.

In 2025, TAURON Group did not introduce any significant changes to the principles governing the relations with the consumers and end-users, the approach to due diligence, remedial mechanisms, and the handling of the potential violations.

The applicable rules, procedures and management mechanisms in the area of consumers and end-users continued to be valid and were applied unchanged. TAURON Group continued to implement them and monitor their effectiveness

within the existing operational processes and management structures.

TAURON Group's Human Rights Respect Policy and the Personal Data Protection Policy for TAURON Group's Entities are described in section 13.16. of this report, in the part related S1-1.

TAURON Group's Anti-Corruption Policy, TAURON Group's Corporate Social Responsibility Code of Conduct and TAURON Group's Cybersecurity Policy are described in *section 13.20. of this report, in the part related to G1-1.*

The Group recorded no instances of non-compliance with the *UN Guiding Principles on Business and Human Rights, the International Labor Organization Declaration, or the OECD Guidelines for Multinational Enterprises* that would be related to consumers or end-users.

(S4-2) Processes for engaging with consumers and end-users about Impacts

The perspective of the consumers and end-users plays a key role in TAURON Group's activities and is systematically taken into account in the decision making processes related to the management of the actual and potential impacts on the consumers and end-users.

Information is obtained from the service channels, in particular: complaints, enquiries, grievances and contacts made via the traditional and digital channels, and constitutes one of the primary sources for identifying areas requiring corrective or improvement measures.

The Group's selected subsidiaries carry out regular customer satisfaction surveys, opinion surveys and awareness surveys related to the products and services, the results of which are analyzed with respect to their impact on the service quality, service accessibility, communication transparency and the level of comprehension of the solutions offered. The insights obtained in this way are used for the systematic improvement of the service standards, modification of the service processes, adaptation of the product offering, improvement of the informational materials and planning of the educational activities.

The incorporation of the consumer perspective is also reflected in the strategic activities, including the planning of the development of the new products and services, solutions for the prosumers and energy communities and the shaping of the energy transition direction. Customer opinions, research (survey) findings and experiences from the day-to-day service delivery are used during the periodic strategy reviews and during the implementation of the key projects, which allows for the management of both the actual as well as the potential impacts on the consumers and end-users.

Engagement with consumers and end-users

In 2025, TAURON Group provided the consumers and end-users with access to the multi-channel forms of contact, including: a hotline, Customer Service Outlets, traditional post, contact forms, a mobile application and services such as mójTAURON, eLicznik and mojaDystrybucja. During the prior year, the additional formal administrative communication channels were introduced, namely ePUAP (the Electronic Platform for Public Administration Services) and e-Doręczenia (e-Delivery), as well as a chat function with a virtual assistant available across the digital channels.

TAURON Group also actively engages with the consumers and users via the trusted representatives and institutions that represent their interests, including:

1. Office of Competition and Consumer Protection (UOKiK),
2. Energy Regulatory Office (URE),
3. Consumer Ombudsmen.

As part of the cooperation with the consumer organizations and other institutions representing user interests, regular meetings are held (for example, the annual meetings with the Consumer Ombudsmen on behalf of the customers of the TAURON Sprzedaż, TAURON Sprzedaż GZE and TAURON Dystrybucja subsidiaries or the meetings organized by the TAURON Ciepło and SCE Jaworzno subsidiaries with the largest housing cooperatives, residents' associations and property managers (administrators) with the aim of presenting offers or providing information on the planned refurbishments and the disruptions associated therewith), and individual consultations are also conducted, which allows for a better understanding of the customer needs and expectations. Within TAURON Group, there are mechanisms in place for overseeing and resolving consumer and end-user issues in cooperation with these institutions.

In 2025, the local government customers were identified as a separate stakeholder group. The local government customers have an opportunity to contact the Local Government Liaison Representatives (proxies) by contacting them directly, by telephone, email and via a dedicated website with a simplified contact form.

As part of direct engagement, the customers are provided with the possibility of contacting the customer service employees, including at the customer service outlets, via hotlines (with the Group's employee, with the Heating Emergency Service in the case of TAURON Ciepło and SCE Jaworzno, or with the Energy Emergency Service in the case of TAURON Dystrybucja, among others), correspondence channels and the online channels.

In response to the reported problems and feedback, actions are taken that directly affect the processes implemented at the customer interface. This type of engagement enables more effective tailoring of the products and services offered and better responsiveness to the potential issues.

Stages of engagement with consumers and end-users

Engagement with the consumers and end-users takes place at various stages of the business processes. It encompasses both a direct contact as well as a regular contact with the trusted representatives in order to address the reported matters and to monitor the regulatory compliance. In the case of the selected subsidiaries, the contact at the company-to-customer level takes place on an ad hoc basis, at the moment when a complaint or issue, in the broad sense of the term, is reported.

The following stages are distinguished within the engagement framework:

1. pre-transactional – covers the provision of the information to the prospective customers on the available products and services. It also provides technical advice and support in selecting solutions tailored to the individual needs. The activities are carried out on an ongoing basis (within the framework of the marketing and educational activities),
2. transactional – refers to the process of selling the products and services (including, among other things, the process of preparing the offer, concluding the contract and placing the order) and access is provided to the dedicated sales channels. The activities are carried out on an ongoing basis, in response to the customer demand,
3. post-sales – refers to the provision of, among other things, the advisory and technical support, customer billing for the products and services purchased, performing the complaint handling process, monitoring of the customer satisfaction and responding to the service related reports. The activities are carried out on an ongoing basis, depending on the reported needs,
4. strategic – involves taking into account the consumer feedback in the strategic decision making process and in the planning of the new products and services in relation to the market trends. The activities are carried out on a regular basis, as part of the annual strategy reviews and during the implementation of the key projects.

Each stage of engagement is managed based on the processes, which ensures efficiency and transparency in the customer contacts. This process is characterized by continuity, high interaction frequency and taking into account the end-user opinions in both the operational as well as the strategic activities.

> **At the product and service design and development stage, the consumers are regularly engaged through, among other things, user awareness surveys, in order to better understand their needs and expectations.**

During product launches, consultations are held and opinions (feedback) are gathered via surveys and the online platforms.

Following product implementation, customer satisfaction is regularly monitored. TAURON Group's subsidiaries conduct customer opinion surveys (on as needed basis) periodically, ad hoc or on a continuous basis.

Responsibility for engagement with consumers and end users

Responsibility for engagement with the consumers and end-users within TAURON Group rests with the persons holding the positions indicated in the table below. Given the specific nature of the customers and transactions, the responsibility has been assigned individually within the operations of each subsidiary. The persons holding the positions indicated perform the highest operational function and are directly responsible for coordinating the engagement activities and implementing their

outcomes in the strategies and processes of the subsidiaries. In addition, all of the key decisions are consulted and approved directly in cooperation with the Management Board of TAURON Polska Energia.

Table no. 186. Function and the highest position of the person operationally responsible for customer engagement at TAURON Group's subsidiaries where the consumers and end users have been identified

Subsidiary name	Function and the highest position of the person operationally responsible
TAURON Obsługa Klienta	Management Board of the subsidiary in accordance with its representation and Department Directors in accordance with their area of substantive oversight.
TAURON Sprzedaż / TAURON Sprzedaż GZE	President of the Management Board
TAURON Dystrybucja	Management Board of the subsidiary in accordance with its representation and Department Directors in accordance with their area of substantive oversight
TAURON Nowe Technologie	
1. Electromobility segment	Director of the Electromobility Department
2. Lighting segment	Director of the Lighting Department
TAURON Ciepło	Director of the Trading Department
SCE Jaworzno	Head of the Trading and Customer Service Department
TAURON Czech Energy	Director of the End Customer Sales Department

Currently, the subsidiaries do not have a dedicated role or a separate organizational function with the exclusive responsibility for engagement with the consumers and end-users. The operational responsibility in this area is exercised in a distributed model, as part of the broader scope of duties assigned to the individual organizational units, which in practice corresponds to the highest position responsible for engagement with the consumers and end-users.

The operational responsibility for engagement with the consumers and end-users is relational in nature and encompasses the activities aimed at building trust and responding to the customer needs.

TAURON Group is investing in the development of the employees' competences in the area of sales and customer service, providing:

1. relationship related training in customer communication, focusing on building relationships, interpersonal skills and an empathetic approach to the customer needs,
2. technological competence development programs, enabling the use of the modern systems for improved customer service,
3. workshops that support an understanding of the customers needs and the incorporation of the sustainable solutions into the day to day service activities.

Dedicated other functions in the organizational structure supporting engagement processes:

Customer Rights Ombudsman

Within TAURON Group, there is a Customer (Consumer) Rights Ombudsman who is responsible for handling the reports related to the violations of the human rights, ethical principles and customer service standards. The Ombudsman conducts regular analyses of the reports and recommends the remedial actions in the situations where violations have been identified.

Compliance Program Process Coordinator

TAURON Dystrybucja, as an independent distribution system operator, has a Compliance Program in place. This document was developed by the Distribution System Operator (DSO) in fulfilment of the obligation arising from Article 9d section 4 of the Energy Law. It specifies the measures that the DSO should take to ensure a non-discriminatory treatment of the system users, including the specific rights and obligations of the DSO employees and service providers.

Assessment of the effectiveness of engagement with consumers and end-users

The effectiveness of engagement with the consumers and end-users is systematically assessed by TAURON Group using the metrics and tools that enable monitoring of the quality and efficiency of the actions taken in the relationships with the customers. The following methods are used in the assessment process:

1. regular surveys of the customer satisfaction and loyalty levels through questionnaires, the results of which provide information on the service quality and on the alignment of the services and products with the customer expectations,
2. monitoring and analysis of quantitative metrics, for example: the number of incoming complaints and reports, on the basis of which the corrective and remedial actions are taken and the quality improvement plans are developed; process metrics, for example.: the average time needed to resolve a customer issue, the number of malfunctions and failures and the time taken to fix them,
3. monitoring of the online activities and the effectiveness of the marketing and information campaigns, i.e. analysis of the metrics such as reach, level of engagement and the impact of the campaigns on the perception of TAURON Group and its services,
4. conducting the *Customer Barometer* survey aimed at measuring the customer service quality across all of the contact channels,
5. cooperation with the external institutions, i.e. analysis of the reports and recommendations received from the institutions such as URE and UOKiK,
6. regular audits as part of the TOE *Best Practice of Electricity and Gas Fuel Suppliers* project, for the supply subsidiaries TAURON Sprzedaż and TAURON Sprzedaż GZE. The audit is conducted by the auditor TÜV Rheinland Polska Sp. z o.o. (Ltd.). During the 2025 audit, compliance with the practices specified in the document *Best Practice of Electricity and Gas Fuel Suppliers* was confirmed.

The results obtained from the assessment of the effectiveness of engagement with the consumers and end-users are used for the continuous improvement of the service processes, tailoring the offering to the customer needs and building long lasting relationships based on trust and satisfaction.

Actions to obtain the views of consumers and end users

Every customer is equally important for TAURON Group, regardless of their circumstances. In order to gain insight into the opinions of the consumers and end-users, particularly those who may be especially vulnerable to impacts (effects) and / or marginalized, TAURON Group implements a number of dedicated activities. The initiatives undertaken aim to eliminate barriers to accessing the services offered by the Group. These barriers are primarily energy poverty or difficult life circumstances (for example, economic crisis or persons with disabilities).

The main activities implemented by TAURON Group:

1. regular monitoring of the service quality for the customers who may be particularly vulnerable to impacts (effects) and / or marginalized (for example, elderly persons, persons with disabilities),
2. adaptation of the customer service outlets for persons with disabilities (elimination of the architectural barriers, use of the induction loops and access to a sign language interpreter services (Migam application)),
3. establishment of a dedicated line for the elderly persons within the telephone channel,
4. application of the plain language principles in written correspondence (the 'TAURON Speaks Like a Human' initiative) and the adequate font sizes in all of the forms of communication with the customers, ensuring full legibility and compliance with, among other things, the legal requirements,
5. implementation of websites compliant with the WCAG guidelines, enabling easy access for persons with visual, hearing or mobility impairments,
6. upskilling and raising the awareness of the employees with respect to serving the consumers and end-users who may be particularly vulnerable to impacts or marginalized,
7. Educational and information activities are designed in a manner that ensures broad accessibility of content, a low entry threshold, and the possibility of use regardless of the level of digital competence.

(S4-3) Processes for remedying negative impacts and channels for raising concerns by consumers and end users

TAURON Group's approach to the remedial actions is continuous and forms a part of the broader customer experience management system.

Where it is established that the activities of the Group's subsidiaries have had or have contributed to a material negative impact on the consumers and / or end users, the adequate remedial measures are implemented, tailored to the nature and scale of the identified event.

These measures include:

1. Handling of the complaints, which can be submitted in person or via the websites of the Group's individual subsidiaries to which the submitted complaint is applicable. The complaints are processed based on the internal complaint and grievance handling procedures,
2. analysis of reports and assessment of impacts – each report is assessed in terms of the severity of its impact on the potentially affected customers. Areas requiring intervention and corrective actions are also identified,
3. activity of the Customer Rights Ombudsman, who is responsible for, among other things, handling of the reports and initiating the remedial actions and complaint handling processes,
4. systematic monitoring of the service quality and service delivery.

The process of implementing the remedial measures encompasses not only the remediation of the consequences of the event but also an analysis of its causes and the implementation of the corrective actions to reduce the risk of a recurrence of the similar situations in the future (for example, process improvement, infrastructure modernization). An integral element of the process is also the provision to the customers of clear and understandable information about how the matter has been resolved and what remedial actions have been taken.

In the cases of a failure to meet electricity quality or customer service standards, measures provided for under the applicable legal regulations are applied, including charge reductions (discounts) or the payment of compensation.

The effectiveness of the remedial measures applied is assessed in a systematic manner, in particular on the basis of the aggregate analyses of the complaints and the results of the customer satisfaction surveys.

Verification of the durability of the changes introduced is supported by the analysis of the customer experiences, including the mapping of the key customer paths. Insights from the analyses conducted are used to introduce improvements in the service processes and to prevent the recurrence of the negative impacts in the future.

TAURON Group provides the consumers and end-users with access to the diverse channels for raising concerns, needs (requirements) and complaints, and for having them addressed, including:

1. Customer Service Outlets – dedicated outlets where the customers can receive in person support, including, among other things, in the matters relating to the contracts, invoices and complaints,
2. Partner Outlets – dedicated physical outlets where the customers of TAURON Sprzedaż and TAURON Sprzedaż GZE can receive in person support,
3. hotlines for the customers of the individual subsidiaries – telephone service ensuring fast support with respect to the handling of the reports,
4. online channels – self service portals, chats with consultants, dedicated submission forms, email contact, enabling customers to handle (resolve) matters quickly and conveniently online,
5. traditional correspondence – enabling the customers to communicate by post,
6. dedicated customer account managers, whose role is to ensure individual service and support.

The availability of the contact channels takes into account the needs of different consumer and end-user groups, including elderly persons and persons with disabilities.

TAURON Group ensures that the consumers and end-users on whom the Group's activities may have a potentially or actually material impact have the possibility of raising concerns also through the third party based mechanisms, in particular the public institutions and supervisory authorities, such as URE, UOKiK, Consumer Ombudsmen, ePUAP and the institutions supporting dispute resolution, or the national equivalents of these bodies in the case of TAURON Czech Energy.

These mechanisms are also available to persons or organizations acting on behalf of the consumers or end-users, as well as to the entities with knowledge on the potential negative impacts.

Other electronic mechanisms based on the third parties include, among other things:

1. online opinions and reviews – services such as Opineo, Google Reviews, Facebook, where the customers can rate service quality and report issues,
2. external energy price and service comparison tools – for example, energy tariff comparison tools, which provide customers with independent information on the competitiveness of TAURON's offering.

All of these channels operate independently of TAURON Group's internal structures and complement the complaints handling system.

Within the framework of the process based management, customer service is carried out in the structured mega-processes, ensuring multi-channel access to report intake. Channel availability is also supported by the contractual provisions requiring the selected contractors to accept reports, to participate in their processing and to cooperate with the subsidiaries in order to ensure effective resolution of the matters reported by the customers.

Customer service processes at the subsidiaries are carried out in accordance with the internal standards.

Thanks to the standardized processes and the service tailored to the specific nature of the activities of the individual subsidiaries, TAURON Group provide the customers with broad access to the services and communication channels.

TAURON Group monitors the reported issues and the process of their resolution on a continuous basis, from the moment a report is received until it is closed. Matters are registered in the appropriate service systems or tools supporting the reporting process, depending on their nature, which enables tracking of the progress of a report, control of timeliness and the assignment of responsibility to the relevant organizational units.

The effectiveness of report resolution and the functioning of complaint channels is assessed in a systematic manner on the basis of the quantitative and qualitative analyses. These cover, among other things:

1. case handling time – the time elapsed from the moment a report is submitted to its resolution,
2. waiting time for service – for example, in the telephone or in person channel,
3. number of unresolved or repeated reports,
4. results of the customer satisfaction surveys (CSI – *Customer Satisfaction Index*, NPS – *Net Promoter Score*, CES – *Customer Effort Score,* FCR – *First Contact Resolution, Customer Barometer*) – measuring customer satisfaction, willingness to recommend services, and the level of effort the customer had to put in to resolve their matter (post-contact survey).

Consumer and end-user engagement, in particular through satisfaction surveys and analysis of the reports, constitutes an important element of verifying channel effectiveness and improving the complaints handling system.

In 2025, TAURON Group did not conduct any surveys on the level of awareness of structures and processes among the consumers and end-users. As part of its ongoing activities, TAURON Group endeavors to ensure that the consumers and end-users are aware of the available customer service structures, contact channels and processes related to the raising of concerns and needs, for example, through the publication of information on the websites and the informational materials provide at the Customer Service Outlets.

Non-Retaliation protection mechanisms within TAURON Group

TAURON Group has a whistleblowing system in place, which is described in a greater detail in *section 13.20 of this report, in the part related to G1-1*.

TAURON Group ensures that the complaints and reports submitted via the available mechanisms are treated in a confidential manner, with respect for the rights to privacy and in accordance with the applicable personal data protection regulations in place. In addition, each reported matter is analyzed in accordance with the adopted principles, with respect for the rights of the customer, in order to ensure complete impartiality and objectivity.

TAURON Group ensures that the consumers and end-users have a real possibility of reporting and resolving the material impacts of the entity's activities. The insights from these reports are used to improve the customer service processes and to adapt the existing structures to the actual needs of the stakeholders.

In order to illustrate the level of utilization of the existing reporting channels and the scale of the

reported issues, TAURON Group discloses the quantitative data on the number of the complaints received from the consumers and end-users during the reporting period. This data constitutes material complement to the qualitative information and supports the assessment of the reporting channel effectiveness.

Table no. 187. Number of complaints received from the consumers or end-users during the reporting period

Year	2024	2025
Total number of complaints in at TAURON Group	143 670	81 446

87% of all of the complaints were unjustified at the subsidiaries where the analyses are conducted with respect to the validity of the submitted complaints – including, among others, TAURON Obsługa Klienta, TAURON Sprzedaż, TAURON Sprzedaż GZE, TAURON Dystrybucja, TAURON Nowe Technologie, TAURON Ciepło, SCE Jaworzno, TAURON Czech Energy.

(S4-4) Taking action on material impacts on consumers and end-users and applying approaches to manage material risks and pursue material opportunities related to consumers and end-users, and effectiveness of these actions

In fulfilling its commitments to the consumers and end-users, TAURON Group adopts, as in the case of the other stakeholders, a systemic approach to identifying, monitoring and addressing impacts, risks and opportunities arising from its activities. In the context of the customers, particular importance is attached to ensuring access to electricity as a basic commodity, protecting the customers' personal data, ensuring the safety and quality of the services provided, and the transparency of the communication and market practices.

The Group's activities aim to minimize the material negative impacts, such as the risk of energy exclusion, rising energy costs and threats related to the personal data breaches, and also to reinforce the positive impacts through education, the development of the digital tools and the improvement of the customer service standards. These mechanisms include both the preventive actions and responses to the identified events, as well as the systemic improvement of the processes.

Actions aimed at ensuring energy accessibility and reducing social exclusion

The following section describes the actions implemented in response to the identified material negative impacts related to the restricted access to electricity and heat caused by the high bills, which may also lead to the social exclusion and a deterioration in the living standards.

Ensuring affordable energy and heat prices

Electricity and heat prices are set in the tariffs approved by the President of the Energy Regulatory Office (URE). TAURON Group implements and applies the applicable regulations on the maximum prices, compensation and support instruments for the vulnerable consumers, including the mechanisms provided for under the national regulations (for example, the heating voucher), immediately upon their entry into force. Complaints procedures and discount mechanisms are in place in the area of sales and customer service in the cases where the irregularities in the service provision are confirmed.

TAURON Group adapts its activities to the national consumer protection instruments implemented at the legislative level and ensures transparency in the billing principles and information on the service costs, which reduces the risk of disputes and of the negative social consequences related to the energy costs.

Support for persons affected by extraordinary events

TAURON Group takes actions aimed at supporting the customers and local communities in the difficult life situations or affected by the extraordinary events. These include the corporate social responsibility initiatives, such as relief funds, rebates or special forms of support for the customers, as well as the sustainable management of the critical infrastructure, including the rapid restoration of electricity supply and the reconstruction (overhaul) and modernization of the distribution systems following failures or natural disasters.

Operational and communication activities aimed at the direct assistance to the consumers are also carried out in parallel, including the priority handling of the customers affected by a crisis, cooperation with the local governments and emergency

services, and the launch of the mobile service points and the simplification of the formalities.

Asset modernization

The Group focuses on ensuring the stability, safety and continuity of the supply. This includes maintaining round the clock technical services responding to the failure reports, conducting regular infrastructure inspections and carrying out the planned maintenance and modernization activities that reduce the risk of supply disruptions.

Infrastructure is designed and operated with adequate technical reserves in mind, and the business continuity plans are in place within the organizational structures, specifying the procedures for the extraordinary situations, such as failures, random events or operational disruptions.

In parallel solutions are also being developed to improve the billing processes and to enable the customers to access in real time information on their electricity consumption, including the remote meter readout systems, which increases the transparency and reduces the risk of the disputes related to the billing amounts.

The Group's selected subsidiaries also carry out activities aimed at reducing the system costs through the modernization of the district heating and technical infrastructure, including reducing the transmission losses and improving energy efficiency. The reduction of the technical losses has an indirect impact on the level of the costs taken into account in the tariffs and thus on the accessibility of the services for the consumers.

Actions aimed at consumer and end-user education

The following section describes the activities that reinforce the identified material opportunity related to the potential changes in the consumption habits of the consumers and end-users, and that reinforce the identified material positive impact related to the special protection of children through the implementation of the educational programs.

TAURON Speaks Like a Human

In 2025, TAURON Group continued the *TAURON Speaks Like a Human* initiative, the goal of which is to simplify the communication and improve the accessibility of the information. The activities focused on enabling the customers and the employees to understand the content more quickly and to more easily find what is important to them.

The initiative promotes the plain language principles in both internal and external communication and supports the compliance with the accessibility requirements, including the WCAG standards.

Since 2021, the *Plain Language Day* has been celebrated within TAURON Group. In 2025, educational activities were carried out for the employees on this occasion, including webinars and a competition engaging the employees in promoting clear and understandable communication.

Thanks to the 'TAURON Speaks Like a Human' initiative, awareness of the importance of plain language has been elevated and the clarity of the communications directed to the customers and the employees has been improved, particularly with the persons at risk of information or digital exclusion in mind.

Switch your furnace to the grid

An educational and awareness raising campaign aimed at reducing the low stack emissions and improving the efficiency of the individual heating systems. As part of the program, informational and educational meetings as well as the training sessions are organized, during which experts discuss the program's objectives, co-financing conditions and the practical aspects of implementing the investment. Participants in such events can gain practical knowledge on the ecological heat sources, improving energy efficiency and the benefits of the heating system modernization, supporting pro-environmental awareness in the region. The primary objective of these activities is not only to provide the funds for the modernization of the heating systems but also to disseminate knowledge on the impact of pollutant emissions on air quality and the health of the local residents and how to reduce them.

Join the Comfort Lovers Campaign

A campaign running since 2023, targeted at the customers and end-users of heat. Its goal is to retain the existing customers and maintain the sales levels, by encouraging buildings to connect to the district heating network. One of the key activities of the campaign is the establishment of the *Comfort Lovers Zones,* which operate as part of the local events held by the cities. In the Zones, attractions are offered for the entire families, including, among other things, an educational game on the Group's activities, animations and games for children, prize competitions, craft workshops and, depending on the season, cooling or warm drinks. These spaces promote a direct dialogue with the residents, build positive experiences associated with thermal

comfort and raise awareness of the district heating and its role in the everyday life.

Some of the activities relating to the consumers and end-users in the area of education are described in *section 13.18 of this report, in the part related to S3-4*.

Actions aimed at the protection of the customer personal data

The following section describes the actions:

1. implemented in response to the risk associated with the class action lawsuits, fines and reputational damage resulting from a leak of the customer personal data,
2. implemented in response to the identified material negative impacts related to the lack of the technical measures ensuring the adequate protection of the customer personal data and the exposure of the databases to cyberattacks.

Information security and personal data protection management system

TAURON Group applies a comprehensive information security management system encompassing the organizational, technical and legal measures to ensure the confidentiality, integrity and availability of the customer personal data. This system operates on the basis of the applicable legal provisions, including the personal data protection regulations, and the internal security policies and procedures.

The organizational units responsible for overseeing data protection and information security are in place within the organizational structures, including a Data Protection Officer, and compliance with the adopted principles is subject to the periodic reviews.

Technical safeguards of the IT Systems

The IT systems used for customer service are subject to continuous development and modernization with the aim of increasing resilience against the cyber threats. Solutions protecting against unauthorized access, data loss and system disruptions are applied, and the IT infrastructure is covered by the security monitoring.

In 2025, the IT infrastructure was modernized, and preparations were made for the implementation of the requirements arising from the NIS2 Directive.

Activities aimed at reducing the system vulnerabilities are also being implemented, including the software updates, security testing and the identification of the potential threats.

Security Incident Management

Procedures for responding to incidents involving breaches of data or IT system security are in place within the Group. These cover the identification of the event, containment of its consequences, analysis of its causes and the implementation of actions to prevent the recurrence of the similar situations.

In the event of incidents, communication actions compliant with the applicable legal provisions are also taken.

Employee training and security awareness raising

Employees with access to the customer personal data take part in training on the data protection and cybersecurity. These activities aim to reduce the risk of incidents resulting from human error and to ensure the proper handling of the confidential information.

Training is conducted on a regular basis and updated in response to the evolving threats and regulatory requirements.

Actions aimed at customer service

The following section describes actions:

1. reinforcing the identified material positive impact associated with providing customers with access to the diverse contact channels,
2. implemented in response to the risk of the costs arising from the complaints and proceedings related to the marketing practices.

Multi channel access to service and convenience features

TAURON Group provides the customers with the possibility of contact via various communication channels, including the direct (in person) service at the customer service outlets, a hotline, electronic channels and the traditional correspondence. The website and the mójTAURON mobile application are continuously developed, so that the customers have full access to the data related to their services and accounts payable. Work is also under way on the implementation of the new technologies in customer service (for example, RPA, chatbots, AI, Blockchain), supporting the digitalization of service while at the same time minimizing the carbon footprint. All of this enables adaptation of the contact method to the individual needs and preferences of the consumers.

Convenience features are also being implemented with the aim of increasing service accessibility and adapting the cooperation conditions to the diverse needs of the customers. These include, at the individual subsidiaries, the personalization of the offers depending on the consumer's profile, the application of discounts for the loyal customers and (in justified cases) an extension of the payment deadlines.

In addition, solutions are being developed to improve the billing process, including electronic invoicing (e-invoices), which enables faster document delivery, reduces administrative errors and facilitates customer management of their accounts payable.

These solutions increase service accessibility and reduce the possibility of exclusion for persons with limited access to the digital tools.

Customer service quality monitoring

Customer service quality is systematically analyzed through, among other things, the internal audits, analysis of the reports and monitoring of the customer satisfaction levels. The results of these analyses are used to improve the procedures and to enhance service efficiency.

In 2025, TAURON Group identified no reports of serious issues and incidents related to the human rights violations associated with the consumers and end users.

TAURON Group allocates financial, human, technological and time resources to the management of the material impacts on the consumers and end-users. These undertakings not only minimize the negative effects of the activities but also support the long term sustainability goals and build positive relationships with the stakeholders:

1. financial resources – annual and multi year plans provide the funds for the development and modernization of the assets, the organization of the employee training, the development of the IT systems supporting customer service, and the corrective actions in the case of the complaints or incidents. In 2025, expenditures were also incurred in the area of personal data protection, including the Alert BIK costs, external audit costs and the administrative costs related to the formal and legal handling of the processes,
2. human resources – designated adequate teams including the customer account managers, dispatchers, heating emergency service workers, who monitor, analyze and respond to the customer reports and to the potential risks,
3. technological resources – IT systems enabling efficient customer service, an external hotline for the ongoing service of the customers.

(S4-5) Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities

The targets set in relation to the identified material impacts, risks and opportunities in the area of consumers and end-users focus on ensuring security of energy supply, accessibility of energy services, high quality customer service and the reinforcement of the positive social impact.

TARGET #1: Improving customer experience and increasing service satisfaction

The implementation of this target allows for the management of the material positive impact and risk identified in the sub-topics of impact on consumers or end-users and social inclusion of consumers or end-users.

The material positive impact is associated with providing customers with access to diverse contact channels, enabling free communication with TAURON Group, while the material risk is related to the potential costs arising from the complaints and proceedings related to the marketing practices or fines resulting from misleading the consumers and / or end-users.

Developing the high service quality standards and providing the customers with easy and inclusive access to the various contact channels, through adapting the service channels to the customer expectations, implementing the customer experience management process, striving to ensure the round the clock service availability and developing modern contact channels using, for example, artificial intelligence, is key to building positive customer experiences in their relationships with TAURON Group.

This target applies to the Group's subsidiaries that supply electricity to the mass customer (TAURON Sprzedaż, TAURON Sprzedaż GZE, TAURON Dystrybucja) and is linked to the time horizon of the *TAURON Group Strategy for 2025-2035* time horizon, i.e. until 2035. The policy associated with this target is *TAURON Group's PRO-Customer Social Policy*. The table below presents the target metrics that are related to the management of the

identified IROs, along with their baseline values and the 2025 performance.

Table no. 188. Target metrics associated with the management of the IROs related to the consumers and end-users – Target #1

Metric	Baseline 2024	Performance 2025
CSI [1] (Customer Satisfaction Index) ≥ 78%	53	63
FTR [2] (First Time Resolution) ≥ 80%	64	69
CES [3] (Customer Effort Score) ≥ 85%	32	41
NPS [4] (Net Promoter Score) ≥ 75%	45	54
Share of e-invoices in the total invoices issued [%] (not less than 80%) [5]	52%	59.1%
CRP [5] (Connection Completion Time)):	88.5%	83.1%
1. CRP group IV	87.32%	76.16%
2. CRP group V	89.65%	90.04%

[1] Satisfaction indicator that measures overall customer satisfaction with service. Calculated by subtracting the percentage of 'Dissatisfied' responses (responses 0–6) from the percentage of 'Satisfied' responses (responses 9–10) from the customer survey.
[2] First-resolution indicator. Measures the percentage of reports resolved at the first customer contact. Calculated as the percentage of responses from the customer survey declaring resolution of the matter at the first contact.
[3] Effort indicator that measures how much effort the customer had to exert to handle their matter. Calculated by subtracting the percentage of 'High effort' responses (responses 4–10) from the percentage of 'Low effort' responses (responses 0–1) from the customer survey.
[4] Loyalty indicator that measures the likelihood that customers will recommend the company or service to others. Calculated by subtracting the percentage of 'Critic' responses (responses 0–6) from the percentage of 'Promoter' responses (responses 9–10) from the customer survey.
[5] CRP is calculated from the date of conclusion of the connection agreement to the date of sending notification of readiness to provide distribution service. CRP, in accordance with the quality regulation, specifies as a percentage what proportion of connection agreements for consumers from connection groups IV and V must be completed within a period of up to 18 months.

Depending on the individual processes, the metrics are monitored on a monthly, annual or at other intervals.

TARGET #2: Ensuring a high level of reliability of electricity supply

The implementation of this target allows for the management of the material negative impacts identified in the sub-topic of social inclusion of consumers or end-users. The material negative impacts are related to the potential restriction of access to the basic commodity of electricity and heat, and even the social exclusion and a deterioration in the standard of living, caused by the high energy prices or the frequent system failures.

Ensuring a high level of reliability of electricity supply constitutes a key condition for maintaining the continuity of the functioning of the households, and thus for reducing the risk of the social exclusion arising from the supply interruptions. TAURON Group is implementing this target through the comprehensive modernization and operational activities, including, among other things, the dynamic grid management using the automation, the development of the energy storage systems stabilizing the power system, and the implementation of the modern mobile solutions for the field service crews that enable faster failure localization (trouble shooting) and fixing.

Such an approach reduces the frequency and duration of the supply interruptions, strengthens the infrastructure resilience against random events and enhances the energy security of the consumers. At the same time, the stable operation of the power system indirectly affects the level of the costs borne by the customers and the quality of the services provided, which is important for maintaining an adequate standard of living and equal conditions of access to electricity. Systematic grid modernization and the use of the innovative technologies support the long term supply reliability, minimizing the risk of the negative social consequences (effects) arising from the failures or system instability.

This target applies to TAURON Dystrybucja and is linked to the time horizon of the *TAURON Group Strategy for 2025-2035*, i.e. until 2035. The policy associated with this target is the TAURON Group's PRO-Customer Social Policy. The table below presents the target metrics that are related to the management of the identified IROs, along with their baseline values and the 2025 performance.

Table no. 189. Target metrics associated with the management of the IROs related to the consumers and end-users – Target #2

Metric	Baseline 2024	2025 Performance
Supply interruption duration (SAIDI) (min / consumer) [1]	192.95	134.19
Supply interruption frequency (SAIFI) (number / consumer) [2]	2.3	2

[1] The System Average Interruption Duration Index for long and very long interruptions, expressed in minutes per consumer per year, representing the sum of the products of the duration and the number of consumers affected by each interruption during the year, divided by the total number of consumers served.
[2] The System Average Interruption Frequency Index for long and very long interruptions, representing the number of consumers affected by all such interruptions during the year divided by the total number of consumers served.

Depending on the individual processes, the metrics are monitored on a monthly, annual basis or at another interval.

TARGET #3: Security management, business continuity and risk management within TAURON Group

The implementation of this target allows for the management of the material negative impacts related to the lack of the technical measures ensuring the adequate protection of the customer personal data and to the exposure to attacks on the customer databases, as well as the material risk related to a breach of the personal data of the consumers and end-users.

This target applies to all of the Group's subsidiaries and is linked to the time horizon of the *TAURON Group Strategy for 2025-2035*, i.e. until 2035. The policy associated with this target is the Personal Data Protection Policy. The table below presents the target metrics that are related to the management of the identified IROs, along with their baseline values and the 2025 performance.

Table no. 190. Target metrics associated with the management of the IROs related to the consumers and end-users – Target #3

Metric	Baseline 2024	2025 Performance
Percentage share of the employees with access to the training platform trained in the information security (no less than 85% of the employees)	91%	93% [1]
Percentage share of the employees with access to the training platform trained in the cybersecurity (no less than 85% of employees)	91%	93% [1]
Number of identified incidents resulting in a personal data breach, the consequence of which is notification of a Breach to the President of the Personal Data Protection Office (UODO) (target: 0 incidents)	1	1
Value of financial penalties imposed in the event of personal data protection violations amounting to PLN 0.	0	0

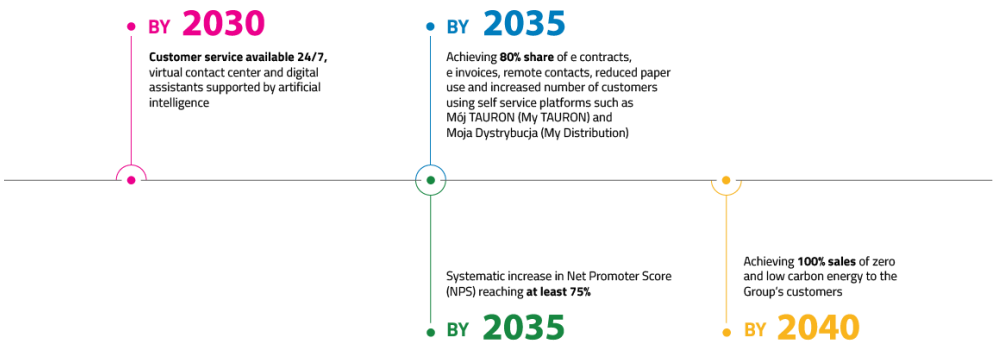
[1] Training in information security and cybersecurity was conducted in the form of e-learning modules and was completed by employees with access to the training platform j.

Depending on the individual processes, indicators are monitored on a monthly, annual basis or at other interval.

With respect to the identified material positive impact related to the education of the consumers and end-users, including children in the area of the safe use of electricity, and the material opportunity related to climate education of the consumers and end-users, TAURON Group pursues the initiatives described in *section 13.18 of this report in the part related to* S3-4 and other operational activities.

The above mentioned targets were established as a result of an analysis of TAURON Group's up to now activities. During the target setting process, TAURON Group did not cooperate directly with the consumers and end-users; however, the experiences and opinions with respect to the customer engagement were taken into account. The specified tasks will be carried out by the teams and areas responsible for the individual substantive scopes.

In summary, the TAURON Group's targets were published along with *TAURON Group Strategy for 2025-2035*, and the most important targets that TAURON Group is seeking to achieve in the area of customer service are:


BY 2030
Customer service available 24/7, virtual contact center and digital assistants supported by artificial intelligence
BY 2035
Achieving 80% share of e contracts, e invoices, remote contacts, reduced paper use and increased number of customers using self service platforms such as Mój TAURON (My TAURON) and Moja Dystrybucja (My Distribution)
Systematic increase in Net Promoter Score (NPS) reaching at least 75%
BY 2035
Achieving 100% sales of zero and low carbon energy to the Group's customers
BY 2040

CORPORATE GOVERNANCE

13.20. Business conduct (G1)

(G1.GOV-1) Role of administrative, management and supervisory bodies

TAURON Group's commitments in the area of corporate governance are rooted in the corporate values set forth in *TAURON Group's Corporate Social Responsibility Code of Conduct*, adopted by the Company's Management Board. TAURON Group's objective is to achieve its business goals, including its sustainability targets, in accordance with the principles of transparency and business ethics.

Members of the Management Board conduct the Company's affairs in compliance with the universally applicable law, internal and intra-corporate regulations, and ethical standards. As part of the ongoing efforts to build a corporate culture that incorporates ethical business conduct, the Management Board annually approves the *Compliance Plan*, which sets out the priorities and schedule of actions required to ensure compliance. The *Compliance Plan* places a particular emphasis on the activities related to anti-corruption, whistleblower protection and other aspects of building an ethical corporate culture (including risk monitoring, conducting training and investigative proceedings, verifying contractors and monitoring compliance with the human rights requirements). In addition, the Management Board oversees projects related to bringing TAURON Group into alignment with the regulatory requirements.

Information on the implementation of the tasks related to the development of the corporate governance within the organization is presented to the President of the Management Board at regular meetings. In addition, the Director in charge of Compliance submits the periodic reports on the activities carried out by the Compliance Function to the Audit Committee of the Company's Supervisory Board and to the Supervisory Board itself.

Members of the Company's Management Board and the Supervisory Board, as well as senior management, possess specialized knowledge and experience in the area of business conduct. The detailed information in this regard is provided in *section 9.11 of this report*

(G1.IRO-1) Description of processes to identify and assess material impacts, risks and opportunities

The process of identifying the material impacts, risks and opportunities in relation to the business conduct matters was based on recognizing the impacts, risks and opportunities in this area, drawing on the information gathered from own operations, stakeholder dialogue, analysis of the market standards, applicable legislation in the context of TAURON Group's business profile and structure, and the value chain analysis. Subsequently an assessment of the materiality of the impacts, risks and opportunities was conducted, on the basis of which the material topics and sub-topics were identified. The materiality assessment was conducted in 2024 and verified in 2025, with the verification primarily consisting of an update to the list of impacts, risks and opportunities, including those relating to the corporate governance matters. The detailed information on the process of identifying material impacts, risks and opportunities is provided in *section 13.8 in the part related to IRO-1 of this report.*

(G1-1) Business conduct policies and corporate culture

TAURON Group ensures transparent compliance with the corporate governance and business ethics. The Policies related to the supplier relationship management are set out in *section G1-2 of this report.* As part of its operations and stakeholder relationships, TAURON Group fulfills its commitments related to the responsible business conduct, as established in, among others, the following internal regulations:

1. *TAURON Group's Corporate Social Responsibility Code of Conduct,*
2. *TAURON Group's Anti-Corruption Policy,*
3. *TAURON Group's Human Rights Respect Policy,*

   (described in more detail *in section 13.16., in part S1-1 of this report),*
4. *TAURON Group's' Procedure for Reporting Irregularities and Taking the Follow-Up Actions.*

TAURON Group also has regulations in place to supplement the corporate governance in the specific substantive areas (including accounting and procurement). The indicated business conduct policies take into account the interests of the stakeholders.

TAURON Group's Corporate Social Responsibility Code of Conduct

TAURON Group's Corporate Social Responsibility Code of Conduct is the key document shaping the ethical culture of TAURON Group. As such, it responds to the identified impacts, risks and opportunities – it is a tool that shapes the corporate culture and sets out the organization's approach to anti-corruption and whistleblower protection, based on the principle of zero tolerance for any form of irregularity.

All of the employees, as well as the suppliers and persons providing services for TAURON Group, are required to become familiar with the Code and to act in accordance with its provisions. The Code contains a clear and comprehensible combination of TAURON Group's mission, vision and corporate values. It also defines the most important principles of conduct to be followed by the employees and the stakeholders of TAURON Group in areas related to the labor issues, the natural environment and the stakeholder issues. The specific commitments within these thematic areas are set out in the detailed regulations, and their monitoring takes place at the operational level.

In 2025, *TAURON Group's Corporate Social Responsibility Code of Conduct* was updated in accordance with the values that constitute the foundations of *TAURON Group Strategy for 2025-2035*. The Code was adopted by the Company's senior management. Its content is available to TAURON Group's employees on the internal intranet, and to the external stakeholders on TAURON's website. The employees are required to complete an e-learning training course covering the content of the Code. As part of the functioning of the Irregularity Reporting System the cases of the suspected violations of *TAURON Group's Corporate Social Responsibility Code of Conduct* are received (handled) and reviewed (investigated).

The topics addressed in the Code include, among other things, the topics related to:

1. compliance with the labor rights,
2. prohibition of discrimination and unequal treatment,
3. diversity,
4. conflicts of interest,
5. anti-corruption,
6. environmental protection,
7. stakeholder relations,
8. fair competition,
9. security,
10. information protection.

Whistleblower Protection

TAURON Group has the Procedure for Reporting Irregularities and Taking Follow-up Actions at TAURON Group, which incorporates the statutory requirements for providing whistleblowers with protection against the retaliation in accordance with the Act of June 14, 2024, on the Protection of Whistleblowers. The Procedure is a response to the identified impacts, risks and opportunities. An efficiently functioning Irregularity Reporting System supports the building of a corporate culture based on ethics and trust, which in the longer term prevents an escalation of the issues that could have legal, financial and reputational consequences. The content of the Procedure was communicated to TAURON Group's employees and is available on the intranet. The information on the Procedure is available on TAURON's website under the Compliance tab. The employees are required to complete an e-learning training course on reporting irregularities and taking follow-up actions at TAURON Group, and to sign a declaration confirming that they have become familiar with the Procedure.

In addition, in 2025, information on the whistleblower protection regulations applicable within TAURON Group was communicated during both online and in-person training sessions, among other things, as part of the *Compliance Academy at the Interface* training series.

In connection with the implementation of the Procedure, the reporting channels within *TAURON Group's Irregularity Reporting System* were updated. Both internal and external interested parties may report the potential violations of the applicable legal regulations, internal regulations and ethical standards through the following channels:

1. in person or in writing to the Director in charge of Compliance at TAURON, or to the Compliance Coordinator at TAURON Group's other subsidiaries,

2. by telephone,
3. by email to: sygnalista@tauron.pl,
4. through the Irregularity Reporting Form.

In the cases involving reports of mobbing or discrimination, it is possible to contact the Ethics Committee. The procedure for receiving of the reports by the Ethics Committee is described in more detail *in section 13.16, in the part related to S1-1 of this report*.

The reports may be submitted anonymously or by name. Confidentiality of the report and protection of the identity of the reporting person are guaranteed. All of the reports are carefully reviewed by the Director in charge of compliance at TAURON or by the Compliance Coordinator at TAURON Group's subsidiaries. Reports may be reviewed with the support of the Investigation Committee. The investigative proceedings are conducted in accordance with the principles of promptness, confidentiality, objectivity, impartiality and protection of the whistleblower against retaliation. The investigative proceedings are carried out with respect for the employees' rights and personal interests. No retaliatory actions, or attempts or threats thereof, may be taken against the whistleblower, the person assisting in the submission of the report or a person associated with the whistleblower.

The reports are recorded in the internal whistleblower case management system.

Where the person authorized to handle a report determines that the circumstances exist that may affect their impartiality in reviewing the internal report, they are required to submit a request to the President of the Management Board of the relevant TAURON Group subsidiary for the appointment of another authorized person.

Persons authorized to receive and handle the reports are provided with training on the receiving the reports, taking the follow-up actions and the practical aspects of conducting the investigative proceedings.

The Procedure establishes an obligation to notify the reporting person of the receipt of their report within 7 calendar days of its receipt, and to provide feedback on the outcome of the investigative proceedings within 3 months of the date of the confirmation of the receipt of the report. In the event that an irregularity is confirmed, the remediation actions are taken, for example a review of the applicable procedures, the conducting of the dedicated training, the initiation of the disciplinary proceedings against the perpetrator or the filing of a report with the law enforcement authorities.

Anti-Corruption

TAURON Group has implemented *TAURON Group's Anti-Corruption Policy* under which it prevents, identifies risk areas, and investigates the suspected cases of corruption, in accordance with the principle of zero tolerance for corruption. The provisions of *TAURON Group's Anti-Corruption Policy* are in line with the *United Nations Convention against Corruption.*

The corruption risk analysis and assessment, carried out every two years, enables the identification of the functions and areas most exposed to the corruption and bribery. Based on the analysis conducted in 2024, the Company identified the following functions as most exposed to the corruption risk:

1. Members of the Management Boards,
2. Directors in charge of all Areas,
3. Employees of the Communication Area,
4. Employees of the Trading Area,
5. Employees of the Fuel Market Operator Area,
6. Employees of the Procurement (Purchasing) Area,
7. Employees of the Asset Management Area,
8. Employees of the Investments Area,
9. Employees of the Transition and Development Area,
10. Employees of the Research and Innovation Area.

The results of the corruption risk analysis across TAURON Group's individual subsidiaries largely align with the results obtained in the analysis carried out at the level of the Company, taking into account the differences arising from the specific nature of each of TAURON Group's subsidiary's operations.

The detailed information on *TAURON Group's Anti-Corruption Policy* is provided *in section 13.20 in the part related to G1-3 of this report.*

Corporate culture and training policy

Corporate culture at TAURON Group is promoted and developed through training and internal communications. Corporate culture is established, among other things, by the regulations and plans functioning within the Group, such as the Compliance Plan and the Anti-Corruption Program. The implementation of the Compliance Plan is assessed in the annual Compliance Report.

TAURON Group does not have a separate policy regarding anti-corruption training. At the same time, as part of TAURON Group's Anti-Corruption Policy, the employees are required to complete anti-corruption training every two years. This training also covers the outline of accepting and giving gifts and preventing conflicts of interest. In addition, the employees particularly exposed to the risk of corruption and the members of the management boards of the subsidiaries are required to complete this training annually.

As part of the annually prepared Compliance Plan, a compliance training program is developed, tailored to the current needs and specific nature of TAURON Group's subsidiaries.

In 2025, a series of the *Compliance at the Interface* training sessions was delivered for TAURON Group's subsidiaries. A total of 16 training sessions were held, dedicated to the members of the management boards and the management team. The sessions covered anti-corruption, prevention of irregularities and the shaping of the corporate culture, counterparty (contractor) verification (vetting) and the prevention of the manipulation on the wholesale energy market. A total of 1 114 individuals took part in the training.

In person training sessions were also held at all 11 branches and at the head office of the TAURON Dystrybucja subsidiary, covering anti-corruption, prevention of conflicts of interest and irregularity reporting procedures. A total of 387 TAURON Dystrybucja's employees took part. The target group for this training series was the mid- and lower-level management and the directors of the branched and the departments.

In addition, as part of the annually organized *Compliance Day*, the training sessions were held on anti-corruption, *Trade Compliance*, and the cross-cutting issues related to building an ethical corporate culture.

In 2025, a dedicated training session was also held for the employees in the procurement areas of TAURON Group's subsidiaries on the detection of the irregularities in the procurement process, with a particular focus on identifying bid rigging (tender collusions) and detecting cartels. In addition, two training sessions on anti-money laundering (AML) and countering the financing of terrorism (CFT) were held for the employees of the obligated institutions within TAURON Group. These training sessions are conducted annually. The post-training evaluation surveys were distributed to the participants in order to identify areas requiring improvement and the participants' training needs.

In 2025, an anonymous survey on the irregularity reporting and anti-corruption within the organization was also distributed among TAURON Group's employees. The survey's aim was to gather the employees' experiences and opinions and to introduce the improvements to the measures and solutions relating to the whistleblower protection and anti-corruption within TAURON Group. The survey results are set out below:

- 94% of the employees who participated in the survey stated that they knew how to make a report. They consider the whistleblower protection regulations in place at TAURON Group to be transparent and comprehensible,
- 90% of the employees who participated in the survey stated that they would report an irregularity if they were to witness one, and 71% responded that they are not afraid of a retaliation in the event of reporting an irregularity.

The above mentioned responses confirm that employees trust the report handling mechanisms and the actions taken by the compliance areas in this regard.

TAURON Group's employees are required to complete the following e-learning compliance training courses:

1. *Anti-Corruption Olympics* – the training covering the principles set out in *the Anti-Corruption Policy* (i.e. identifying the corrupt acts, the employees' obligations regarding the identification and reporting of the suspected corrupt acts), gift acceptance and giving procedures, and the issues relating to the identification of the conflicts of interest, sources of the conflicts of interest, and the employees' responsibilities in this regard,
2. *Reporting Irregularities and Follow-up Actions* – the training covering the Irregularity Reporting System (including topics such as obtaining the whistleblower status, the scope of the irregularities that may be the subject of a report, reporting channels, and the report handling procedures),

3. *Compliance Management System* – the training covering the functioning of the compliance management system at TAURON Group (including the organizational structure of the compliance unit) and the most important issues relating to the key compliance regulations. The training was updated in 2025,
4. *Corporate Social Responsibility Code of Conduct* – the training covering the corporate values, principles of conduct and the irregularity reporting obligations arising from the *Corporate Social Responsibility Code of Conduct.* The training was updated in 2025.

Security Management System

Self-disclosure

As one of the largest energy companies in Poland, TAURON Group plays a critical role in the country's energy security; accordingly, the security related matters are of material importance. Security within TAURON Group, based on the identified risks, encompasses physical security, information security, and cybersecurity.

The most material categories of the risks identified for TAURON Group, including the security related risks, are described in *section 3.3 of this report*. In the area of cybersecurity, the risk of the ICT security breaches has been identified, which is related to the unauthorized access to the IT systems, inadequate access controls, the use of unauthorized external infrastructure for processing the business data, breaches of the company's IT system, cyberattacks, and the malicious software.

The Security Management System is based on the international standards in the area of information security management, such as the ISO 27000 family of standards and the NIST and CIS Controls frameworks (standards). A number of the intra corporate regulations have been established within the Security Management System to govern the specific security aspects within each operational area.

Where necessary in order to clarify the particular security management aspects, TAURON Group's subsidiaries may develop the internal regulations, provided that such regulations do not lower the level of the security established by the intra corporate regulations.

In 2025, as part of the initiated draft Act on the National Cybersecurity System, the actions were taken to update and align all of the regulations applicable within the Security Area with the requirements of the draft Act on the National Cybersecurity System – in accordance with the NIS2 Directive.

The key documents supporting the management of the identified material IROs are:

1. *TAURON Group's Security Management System Policy of the,*
2. *TAURON Group's Cybersecurity Policy.*

Through the above mentioned policies, TAURON Group manages the identified material IROs related to security. The details are presented in the table below.

Table no. 191. Identified material impacts, risks and opportunities related to security

Negative Impacts	Related Documents
A lack of technical measures to ensure adequate protection of customer personal data – unauthorized access to data by unauthorized persons, privacy violations.	Security Management System Policy, Cybersecurity Policy
Critical infrastructure companies are particularly vulnerable to customer database attacks, requiring continuous improvement of protection systems.	Security Management System Policy, Cybersecurity Policy
Risks	
A leak of the employee personal data may result in: the administrative fines, damages under civil liability, criminal liability, possible termination of the contracts for the provision of the services and a loss of image.	Security Management System Policy, Cybersecurity Policy
A leak of the personal data of the consumers and / or end users may result in: the class action lawsuits, administrative fines, damages under civil liability, criminal liability, possible termination of the contracts for the provision of the services and a loss of image.	Security Management System Policy, Cybersecurity Policy

TAURON Group's Security Management System Policy

The Policy applies to all of TAURON Group's subsidiaries. The Policy and its associated detailed regulations form a unified, coherent, and comprehensive Security Management System, the objective of which is to ensure:

1. an optimal level of security commensurate with the threats present,
2. taking int account the identified risks,
3. a structured response to threats that minimizes their consequences or eliminates the risk of their occurrence,
4. the implementation of the systemic measures oriented toward achieving the planned security objectives.

The Policy sets out the standards, procedures and organizational structures for security within TAURON Group, with the assigned competences and responsibilities. The new security audit procedures and security requirements for the external parties have been implemented, among other measures. The Policy identifies the following subject matter areas of activity within the Security Management System:

1. Security Management System Governance,
2. Information Security Management,
3. IT/OT Systems Security Management,
4. Physical Security Management,
5. Security Incident Management

The detailed internal and intra corporate regulations have been established within each of these areas.

The Security Management System is based on the international standards in the area of information security management, such as the ISO 27000 family of standards and the NIST and CIS Controls frameworks (standards).

A suite of processes responsible for various aspects of the security management, including cybersecurity, are functioning within the Security Management System. These processes are implemented across the entire TAURON Group, ensuring the adequate governance structures.

The responsibility for updating the Policy lies with the Director in charge of the security at TAURON; the oversight over the implementation of its provisions is exercised by the President of the Management Board of the Company. In 2025, as part of the initiated draft Act on the National Cybersecurity System, the actions were taken in order to update and align all of the regulations applicable within the Security Area with the requirements of the draft Act on the National Cybersecurity System – in accordance with the NIS2 Directive. A comprehensive update of the Policy's provisions, incorporating the requirements of the NIS2 Directive, is planned for 2026. The Policy is not publicly available.

TAURON Group's Cybersecurity Policy

TAURON Group has a Cybersecurity Policy, in place, the goal of which is to present the cybersecurity operating model, define the responsibilities and tasks for those responsible for its implementation, and ensure that the cybersecurity activities are aligned with the implementation of the Security Management System within TAURON Group.

The Policy identifies the following cybersecurity management objectives, i.e.:

1. increasing the resilience of the IT and OT systems against the threats from cyberspace,
2. raising employee awareness of the cybersecurity threats,
3. verifying the organization's cybersecurity maturity.

The responsibility for updating the Policy lies with the Director in charge of the security at TAURON; the oversight over the implementation of its provisions is exercised by the President of the Management Board of the Company.

Actions taken and results achieved

In 2025, the Security Area of TAURON Group carried out a number of actions aimed at increasing the employee awareness of the security threats. TAURON Group's security depends to a large degree on the attitudes and behaviors of the employees and collaborators; accordingly, a wide range of the educational activities are undertaken to raise awareness and develop competences in the broadly understood area of security. With regard to the identified IRO related to a personal data breach involving employees' personal data, the measures taken are described *in section 13.16 of this report, under S1-4*.

TAURON Group is investing the financial, human, and technological resources within the current budgets related to the security area's operations. These initiatives not only minimize the negative consequences of the operations, but also support the long term sustainability objectives and build the positive relationships with the employees.

The effectiveness of the actions taken is assessed through an analysis of the employee participation in the initiatives, analysis of the responses to the simulated phishing campaigns or the security incident statistics. The key expected outcome of the actions taken is the absence of the security incidents. The actions listed below are carried out on an ongoing basis and are planned for the future years, with their scope aligned to the organization's current needs.

The actions disclosed below respond to the identified negative impacts associated with the unauthorized access to the customer data and the privacy violations, as well as the risk of the potential personal data leak which may result in the lawsuits, fines and reputational harm to TAURON (a loss of image).

The actions completed in the area of the cyber threats include:

1. mandatory e-learning training for all of the employees,
2. delivery of the mandatory onboarding training on the basic security aspects for the newly hired employees,
3. execution of the simulated phishing campaigns for TAURON Group’s employees,
4. organization in October, which is the European Cybersecurity Month, of the *Security Days* awareness training series within TAURON Group,
5. maintaining a series of the dedicated video guides on the information classification and handling for TAURON Group’s employees,
6. specialized training for the employees responsible for the various aspects of security (information security, IT / OT security, security incident response, security audits),
7. promotion of the principles set out in the *Security Management System Policy* of TAURON Group through the awareness campaigns and the content available on the Group's intranet site,
8. participation in the *Partnership for Cybersecurity* program, at the invitation of the organizer – the *Research and Academic Computer Network (NASK*) – including the monthly security newsletters,
9. communicating threat information in the form of the security alerts and updates via the internal intranet for the employees, in response to current threats to TAURON Group.

Selected TAURON Group’s subsidiaries providing the critical services in the power sector (for example, TAURON Dystrybucja, TAURON Wytwarzanie) are subject to the provisions of the CER Directive on the protection of the critical infrastructure, which entails the need to fulfill the specific security requirements. In addition, TAURON Group is undertaking a number of actions to ensure the security of its infrastructure, including, among other things:

1. implementation of the requirements of the amended *Act on the National Cybersecurity System t*ransposing the requirements of the *Network and Information Security Directive (NIS2),*
2. maintaining an extensive security monitoring infrastructure for physical security and the IT / OT systems,
3. applying technical and organizational safeguards (physical security, ICT security),
4. maintaining structures responsible for detecting and responding rapidly to the security incidents (an in-house *Security Operations Center (SOC*) operating 24 hours a day, whose staff use specialized monitoring tools to counter security incidents, and an in-house Computer Security Incident Response Team (CSIRT) with high cybersecurity competences),
5. cooperation with the state authorities and services in the identification and neutralization of threats to and attacks on TAURON Group’s systems and infrastructure,
6. conducting security audits and tests using own resources and with the involvement of the external firms,
7. applying the principles of *security by design* and *security by default* in the design, procurement, and maintenance of systems and infrastructure that affect security,
8. participation in the structures of the National Cybersecurity System,
9. cooperation with the entities in the power sector with respect to threat information sharing, incident response, and the development and endorsement of the common security standards.

TAURON Group is undertaking a number of actions to ensure customer security and raise awareness among TAURON Group's customers, including, among other things:

1. communicating information to the customers about threats directly affecting them, such as fraud, phishing, impersonation of TAURON Group, and fake SMS messages,
2. maintaining and updating threat information directly affecting the customers on TAURON Group website.

No critical security incidents were identified within TAURON Group in 2025.

TAURON Group has defined a security objective: Security, business continuity, and risk management at TAURON Group, to which the metrics relating to the employee training (in information security and cybersecurity) and incidents resulting in personal data breaches have been assigned. More detailed information on this topic is available in *section 13.16 in the part related to S1-5 of this report.*

(G1-2) Supplier relationship management

TAURON Group has regulations in place to ensure the proper circulation, control, and approval of the purchase documents received from all suppliers, as well as to ensure the security of payments to the correct bank accounts. The circulation of the purchase documents is carried out through the financial and accounting systems of TAURON Group's subsidiaries or a dedicated application, and the participants in this circulation are required to comply with the established task completion deadlines.

TAURON Group is taking actions in order to prevent the payment delays in accordance with the applicable procedures. These efforts involve, in particular, systematic monitoring of the circulation of the purchase documents, swift responses to the incidental delays, and a periodic verification of the settlement of the accounts with the suppliers with respect to the compliance with the agreed payment terms and conditions. All of the suppliers, including small and medium-sized enterprises, are treated by TAURON Group in an equal and non-discriminatory manner, with the same rules and payment terms applied consistently.

No dedicated payment delay prevention policy has been implemented. TAURON Group's subsidiaries have been provided with the guidelines on the payment practices that mitigate the risk of the delays.

TAURON Group's subsidiaries, when initiating a procurement process, notify each participant in the procedure of the payment terms for the performance of the contract on an equal, transparent, and uniform basis. No preferential treatment of the individual contractors occurs as a result. In addition, at the offer submission stage and in the contract terms, the parties submit declarations of their enterprise status, pursuant to *Article 4c of the Act of March 8, 2013 on Combating Excessive Delays in Commercial Transactions.* Bank accounts to which payments are made are verified against the VAT taxpayer white list.

In 2025, pursuant to the signed agreements, the contractors were able to submit the invoices electronically, which shortened the internal invoice settlement time.

TAURON Group's subsidiaries use the financial and accounting systems that support the timely circulation of the documents and execution of the payments, enabling the consistent meeting of the agreed deadlines towards all of the contractors.

TAURON Group has the *Code of Conduct for Counterparties of TAURON Group's Subsidiaries* (hereinafter, the Code) in place, the provisions of which are in line with the standards of the International Labor Organization (ILO). The document was adopted by the Company's senior management. Its content is available to TAURON Group's employees on the internal intranet. TAURON Group's subsidiaries expect their counterparties (contractors) to respect the principles set out in the Code.

The document contains the commitments for the counterparties (contractors) in the area of human rights, including: work health and safety, transparent human resources policies, prohibition of forced labor, slavery, human trafficking, child labor, and the employment of minors, environmental protection and waste management, fair competition, and information security.

The Code has been made publicly available through the procurement platform (SWOZ) without requiring to login to the system.

In 2025, work was initiated on updating the content of the Code, with the aim of standardizing the standards and practices across all of the ESG areas in TAURON Group's supply chain.

TAURON Group applies TAURON Group's Corporate Procurement Policy (hereinafter, the Corporate Procurement Policy). The Policy was adopted by the Company's senior management. Its content is available to TAURON Group's employees on the internal intranet.

Pursuant to the provisions of the Corporate Procurement Policy, the selected procurement categories are subject to an obligation to develop the procurement strategies. As part of these procurement strategies, an analysis is conducted of the procurement potential of TAURON Group's subsidiaries in the context of the supplier market, the application of appropriate contractual provisions, or the evaluation criteria for the offers. TAURON Group places significant importance on the effective identification of the business partners. At the offer solicitation stage, the contractors are required to submit:

1. a declaration confirming they have become familiar with the Code and will comply with it in performing the order for TAURON Group's subsidiaries,
2. declarations that neither the persons representing the contractor nor the contractor itself have been convicted by a final court judgment of an offense committed in connection with a procurement procedure, an offense against the rights of persons performing paid work, an offense against the environment, bribery, an offense against economic transactions, or any other offense committed for the purpose of financial gain, or of a fiscal offense, or of participating in an organized criminal group or association aimed at committing an offense or a fiscal offense.

In the cases involving orders of significant value, an assessment of the entity is also conducted with respect to compliance, tax arrears, and ZUS (Social Insurance Institution) obligations, as well as verification that no conviction exists for corruption offenses or offenses against the rights of employees or the environment, as confirmed by an extract from the National Criminal Register (KRK). To ensure diversification of the supply chain (enabling independence from a single contractor with respect to price, order fulfillment timeliness, maintenance of high order quality, and the application of high procurement standards), the option to divide large orders into parts has been introduced. This enables smaller suppliers to participate in procurement procedures, as well as allowing contractors to freely form consortia to jointly meet the conditions of participation.

In 2025, 146 procurement procedures were conducted under the *Public Procurement Law of September 11, 2019* (as compared with 110 in 2024), divided into 483 parts (as compared with 335 in 2024), along with over 3 245 procedures (as compared with 2 600 in 2024) conducted under internal procurement regulations, divided into approximately 4 015 parts (as compared with 3 200 in 2024). This approach to procurement increases the ability of small and medium-sized enterprises to obtain contracts and contributes to their development.

Risk mitigation in the supply chain is also achieved through the consolidation of procurement for selected procurement categories, taking into account the added value of order consolidation (discounts, organizational objectives – standardization of approach, comparability of services).

In 2025, a new version of *TAURON Group's Procurement (Purchase Order Award) Regulations* (hereinafter, the Regulations) was introduced. Its content is available to TAURON Group employees on the internal intranet. Responsibility for updating the Regulations lies with the Director in charge of procurement at TAURON, and the oversight over the implementation of its provisions is exercised by the Vice President of the Management Board of the Company responsible for procurement. The Regulations set out the principles for planning, preparing, and conducting the procurement procedures. In accordance with the provisions of the Regulations and the *Public Procurement Law*, social or environmental criteria may be applied in the supplier selection process. Where feasible, such criteria are incorporated through appropriate provisions relating to the conditions of participation in the procedure or the subject-matter of the contract, e.g., referencing labor rights or equipment efficiency.

The Regulations respond to the identified potential negative impacts associated with corruption and irregularities in the procurement process, as well as risks associated with the course of the procurement process (budget overruns, ineffective procurement procedures, penalties, loss of contractor trust, etc.).

A standardized approach to contractual provisions has also been adopted, particularly in relation to environmental, security, and compliance matters, which require contractors to undertake specific actions in performing orders for TAURON Group's subsidiaries.

In light of the dynamic changes taking place in the market, regulatory, and social environment, as well as growing stakeholder expectations of the TAURON Group with regard to business responsibility and sustainability, it is appropriate to

organize and strengthen the TAURON Group's approach to local content.

Local content, understood as the deliberate and systemic engagement of domestic and regional suppliers, contractors, and resources, is a material element of building the long-term value of the TAURON Group, strengthening supply chain security, and supporting the socioeconomic development of the regions in which the TAURON Group operates.

In 2025, the Plenipotentiary (Proxy) of the Management Board for the local content was appointed, and the establishment of a Local Content Team is planned for early 2026, with the objective of further intensifying management actions aimed at increasing local content, and introducing the first sound and legally compliant procurement criteria promoting local content.

(G1-3) Prevention and detection of corruption and bribery

TAURON Group's Anti-Corruption Policy is the key internal regulation in the area of anti-corruption. The Policy addresses identified impacts, risks and opportunities – it responds to the risks of fraud and non-compliance that are present in every organization, arising from both external and internal factors. Effective processes for identifying and preventing fraud (including a functioning Irregularity Reporting System) and a commitment to the principle of *Zero tolerance for corruption* form the foundation of anti-corruption activities within TAURON Group.

In 2025, *TAURON Group's Anti-Corruption Policy* was updated. The Policy was adopted by the Company's senior management. Each employee is required to become familiar with the provisions of the Policy, sign a declaration confirming that they have read it, and comply with it unconditionally.

In connection with the anti-corruption activities undertaken – both within the organization and externally (e.g., through the application of appropriate contractual clauses) – TAURON Group sees an opportunity to further strengthen its positive reputation as an honest and transparent organization, which is also reflected in the cultivation of relationships with external parties and contractors who share similar values. Effective anti-corruption mechanisms ensure transparency in an organization's operations. As a consequence, they minimize the legal and financial risks and build the organization's reputation, which in turn allows for expanding its customer base and negotiating better business terms.

TAURON Group also has the internal regulations in place, governing the anti-corruption matters, setting out operational guidelines with respect to documentation, approval procedures, and appropriate conduct aimed at preventing corruption, including, among other things: *TAURON Group's Gift Acceptance and Giving Rules and TAURON Group's Conflict of Interest Prevention Rules.*

All of the internal regulations are available on the intranet, to which TAURON Group's employees have access. External parties and stakeholders may become familiar with an extract from *TAURON Group's Anti-Corruption Policy, TAURON Group's Gift Acceptance and Giving Rules and TAURON Group's Conflict of Interest Prevention Rules*, on the TAURON website under the Compliance tab. In 2025, training sessions were conducted for the functions most exposed to corruption risk within TAURON Group, along with other training covering the anti-corruption topics.

TAURON Group's employees are required to complete an e-learning training course on anti-corruption. The scope of this training is described *in section 13.20 in the part related to G1-1 of this report.* In 2025, particular attention was directed toward training activities for the functions most exposed to the corruption risk. The training sessions were conducted at 19 of TAURON Group's subsidiaries.

All of the employees in the areas most exposed to corruption risk within TAURON Group were provided with access to the dedicated anti-corruption training sessions.

A total of 679 employees took part in the training, representing 60% of all of the employees in the areas most exposed to the corruption risk within TAURON Group.

In the previous reporting period for 2024, training sessions for employees in the areas and functions most exposed to corruption risk were conducted at one company – TAURON Polska Energia – and were attended by 107 individuals, representing 67% of all of the employees in the areas and functions most exposed to corruption risk at that Company.

Employees are required to identify the risk of corrupt acts and, in the event of a reasonable suspicion of their occurrence, to report such suspicions. Reports are handled in accordance with *TAURON Group's Procedure for Reporting Irregularities and Taking*

Follow-up Actions, described in *section 13.20 in the part related to G1-1 of this report*. The authorized persons conducting investigative proceedings are independent of and separate from the structures involved in the matter. In accordance with the principles of the *Best Practices of the WSE-Listed Companies 2021*, the Director in charge of the Compliance, who reports organizationally to the President of the Management Board of the Company, has the ability to report independently to the Audit Committee of the Supervisory Board of the Company. In the cases where a report concerns an authorized person or where circumstances arise that could affect impartiality in handling the matter, mechanisms are applied that result in the disqualification of the authorized person from conducting the proceedings in accordance with the provisions of *TAURON Group's Procedure for Reporting Irregularities and Taking Follow-up Actions*.

TAURON Group takes adequate action in response to the confirmed cases of corrupt acts; in particular, TAURON Group's subsidiaries notify law enforcement authorities of any potential violations of law in the event of a reasonable suspicion of such violations.

To prevent corruption, the following procedures have been introduced to reduce corruption risk, including, among other things:

1. in contacts with external parties, TAURON Group's employees should engage only for business purposes, using official correspondence channels or official telephones, and in the case of in-person meetings, it is preferred that these be organized at the TAURON Group subsidiary's premises or at the external party's premises,
2. employees are required to refrain from accepting or giving gifts that could exert influence on the recipient in relation to their professional duties. Employees in the procurement function are prohibited from accepting or giving any gifts. The Director in charge of the Compliance and the Compliance Coordinators maintain the *Gift Registers*,
3. each employee is required to immediately report any potential or actual conflict of interest. In order to document circumstances or events that may lead to or constitute a conflict of interest at TAURON Group's subsidiaries, *Conflict of Interest Registers* are maintained,
4. with respect to the members of Management Boards of the subsidiaries, an obligation has been introduced to avoid undertaking professional or non-professional activities that could give rise to a conflict of interest,
5. TAURON Group includes an anti-corruption clause in its contracts, through which the contractor declares that it opposes all corrupt practices and other irregularities and commits to preventing such activities in the performance of the contract. In addition, the counterparties (contractors) are required to familiarize themselves with and comply with the provisions of the *Code of Conduct for the Counterparties of TAURON Group's Subsidiaries*.

Corruption risk is one of the risks monitored within the monthly risk monitoring process. Information on identified corruption incidents is reported by Compliance Coordinators at TAURON Group's subsidiaries to the Director in charge of the Compliance at TAURON. Consolidated information on identified corruption incidents is communicated to the Director responsible for Risk Management.

TAURON Group has also introduced *TAURON Group's Anti-Corruption Program*, which includes procedures for preventing, detecting, and responding to suspected corrupt acts, including, among other things:

1. a biennial assessment of the risk of corrupt acts within TAURON Group. The results of the assessment will be presented to the Management Board of the Company and to the Supervisory Board of the Company,
2. an obligation for employees to complete anti-corruption training on the e-learning platform every two years,
3. annual training for employees in the areas most exposed to corruption risk and for members of the Management Boards of TAURON Group's subsidiaries in the area of anti-corruption,
4. an annual survey on anti-corruption topics,
5. analysis of corruption risk when assessing contractor credibility,
6. periodic analysis and monitoring of contractor credibility and analysis of corruption-related reports.

In 2025, an anonymous survey on irregularity reporting and anti-corruption within the organization was conducted among TAURON Group's employees. The results of the survey relating to anti-corruption are presented below:

1. 92% of employees who participated in the survey stated that they know who to contact to report a suspected corrupt act,
2. the large majority of employees who participated in the survey consider the measures taken to prevent corruption to be sufficient and effective,
3. employees assess the actions taken by the compliance functions to prevent corruption as effective and sufficient.

Information relating to the implementation of anti-corruption activities is incorporated into periodic reports submitted quarterly to the Audit Committee of the Company's Supervisory Board and semi-annually to the Supervisory Board of the Company. This information is also presented to the President of the Management Board of the Company at regular meetings. At the end of each calendar year, the Director in charge of the Compliance prepares an annual Compliance Report on the functioning of the compliance management system within TAURON Group.

(G1-4) Corruption or bribery Incidents

TAURON Group's plans and actions taken to prevent and detect corruption and bribery and to identify irregularities are described in *section 13.20 in the part related G1-3 of this report*. The data presented below are based on information reported within the corruption risk monitoring process, which is conducted regularly by the Director in charge of the Compliance at TAURON Polska Energia.

Table no. 192. Information on corruption or bribery incidents during the reporting period

Indicator	Number / Information for 2025	Number / Information for 2024
Number of convictions for violations of anti-corruption and anti-bribery regulations	0	0
Total amount of fines for violations of anti-corruption and anti-bribery regulations	none	none
Number of confirmed corruption or bribery incidents	0	0
Number of confirmed incidents where own workforce members were dismissed or disciplined in connection with corruption or bribery incidents	0	0
Number of public corruption investigations against an entity or its employees	0	1

(G1-6) Payment practices

The majority of TAURON Group's subsidiaries hold the status of a large enterprise within the meaning of the *Act of March 8, 2013 on Combating Excessive Delays in Commercial Transactions*.

In accordance with the payment terms practice applied within TAURON Group, the subsidiaries generally apply a payment term of up to 30 days for all supplier categories (micro, small, medium, and large enterprises). To ensure timely payment, TAURON Group takes into account Article 115 of the Civil Code, pursuant to which, if a payment due date falls on a day that is a statutory public holiday or a Saturday, the due date expires on the next day that is neither a public holiday nor a Saturday. In 2025, the share of the payments made by TAURON Group within this deadline stood at 97% of the payments by count which corresponded to 98% of the value of all of the settled (cleared) purchase invoices (in 2024: 97% and 99%, respectively). The average settlement time for the invoices, calculated from the contractual payment due date, stood at 24 days (in 2024: 23 days).

There are no outstanding court proceedings related to payment the delays within TAURON Group.

Representations

of the Management Board

of TAURON Polska Energia S.A.

R E P R E S E N T A T I O N

of the Management Board of TAURON Polska Energia S.A. on the accuracy of the annual financial statements of TAURON Polska Energia S.A. and of the Management Board's report on the operations of TAURON Polska Energia S.A. and TAURON Capital Group

Management Board of TAURON Polska Energia S.A. represents that, to the best of its knowledge, the annual financial statements of TAURON Polska Energia S.A. and comparable figures were prepared in accordance with the applicable set of accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of TAURON Polska Energia S.A.

Management Board of TAURON Polska Energia S.A. also certifies that the Management Board's annual report on the operations of TAURON Polska Energia S.A and TAURON Capital Group includes a fair review of the development and performance of the business and the position of TAURON Polska Energia S.A, together with a description of the principal risks and uncertainties and that it has been prepared in accordance with the requirements of Article 49 of the Act of September 29, 1994 on accounting (Accounting Act).

Management Board of TAURON Polska Energia S.A. also certifies that the sustainability reporting of TAURON Capital Group included in the report on the operations of TAURON Polska Energia S.A. and TAURON Capital Group has been prepared in accordance with the Accounting Act, sustainable development reporting standards referred to in Article 63p item 2 of the Accounting Act (ESRS) and Article 8 of the 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, and delegated acts issued pursuant to Article 8 section 4 of the said regulation.

Members of the Management Board:

1. Grzegorz Lot - President of the Management Board

2. Michał Orłowski - Vice President of the Management Board

3. Krzysztof Surma - Vice President of the Management Board

4. Krzysztof Zawadzki - Vice President of the Management Board

March 30, 2026
date

I N F O R M A T I O N

of the Management Board of TAURON Polska Energia S.A. on the appointment of the audit firm to conduct the audit of the annual financial statements of TAURON Polska Energia S.A. in accordance with the applicable regulations

The Management Board of TAURON Polska Energia S.A., pursuant to the representation of the Supervisory Board, informs of the appointment of the audit firm to conduct the audit of the annual financial statements of TAURON Polska Energia S.A. in accordance with the applicable regulations, including the regulations related to the appointment and the procedure for appointment of auditor and indicates that:

a) the audit firm and members of the team performing the audit met the conditions for preparing an impartial and independent report (opinion) on the audit of the annual financial statements of TAURON Polska Energia S.A. in accordance with the applicable regulations, professional standards and professional code of ethics,

b) applicable regulations related to the rotation of the audit firm and the key certified auditor as well as the mandatory rotation periods (engagement term limits) are complied with,

c) TAURON Polska Energia S.A. has a policy in place with respect to the appointment of auditor and a policy with respect to the provision, for the benefit of TAURON Polska Energia S.A., by the audit firm, entities related to the audit firm or a member of its network, of additional non-audit services, including services that are conditionally exempt from the ban on the provision of non-audit services by the audit firm.

Members of the Management Board:

1. Grzegorz Lot - President of the Management Board

2. Michał Orłowski - Vice President of the Management Board

3. Krzysztof Surma - Vice President of the Management Board

4. Krzysztof Zawadzki - Vice President of the Management Board

March 30, 2026
date

I N F O R M A T I O N

of the Management Board of TAURON Polska Energia S.A. on the appointment of the audit firm to conduct the limited assurance engagement on the sustainability reporting of TAURON Capital Group in accordance with the applicable regulations

The Management Board of TAURON Polska Energia S.A., pursuant to the representation of the Supervisory Board, informs of the appointment of the audit firm to conduct the limited assurance engagement on the sustainability reporting of TAURON Capital Group in accordance with the applicable regulations, including the regulations related to the appointment and the procedure for appointment of auditor performing the limited assurance engagement of sustainability reporting of TAURON Polska Energia S.A. Capital Group and indicates that:

a) the audit firm conducting the limited assurance engagement in relation to sustainability reporting of TAURON Polska Energia S.A. Capital Group and the members of the team performing the engagement met the conditions for preparing an impartial and independent report (opinion) on the limited assurance engagement on the sustainability reporting of TAURON Polska Energia S.A. Capital Group in accordance with the applicable regulations, professional standards and professional code of ethics,

b) TAURON Polska Energia S.A. has a policy in place with respect to the appointment of the audit firm to conduct limited assurance engagement on the sustainability reporting of TAURON Polska Energia S.A. Capital Group and a policy with respect to the provision, by the audit firm conducting the sustainability reporting assurance for TAURON Polska Energia S.A. Capital Group, by entities affiliated with that audit firm, and by a member of the audit firm's network, of permitted services other than the sustainability reporting assurance, related to sustainability reporting of TAURON Polska Energia S.A. Capital Group.

Members of the Management Board:

1. Grzegorz Lot - President of the Management Board

2. Michał Orłowski - Vice President of the Management Board

3. Krzysztof Surma - Vice President of the Management Board

4. Krzysztof Zawadzki - Vice President of the Management Board

March 30, 2026
date

Representation

of the Supervisory Board

of TAURON Polska Energia S.A.

R E P R E S E N T A T I O N

of the Supervisory Board of TAURON Polska Energia S.A. on the Audit Committee

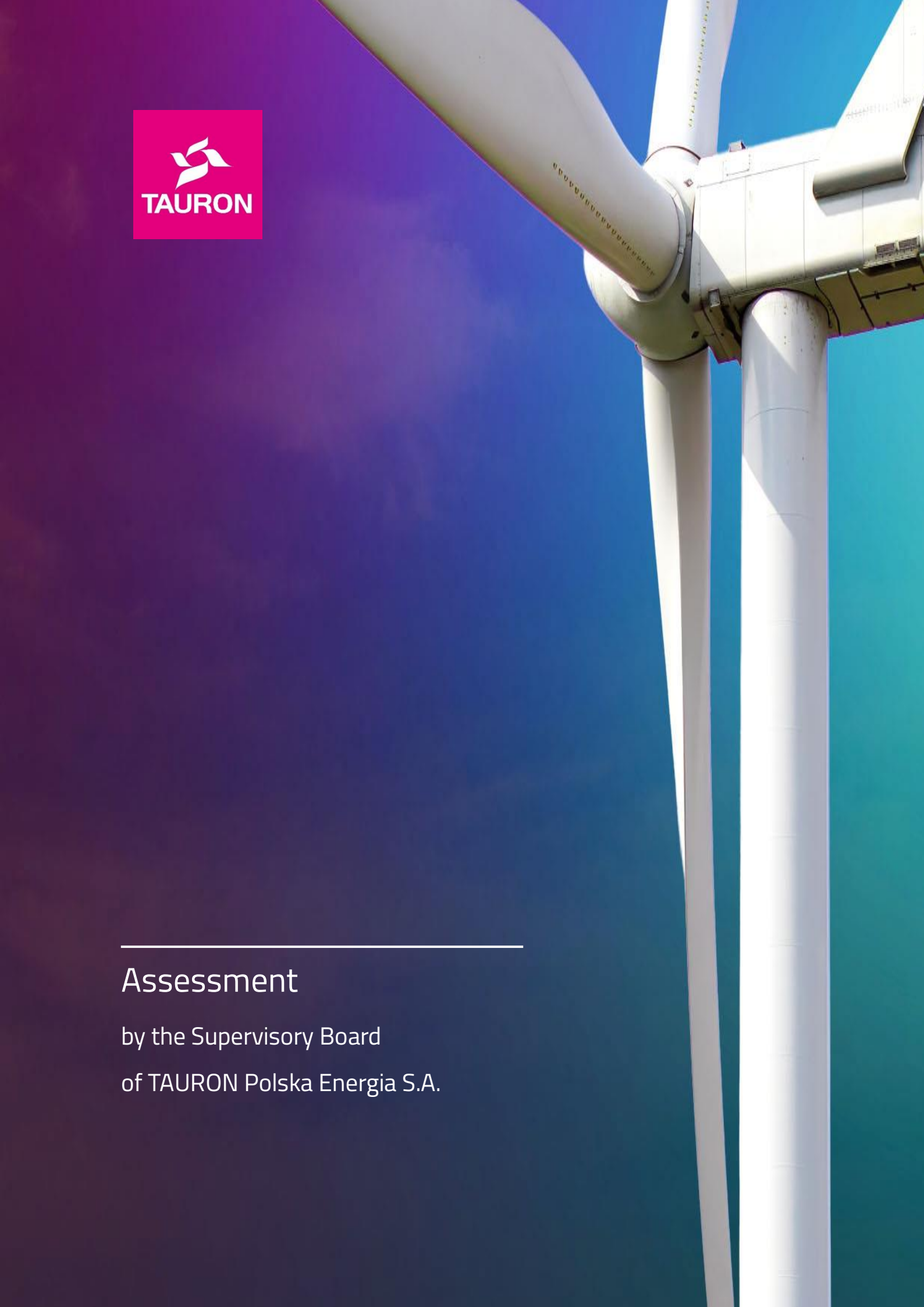
In connection with § 72 section 1 item 8) and § 73 section 1 item 8) of the Regulation of the Minister of Finance dated 6 June 2025 on current and periodical information published by issuers of securities and on conditions under which information required by legal regulations of a third country may be recognised as equivalent, the Supervisory Board of TAURON Polska Energia S.A. represents that the regulations related to the appointment, composition and operations of the Audit Committee are complied with, including the regulations related to the fulfillment by the members thereof of the independence criteria and of the requirements with respect to the knowledge and skills (qualifications) related to the industry TAURON Polska Energia S.A. operates in, as well as in the field of accounting or auditing financial statements.

The Supervisory Board of TAURON Polska Energia S.A. also certifies that the Audit Committee performed the tasks of an audit committee as set forth in the applicable regulations.

Members of the Supervisory Board:

1.	Ilona Malik	- Chair of the Supervisory Board
2.	Natalia Klima-Piotrowska	- Vice Chair of the Supervisory Board
3.	Tomasz Majka	- Secretary of the Supervisory Board
4.	Michał Hulbój	- Member of the Supervisory Board
5.	Arkadiusz Jówko	- Member of the Supervisory Board
6.	Beata Kisielewska	- Member of the Supervisory Board
7.	Leszek Koziorowski	- Member of the Supervisory Board

March 30, 2026
date



Assessment

by the Supervisory Board

of TAURON Polska Energia S.A.

Assessment by the Supervisory Board of TAURON Polska Energia S.A.
of the financial statements and the Management Board's report on the operations
of TAURON Polska Energia S.A. and TAURON Capital Group for the financial year 2025

In connection with § 72 section 1 item 16) and § 73 section 1 item 14) of the Regulation of the Minister of Finance dated 6 June 2025 on current and periodical information published by issuers of securities and on conditions under which information required by legal regulations of a third country may be recognised as equivalent, the Supervisory Board of TAURON Polska Energia S.A. performed assessment of the following documents presented by the Company's Management Board performed assessment of the following documents presented by the Company's Management Board, in terms of the compliance with the ledgers, documents and the actual state of affairs:

1) *Financial statements of TAURON Polska Energia S.A. for the year ended on December 31, 2025 prepared in accordance with the International Financial Reporting Standards approved by the European Union*,
2) *Consolidated financial statements of TAURON Polska Energia S.A. Capital Group for the year ended on December 31, 2025 prepared in accordance with the International Financial Reporting Standards approved by the European Union*,
3) *Management Board's report on the operations of TAURON Polska Energia S.A. and TAURON Capital Group for the financial year 2025*.

The abovementioned documents were audited by PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt Sp.k. (further: certified auditor, auditor) which was appointed by the Supervisory Board to perform audit of standalone and consolidated financial statements of TAURON Polska Energia S.A. and TAURON Capital Group for the financial year 2025.

The mandatory limited assurance engagement of the sustainable development reporting was performed by audit firm PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt Sp.k., following the performance of assessment of risks and guarantees of independence of the abovementioned audit firm by the Audit Committee.

Assessment of the Financial statements of TAURON Polska Energia S.A. for the year ended on December 31, 2025 prepared in accordance with the International Financial Reporting Standards approved by the European Union.

The Supervisory Board of TAURON Polska Energia S.A. performed assessment of the Financial statements of TAURON Polska Energia S.A. for the year ended on December 31, 2025 prepared in accordance with the International Financial Reporting Standards approved by the European Union, including:

1) statement of comprehensive income for the year ended on December 31, 2025 showing positive comprehensive income in the amount of PLN 3,121 million and net profit for the financial year 2025 in the amount of PLN 3,307 million,
2) statement of financial position as of December 31, 2025 showing on the side of assets and liabilities total sum of PLN 30,764 million,
3) statement of changes in equity for the year ended on December 31, 2025 showing equity increase by PLN 3,122 million,
4) statement of cash flows for the year ended on December 31, 2025 showing net cash decrease by PLN 117 million, and
5) principles (policy) of accounting and the additional explanatory notes.

The Supervisory Board issued positive assessment on the Financial statements of TAURON and stated their compliance with the ledgers, documents and the actual state of affairs.

The basis for the issuing by the Supervisory Board of a positive assessment was the report of the independent certified auditor on the audit according to which the above Financial statements of TAURON Polska Energia S.A.:

1) give a true and fair view of the assets, liabilities and the financial position of TAURON Polska Energia S.A. and as of December 31, 2025, and its financial results and cash flows for the financial year ended on that day in accordance with the applicable International Financial Reporting Standards approved by the European Union and the adopted principles (policy) of accounting,
2) are in compliance, with respect to their form and content, with the legal regulations applicable to the Company as well as with the Articles of Association of TAURON Polska Energia S.A.,
3) were prepared based on the properly kept accounting records (ledgers), in compliance with provisions of chapter 2 of the accounting act of September 29, 1994 (further: accounting act).

Assessment of the Consolidated financial statements of TAURON Polska Energia S.A. Capital Group for the year ended on December 31, 2025 prepared in accordance with the International Financial Reporting Standards approved by the European Union

The Supervisory Board of TAURON Polska Energia S.A. performed assessment of the Consolidated financial statements of TAURON Polska Energia S.A. Capital Group for the year ended on December 31, 2025 prepared in accordance with the International Financial Reporting Standards approved by the European Union, including:

1) consolidated statement of comprehensive income for the year ended on December 31, 2025 showing positive comprehensive income in the amount of PLN 3,068 million and net profit for the financial year 2025 in the amount of PLN 3,315 million,
2) consolidated statement of financial position as of December 31, 2025 showing on the side of assets and liabilities total sum of PLN 48,717 million,
3) consolidated statement of changes in equity for the year ended on December 31, 2025 showing equity increase by PLN 3,032 million,
4) consolidated statement of cash flows for the year ended on December 31, 2025 showing net cash decrease by PLN 237 million, and
5) principles (policy) of accounting and the additional explanatory notes.

The Supervisory Board issued positive assessment on the Consolidated financial statements of TAURON Polska Energia S.A. Capital Group for the financial year 2025 and stated their compliance with the ledgers, documents and the actual state of affairs.

The basis for the issuing by the Supervisory Board of a positive assessment was the report of the independent certified auditor on the audit according to which the above Consolidated financial statements of TAURON Capital Group:

1) give a true and fair view of the consolidated assets, liabilities and the financial position of TAURON Polska Energia S.A. Capital Group and as of December 31, 2025, and its consolidated financial results and consolidated cash flows for the financial year ended on that day, in accordance with the applicable International Financial Reporting Standards approved by the European Union and the adopted principles (policy) of accounting,
2) are in compliance, with respect to their form and content, with the legal regulations applicable to the Group as well as with the Articles of Association of the parent company.

Assessment of the Report of the Management Board on the operations of TAURON Polska Energia S.A. and TAURON Capital Group for the financial year 2025 including TAURON Group's sustainable development reporting

The Supervisory Board, having considered the Report of the Management Board on the operations of TAURON Polska Energia S.A. and TAURON Capital Group for the financial year 2025, including sustainability reporting, issued positive assessment on the said report in terms of its compliance with the ledgers, documents and the actual state of affairs. The subject report shows true and fair view of the assets and liabilities as well as financial position and development perspective as well as sustainable development of TAURON Polska Energia S.A. and TAURON Capital Group, and its completeness and compliance in the scope of presented information was confirmed by certified auditor.

Pursuant to Article 63r of the Act of September 29, 1994 on accounting TAURON Polska Energia S.A. presented Sustainability report of TAURON Group for the year 2025, which constitutes a separate part of the Report of the Management Board on the operations of TAURON Polska Energia S.A. and TAURON Capital Group for the year 2025. The report has been prepared with account being take on the following regulations:

1) Accounting Act of 29 September 1994 (Journal of Laws of 2024 item 1863) – the Act transposes the provisions of Directive (EU) 2022/2464 of the European Parliament and of the Council of December 14, 2022 amending Regulation (EU) No. 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU with regard to reporting by companies on sustainable development,
2) Delegated Regulation of the Commission (EU) 2023/2772 of July 31, 2023, supplementing Directive 2013/34/EU of the European Parliament and of the Council with regard to sustainability reporting standards,
3) Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, amending Regulation (EU) 2019/2088.

The certified auditor conducting the limited assurance engagement of sustainability reporting presented to the Supervisory Board the Report of assurance of the sustainability reporting for the year 2025 giving limited assurance, according to which, in line with the performed assurance procedures and the obtained evidence, nothing has come to their attention that would cause it to believe that:

1) sustainability reporting is not compliant, in all material aspects, with Chapter 6c of the Accounting Act of 29 September 1994, as well as with the European Sustainability Reporting Standards (the “ESRS”),
2) the materiality assessment process conducted by TAURON Group to identify information included in the Sustainability reporting is not compliant, in all material respects, with the ESRS,
3) the sustainability reporting is not compliant, in all material respects, with the reporting requirements set out in Article 8 of the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, amending Regulation (EU) 2019/2088.

Summary of the performed assessment

The Supervisory Board, in their assessment of the above financial statements of TAURON Polska Energia S.A. and TAURON Capital Group, and the report of the Management Board on the operations of TAURON Polska Energia S.A. and TAURON Capital Group including sustainability reporting, took account of the recommendations of the Audit Committee of the Supervisory Board of TAURON Polska Energia S.A. that supervised the process of financial reporting in line with the provisions of the act of May 11, 2017 on certified auditors, audit firms and public oversight, supervised the process of financial reporting and sustainability reporting, the effectiveness of internal audit systems and risk management systems as well as internal audit, and performed the tasks aimed to guarantee the accuracy of the financial reporting process and sustainability reporting process.

The basis for the Supervisory Board's positive assessment of the Financial Statements of TAURON Polska Energia S.A. and the Consolidated Financial Statements of the TAURON Polska Energia S.A. Capital Group for the 2025 financial year was the independent auditor's reports on the audit of the above reports.

The aforementioned financial statements have been prepared within the prescribed period and are in accordance with the International Financial Reporting Standards, which have been approved by the European Union. The correctness of the preparation of the financial statements in question, as to their conformity with the ledgers, documents and facts, does not raise any objections and is confirmed by the information contained in the Report of the independent auditor on the audit of the aforementioned statements.

The report of the Management Board on the operations of TAURON Polska Energia S.A. and TAURON Capital Group for the financial year 2025 that includes sustainability reporting, has been prepared in accordance with the applicable provisions of the Accounting Act of September 29, 1994 and the Decree of the Minister of Finance of June 6, 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.

In the opinion of the auditor, the Management Board's Report on the operations of TAURON Polska Energia S.A. and TAURON Capital Group for the financial year 2025 was prepared in accordance with applicable laws and is consistent with the financial statements of TAURON Polska Energia S.A. for the year ended December 31, 2025 and the consolidated financial statements of the TAURON Capital Group for the year ended December 31, 2025.

The abovementioned Report of the Management Board includes Sustainability reporting, which meets the requirements set out in Article 63r of the Accounting Act of September 29, 1994 and takes into account the

requirements presented in Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on establishing a framework to facilitate sustainable investments, amending Regulation (EU) 2019/2088 and in the Delegated Regulation of the Commission (EU) 2023/2772 of July 31, 2023, supplementing Directive 2013/34/EU of the European Parliament and of the Council with regard to sustainability reporting standards.

Considering the above, the Supervisory Board, taking into account the recommendations of the Audit Committee and relying on the opinion of certified auditors, gives positive assessment of the Financial statements of TAURON Polska Energia S.A. and TAURON Capital Group, as well as Report of the Management Board on the operations of TAURON Polska Energia S.A. and TAURON Capital Group that includes sustainability reporting and states that they are in compliance with the ledgers, documents and the actual state of affairs.

Members of the Supervisory Board:

1.	Ilona Malik	- Chair of the Supervisory Board
2.	Natalia Klima - Piotrowska	- Vice Chair of the Supervisory Board
3.	Tomasz Majka	- Secretary of the Supervisory Board
4.	Michał Hulbój	- Member of the Supervisory Board
5.	Arkadiusz Jówko	- Member of the Supervisory Board
6.	Beata Kisielewska	- Member of the Supervisory Board
7.	Leszek Koziorowski	- Member of the Supervisory Board

March 30, 2026
date

The file consists of a set of translated documents that were originally issued and signed in Polish.