REPORT OF THE MANAGEMENT BOARD

on the activity of LW Bogdanka S.A.
and the LW Bogdanka Group for 2025

Grupa Kapitałowa
Lubelski Węgiel Bogdanka

BOGDANKA

Lubelski Węgiel Bogdanka S.A.

a leader on the hard coal market in Poland, standing out in comparison with its peers in terms of financial results, mining efficiency and investment plans assuming access to new deposits.

Share in the hard coal market in Poland

18.1%

Share in the steam coal market in Poland

25.1%

Share in coal supplies to the commercial power sector in Poland

30.4%

Dear Shareholders,

2025 was a year of strong market pressure for the steam coal market in Poland resulting from falling demand, changes in the energy sector and competition for raw material sold below the cost of extraction. In the challenging market and regulatory environment, Bogdanka's strengths, such as operational efficiency, cost discipline and the ability to respond flexibly to changing market conditions, gain particular significance.

The LW Bogdanka Group has generated a psositive financial result.
In 2025 (excluding the impact of the impairment loss on fixed assets), we achieved the t profit of PLN 263.8 million and EBITDA of PLN 543.1 million, with commercial coal production of 7.57 million tons and sales of 7.65 million tons. The result was also affected by one-off compensation in the amount of PLN 144.85 million related to damages to the underground assets in 2023. These results confirm our company's resilience achieved through sustainable competitive advantages based on high operational efficiency and some of the highest labour productivity ratios.

The financial results generated by the company in 2025 were charged with an accounting write-down. In connection with an impairment test on fixed assets, the impairment loss of approximately PLN 522.5 million was recognised in the financial statements. This operation does not affect the Company's EBITDA or current cash flows.

For many years, Bogdanka has remained one of the most cost-effective steam coal mines. A high level of process mechanisation and automation, modern work organisation and consistent cost control enable us to carry out our mining operations without any state subsidies and to compete in the market primarily on the basis of operational efficiency.

However, even the best cost-effectiveness has its limits when the market imposes prices below a reasonable level, which reduces margins and hinders maintaining the profitability in compliance with safety and investment standards. The reason is that a significant part of the raw material is sold at prices that do not reflect the actual production costs. The stability of the sector requires regulatory changes
and solution which, in the long term, will reward efficient mining and economic rationality, simultaneously strengthening the energy security ofthe country.

Bogdanka is actively involved in the debate on this issue. In 2025, we co-organised the 6th Polish Mining Congress, one of the most important industry events
in the country, which served as a platform for dialogue between industry, public administration, the academic communities and social partners on the future of Polish mining and the energy transition.

At the same time, we are consistently developing our commercial operations. In addition to cooperation with key customers in the Enea Group, we are increasing coal contracting
with industrial customers and energy companies outside the Group, both in the country and in international markets. Our coal is currently supplied, amongst others, to customers in Ukraine and Slovakia and further diversification of our customer base is a priority for our sales department.

We have the resources and mining capacity allowing to maintain output at a level of over 8 million tons per year in the forthcoming years; however, we tailor our operational decisions to actual market demand on a case-by-case basis, while safeguarding the Company's financial security and operational stability.

The energy transition in Europe and in Poland is a long-term process.
In the transition period, conventional fuel remains the most significant factor in ensuring the stability of the energy system. The role of Bogdanka at this time is to maintain high operational efficiency, stable financial foundations and a responsible approach towards its employees and the local community.

I am convinced that due to the expertise of our staff, the consistent implementation of our strategy and the maintenance of our cost advantage, Bogdanka will remain one of the most stable and efficient mining companies, whilst also serving as a cornerstone of the energy security of the country in a challenging geopolitical environment.

I am grateful to all our employees, business partners and shareholders for their commitment and trust over the past year.

Respectfully yours,

Zbigniew Stopa
President of the Management Board of LW Bogdanka S.A.

1. Organisation and activity of the LW Bogdanka Group

1.1 LW Bogdanka S.A.

is a leader on the hard coal market in Poland, standing out in comparison with its peers in terms of financial performance, mining efficiency and investment plans, including access to new deposits.

The bituminous coal sold by the Company is used predominantly for the production of electricity, heat and cement. The Company's customers are mainly industrial companies, primarily those operating in the power sector, located in eastern and north-eastern Poland.

LW Bogdanka S.A. is part of the Enea Group, one of the leaders of the Polish energy market.
The company has been listed on the Warsaw Stock Exchange since 2009.

LW Bogdanka S.A. has three mining fields:

- Bogdanka
- Nadrybie
- Stefanów

The structure of coal production in 2025 was as follows:

- fine coal - 97.8%
- pea coal - 2.1%
- chestnut coal - 0.1%

Use of LW Bogdanka S.A.'s coal:

- electricity production
- heat generation
- cement production

The Company's key customers include (percentage share of revenue):

- Enea Group - Enea Wytwarzanie (64%)
- Enea Group - Enea Połaniec (16%)

The Company holds four concessions for mining of hard coal from the following deposits (areas):

- Bogdanka (Puchaczów V)
- K-3 (Stręczyn)
- Ostrów (Ludwin)
- K-6, K-7 (Cyców)

Modern technology

LW Bogdanka S.A. cares about the safety of its employees and the natural environment. In the mining process, it applies state-of-the-art technologies and world-class machinery, consequently, it is a mine with the highest efficiency and best performance rates in Poland.

The underground productivity of the Company is more than twice the average value in the hard coal mining industry in Poland.

Cost control

The Company remains the efficiency leader in the Polish mining industry owing to its consistently implemented Cost Optimisation Programme. The Company's strategy assumes a further decrease in the Unit Mining Cash Cost.

The Company has a deposit management system in place, consisting of:

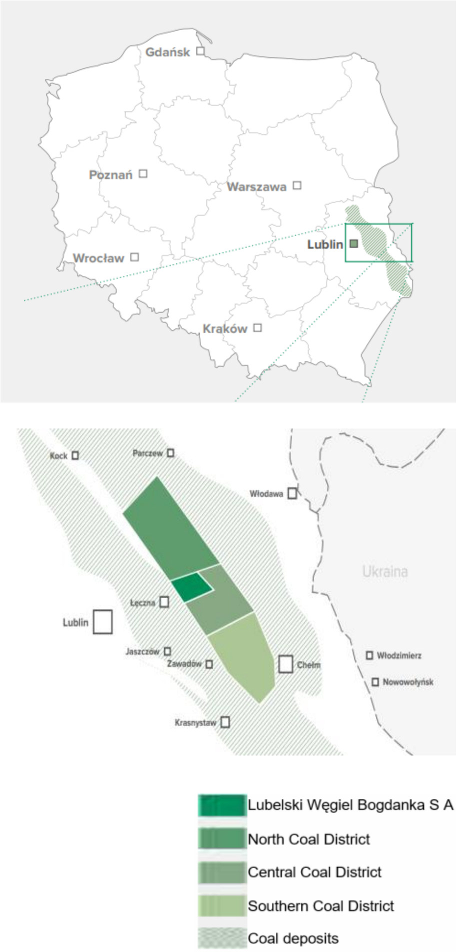
- digital deposit model (the only one to date in the Polish hard coal mining sector)
- digital map of mining excavations
- digital schedule of opening, preparatory and operational works.

We have built our success based on:

- highly qualified staff, top technical culture focused on cooperation and achievement of common objectives
- highly efficient, reliable, energy-saving machinery and equipment, properly adjusted to existing geological and mining conditions, mechanizing both primary mining works and a broad range of auxiliary works
- mechanisation and automation of the broadest possible range of underground works
- deployment of modern IT systems for various areas of mining activity, aimed at streamlining technological processes, monitoring the operation of machinery and equipment, useful in production planning and hazard identification.

Management objectives:

- Maintaining the leader's position in the market of the steam coal supply to the commercial power sector in Poland, while effectively competing with imports.
- Maintaining high production efficiency and profitability due to the application of innovative organisational as well as technical and technological solutions.
- Our activity is driven by the overriding values, such as: responsibility, ethics, professionalism and transparency. These values ensure the harmonious development of the Company, pursuing its business goals with the highest standards and a proactive attitude related to environmental performance, occupational safety and community relations.
- We are committed to maintaining the highest quality standards for all the products we produce and manufacture. Given the special nature of the Company's operations, we also care for protecting the environment and reducing undesirable environmental impacts, as well as ensuring and prioritising the occupational safety of our employees and those who work for or on behalf of the company.
- The implementation of the above declarations is guaranteed by the care of the Mine management to ensure the resources, including the means necessary to improve the competence and commitment of all of the Company's employees.



Taking into account the Group's structure and the fact that the basis for the Group's operations and activities is the business conducted by LW Bogdanka S.A. (activities of subsidiary companies are primarily ancillary to the activities conducted by the Parent Company), the descriptions presented in the Report refer also directly to the activities and events taking place within LW Bogdanka S.A.

Wherever there are any discrepancies, this is clearly indicated by posting an appropriate description and data.

Lubelski Węgiel Bogdanka Spółka Akcyjna

Address: Bogdanka, 21-013 Puchaczów, Lubelskie Voivodship
Phone: +48 81 462 51 00, +48 81 462 51 01
Fax: +48 81 462 51 91
www: www.lw.com.pl; www.ri.lw.com.pl
REGON: 430309210
NIP [Tax Identification Number]: 713-000-57-84
e-mail: bogdanka@lw.com.pl

Legal form and regulations underlying the Company's activity

LW Bogdanka S.A. is a joint stock company operating under the laws of Poland.
The Company operates on the basis of, among others, the following legislation:

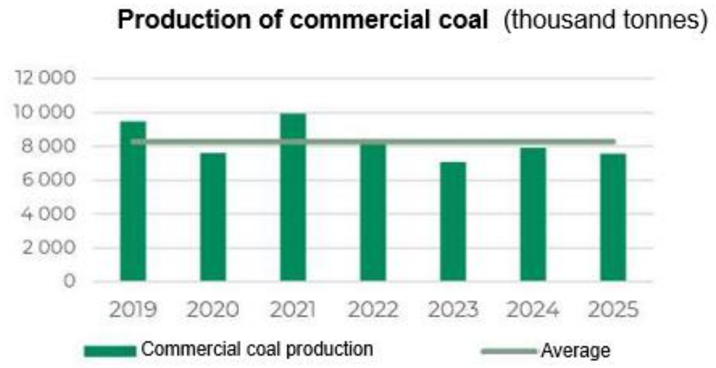
- Act of 15 September 2000 - Commercial Companies Code
- Act of 9 June 2011 - Geological and Mining Law

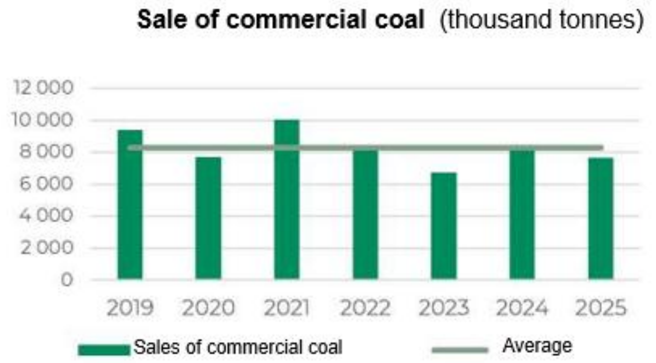
The founder of the Company is the State Treasury represented by the Minister of the State Assets.
The Company may operate in the territory of the Republic of Poland and abroad.
The Company has been established for an indefinite period.

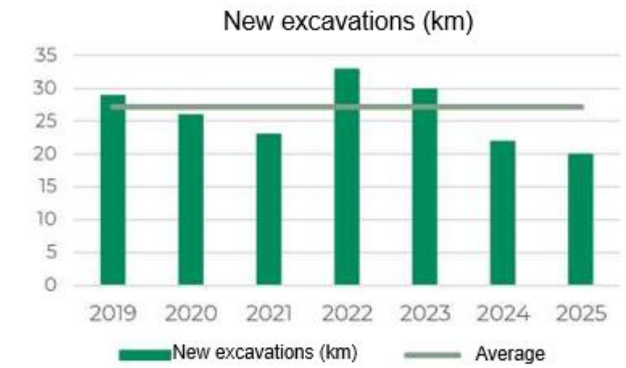
Historical background

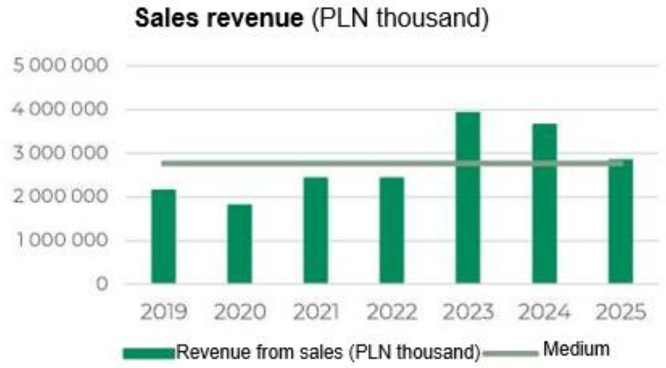
17 January 1975	1 March 1993	29 December 1994	25 June 2009	29 October 2015	17 November 2017	20 December 2019	17 May 2023	16 April 2025
decision made to build a pilot and extraction mine in Bogdanka. Bogdanka was one of 7 mines that were to be built in the Lublin Coal Basin, but due to suspension of the project, it turned out to be the only one.	transformation of the state-owned enterprise into a wholly-owned State Treasury company with the business name: Kopalnia Węgla Kamiennego "Bogdanka" S.A.	as part of the implementation of the provisions of a bank settlement, as a result of debt conversion, KWK "Bogdanka" S.A. ceased to be a wholly-owned State Treasury company as new shareholders (creditors) acquired 4.0% of the Company's shares	IPO on the Warsaw Stock Exchange	LW Bogdanka S.A. became part of the Enea Group	obtaining a concession for mining of hard coal from the Ostrów deposit in the Ludwin mining area	obtaining a concession for mining of hard coal from the "Lublin Coal Basin – Area K-6 and K-7" deposit in the "Cyców" mining area	adoption of the new LW Bogdanka Group Strategy for 2023- 2030 with an outlook to 2040 in response to rapid developments in the domestic and international market in 2023	adoption of the updated LW Bogdanka S.A. Development Strategy until 2030 (outlook to 2035)

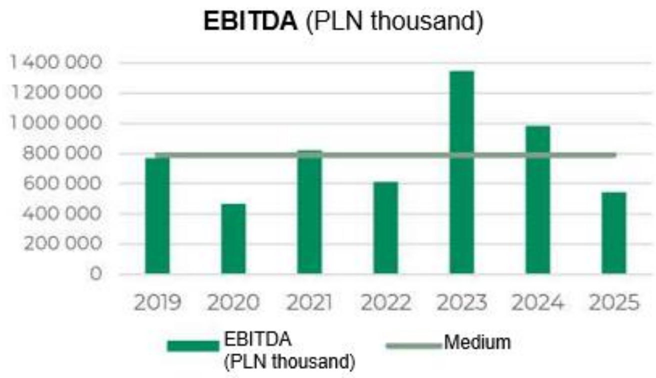
1.1 Long-term sustainability of operations

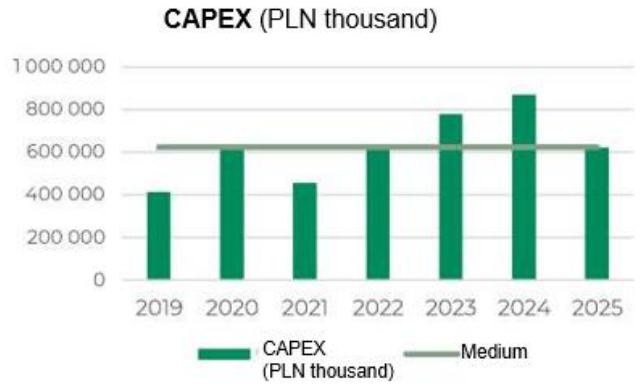












1.1 Structure of the LW Bogdanka Group

LUBELSKI WĘGIEL “BOGDANKA” S.A.

88.7%

ŁĘCZYŃSKA ENERGETYKA SP. Z O.O.

As at 30 September 2025, the Parent Company held 88.7% of shares As at 31 December 2025, the Parent Company held 88.7% of the share in the capital.

“Łęczyńska Energetyka” Sp. z o.o. supplies heat to the mine and provides water and sewage management services. Moreover, the company supplies heat to external entities, such as housing estates and other facilities in Łęczna. The Company is also involved in building and repairing heating, water and sewage systems.

100%

EKOTRANS BOGDANKA SP. Z O.O.

As at 30 September 2025, the Parent Company held 100.0% of shares As at 31 December 2025, the Parent Company held 100.0% of the share in the capital.

EkoTRANS Bogdanka Sp. z o.o. provides services to the mine in the scope of transportation, disposal and management of waste created during the washing and purification of coal winnings, other transport and land reclamation services.

100%

RG BOGDANKA SP. Z O.O.

As at 30 September 2025, the Parent Company held 100.0% of shares As at 31 December 2025, the Parent Company held 100.0% of the share in the capital.

RG “Bogdanka” Sp. z o.o. provides services to the mine, mainly related to the performance of mining and auxiliary works, haulage operations, as well as cleaning, tidying and site maintenance services.

100%

MR BOGDANKA SP. Z O.O.

As at 30 September 2025, the Parent Company held 100.0% of shares in the capital of the MR „Bogdanka” Sp. z o.o. subsidiary.

MR Bogdanka Sp. z o.o. provides the mine with services including renovation, construction services, work performed in underground machinery divisions, refurbishment and production of steel structures.

Changes in the structure GK LW Bogdanka

Apart from the links presented above, there are no other organisational and capital relations with other entities.
In 2025, there were no changes in the structure of the LW Bogdanka Group or in its organisational and capital relations with other entities. During this period there were no changes in the structure of the LW Bogdanka Group as a result of merger of business entities, takeover or sale of the Group’s entities, long-term investments, demerger, restructuring and discontinuation of activity.

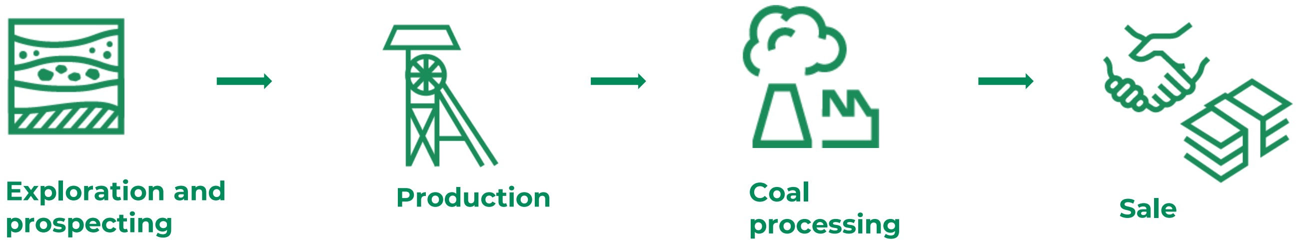
As at the date of submission of this Report, LW Bogdanka S.A. also holds 22.41% of shares in Kolejowe Zakłady Maszyn KOLZAM S.A., with the share capital of PLN 750 thousand (bankruptcy proceedings have been discontinued, the company is not conducting any business activity). The title to the shares has been transferred to the Parent Company as security for the financial settlements for performance of transportation services. This company has not been consolidated.

1.2 Operating model, value chain

Core business - we mine coal

The LW Bogdanka Group as a company primarily involved in the extraction and processing of coal, is located at the very beginning of the industry's supply chain.
The core production is accompanied by execution of other activities, carried out mostly by subsidiaries (production of heat, water treatment and supply, and wastewater collection, as well as transportation services, to the extent related to rail transport of coal and transport of waste rock).

LW Bogdanka Group's value chain



The Geological Department at LW Bogdanka S.A. is responsible for geological work relating to the exploration and documentation of hard coal resources as well as geological and mining conditions in the area of the mine operations. Its main task is to collect and analyse geological data, which allows for the reasonable planning of deposit exploitation and the assessment of its development conditions.
The main tasks of the department include, among others,
conducting geological and geophysical surveys, preparing geological documentation and analysing the geological structure of the deposit. The department also cooperates with other units of the mine in the scope of planning mining operations, assessing natural hazards and preparing areas for mining works.
Due to the work of the Geological Department, it is possible to gain a detailed understanding of the structure of the deposit, determine the quality and quantity of coal reserves, and ensure that mining operations are carried out safely and efficiently.

Production at LW Bogdanka S.A. is the company's core business and involves underground hard coal mining. Its main task is to source the raw material from the deposit efficiently and safely, using modern mining technologies and adequate work organisation.
This segment involves work related to the preparation of mining walls, conducting of mining operations, the operation of wall complexes and transport of winnings to the surface. These activities also comprise maintenance of the underground infrastructure, ventilation and drainage systems, as well as ensuring health and safety in the mine.
Coal mining is of key importance for the company's operations, as it is responsible for meeting production targets and supplying coal to customers, primarily in the energy sector. Due to the use of modern technological solutions and high safety standards, Bogdanka maintains a stable level of production and high mining efficiency.

The Mechanical Coal Processing Plant (ZMPW) at LW Bogdanka S.A. deals with the preparation of the coal extracted for sale and further use by customers.
Its main task is the mechanical processing of the ore delivered from the mine to acquire coal that meets the required quality standards.
The plant performs coal crushing, classification, enrichment and dewatering processes. These processes result in separation of the coal from waste rock and other impurities and classifying it into the relevant grades in accordance with customers' requirements. The Mechanical Coal Processing Plant plays a significant role in the overall production process of the mine, as it ensures the adequate quality
and commercial parameters of the coal, enabling its efficient use, primarily in the professional power sector.

The sales of coal at LW Bogdanka S.A. consist of several stages related to product preparation, the conclusion of commercial agreements and the delivery of the raw material to the customer. Sales are primarily carried out under long-term agreements with customers, mainly from the energy and industrial sector.
The process starts with the negotiation and conclusion of commercial agreements which set out the terms of sale, such as the quantity of coal, its quality parameters, the price and the delivery dates. Subsequently, following the extraction and processing at the Mechanical Coal Processing Plant, the raw material is prepared for dispatch in accordance with the customers' requirements.
The final stage involves organising transport and conducting deliveries, usually by rail or road. The entire process is monitored by the sales department which coordinates order processing, checks the compliance of deliveries with the agreements, and maintains regular contact with customers.

1.2 Operating model, value chain

LW Bogdanka also has suppliers and uses products and services from other sectors.

Our suppliers

The mine requires stable supplies of huge quantities of electricity and fuel. Without electricity, the heavy equipment installed underground would not operate, it would be impossible to bring the winnings to the surface, drainage pumps would not work, nor would air-conditioning systems.

Purchases

The following purchases are of key importance from the point of view of the mine's supply chain: materials, fuels and energy, as well as specialised products and services specific to the mining industry (e.g., drilling and reconstruction of excavations, haulage of winnings, as well as the supply of roadway supports, mining machinery and equipment).

External entities

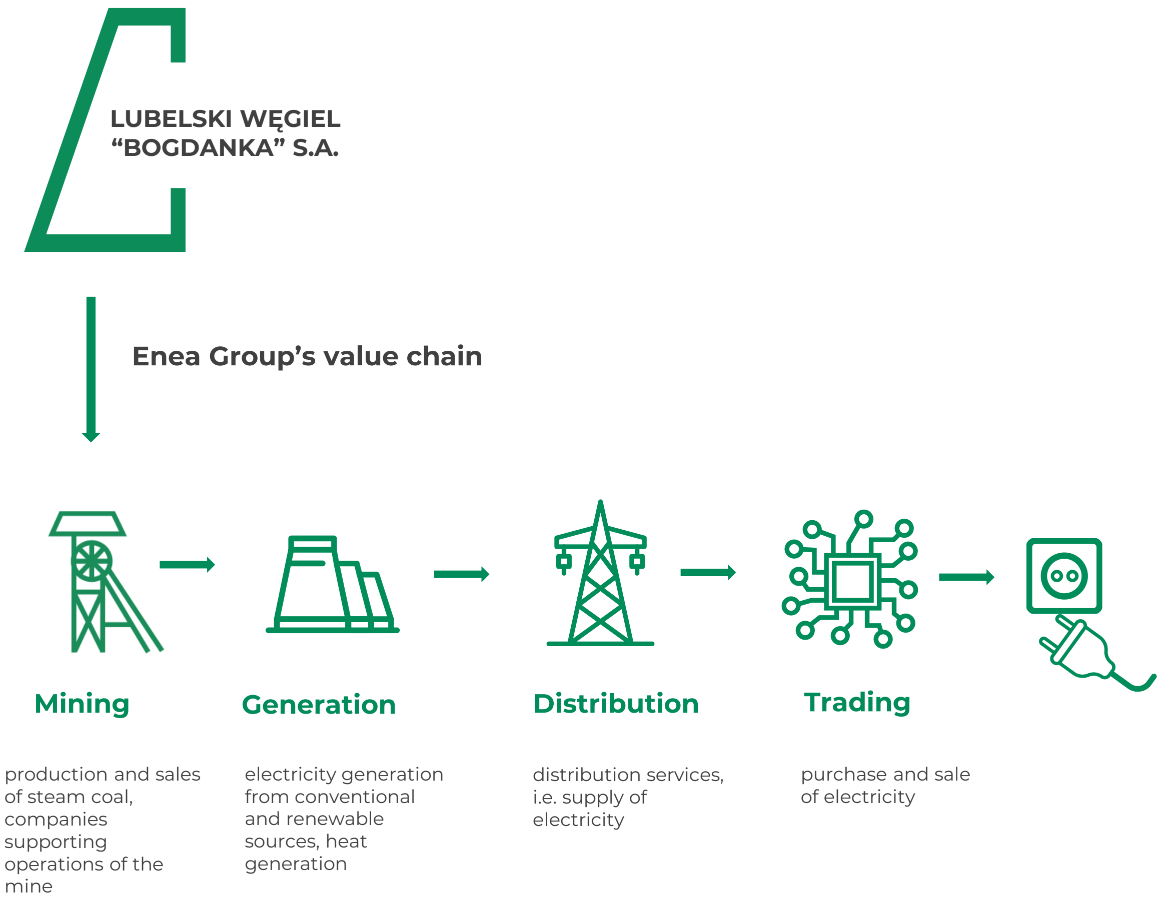
It should also be mentioned that some of the companies that carry out work for the LW Bogdanka Group perform it on the premises of the mine, including underground, with the consequence of extending social responsibility, related, for example, to the area of occupational health and safety, to cover people working on the site of the mine who are not its employees. They undergo training in this area, and besides, the standards of their work are subject to continuous monitoring and control.
In addition to the aforementioned works, other tasks are outsourced to external entities, typically carried out under the outsourcing model (e.g., transportation, security services).
In connection with the execution of all kinds of work, every day, in addition to own employees, several hundred - and sometimes even more than a thousand - employees of external companies work on the site.

We supply raw material to other industries

Looking at the dominant coal production business, the company is primarily a supplier of raw material to other industries (power industry, cement production, chemical industry), located at the beginning of their supply chain.

Share in the Enea Group value chain

As the LW Bogdanka Group is a member of the Enea Group, the supply chain can be approached from a different, broader perspective. Enea can be proud of the fully integrated value chain. This has economic implications, such as stability and security of supply, as well as resilience to commodity price fluctuations. It also provides opportunities for synergy effects (e.g., a power purchase agreement with Enea S.A., securing a sales market for coal). From a liability management perspective, such a highly vertically integrated business model allows for practically full control over the social and environmental impacts associated with the creation of economic value.



1.2 Integrated model of value creation, research and development

We create value responsibly

A comprehensive approach to responsible management involves a holistic view of the organisation and its performance.
One of the insights is the process of value creation from the perspective of analysis of six capitals:

- financial
- production (operational)
- human
- intellectual
- social
- natural.

The analysis, in the context of the six capitals, goes beyond the characteristics of the business and its financial results, taking into account:

- forms of dialogue with the stakeholders that accompany them
- linking individual capitals to the categories of business risk that the Group manages and controls - through the responsible governance approach.

This approach makes it possible to present in a transparent way the relationship between business as usual and responsible management, and between business strategy and adherence to the principles of sustainable development. In the industry such as mining, the mitigation of risks related to social and environmental issues cannot stop. Their awareness is the starting point for responsible management.

We take care of our neighbours

Open and partnership-based dialogue with local stakeholders directly translates into the functioning of the communities of the mining municipalities and the Łęczna District. These are thousands of people whose economic situation, among other things, due to the employment plan, depends on the financial result of the mine. This is also high revenues to municipal budgets from taxes and other public tributes paid by LW Bogdanka, thanks to which local governments can effectively carry out their own and commissioned tasks.

We take a long-term view

The mine's operations need to be perceived in the long term - it is today's decisions and investments that translate into preparing the deposits for mining and ensuring production capacity in the years to come. On the other hand, whether and what deposits will be mined determines the time horizon of the mine's operation.

We take a strategic view

LW Bogdanka's strategy assumes such an approach to concession and mining management that will allow for continuation of mining operations until 2049 and introduce diversification of this branch of activity towards sustainable industry and energy transition.

We are an innovative mine

Mining planning, using unique and innovative technologies related to, among other things, digital modelling of the deposit, makes it possible to predict surface deformation and, therefore, subsidence processes affecting environmental changes and those in flora and fauna.
This is also forward thinking about landscaping, e.g. in connection with waste rock storage, as well as innovative solutions for its alternative economic use outside of mining, in line with the circular economy.

Activities in all production and management processes of the LW Bogdanka Group, when analysed from the perspective of the six capitals and in a long-term perspective, are interrelated and interdependent. The ability to create added value for those six areas is strategic, i.e. anchored in business strategy, sustainable development, undergoing a continuous process of improvement.

Research and development

In 2025, the Group carried out research activities focused on mapping and optimising energy flows in production-related processes, with special emphasis on solutions enabling energy recovery or automation of energy distribution. A high level of technological readiness has been achieved for monitoring systems in the haulage lines, including those based on artificial intelligence.
Advanced development work was carried out in the field of warehouse and material management systems. An automated tool deposit system has been implemented to ensure the traceability of the resources made available.
Striving to maximise the efficient utilisation of the machinery fleet, multi-variant analyses were carried out to select the parameters for the haulage and transport lines. The company performs a review of the suitability of self-propelled transport trolleys under operational conditions.
In 2025, research was carried out with the aim of developing a configuration for a multi-technology digital land modelling system. The solution will enable, among others, environmental and geometric monitoring of the surface.
As part of the operating mechanisms supporting the employee creativity, the implementation of machinery and equipment such as the 'DZIK' track cleaning machine, used to remove accumulated fine coal in the surface loading area at the Mining Plant has been approved.

1.2 Value creation model at LW Bogdanka Group

	Key volumes and cash transfers, versus capitals:	Stakeholders and forms of dialogue with them versus capitals:	Risk management versus capitals:
Financial capital - these are all sources of financing for mining and other related activities. This is the share capital entrusted by the owners, the financial results generated, and long and short-term liabilities. With these funds, we can invest and develop our current and future operations.	• Total assets PLN 3,676.9 million • Equity PLN 2,544.5 million • Revenues PLN 2,854.3 million • Net loss PLN -159.4 million • Net profit after adjusting by impact of material non-recurring events: PLN 263.8 million	• Strategic and operational cooperation with the majority • Daily telephone and electronic communication with minority shareholders and other capital market participants and lenders • Participation in capital market initiatives • Current and periodic reporting and integrated reporting	• Risks related to the socio-economic situation in Poland and worldwide • Insurance risks • Risk associated with the state's economic policy towards the hard coal mining industry • Risk related to the prices of energy commodities in Poland and globally • Risk associated with the specific nature of the mining sector operations and possible occurrence of unpredictable events • Risk of changes in the tax law • Risk of property tax in relation to LW Bogdanka S.A.'s mine workings • Risk of customers' insolvency • The risk of losing the key client
Production (operational) capital - this is all the mining, energy and transportation infrastructure we have. This is the entire underground and above-ground infrastructure of the mine and the accompanying machinery, equipment, as well as modern IT infrastructure. It also includes heating plants, its own rail siding, as well as rolling stock and an integrated management system.	• Fixed assets: PLN 2,124.9 million, including property, plant and equipment of PLN 1,697.2 million • PLN 697.5 million in investment and development expenditure in 2025.	• Analysis of lodged complaints and direct contact with customers to identify areas of improvement • Cooperation and direct exchange of opinions with suppliers and subcontractors to improve efficiency and safety at work	• Risk associated with the launch of mining from new deposits of the LW Bogdanka Group • Technical and technological risks • Risks associated with the high costs of the technologies used by the Group • Risk of IT system failures • Key supplier risk • Risk of supplier price collusion • Risk of extension of the process of issuing administrative decisions on the conduct of mining operations
Human capital - the people employed underground and on the surface, the experts and originators of improvements, along with their knowledge and experience, which make up a unique resource, i.e. competence, and thus related intellectual capital. This is also an established culture of safety and responsibility for yourself and your colleagues, as well as an ethics and compliance system.	• 6,052 employees in the LW Bogdanka Group • average monthly salary in the group at PLN 12,642 • PLN 277.4 million in OSH spending in 2025 • Maintaining accident rates in relation to 2024 as a result of implementing a plan to improve workplace safety and build a safety culture • 142 people working at LW Bogdanka S.A. employed under the "Pass to Work" programme,	• Work within the OHS Commission (including dialogue with the trade unions and their representatives) • Implementation of the Compliance Policy • Partnerships with trade schools and universities educating the future personnel for the LW Bogdanka Group.	• Risk related to the strong position of the trade unions in the Group • Risk associated with retaining and recruiting the Group's personnel

1.2 Value creation model at LW Bogdanka Group

	Key volumes and cash transfers versus capitals:	Stakeholders and forms of dialogue with them versus capitals:	Risk management versus capitals:
Intellectual capital - knowledge and innovation which contribute to the efficiency and innovativeness of the mine. They provide unique efficiency and effectiveness in coal mining, as well as new solutions to increase the Group's flexibility in relation to the market situation, investment plans or policies and new responsibilities. Intellectual capital also includes the knowledge gained from local research partners.	• 78,785 hours of employee training • PLN 13 million - net book value of intangible assets, including the value of geological information of PLN 5.8 million • PLN 37 thousand for scholarships for top students of partner high schools • 3 employees who started their 1st and 2nd degree study programmes with funding in 2025	• Technology partnerships and tech dialogue • Cooperation with the academic community, including the Association of Lublin Universities • Industry cooperation under strategic partnership agreements (Węglokoks, KGHM Polska Miedź) • Activity of the Scientific Council for Environmental Protection at the LWB Management Board • Coordination and development of the network of RES and CE Clusters based on the strategy	• Technical and technological risks
Social Capital - contribution to the socio-economic development of local communities living in the Lublin Region - in particular, based on the ESG strategy consistent with the local "Green Mining Region" strategy for mining municipalities. Relationships, based on constructive dialogue and trust, and as a result, no conflicts with stakeholders. Unique, constructive attitude of trade unions. Reducing the negative social effects of mining activities (effective removal of mining damage) and implementing *LWB's Social Involvement Policy*.	• PLN 1.3 billion transferred in 2025 to the community in the form of expenses for employee benefits • PLN 2.8 million to remove mining damage in the local community in 2025 • In 2025, the Company granted a total of 32 donations, including 28 cash donations for the total amount of PLN 2 million • of payments to public administration, PLN 130.8 million in 2025.	• Regular meetings of the Management Board with the Trade Unions • Regular meetings of the Consulting Team for periodic assessment of impacts of mining operations on the surface within the boundaries of Cyców, Ludwin and Puchaczów municipalities • Open conferences, public consultations • ESG strategy and reporting	• Risks associated with reclamation and mining damage • Risk related to the strong position of the trade unions
Natural capital - Reducing negative environmental impacts, including biodiversity, natural resource management and waste management. Reducing environmental emissions, calculating and publishing the Group's carbon footprint, maximising environmental performance through investment projects and innovation, as well as partnerships with environmental organisations and institutions. Diversifying operations to support "green transition".	• 2.4 million tons of commercially used mining waste • 3.4 million m^3 of recovered and commercially used mine water • PLN 58.9 million of environmental spending • in 2025, including nearly PLN 4.7 million for monitoring and reclamation • PLN 0.5 million - expenditure incurred for projects dedicated to the support of ecosystems and biodiversity	• Issuing opinions on projects and investment plans in terms of impact on ESG aspects • Activity of the Scientific Council for Environmental Protection • Cooperation with environmental organisations in assessing the impact of mining activities on the environment • Signing a cooperation agreement with the Polesie National Park	• Risk of restrictive climate policies resulting in changes to applicable law • Risk associated with the tightening of standards and regulations on environmental law standards and the obligation to obtain environmental permits • Risk related to mining waste management • Investment risk associated with the presence of protected areas

1.3 Outlook and impact of the environment on the operations of the Company

Global coal production

It is estimated that over 9 billion tons of coal were produced worldwide in 2025, setting another record for global mining of this raw material. This clearly demonstrates that coal remains a significant raw material on a global scale.
It is estimated that coal consumption will remain at a similar level in the coming years as well. Coal consumption in the European Union has been steadily declining, which results in particular from the decarbonisation strategy and the expansion of renewable energy. Total coal consumption in the European Union stood at 312 million tons in 2024; a further decline is forecast for 2025, though at a slower rate, i.e. a decrease of approximately 2% y/y. By 2027, consumption is to be reduced to 244 million tons. It means a continued average annual decrease of around 7.9%.
Coal-fired power generation accounted for about 10% of the EU energy mix in 2024, but it will drop to 7% by 2027. This decline will be accelerated by the expansion of renewable energy sources, especially solar and wind energy.

Domestic coal production

According to the National Energy Policy (PEP 2040), hard coal production in Poland will decline. In 2024, 43.0 million tons of hard coal were produced and 5.3 million tons were imported to Poland.
A decline in mining is expected in the next few years.
Steam coal mining in Poland is expected to end by 2049.
Our production currently accounts for approximately 25% of the domestic steam coal output.

Power plant capacities

The update of the National Energy Policy assumes the use of coal-fired power plants and combined heat and power plants, despite further increases in generation from gas-fired units.

Coal prices in Poland

Steam coal prices in Poland in 2025 were 22% lower than in the previous year. It was the effect of falling prices on the global market, decreasing demand and rising stocks.
In a longer term, prices are expected to stabilise, although this year rises are seen due to the war in the Middle East.

Factors affecting our industry:

- EU and national regulations
- Russia's invasion of Ukraine
- Coal prices in the world and in Poland
- Steel and energy prices
- Prices of other energy sources: crude oil, gas, renewable sources
- RES production volume
- Transition of the economy towards low-carbon
- War in the Middle East

Important factors influencing the LW Bogdanka Group's market position include the government's plans regarding hard coal mining companies and the power sector.
Since 2 February 2021, “Poland’s Energy Policy until 2040” approved by the Council of Ministers has been in force, with the assumption that hard coal is still an important source of energy for the Polish economy in the perspective of 2030 and beyond. However, due to a significant change in the geopolitical and economic situation in 2022, work has been launched on updating the PEP 2040, which is still not completed.
It should be noted, however that the projected still relatively high role of coal in the Polish Power System and in the process of ensuring the country's energy security (despite downward trends) has a positive impact on the long-term aspect of LW Bogdanka's operations.

How do we perceive the future of the industry in the country?

Trends shaping the future of the coal market in Poland include:

Green transition resulting from EU policy:
- Support for RES development
- Reducing demand for steam coal
- Striving to achieve climate neutrality
- Social pressure related to climate change

Changes in the volume and structure of demand:
- Moving away from steam coal in favour of RES
- Increase in energy efficiency and self-production of energy in industry
- Recognition of coking coal as a strategic raw material

Limited funding options:
- Abandoning the funding of coal projects by financial institutions
- Building low-impact (so-called non-carbon) portfolios by financial institutions

Mine phasing-out process:
- Steam coal mining in Poland is expected to end by 2049.
- Decommissioning of the sector involves a number of socio-economic risks

Factors fostering maintaining strategic coal-fired capacity:
- The need to stabilise the energy system using conventional sources
- Ensuring the raw material security of the country in face of escalating armed conflicts worldwide.
- Opportunities in the scope of coal exports abroad due to sanctions and the decline in the supply of Russian coal.

How do we perceive our future?

According to the Strategy, steam coal production will remain the core pillar of our business. We intend to leverage our resources and market advantages, including innovation and cost control.
LW Bogdanka is Poland’s third-largest hard coal producer and the undisputed leader in operational efficiency – building on our strong mining expertise, we plan to diversify our operations towards sustainable industry and RES..
Our ambition is to remain the economic pillar of the region, providing stable employment
The steam coal market in Poland in recent years has shown unprecedented dynamics and difficult-to-predict operating conditions.
The Company is closely monitoring these changes and responding to them on an ongoing basis.
In the short term, costs and expenses are also under full control. In the long term, in addition to efforts to improve efficiency, it may be necessary to optimise the production process and make operational adjustments to the expected level of coal demand. All these measures will help maintain long-term mining profitability and keep the lowest unit cost of coal production.

1.4 Production potential and material factors related to the growth of LW Bogdanka S.A. and the whole Group

The Company conducts its business in the area of three mining fields: Bogdanka, Nadrybie and Stefanów. Production assets are concentrated at the location of the Company's registered office, at the centre of the Bogdanka field and they are linked to the other locations; therefore, the Nadrybie and Stefanów fields cannot operate independently. Due to these interrelations between the individual fields, departments and because of the organisation effective in the mine, all of the Company's assets are treated as a single CGU (Cash Generating Unit).

The mining area exploited by the Company is divided into the following three mining fields:

- Bogdanka field
- Nadrybie field
- Stefanów field

Mine shafts are located in:

- Bogdanka
- Nadrybie
- Stefanów

Extraction shafts are located in:

- Bogdanka
- Stefanów

Material factors related to the growth of LW Bogdanka S.A. and the whole Group

- stable volume of sales as a benefit of membership in the Enea Group
- rich reserves of hard coal, ensuring the continuation of mining operations for a long time to come
- highly skilled employees and technical culture
- innovation and development of state-of-the art technologies
- many years of experience that translates into business efficiency and flexibility.

Hard coal deposit resources - Bogdanka (Puchaczów V) - updated as at as at 31 December 2025

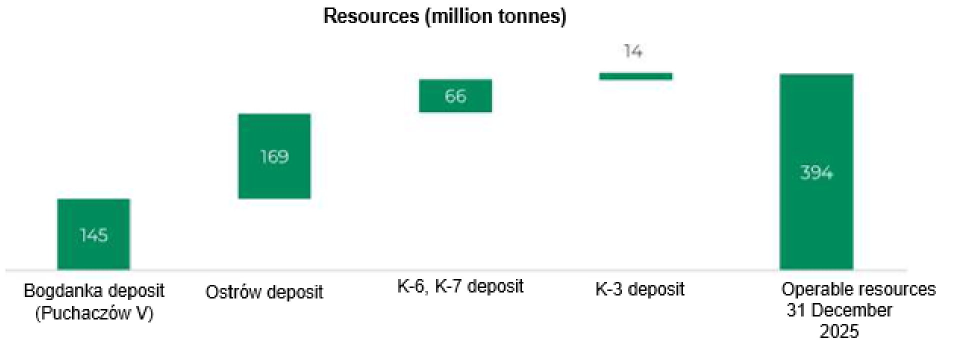
Resources [million tons]	year			Difference
	2023	2024	**2025**	2025 - 2024
Total balance sheet	718.9	712.2	707.8	-4.4
Potentially industrial*	232.7	228.0	223.1	-4.9
Potentially extractable*	151.3	148.2	145.0	-3.2

* Potentially extractable resources that may be exploited on the basis of the concessions held by the Company and upon extension of the concession for the Bogdanka deposit (the Company is in the process of granting the concession)

Hard coal deposit resources updated as at as at 31 December 2025

Resources [million tonnes]	Ostrów	K-6, K-7	Stręczyn - K-3
Total balance	1,247.6	657.0	141.0
Industrial	247.0	91.9	17.9
Extractable	169.0	66.2	14.4

*Balance resources in the concession area



1.5 Concessions

Mining operations involving the extraction of hard coal for economic purposes must be carried out in accordance with the provisions of the Geological and Mining Law.

- In the Strategy until 2030 (with an outlook to 2035), the key areas for the Company include Puchaczów V, Stręczyn (K-3), Ludwin (Ostrów) and Cyców (K-6, K-7)
- In 2017, the Company obtained a mining concession for the Ostrów deposit (Ludwin area). As a result, the Company doubled its extractable resources
- In 2019, the Company obtained a mining concession for the Ostrów deposit (Cyców area). As a result, the Company's operative resources increased by 66 million tons

The Company holds four concessions for mining of hard coal from the following deposits:

- Bogdanka deposit in the Puchaczów V mining area (seams: 382, 385/2, 389, 391) with an area of 73.3 km^2, located in Cyców, Ludwin and Puchaczów municipalities of the Lubelskie Voivodship
- K-3 deposit in the Stręczyn mining area (seams: 379/2, 385/2, 391) with an area of 9.38 km^2, located in Cyców and Puchaczów municipalities of the Lubelskie Voivodship
- Ostrów deposit in the Ludwin mining area, located in Ludwin, Łęczna, Ostrów Lubelski, Sosnowica, Uścimów and Puchaczów municipalities, with a total area of 78.67 km^2, with seams 377/1, 379, 382 and 385/2 earmarked for mining operations
- K-6 and K-7 deposits in the Cyców mining area, located in Cyców municipality, with a total area of 51.78 km2, with seams 379, 380, 382, 387, 389 and 391 earmarked for mining operations.

Permit/license	Number	Issuing authority	Date of granting	Expiry date
Water permit for a water service covering: a) drainage of the LW Bogdanka S.A. mine b) discharge of industrial sewage (seepage water from the mining waste facility and water from the mine drainage system) via the Żelazny Trench to the Świnka River	LU.RUZ.421.16.2019.VR	PGW Wody Polskie	6 November 2019	31 October 2025
Permit to carry out mining construction works related to the expansion of the mine waste heap	L.dz.5/512/1/93/AG	Regional Mining Authority in Lublin	30 March 1993	-
Permit approving the construction design for an extension of the mining waste facility at Bogdanka	LUB.5200.20.2021.MS L.dz. 37949	Regional Mining Authority in Lublin	10 December 2021	-
Decision of the Marshal of the Lubelskie Voivodship authorising the operation of a mining waste facility at Bogdanka.	DŚ-III.7244.2.2022.EWF		31 March 2022	31 March 2032

LW Bogdanka S.A. concessions:

Deposit	Concession no.	Concession granting date	Concession expiry date
Bogdanka	5/2009	06 April 2009	31 December 2031
K-3	3/2014	17 June 2014	17 July 2046
Ostrów	6/2017	17 November 2017	31 December 2065
K-6, K-7	10/2019	20 December 2019	31 December 2046

1.6 Highlights of 2025 and significant events after the balance sheet date

Highlights

- information on the award and payment of compensation for the damage to wall 3/VII/385 of February 2023. The amount of compensation awarded was PLN 144.85 million;
- applying a write-down of the carrying value of non-current assets in the amount of PLN 1,249 million, in connection with the results of an asset impairment test as at 31.12.2024 - the write-down affected the financial results for 2024. The result of the write-downs is a decrease in depreciation and amortisation, which directly affects the 2025 results.
- adoption of the LW Bogdanka S.A. Development Strategy until 2030 (outlook to 2035)
- session of the Annual General Meeting
- appointment of members of the Supervisory Board
- adoption of the ESG strategy for 2025-2030 with an outlook to 2035
- meeting of the Extraordinary General Meeting - adoption of a resolution on amendments to the Articles of Association
- conclusion of an annex to the agreement with Grupa Azoty Zakłady Azotowe "Puławy" S.A. – setting the price for supplies in 2026 and extension of the term of the agreement
- conclusion of annexes to long-term coal supply agreements with ENEA Wytwarzanie sp. z o.o. and ENEA Elektrownia Połaniec S.A. – setting the pricing terms for 2026 and determining supply volumes up to the end of 2026

Events after the balance sheet date until the day of publication of the Report

- write-down on the carrying amount of the value of non-current assets in the amount of PLN 522,5 million, in connection with the results of the impairment test on assets as at 31 December 2025.
- Appointment of Members of the Manageme Board for the new term of office

Operating data

11.5 million tons Gross coal extracted

65.5% Mining yield

7.6 million tons Production of commercial coal

20.2 km New excavations

7.7 million tons Sales of commercial coal

Headcount

6,052 persons Headcount as at the end of 2025

-1.9% Decrease in headcount compared to 2024

Financial data LW Bogdanka Group

PLN 2,854.3 million

Sales revenues

PLN 142.1 million

Sales profit

PLN -218.1 million EBIT

PLN 304.4 million EBIT - data adjusted after one-off write-down

PLN 543.1 million EBITDA

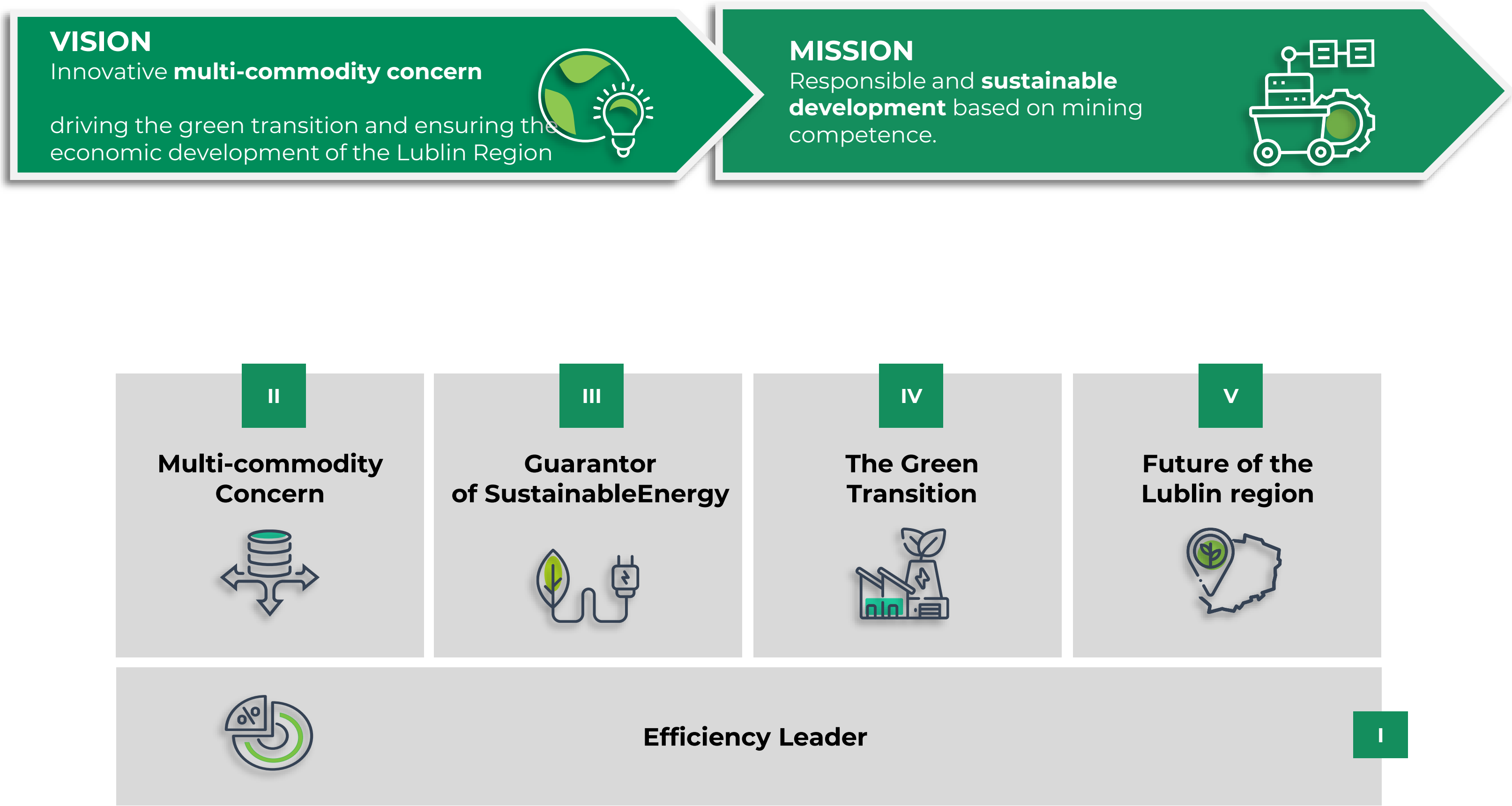
PLN -159.4 million Net loss

PLN 263.8 million Net profit - data adjusted after one-off write-down

1.7 Development Strategy LW Bogdanka Group
in force until 15 April 2025

On 17 May 2023 the Supervisory Board of the Company approved the "Development Strategy of the LW Bogdanka Group for 2023-2030 with an Outlook to 2040" (the "Strategy"), adopted by the Management Board on 9 May 2023 comprising also the dividend policy.

The Development Strategy of the LW Bogdanka Group for 2023-2030 with an outlook to 2040 (the “Strategy”) is based on 5 pillars - a strong coal foundation and 2 pillars of diversification based on it as well as pillars of sustainable and responsible development. Under the 5 pillars, 21 strategic initiatives have been developed.



1.7 Development Strategy LW Bogdanka Group
in force until 15 April 2025

Pillar I - Efficiency Leader:
- Development of the Group - the starting point for entering the diversification areas will involve professionalising and building of a strong group.
- Ensuring output until 2049 by commencement of mining from the K-6 and K-7 resource base in 2024 and preparing for the opening of the vertical Ostrów field after 2038, guarantees the flexibility and energy security for the State in energy transition.
- Efficient Transition by improving efficiency in 8 areas of operation. The result of these measures will be a reduction in the unit cost of mining.
- Innovative mine - the use of the latest solutions in the area of monitoring of the rock mass, production process and environment, implementation of innovations to improve safety and ergonomics of work, and management of the plant based on sensors that generate real data to support decision-making.
- Supporting Ukraine's energy reconstruction by leveraging Bogdanka's expertise and resources to actively support the post-war reconstruction of critical infrastructure in Ukraine.
- commercialisation of mining expertise by professionalizing the expertise and technology across the chain.
- developing the potential for raw material transport by assessing the potential for greater use of the rolling stock.

Pillar II - Multi-commodity Concern:
- Multi-commodity mining based on the exploration and commercial mining of a range of minerals critical to sustainable transition and attractive to the market.
- The Bogdanka Fund, which is an accelerator that enables investment in new technologies for the future of the Concern and the region.

Pillar III - Sustainable Energy Guarantor:
- Production of RES components, i.e. foundation baskets for wind farms and structures for mounting photovoltaic panels.
- A new scale of RES installations involving diversification of LW Bogdanka's revenues through RES installations in the range of approx. 500MW by 2030 and the sale of electricity generated by RES installations.
- Recycling of electric batteries.
- Recycling of photovoltaic waste.

Pillar IV - Green Transition:
- Circular economy focused on reducing resource consumption by implementing circular economy solutions, use of mining waste (shale) for commercial applications (production of fertilizer ingredients, building materials), development of heat recovery technology from mine water, analysis of the possibility of increasing retention (drainage of the Stefanów field).
- Increasing energy efficiency and reducing greenhouse gas emissions in the mine's operations, using energy from the test RES facilities being built under Pillar III to increase LW Bogdanka's energy efficiency, developing the Łęczyński Energy Cluster and reducing the carbon footprint.
- Revitalisation of post-mining areas and removal of mining damage, development of a strategy for the operation of the Nadrybie field after completion of mining, sustainable use and reclamation of spoil tips in cooperation with local governments, and effective management of mining damage.

Pillar V - The future of the Lublin Region:
- Attracting and retaining the best employees through a campaign improving the employer's brand image for potential employees, integrating digital technologies into training processes, increasing Bogdanka's competitiveness in attracting experts to support the transition process, developing cooperation with external partners, including partner schools in the Region and the Scientific Council at LW Bogdanka.
- Increasing the level of occupational safety by building a safety culture in the organization, promoting health care and effective prevention in all positions.
- Technical improvement of occupational safety by monitoring working conditions with mobile control equipment and seeking solutions to eliminate unsafe activities.
- Re-branding programmes focusing on the development of a plan for replenishing staff knowledge and re-branding, a priority programme for existing employees in new business areas (RES).
- Responsible business practices through the implementation of ESG criteria in purchasing and sales processes and care for limited and sustainable use of raw materials and energy in all processes operating within the Company, proactive approach in undertaking sustainable ESG initiatives and communicating good practices to the value chain, transparency in communications with stakeholders, and effective activities of the corporate foundation.

Key operational and economic parameters:

- The average level of coal production in 2023-2025 will be approx. 9.1 million tons, in 2026-2030 approx. 10.1 million tons and in 2031-2040 approx. 9.1 million tons.
- Average sales revenue in 2023-2025 is projected at PLN 5,902 million, in 2026-2030 at a level of PLN 5,565 million, and in 2031-2040 at a level of PLN 4,967 million.
- The average value of expenditure in 2023-2025 will be approx. PLN 1,017 million, in 2026-2030 approx. PLN 1,116 million and in 2031-2040 approx. PLN 426 million.
- In the Strategy, Bogdanka aims to strengthen its market position by achieving a 58% market share of coal supplied to the commercial power sector in 2030.
- The company targets a dynamic increase in the average share of revenue from non-core business initiatives from 1% in 2023-2025 to 12% in 2026-2030, and to 29% in 2031-2040.
- Adopting the aforementioned assumptions, the Company will aim to achieve, on average, a return on equity (ROE) of 26% in 2023-2025 (11% in 2026-2030, 3% in 2031-2040), a return on assets (ROA) of 22% (10% in 2026-2030, 3% in 2031-2040) and an EBITDA margin of 46% (41% in 2026-2030, 30% in 2031-2040).

Dividend policy:

- LW Bogdanka S.A. intends to remain a dividend-paying company, taking into account planned capital expenditures related to diversification of operations.
- The intention of the Management Board of LW Bogdanka S.A. is to apply to the Shareholder Meeting in the future for a dividend payout of up to 50% of net profit.
- The amount of dividend recommended on a case by case basis will depend on the current market situation, cash flows generated from operating activities, ongoing and planned investments, and the possibility and conditions of raising debt financing.
- The Company's dividend policy in the future will be affected by the implementation of strategic initiatives aimed at increasing production efficiency and diversification of revenues, which, in turn, may translate into the level of capital expenditure.

1.7 Update of the Development Strategy of LW Bogdanka Group
in force from 16 April 2025

Adoption of the LW Bogdanka S.A. Development Strategy until 2030 (outlook to 2035)

On 16 April 2025, the Supervisory Board of the Company approved the LW Bogdanka S.A. Updated Development Strategy until 2030 (outlook to 2035) replacing the existing Strategy of the Company in its entirety (except for the dividend policy, which remains in force).

The key premises for updating the Strategy included:

- Developments in the coal market shaped by the green transition trend;
- The need to adapt production and sales plans, and consequently transition ambitions, to the reduced demand for coal from major customers;
- The need to compete with subsidised Silesian coal;
- Declining coal supply from domestic suppliers and the emerging opportunities to search for new coal customers in the country and abroad;
- Opportunities arising from the close proximity of Ukraine in terms of an additional market and potential opportunities for cross-border cooperation.

OVERARCHING OBJECTIVE

Maintaining a high market position through efficiency in the scope of steam coal production to achieve transformation ambitions.

VISION

Bogdanka as a diversified enterprise using the potential of mining to build a sustainable industrial and energy business, based on innovation, diversity of activity and care for the natural environment and the local community.

MISSION

Efficient production of steam coal to secure the needs of existing customers, ensure sales growth on the domestic and foreign markets and build the potential to diversify the business.

BOGDANKA

1.7 Update of the Development Strategy of LW Bogdanka Group

in force from 16 April 2025

Update to the Development Strategy of LW Bogdanka S.A.
until 2030 (outlook to 2035) is based on the core business, i.e. steam coal production and two transition directions based on sustainability, innovation and responsibility towards the environment and local communities.

Strategic objectives:

a) Continuing the Company's efficient and profitable operations based on the production and sales of hard coal will provide the resources necessary for the transformation in the desired directions in line with sustainable development goals.

b) Diversification of activity towards the Sustainable Industry and Energy Transition.

c) Optimising mining operations to provide for its maximum consistence with the ESG targets in a sustainable manner to provide the means and resources to achieve the transition targets set for the Group.

Key operational and economic parameters:

- The average level of coal production in 2025-2030 will reach approximately 8.2 million tons, in 2031-2035 - approximately 6.6 million tons.
- Net output per employee in 2025-2030 is expected at a level of 1,714 tons per person
- and in 2031-2035, at a level of 1,763 tons per person.
- EBITDA per tonne of output in 2025-2030 will reach approximately PLN 97/ tonne, in 2031-2035 - approximately PLN 104/ tonne.
- The Company will strive to achieve an average EBITDA margin ratio of 26% in 2025-2030 and 28.7% in 2031-2035.
- The average value of capital expenditure in the years 2025-2030 will amount to approximately PLN 679 million and in 2031-2035, to approximately PLN 316 million.

Development projects scheduled for implementation:

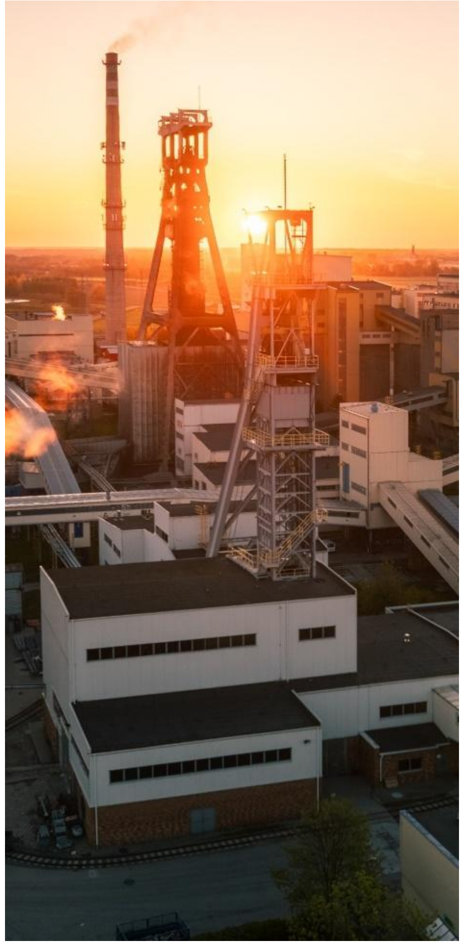
a) in the scope of core business:
- Seeking new customers to replace contractors declaring a gradual withdrawal from coal
- Building the Company's flexibility through mining work scheduling changes and expansion of the coal storage facility
- Cost optimisation in production planning and scheduling
- Introducing further automation to increase efficiency and employee safety.

b) in the scope of business diversification:
- Development of industrial and service activities based on the commercialisation of specific activities e.g. rail transport and new industrial projects;
- Implementation of industrial projects, including “dual use” and CE in collaboration with external partners;
- Exploring the possibilities to use mining competence besides coal mining and the possibility of extracting raw materials other than coal from the current infrastructure;
- Development of mining, infrastructural, construction and tunnelling competence;
- Development of in-house energy projects for zero and low emission generation;
- Transformation of district heating assets;
- Ambitions and R&D projects, among others in the scope of energy storage, hydrogen, synthetic fuels, biogas and biomethane;
- Support for the construction of an the economic zone in the immediate vicinity of LWB and the development of projects engaging mining municipalities;

Through the implementation of the Strategy, LW Bogdanka will increase its positive social impact and mitigate the environmental impact of its operations, which will be reflected in both the reduced carbon footprint and the increased percentage of operational and investment expenditure in line with the environmental targets of the so-called EU Taxonomy. As a leader of responsible transformation in mining, the Company will ensure that the aspects most important for its stakeholders - in particular, security in terms of employment guarantees, the natural environment or regional development - are managed.

Dividend policy:

- LW Bogdanka S.A. intends to remain a dividend-paying company, taking into account planned capital expenditures related to diversification of operations.
- The intention of the Management Board of LW Bogdanka S.A. is to apply to the Shareholder Meeting in the future for a dividend payout of up to 50% of net profit.
- The amount of dividend recommended on a case by case basis will depend on the current market situation, cash flows generated from operating activities, ongoing and planned investments, and the possibility and conditions of raising debt financing.
- The Company's dividend policy in the future will be affected by the implementation of strategic initiatives aimed at increasing production efficiency and diversification of revenues, which, in turn, may translate into the level of capital expenditure.



1.7 Implementation of the LW Bogdanka S.A. Development Strategy in 2025

Coal production

Coal production is the main First Pillar of the Company's business.
More information on coal production is described in the chapter on Production, sales and coal inventory - on page 52 of this Report.

Plan:
- in 2025-2030 coal production will amount to approx. 8.2 million tons
- in 2031-2035 coal production will amount to approx. 6.6 million tons

Result in 2025: **7.6 million tons**

Efficiency of coal production

Plan:
- In 2025-2030, coal production efficiency will be approximately 1,714 tons per employee.
- In 2031-2035, coal production efficiency will be approximately 1,714 tons per employee.

Result in 2025: **1,483 tons per employee**

EBITDA per employee

Plan:
- in 2025-2030 EBITDA will amount to approx. PLN 167 thousand
- in 2031-2035 EBITDA will amount to approx. PLN 183 thousand

Result in 2025: **PLN 101 thousand**

EBITDA per tonne of net production

Plan:
- in 2025-2030 EBITDA will amount to approx.
- PLN 97
- in 2031-2035 EBITDA will amount to approx. PLN 104

Result in 2025: **PLN 68**

EBITDA margin

LW Bogdanka S.A. generated good financial results over the last 10 years, despite changes in coal trends in Poland and the EU, increasing its revenues

Plan:
- in 2025-2030, the EBITDA margin will reach approx. 26.0%
- in 2031-2035, the EBITDA margin will reach approx. 28.7%

Result in 2025: **18.1%**

Increase of sales to customers outside the Enea Group

Plan:
- in 2025-2030, sales outside the Enea Group will amount to approximately 2.1 million tons
- in 2031-2035, sales outside the Enea Group will amount to approximately 2.4 million tons

Result in 2025: **1.1 million tons**

Average annual expenditure – CAPEX

Plan:
- in 2025-2030 CAPEX will amount to approx. PLN 679 million
- in 2031-2035 CAPEX will amount to approx. PLN 316 million

Result in 2025: **613.0 million**

1.7 Development strategies of subsidiaries

Development strategy of Łęczyńska Energetyka sp. z o.o.

The Management Board of Łęczyńska Energetyka sp. z o.o. has identified the following strategic objectives for the company to be pursued in the coming years:

- change in the heat generation method resulting from, among others, the need to ensure an uninterrupted supply of heat to consumers (guaranteeing additional reserve generating capacity to reduce the risk of heat generation interruptions) and gradual abandonment of coal fuel. The Company intends to take steps to find and select the optimal non-coal source for heat generation in the coming years in order to satisfy increasingly stringent environmental protection requirements.
- modernisation of the heating main between Bogdanka and Łęczna – the implementation of this task aims at gradual reduction of considerable transmission losses and will additionally allow for protecting the network against corrosion, thus supporting its operation in the following years.

The above investment projects are planned to be executed using the Company's own funds, however in the case of the Bogdanka-Łęczna main, the source of funding may be changed in subsequent years (if aid funds are obtained).

Development strategy MR Bogdanka sp. z o.o.

MR Bogdanka's business and product strategy is based on the following assumptions:

The MR BOGDANKA company shall provide strategic product and service support for mining infrastructure of LW Bogdanka S.A., taking into account:

- acting as a counterbalance to external product monopolies (monopolistic external suppliers contracted under public procurement procedures by LW Bogdanka S.A.)
- the Company's focus on developing more technologically advanced products and services which should be retained as significant 'know-how' within the LW Bogdanka S.A. Group (including own renovation documentation, own products, and ultimately own research and development department)
- maintaining process and cost efficiency as a benchmark against the cost terms secured by the Procurement Department of LW Bogdanka S.A. in the procurement process based on the Public Procurement Law
- faster response time for repairs and maintenance in critical or unplanned situations
- acting as a product buffer for purchases carried out by the Procurement Department of LW Bogdanka S.A., based on Distribution Agreements entered into by the company and/or participation in industry-specific purchasing groups, which should ensure flexibility of the procurement function at LW Bogdanka S.A.

The product, service and investment strategy (taking into account the foregoing) should prioritise the needs of LW Bogdanka S.A. The provision of services to external customers and the development of the external market will be carried out solely in the context of utilising surplus production capacity.

Development strategy of EkoTrans Bogdanka sp. z o.o.

The Company plans to conduct post-mining waste management activities in 2026 and beyond.
As part of recovery and processing of waste generated in the process of dry and wet processing of hard coal, the company plans to utilize approx. 2.5 million tons of waste annually.

Development Strategy of RG Bogdanka sp. z o.o.

The Company has identified the expansion of its range of services in line with the requirements reported by LW Bogdanka S.A. as its main area of development. The expansion of the operational areas takes place both as a continuation of the established strategy for mining operations and through the provision of entirely new surface services. These measures will enable the company to generate revenue at the current or higher level and will allow for preparation and professional development of employees to form the future workforce of LW Bogdanka S.A. The process of upskilling staff directly enables LW Bogdanka S.A. to expand the scope of its work to include more complex projects and to expand the range of surface treatment services it offers. The Company plans to ensure that both the number and qualifications of the staff it recruits are adjusted to the scope of work commissioned by LW Bogdanka S.A. (taking into account the reduction in headcount resulting from the transfer of skilled staff to LW Bogdanka S.A. under the current Employers' agreement).

1.8 Investment activities completed in 2025

In 2025, LW Bogdanka S.A. consistently implemented the investment tasks planned. Total expenditure incurred on non-current assets as part of investment in progress amounted to PLN 613,022 thousand.
The investment plan for 2025 included the following groups of tasks:

- Development and replacement investments, which assume, among others, the purchase of machinery and equipment, their modernisation and refurbishment, the expansion of the mining waste treatment facility
- Operational investment, including conducting and modernisation of mine workings in the Bogdanka, Nadrybie and Stefanów fields. Reconstruction of existing pits was also carried out in this area.

Development and replacement investments LW Bogdanka S.A

Maintenance of machinery

- Purchase of new machinery and equipment subject to assembly – expenditure of PLN 34,396 thousand was incurred for the purchase of, among others, a suspended electric locomotive, a GM-50 roadheader, roof loaders, a 15/32 mechanised support section, equipment for drilling large-diameter holes in the roof of excavations.
- Purchases of finished goods, machinery and equipment - finished goods were purchased for the total amount of PLN 20,903 thousand. The most important of these include:
  - transport equipment (devices for feeding casing elements to the face of the longwall, timber trucks, quarter trucks, brake trucks),
  - hydraulic pumps and units (including water pumps and air compressors),
  - electrical equipment (including electric motors and electrical instruments),
  - other ready-to-use equipment (including forklift trucks, a universal milling machine, analytical balances, a compressed air dryer, downhole anchoring machines, and a plasma cutter)
- Refurbishment and overhaul of machinery and equipment - PLN 46,221 thousand was allocated, among other things, for:
  - upgrading the Eickhoff SL 300 longwall shearer and the DH R75t shearer, as well as flameproof mine switchgear (ORK) and ZMI pumps
  - modernisation of belt conveyors – a contract was signed for the modernisation of the belt conveyor for transporting people (in addition, a procurement procedure is in progress to select a contractor for the modernisation of another conveyor)
  - refurbishment of two longwall conveyors and one wall conveyor.

Acquisition of new concessions - the amount of PLN 149 thousand was spent on the concession for the exploration and prospecting of hard coal in the "Dratów" exploration area in the Lublin Coal Basin, located in the village of Dratów, Ludwin municipality.

Other development investments

- Central air conditioning of the Bogdanka field - expenditure of PLN 1.716 thousand was incurred for the modernisation of coils in spray and evaporative condensers - stage 3.
- ZPMW replacement investments – the amount of PLN 7,167 thousand was allocated, among others, for the modernisation of ZPMW facilities, the modernisation of steel structures and the ZPMW façade, the upgrading of the 500V switchgear, the installation of a high-pressure mesh washing system on filter presses, and the improvement of access roads and manoeuvring yards.
- Construction and modernisation of buildings and installations - expenditures amounting to PLN 7,648 thousand were incurred, among others for the modernisation of the locomotive depot building in Zawadów, modernisation of the HETMAN-T telecommunications system, implementation of the MPLS-TP backbone network of the OT industrial network, as well as modernisation of lighting in selected rooms on the surface.
- Facilities for hoisting machinery switchgear and other power systems – expenditure of PLN 13,648 thousand was incurred, including on the modernisation of the S1.4 Main Fan Station, the RP-2 outdoor switchgear, the modernisation of the control and signalling system for belt conveyors, and the modernisation of the 400 and 500V networks.
- 110/6 kV substations and switching stations - expenditure of PLN 6,911 thousand was incurred for the modernisation of the GSTR Bogdanka and STR Nadrybie capacitor banks, the replacement of the 110/kV GSTR transformer, and the modernisation of the electricity metering system at the 110/6kV GSTR substation in Bogdanka.
- Power, telecommunications and mechanical systems – expenditure of PLN 11,426 thousand was incurred, among others, on the expansion of the power, telecommunications and data transmission networks, the installation of the DN 150 pipeline in shaft S 1.3, as well as the installation of the DN 250 main drainage pipeline in shaft 1.2; in addition, a central bonding system and an energy recovery system from the surface compressor station in the Stefanów field was installed.
- Expansion of the mining waste treatment facility - expenditure of PLN 5,799 thousand was incurred, among others, for the construction of a storage facility at a waste disposal site.
- Electric vehicle charging stations – expenditure of PLN 224 thousand was incurred for the installation of four free-standing electric vehicle charging stations.

ICT
Capital expenditure amounted to PLN 9,776 thousand and was allocated primarily for alarm and monitoring systems, the purchase of equipment and computer systems, as well as the implementation of an underground wireless communication system and the 'Ability' system for the working face complexes.

Strategic initiatives and RES
Expenditure of PLN 186 thousand was allocated, among others, for the design documentation of the planned EPV 2 photovoltaic farm.

Other - expenditure of PLN 20,858 thousand was allocated mainly for the mine water pumping station on the RE "Żelazny" ditch (environmental protection) and surface facilities in the Bogdanka and Stefanów fields, including the compressor station at shaft 2.1 and the gantry crane.

Administration - expenditure in the total amount of PLN 343 thousand was incurred for the modernisation of existing building facilities.

Transport - expenditure in the total amount of PLN 207 thousand were incurred for the purchase of a van.

Operational investments of LW Bogdanka S.A.

New excavations were implemented in accordance with the applicable Mining Work Schedule. The total length of the completed roadway excavations carried out as part of the investments in 2025 amounted to approximately 18.4 km (in total, 20.2 km), with a value of PLN 355,674 thousand.
The modernisation of excavations in the form of reconstruction of vertical excavations was carried out in accordance with the adopted schedule for the total value of PLN 69.770 thousand.

Łęczyńska Energetyka and other subsidiaries of LW Bogdanka S.A.

In 2025, the subsidiaries belonging to the LW Bogdanka Group incurred expenditure on non-current assets in the amount of PLN 9,954 thousand.

Łęczyńska Energetyka - investment tasks completed in 2025 included investment projects related to the generation, transmission and distribution of heat for the total amount of PLN 4,590 thousand.

RG Bogdanka, MR Bogdanka - incurred the total investment expenditure in the amount of PLN 5,364 thousand in 2025 on core operations as well as replacement and development investment.

1.8 Investment activities completed in 2025

Selected items of capital expenditure in LW Bogdanka Group

[PLN thousand]	PTE 2025	Execution TEP 2025	Execution TEP 2025 [%]	TEP 2026
New excavations and upgrade of existing pits	430,769	425,444	98.8%	455,151
Maintenance of machinery	136,220	101,520	74.5%	234,039
Acquisition of new concessions	0	149	–	9,606
Other development investments	78,832	54,539	69.2%	87,169
ICT	16,279	9,776	60.1%	8,316
Administration	335	343	102.4%	170
Transport	207	207	100.0%	0
Other	19,398	20,858	107.5%	1,401
Strategic initiatives and RES	250	186	74.4%	2,388
TOTAL CAPEX in LW Bogdanka SA	**682,290**	**613,022**	89.8%	**798,240**
Łęczyńska Energetyka sp. z o.o.	9,000	4,590	51.0%	11,800
MR Bogdanka	2,906	2,928	100.8%	6,450
RG Bogdanka	3,277	2,436	74.3%	2,786
EkoTrans	0	0	–	-
TOTAL CAPEX in the LW Bogdanka SA Group	**697,473**	**622,976**	89.3%	**819,276**

Value of capital expenditure incurred for excavations in 2025

Total excavations and works	Depreciation method	Length [running metres]	Value of capital expenditure [PLN thousand].
Gate roads	natural	11,994	425,444
Basic excavations	straight-line	5,449	
Reconstructions	linear/natural	1,798	

The total length of roadway excavations completed in the period of 12 months of 2025 was 18,436 m. Reconstruction of excavations was carried out according to the adopted schedules. Total expenditures on reconstruction of roadway excavations in this period amounted to PLN 69,770 thousand. The total expenditure incurred on new excavations and modernisation of existing ones amounts to PLN 355,674 thousand.

Fractions are not included in the values shown in the table as they are charged directly to expenses. However, they are included in the total length. In this case, this is 993 m.

1.8 Planned investment activities in 2026

Operational investments of LW Bogdanka S.A.

New excavations and upgrade of existing pits
There are plans to excavate new mining workings, including longwall galleries, main galleries, crosscuts and other technical and access workings necessary for the operation of longwall mining in seams 385, 389 and 391 in the Bogdanka and Stefanów areas, as well as in the direction of Ostrów. At the same time, rebuilding and modernisation of the existing mine workings is expected.

Development and Replacement Investments of LW Bogdanka S.A.

Maintenance of machinery
- Purchase of new machinery and equipment requiring installation – in 2026, plans include the purchase of, among others, underground locomotives, a battery-powered underground railway, ventilation fans, a B-1200 belt conveyor, a main dewatering pump, a belt feeder adapted for transporting excavated material from the floor mining operation using a GM-50 shearer, and hydraulic shunting tractors.
- Procurement of finished machinery and equipment - the following purchases are planned: finished transport equipment (including, amongst others, oil and fuel trolleys, a mobile platform for the inspection and repair of retention tanks, and a mobile lifting device for transporting people), pumps and hydraulic units, electrical equipment (including, amongst others, electric motors and electrical instruments) and other finished equipment (including, amongst others, welding machines, plasma cutters, workshop and laboratory equipment), refrigeration units, and radio-controlled drilling and anchoring equipment.
- Modernisation and repairs of machinery and equipment: - The modernisation programme includes, amongst other things, the refurbishment of the GM-50 shearer and the 1000-type Pioma belt conveyors- adaptation for the transport of personnel, modernisation of the INTERMET 1400 belt conveyor, as well as the refurbishment of the longwall conveyor, the longwall scraper conveyor and the mechanised support section.

Other development investments
- Expansion of the mining waste treatment facility – continuation of the project; plans are in place to acquire land for the next phases and to commence construction work on the next section.
- Power, telecommunications and mechanical - among other things, the extension of the electricity, telecommunications and data transmission networks, the installation of a DN 150 pipeline in shaft S 1.5 are planned for 2026.
- Switchgear facilities for hoisting machinery and other power systems: in 2026, the modernisation of the S 1.4 Main Fan Station will continue, along with the installation of the RP-2 field switchgear. Work will also continue on the modernisation of the S 1.4 mining hoist shaft, as well as the modernisation of the control and signalling system for the belt conveyors.
- ZPMW replacement investments – the 2026 programme includes, among others, the modernisation of facilities – including the ZPMW façade – and the modification of the scrap detection system at the S2.1 shaft headframe in the Stefanów Field.
- 110/6 kV substations and switching stations – the replacement of the 110 kV GSTR transformer is scheduled for 2026.
- Expansion of the coal storage yard – continuation of work on the expansion of the storage yard, including the construction work to expand the infrastructure, as well as the delivery and installation of a new stacker.
- Other projects: plans include, among others, the modernisation of part of the ZCB hall.

ICT
- Integrated Production Management System - the implementation of the underground wireless communication system is scheduled for continuation.
- The "Smart Solutions Mine" project continues in 2026 with the implementation of the "Ability" system for the roadheader and drift complexes.
- Computer systems: plans for 2026 include, amongst other things, the expansion and modernisation of the LWB ICT network, the expansion and modernisation of the data centre infrastructure, and the modernisation and expansion of security systems, network systems, and systems for monitoring and managing the LWB's IT infrastructure.
- Alarm and monitoring systems - plans include the installation of a fire alarm system in the hoisting machinery buildings and ventilation stations, the modernisation of the MineEye system for monitoring and remote control of underground ore conveyors, and a monitoring system for vibrations in the idler drums on fixed belt conveyors.
- Purchase of off-the-shelf equipment - ICT - within this group, the purchase of computers, network equipment and software is planned.

Strategic initiatives and RES
- In 2026, as a continuation of the work undertaken in 2025, expenditure is planned for documentation work and the purchase of land for a new photovoltaic farm.
- Expenditure has also been allocated for documentation relating to the new Economic Zone, which is developed in collaboration with PGE Dystrybucja S.A. (Lublin Branch) and the Municipality of Łęczna.

Other
- Environmental protection – plans include the construction of the retention basin next to ditch A in the village of Dratów, as well as a footbridge with a piezometer on the underground water connection.

Łęczyńska Energetyka and other subsidiaries of LW Bogdanka S.A.

Łęczyńska Energetyka - the investment expenditure planned in 2026 is allocated for investment related to the generation, transmission and distribution of heat. Expenditure was also planned for the purchase of tangible goods.

MR Bogdanka - in 2026, it plans to use the expenditure for the purchase and installation of machinery and equipment as well as for ICT and transport.

RG Bogdanka - expenditure planned mainly for purchase of finished goods and ICT and transport.

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1.9 Significant commercial agreements

As in previous years, LW Bogdanka S.A. Entered into new trade agreements and negotiated prices and supply volumes for subsequent years under the existing long-term agreements.
As a result of the above activities, as at the date of submitting the Report, nearly 100% of the volume planned for sales in 2024 was contracted.
The Company reports all agreements that are material from the point of view of its operations, as well as their amendments, through current reports. In 2025 and by the day of publication of the Report, the criterion of significance was fulfilled by the execution of annexes amending terms and conditions of agreements and entering into additional agreements with:

- **Enea Elektrownia Połaniec S.A. –** the agreement for the supply of steam coal of 2 July 2012 (including subsequent annexes) was concluded between the Company and Enea Elektrownia Połaniec S.A.
  Pursuant to the annex of 19 December 2025, the term of the agreement was extended until 31 December 2033. The estimated value of the long-term agreement in the years 2025–2033 is PLN 2,819 million net.

- **Enea Wytwarzanie Sp. z o.o.** - the agreement for the supply of steam coal of 23 January 2012 (including subsequent annexes) concluded between the Company and Enea Wytwarzanie sp. z o.o. .Pursuant to the Annex of 19 December 2025, the agreement was extended until 31 December 2036.
  The value of the Multi-Year Contract, excluding additional options, for the period 2025–2036 is estimated at PLN 14,315 million net.

- **Zakłady Azotowe "Puławy" S.A.** - the agreement for the supply of steam coal of 8 January 2009 (including subsequent annexes) concluded between the Company and Grupa Azoty Zakłady Azotowe "Puławy" S.A. with its registered office in Puławy. Pursuant to the annex of 9 December 2025, the term of the agreement was extended until 31 December 2032. The estimated value of the long-term agreement in the years 2025–2032 will amount to PLN 761 million net.

Transactions with related parties

In 2025, the Company and its subsidiaries did not enter into any individually or jointly significant transactions with related parties out of compliance with the arm's length principle.
In 2025, LW Bogdanka S.A. had a contract in force for purchase of electricity from Enea S.A.

For more information on the agreements with the Enea Group and companies controlled by the State Treasury, see Note 31 of the Financial Statements of LW Bogdanka for 2025.

Suppliers

In the period from 1 January to 31 December 2025, the value of turnover with any supplier did not exceed 10% of the Group's revenue.
The awarding of contracts by hard coal mining companies for the purpose of carrying out these activities is subject to sectoral public procurement regulations. In the LW Bogdanka Group, the procurement orders above the thresholds defined in accordance with the Public Procurement Law are awarded based on the rules stipulated in the aforementioned Act. Other contracts are awarded on the basis of the Group's internal procedures.
The main suppliers for the LW Bogdanka Group include primarily companies offering services and products specific to the mining industry (drilling and reconstruction of workings, stockpiling of excavated material, as well as the supply of tunnel support, specialist mining machinery and equipment) and electricity suppliers.

1.9 Information on financial instruments, bonds and loan agreements

Information on financial derivatives

As at 31 December 2025, the Parent Company and its subsidiaries had no outstanding derivative transactions.

Bonds

As at 31 December 2025, the Parent Company and its subsidiaries:
- had no active bod issue agreement,
- had no bonds issued and outstanding.

Issuance of securities

Throughout the 2025 financial year, the Parent Company and its subsidiaries did not issue any securities.

Assessment of the opportunities to raise bank financing

The Parent Company is currently exploring a possibility to raise bank financing. In view of the market conditions affecting financing of the hard coal sector, the Parent Company recognises the constraints associated with securing such financing.

Information on loans taken out and granted by LW Bogdanka S.A.

In 2025, the Parent Company did not take out or grant any loans or terminate any loan agreements.

Information on sureties granted and received by LW Bogdanka S.A.

In 2025, the Parent Company did not issue (or receive) any sureties.

Guarantees extended by LW Bogdanka S.A.

In 2025, the Parent Company did not instruct banks to issue any guarantees.

Information on loans taken out by LW Bogdanka S.A.

In 2025, the Parent Company did not enter into any loan agreements.
As at 31 December 2025, the Parent Company had no outstanding loans.

Agreements relating to guarantees, loans and borrowings of subsidiaries

Throughout 2025, the subsidiaries, EkoTrans Bogdanka Sp. z o.o., RG Bogdanka Sp. z o.o., MR Bogdanka Sp. z o.o. did not grant or incur any loans and borrowings or terminate any agreements pertaining to loans and borrowings and did not issue any guarantees.
As at 31 December 2025, the subsidiaries had no guarantees, outstanding loans or borrowings.

1.10 The price of coal on the domestic and international market

Global coal prices affect the prices of coal in Poland with a delay of approximately one year, including the prices of coal sold at LW Bogdanka S.A.. Significant factors also include imports and exports, transport costs and currency prices, energy policy and other regulations introduced (e.g. the embargo on Russian coal).

CIF ARA coal prices

- 95.2 USD/t - average CIF ARA coal price in Q4 2025 -19.5% vs. Q4 2024 (118.3 USD/t)
- compared to the average CIF ARA coal price in Q3 2025 (98.5 USD/t), down by 3.4%
- the average price in 2025 was 99.1 USD/t, down by 13.5% y/y (in 2024, 112.5 USD/t).

Stocks in ARA ports

- approx. 3.2 million tons of coal inventories at the end of December 2025 at ARA ports - at the end of September 2025 the inventories stood at 3.3 million tons

Prices in major ports worldwide

- 63.3 USD/t - average Baltic Ports FOB coal price in Q4 2025 vs. Q4 2024 (87.0 USD/t) - down by 37.4%
- compared to the average price in Q3 2025 (61.7 USD/t), it means an increase of 2.6%
- the average price in 2025 was 64.8 USD/t, down by 15.2% y/y (in 2024, 76.4 USD/t).

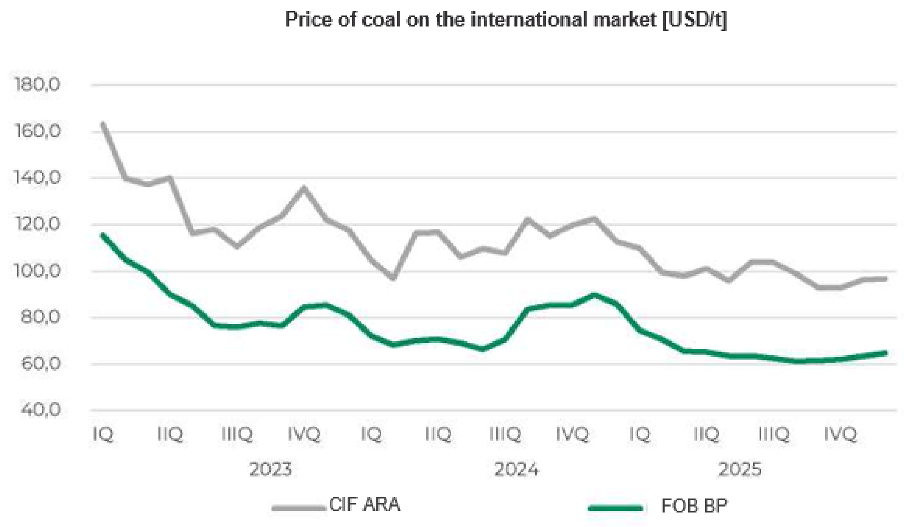
Prices of steam coal in Poland also affect the prices of coal sold in the Company. The price declines affected the company's financial results, including revenue and EBITDA.
The decline in coal prices in Poland results from an increase in energy production from renewable sources (RES) and a decline in coal prices on global markets.

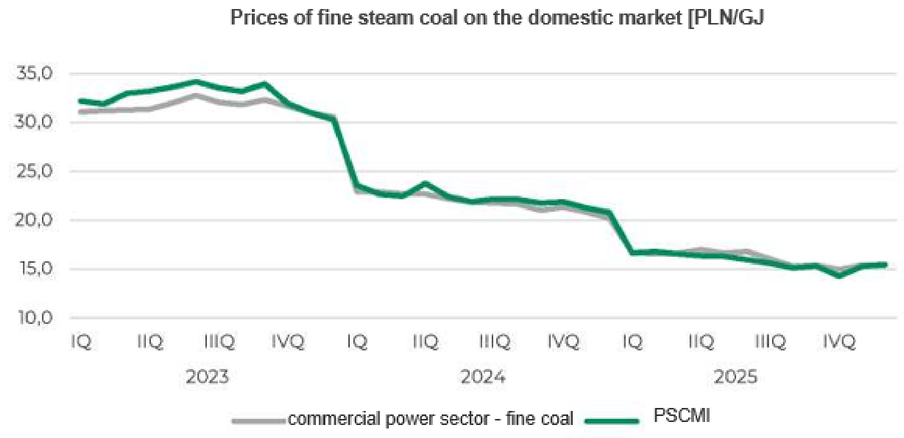
Price of fine steam coal

- the average price of fine steam coal for the professional power sector in Q4 2025 was 15.2 PLN/GJ, the price decline rate was approx. 26.9% compared to Q4 2024 (20.8 PLN /GJ)
- in 2025 (15.9 PLN/GJ) - a decline of 27.1% compared to 2024 (21.8 PLN/GJ)
- the average calorific value of fine coal for the commercial power sector was approx. 21.6 GJ

Prices from the PSCMI index

- the average price from the PSCMI Index in Q4 2025 was approx. 14.9 PLN/GJ, compared to the average price in Q4 2024 (21.3 PLN/GJ), down by approx. 30.0%
- in 2025, the price stood at 15.5 PLN/GJ compared to 22 PLN/GJ in 2024, down by 30.21%.





1.10 Production, sales and inventories of steam coal on the domestic market

The domestic market has seen a decline in demand for steam coal.
The strategy effective since 2025 assumes the diversification of revenue sources and launching new sales directions. Information concerning the Strategy can be found on pages 21-22.

Key buyers of steam coal in Poland

The main consumer of steam coal in Poland is the professional power sector, where approximately 22.5 million tons of fine coal were delivered in 2025, up by 3.6% compared to 2024. The most important buyers in the professional power industry include:

- Tauron
- PGE
- Enea
- Orlen (formerly PGNiG)
- ENERGA

The decline in hard coal production, maintaining stable sales level and a decline in inventory in 2025 compared with 2024 result from maintaining stable domestic demand for coal and the continued share of coal in the energy production mix – partly because of its low price. The decline in steam coal production, coupled with stable level of demand, offers the Company an opportunity to find new customers, thereby enabling it to place its coal in a shrinking market – in accordance with the adopted Strategy.

Steam coal production in Poland

- In 2025, approx. 30.5 million tons of steam coal were produced, down by 6.4% y/y.

Steam coal sales in Poland

- Sales in 2025 amounted to approx. 31.3 million tons, of which sales to the professional power sector amounted to approx. 22.5 million tons of fine steam coal
- compared to 2024, sales of steam coal remained almost unchanged.

Coal inventories in Poland

At the end of 2025, steam coal inventories amounted to 3.8 million tons (4.9 million tons at the end of 2024)

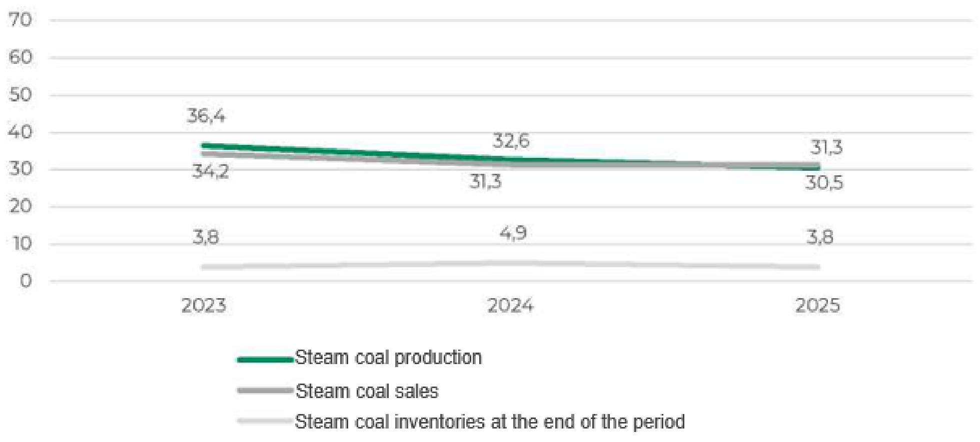
Coal exports

Approximately 4.3 million tons of coal were exported in 2025 (4.0 million tons in 2024), including approx. 1.0 million tons of steam coal (0.9 million tons in 2024).

Coal imports

Hard coal imports to Poland in 2025 amounted to 7.4 million tons (-8.8% y/y), including 6.2 million tons of steam coal (no change compared to the previous year). Steam coal was imported mainly from Colombia and Kazakhstan.

Production, sales and inventories of steam coal on the domestic market [million tonnes]



Sales of steam coal to the commercial power sector [million tonnes]

1.10 Electricity generation in Poland

Total electricity production

In 2025, electricity generation remained almost at the same level as in 2024 and amounted to 166,529 GWh (a decrease of 0.461 GWh, or 0.3%).

Electricity production from coal

The main fuel for electricity production was coal, which generated 102,074 GWh in 2025. Such a level means a decline by 2,882 GWh (-2.8%) compared to 2024.
In 2025, coal was the source of 63.1% of all electricity production in Poland - its share in the fuel mix was 2.0% lower compared to 2024.

Electricity production from hard coal

In 2025, 68,732 GWh of electricity was produced from hard coal (a decline of 0.5% compared to 2024).

Electricity production from lignite

In 2025, 33,342 GWh was produced from lignite (a decrease of 3.7% compared to 2024).

Electricity production from wind power plants

Wind power plants generated 23,629 GWh in 2025, down by 5.0% compared to 2024. The share of wind power in electricity generation was approximately 14.2%.

Electricity production from gas-fired power plants

Electricity production by gas-fired power plants in 2025 amounted to 19,097 GWh, up by 13.9% compared to 2024.

Electricity generation from other renewable sources

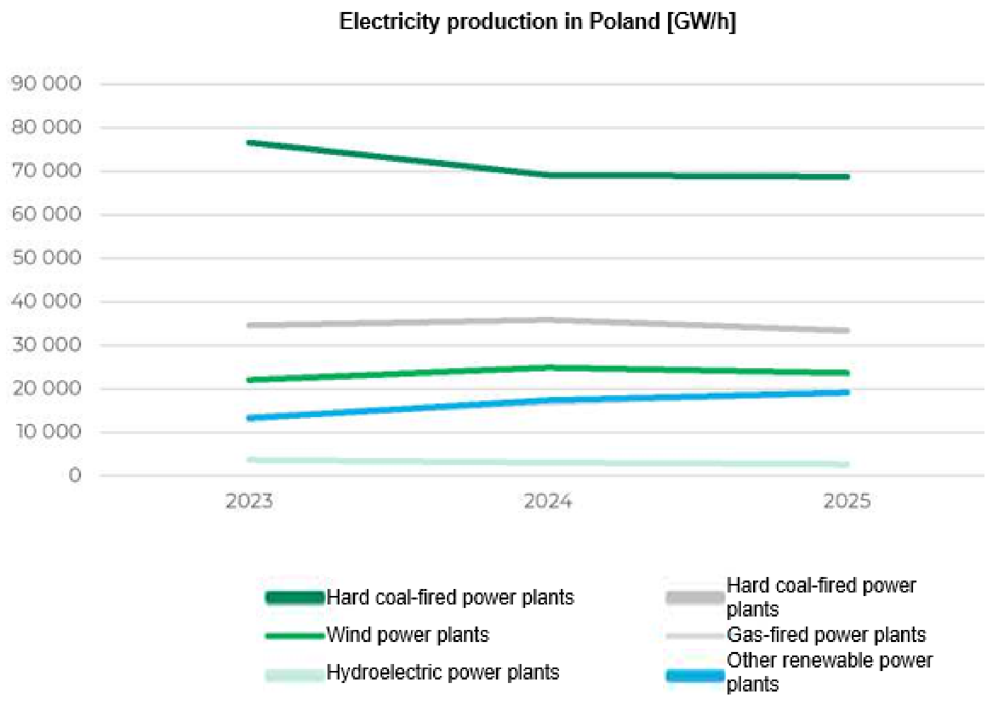
Electricity production by other renewable power plants in 2025 amounted to 19,101 GWh, up by 10.2% compared to 2024.

Domestic electricity consumption

In 2025, 167,484 GWh of electricity was consumed, down by 1,472 GWh compared to 2024 (0.9%).

Balance of cross-border exchange

The balance of cross-border exchange of electricity in 2025 was 0.955 GWh, which indicates energy imports, while in 2024 it was 1,966 GWh (-51.4%).



1.11 Description of risk factors and threats as well as factors which, in the opinion of the LW Bogdanka Group, will affect the achieved results

Risk management

Key objectives of risk management:
- ensure security of the Group's operations
- ensure the effectiveness of its decisions aimed at maximizing profits at an acceptable level of risk.

The systems in operation:
- The Integrated Enterprise Risk Management (ERM) System of the Enea Group.

Fundamental principles, procedures and documents on which the operation of the management system is based:

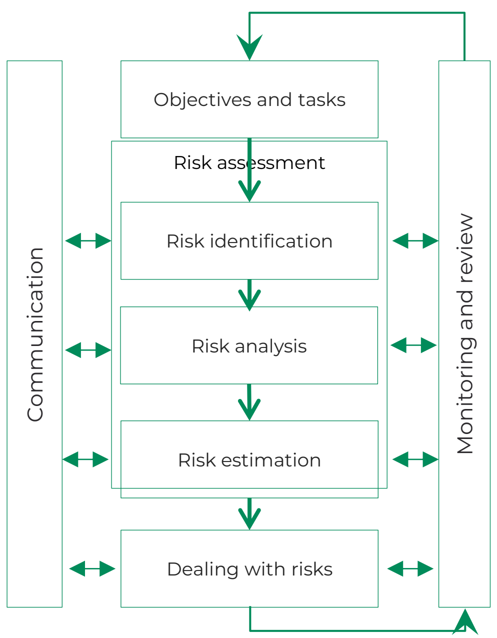
- ENEA Group's Enterprise Risk Management Policy
- Enea Group's Enterprise Risk Management Methodology – ERM procedures
- LW Bogdanka Group's risk register
- Report - Update of LWB Risks according to
-

  the Enea Group ERM Methodology (LW Bogdanka Group risk map, list of critical, key, average and low risks in the LW Bogdanka Group, action programmes to mitigate critical and key risks of the Parent Company).
- In December 2025, LW Bogdanka implemented the Risk Management Policy in the Enea Group, containing the Strategic Risk Management Methodology and the Operational Risk Management Methodology.

Within the integration process in the ENEA Group and pursuant to relevant regulations in the Group, from January 2018 LW Bogdanka S.A. implemented "Derivative Acts" – the ERM System in force in the Group Companies.
As at 31 December 2023, the Risk Register of the Parent Company was updated in accordance with the ENEA Group Methodology.
The Parent Company provides the Supervisory Board and the Audit Committee with information and reports on the implementation and performance
of the ERM system.
In the following periods, it is planned to work on further adjustment of the system to the Group's needs in the direction of increasing its role and effectiveness, using the experience to date and results of the system's operation.

The participants of the risk management system at LW Bogdanka S.A. are as follows:
- Supervisory Board
- Management Board
- Audit Committee
- Heads of organisational units in the Parent Company - risk owners
- Risk Management Department.

Established environment



Risk management process

Established environment

the Group's risk management system covers all areas of the company's operations

Objectives and tasks

the system is aimed at identifying potential

threats as well as opportunities for the

company

Risk identification

risk identification is carried out by the risk

owners (persons who perform managerial

functions in the organisation)

Risk management process

Risk analysis

risks are measured on established scales of

likelihood and the highest assigned

potential effect of materialisation in four

areas

Risk estimation

risks that have received an aggregate rating in excess of a certain value are identified as critical and key risks – material to the Group's operations

Dealing with risks

for key and critical risks, actions/programmes approved by the Management Board are established to minimise them and limit the possible effects of their materialisation

1.11 Main risks to which the Group is exposed,

by area category

Environment and market

·Risks related to the socio-economic situation
·
in Poland and worldwide
·Risk associated with the state's economic policy
·
towards the hard coal mining industry
·Risk related to the prices of energy commodities in Poland and globally
·Risk associated with the specific nature of the mining sector operations and possible occurrence of unpredictable events
·Risk of restrictive climate policies resulting in changes to applicable law

Operational and Financial risks

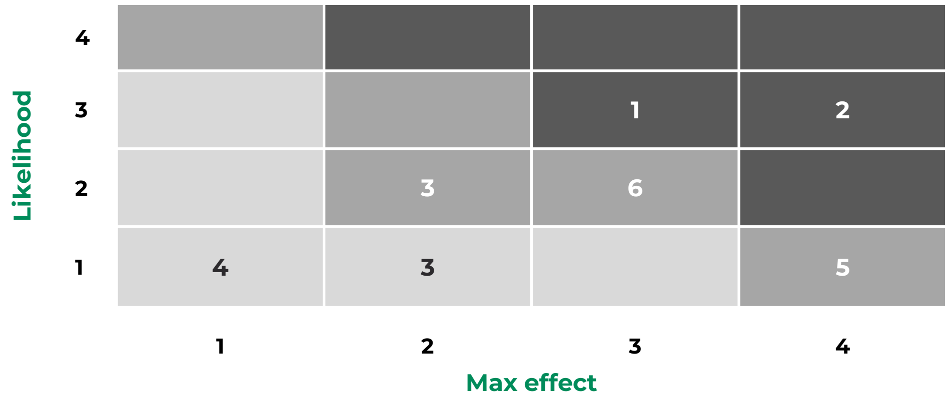
·Risk associated with the launch of mining from new deposits of LW Bogdanka S.A.
·Technical and technological risks
·Risks associated with the high costs of the technologies used by the Company
·Risk of IT system failures
·Risk of customers' insolvency
·Risk related to the strong position of the trade unions
·Risk associated with retaining and recruiting the Group's personnel
·Key supplier risk
·Risk of supplier price collusion
·Insured risks
·The risk of losing the key client

Environmental protection

·Risks associated with reclamation and mining damage
·Risk associated with the tightening of standards and regulations on environmental law standards and the obligation to obtain environmental permits
·Risk related to mining waste management
·Investment risk associated with the presence of protected areas

Legal

·Risk of changes in the tax law
·Risk of property tax in relation to LW Bogdanka S.A.'s mine workings
·Risk of changes in the law and its interpretation and application
·Risk of violating stock exchange disclosure obligations



High	3
Secondary education	14
Low	7

1.11 Environmental and market risks

Risks related to the socio-economic situation in Poland and worldwide

Factors affecting the financial results of

LW Bogdanka S.A.:

- directions and rate of change of domestic and global GDP, including changes in thevolume of industrial production
- demand for electricity and heat
- development of renewable energy generation sources
- climate policy trends in Poland and in Europe
- government plans to expand/modernise Poland's electricity generation system
- plans of the European Parliament to reduce methane emissions in the energy sector
- prices of raw materials on global markets, which translates into prices of production inputs
- prices of CO2 emission allowances and the commercial power sector's pressure on coal prices
- coal exports and imports balance from/to Poland
- inflation rate
- pressure from the trade unions to increase wages in the company
- government policy on the minimum wage in the economy
- unemployment rate.

Countermeasure: monitoring all factors, adjusting operations to the market situation and environment, planning future activities, formulating long-term financial projections, cost control, entering into long-term agreements, taking measures to improve mining efficiency.

Risk severity: **medium**

Risk associated with the state's economic policy towards the hard coal mining industry

Important factors influencing LW Bogdanka Group's market position include the government's plans regarding hard coal mining companies and the power sector.
Since 2 February 2021, "Poland's Energy Policy until 2040" approved by the Council of Ministers has been in force, with the assumption that hard coal is still an important source of energy for the Polish economy in the perspective of 2030 and beyond. However, an update to PEP 2040 is currently being developed due to the changing geopolitical and economic situation and the energy crisis related to Russia's aggression against Ukraine.
It should be noted, however that the projected still relatively high role of coal in the Polish Power System and in the process of ensuring the country's energy security (despite downward trends) has a positive impact on the long-term aspect of LW Bogdanka's operations.

Risk severity: **medium**

Risk related to the prices of energy commodities in Poland and globally

The prices of energy commodities are influenced primarily by the prices of steam coal and raw materials alternative to steam coal (crude oil, natural gas, renewable sources) on global markets and, consequently, on the domestic market. This is critical to the business conducted by the Parent Company.

On the world coal market, in January 2026, prices at ARA ports reached a level of approx. 100 USD/t, a decrease compared to the average price in January 2025, which amounted to approx. 110 USD/t. CIF ARA cumulative average prices for the entire 2025 amounted to approx. 99 USD/t.

However, it should be emphasised that despite the decline in CIF ARA prices in 2025, in particular compared to the record prices of 2022, the level of January 2026, i.e. approx. 100 USD/t exceeds the average prices for 2019-2021 (the average for this period is approx. 77 USD/t).
On the domestic fine steam coal market, the quotations of the PSCMI 1 index (professional power segment) stood at 25.45 PLN/GJ for December 2025, while the PSCMI 2 index (professional and non-professional district heating segment)
at approximately 17.89 PLN/GJ. However, it should be noted that despite the decline in the quotations of both indices in 2025 compared to their levels of 2024, domestic coal prices stabilised at a higher level, particularly when compared to the PSCMI 1 index quotations in previous years (on average, PLN 11.42/GJ in 2021). At the same time, it should be indicated that the average annual quotation of the PSCMI 1 index in 2025 stood at 15.47 PLN/GJ and in 2024 - at 22.22 PLN/GJ, while the average annual quotation of the PSCMI 2 index in 2025 stood at 19.65 PLN/GJ and in 2024 at 23.77 PLN/GJ. This analysis indicates that, despite a fall in prices compared with the record levels of 2022-2024, coal prices in Poland remain relatively high, which has a significant impact on the costs and competitiveness of energy production by the Parent Company.

Risk severity: **low**

Risks associated with the specific nature of the mining sector operations and possible occurrence of unpredictable events

The operational activities of LW Bogdanka S.A. are exposed to risks and dangers arising from the specific nature of operations in the mining sector. They include, among others:

- events associated with the environment (including industrial and technological accidents)
- extraordinary events, including geotechnical phenomena, mining disasters, fires or working floodings with underground water
- damages caused by mining operations.

The consequences can be as follows:

- temporary interruptions of operations, losses of property and financial assets
- accidents at work, including fatal accidents
- potential legal liability of the Company.

Countermeasure:

- strict compliance with OHS rules
- ongoing monitoring of risks associated with the specific workplaces
- use of solutions in the scope of prevention.

The following is also important:

- use of modern and reliable mining machinery and equipment to reduce the risk of industrial accidents
- relatively regular location of the coal seams mined
- relatively low costs associated with mining damage repair, due to the low degree of urbanisation of the area where the mine extracts hard coal
- high level of personnel skills.

Risk severity: **medium**

1.11 Environmental and market risks

Risk of restrictive climate policies resulting in changes to applicable law

The EU's restrictive climate policy is leading to a reduction in greenhouse gas emissions, an increase in the acquisition of renewable energy and increased energy efficiency. In the Polish power generation industry, electricity is produced mainly from coal (hard coal and lignite). Production of electricity or heat from coal involves significant CO2 emissions. Since the beginning of 2021, there has been a significant increase in the price of CO2 emission allowances which, despite a decrease at the turn of 2023 and 2024, continues to remain high, and directly affects the cost of coal combustion. The above restrictions and subsequent draft regulations in the form of regulations on CO2, SOx, NOx, mercury emission standards and quality standards for coal sold on the household market, i.e. the entry into force of the Resolution of the Minister of Industry and the Minister of Climate and Environment of 4 November 2024 on quality requirements for solid fuels prohibiting the sale of coal on the market (or its segment) from 1 July 2027 with a sulphur content exceeding 1.2% and a sintering index of RI>60, the implementation of local government anti-smog resolutions, the introduction of the ETS2 system, as well as the persistently high level of CO2 emission allowance prices, may have a major impact on the competitiveness of LWB-produced coal for electricity and heat generation and may directly affect the ability to sell LWB-produced coal. Consequently, these restrictions or plans for further legal changes may result in a subsequent reduction in demand for coal. This may also adversely affect LW Bogdanka S.A.'s coal sales and reduce revenues and, consequently, have a negative impact on the Group's financial performance.
Countermeasure:
- active participation in consultations conducted by the hard coal industry in Poland to mitigate the above risks for domestic coal producers
- monitoring of changes in the Energy Law or other acts of law and examining their potential impact on the Group's operations.

Risk severity: **medium**

Operational and financial risks

Risk associated with the launch of mining from new deposits of LW Bogdanka S.A.

An important aspect of the Company's operations is the need to secure future mining opportunities through access to currently held coal reserves. The decrease in the resource base resulting from deposit depletion through its ongoing mining, lack of preparation of a deposit for mining and reduction of the level of mining will consequently affect the expected financial results in the future.
The opening of new deposits is associated with the necessity to incur additional capital expenditure, in particular for new capital excavations and the construction of new shafts (ventilation and material intake and output shafts).
The key issue is to ensure that production efficiency is maintained despite longer transport and haulage routes and reduced effective working hours.

Risk severity: **low**

Technical and technological risks

The underground mining of hard coal deposits is a complex process subject to strict technical and technological regimes.
In the course of such activities, various downtimes may occur due to scheduled and unscheduled (e.g. breakdowns) technical interruptions.
In this group of risks, there is also the risk of unexpected, usually local deterioration of the quality of the deposit.
Countermeasure:
- availability of infrastructure - two mining shafts
- possibility of transporting the excavated material from the Stefanów field to the Bogdanka field through underground excavations
- underground coal storage reservoir system
- raw coal reservoirs on the surface
- use of modern mining equipment and machinery
- research and development work to increase productivity and improve occupational safety.

Risk severity: **medium**

Risks associated with the high costs of the technologies used by the Company

The applied technology of steam coal mining involves the use of highly specialised machinery and equipment.
Due to the global concentration of manufacturers of such machinery and equipment, there is a risk of unforeseen price increases, which might entail an increase in capital expenditures or deterioration of cost efficiency.
There is also the risk of hindered access to unique spare parts necessary to guarantee the continued operation.
As the depth increases, the difficulty related to working maintenance rises (increase in rock mass pressures), the primary temperature of the rock increases, as do some natural hazards, i.e. those related to water and methane. Making available deposits with mining walls exceeding a run length of 7,000 metres requires the implementation of technological and organisational solutions to counteract natural hazards, ensure continuity of production and occupational health and safety.
Taken together, this can result in an increase in coal mining costs.
Countermeasure: cost and capital expenditures control, use of highly specialised machinery and equipment, strong working culture with respect to compliance with mining and geological laws and technology, care for the equipment used, scientific and research work, implementation of innovative technologies for improving underground air conditions, implementation of the IIoT platform for controlling operating parameters, and continuous analysis of the effective working time of key machinery in the production process.

Risk severity: **high**

Risk of IT system failures

Any loss, partial or total, of the data related to the failure of computer systems may adversely affect current operations and thus affect future financial results.
Countermeasures:
- periodic audits of IT security
- reviews of authorisation to IT systems
- raising security levels by continuous monitoring of network traffic of potential threats and implementing solutions to impede access and improve security of access to IT systems
- performing secure backups of systems and data, ensuring rapid restoration of systems in the event of failures.

Risk severity: **low**

1.11 Operational and financial risks

Risk of customers' insolvency

The risk of customer insolvency is associated with the general level of current receivables of the LW Bogdanka Group due from its customers and the balance of receivables over the Group's liabilities. The Group's trade and other short-term receivables accounted for 12% of its balance sheet value and 15.4% of its sales revenues in 2025. Trade receivables accounted for 86.1% of total trade receivables and other short-term receivables.
Countermeasure:

- monitoring of outstanding amounts due from the business partners for products sold
- analysis of credit risk for the key business partners on a case by case basis or as part of specific classes of assets
- executing transactions with business partners whose reliability has been confirmed only.

Risk severity: **low**

Risk related to the strong position of the trade unions

The changing energy policy of the European Union and in the country, as well as legal regulations aimed at a gradual reduction in coal mining, including the May 2021 social agreement regulating the principles and pace of phasing out of steam coal mines in Poland, may affect the sense of uncertainty among workers. The issue of decarbonisation is extremely important from the point of view of the Employer as well as the trade unions representing the employees.
In the hard coal mining sector, trade unions hold a significant position and play an important role in shaping the personnel and payroll policy, often forcing renegotiations of the payroll policy using protests. As at 31 December 2025, there were six trade union organisations active in the Group (of which, at LWB, there were four trade unions representing approximately 71.9% of the workforce). The strong position of the trade unions gives rise to a situation in which there exists a risk of increasing salaries under the negotiated salary agreements in the future, which consequently may adversely affect the financial performance of the LW Bogdanka Group.
Moreover, potential industrial action and/or strikes, against the background of the wage policy or the progressive decarbonisation process, organised by the trade unions operating in the Group, may have an impact on the LW Bogdanka Group's operating activities.
Countermeasure

- ongoing dialogue with trade union organisations,
- holding periodic negotiation and information meetings with the social party on important issues of the Company, in particular on remuneration and the decarbonisation process.

Risk severity: **medium**

Risk associated with retaining and recruiting the Company's personnel

The labour market is now a worker's market, which promotes the fact that employees can easily switch to a more attractive position. In addition, due to the policy of decarbonising the economy, the mining industry is becoming unattractive to potential job candidates. Concerns about the future of the sector may cause the Company's current employees to seek alternative career opportunities in more stable and forward-looking industries.
In addition, the decarbonisation process will make it difficult to recruit new staff, especially skilled technical staff, engineers or specialists in new mining technologies. As the focus on decarbonisation and energy transition increases, younger generations are less and less willing to work in the coal sector.
Failure to provide competitive employment opportunities and maintain salaries at market standards will result in the loss of highly qualified employees.
Countermeasure

- building generational continuity - the implementation of development programmes supports the transfer of knowledge and experience from older employees to younger generations
- attracting employees from related industries, investing in employees with non-mining experience helps transform the business and adapt to future labour market requirements
- cooperation with local vocational schools (partner mining schools) and universities by defining a framework for cooperation (letters of intent with schools/universities),
- providing employees with opportunities for promotion and development within the company's structures
- building a friendly organisational culture,
- increased competitiveness in the labour market - through the implementation of incentive programmes and appropriate social measures
- management competence development activities among the management and supervisory staff
- employee development programmes.

Risk severity: **medium**

Key supplier risk

The specific nature of the business requires the use of technologies that often involve the use of highly specialised machinery and equipment and the use of specialised services. Thus, there is a potential risk of problems in finding suitable suppliers, as well as the risk that suppliers default on their agreements. This also applies to contractors for specialised mining services, as there may be dependence on these entities due to their small number in the Polish market.
Countermeasure: assessment of potential risks associated with the conclusion of agreements with suppliers in terms of performance of agreements and possibility of starting cooperation with other suppliers. In addition, a performance bond is required to secure the performance of agreements subject to increased risk.

Risk severity: **high**

Risk of supplier price collusion

The requirement for highly specialised products and services and the legal aspects that must be met in order for such products and services to be considered appropriate carry the risk of price collusion. Thus, there is a potential risk of a group of suppliers agreeing on commercial terms that may be offered to LW Bogdanka S.A.
Countermeasure:

- ongoing market monitoring and new supplier acquisition
- periodic analysis of contract prices and assessment of market trends
- searching for replacement products.

Risk severity: **medium**

1.11 Operational and financial risks

Insured risks

The Group is exposed to insurance risks, both to the standard extent applicable to all business entities, as well as to the extent typical of entities in the mining industry arising in particular from risks accumulated
in the underground mine area. Given the significance of the risks to which the Group is exposed, where particularly justified, these risks are transferred externally on the basis of insurance agreements concluded. The Group is covered for underground property, surface property and business liability (third-party liability), as well as for other, less significant risks.
In addition to covering potential business liability and property damage, the Group also covers risks of loss of profit (Business Interrution) and the risk of "terrorism"
with regard to risks on the mine surface.

Risk severity: **medium**

The risk of losing the key client

Legal circumstances (such as the introduction of coal quality standards or new emission standards), market conditions (such as a drop in coal prices), or changes in the primary fuel source (resulting, for example, from decarbonisation policies) may mean that key coal customers are able to terminate, cancel, withdraw from, or not renew their coal supply agreements.
The risk may materialise in the event of the counterparty's withdrawal, termination or cancellation of the agreement, failure to renew the agreement, restrictions on coal use resulting from new emission or quality standards, or a change in the counterparty's business profile (e.g. a switch to alternative fuels or renewable energy sources).
The consequences may include decreased revenue, a deterioration in financial performance, an increase in costs and a reduction in mining levels.
Countermeasures: concluding long-term agreements to secure coal supplies over the long term and amending commercial agreements accordingly (extending periods of notice, increasing the level of contractual penalties and introducing supplementary compensation clauses into agreements). Negotiating prices and delivery terms with a counterparty

Risk severity: **high**

Environmental risks

Risks associated with reclamation and mining damage

The LW Bogdanka Group is responsible for reclamation of post-mining areas and removal of mining damage. The existing standards regarding reclamation and removal of mining damage may change in the future and greater severity is anticipated in this respect.
Countermeasure: repair works, preventive protection of buildings against the effects of mining damage and reimbursement to investors of costs of adapting new buildings constructed within the mine site, ongoing dialogue with the local community. Advance inventory of construction facilities to eliminate unjustified claims. Ongoing monitoring of land subject to mining impact. Meetings of the Consulting Team for periodic assessment of impacts of mining operations on the land surface within the borders of Cyców, Ludwin and Puchaczów municipalities organised by the Director of the Mining Authority twice a year. Consistent execution of drainage hydrological works and land reclamation in the affected area.

Risk severity: **low**

Risk associated with the tightening of standards and regulations on environmental law standards and the obligation to obtain environmental permits

The activities of LW Bogdanka S.A. exert a

significant impact on the environment. Accordingly, the Company must hold certain permits and comply with regulatory standards for the use of the environment (including the requirements of BAT - Best Available Techniques).
They refer, in particular, to:
- water and sewage management
- waste management
- emissions of substances and noise into the air
- use of natural resources.

Countermeasure : The Company monitors regulations on an ongoing basis and adjusts its operations as necessary
within statutory deadlines.

Risk severity: **medium**

Risk related to mining waste management

The Company generates significant quantities of mining waste. The mining waste is subject to management (recovery) and storage at the mining waste disposal facility in Bogdanka. Approx. 50% of waste is processed and 50% is kept in the facility.
Based on a construction permit, the Company is conducting works to increase the current spoil tip (to 250 m a.s.l.) and to enlarge the spoil tip in the eastern part. It has also taken steps to acquire adjacent land for further expansion, and another permit has been obtained for the expansion of the mining waste facility in the south-eastern part, which will secure waste storage for the next 6-7 years. Further actions are being taken to acquire more land to expand the facility.
Failure to complete this investment will entail the risk of undermining the stability of the mining process and the need to seek alternative methods of mining waste management.
Countermeasure The Group has been carrying out works to elevate and expand the existing mining waste facility. It has also continued efforts to acquire further land for the upcoming stages of spoil tip expansion.
The Parent Company takes intensive efforts related to recovery and management of mining waste.

Risk severity: **medium**

Investment risk associated with the presence of protected areas

The mine is located close to protected areas (a national park, landscape parks, protected landscape areas, wildlife corridor, as well as two Natura 2000 areas located partially in the mining area and three in close proximity to the mining area). All planned investments must be analysed in terms of their potential negative impact on protected areas. There is a risk that in case of investment activities, certain obligations or stricter requirements may be imposed on the mine with a view to reducing the afverse environmental impact. An objection may also be lodged against the performance of a particular investment project. Such restrictions may require higher capital expenditure and, consequently, affect the financial results.
Countermeasure: ongoing monitoring, adjusting operations to meet the requirements
and obligations.

Risk severity: **medium**

1.11 Risks relating to proceedings and the legal environment

Risk of changes in the tax law

Lack of stability and transparency in the Polish tax system, resulting from the changes in regulations and inconsistent interpretations of the tax law, can cause uncertainty in the final results of financial decisions. Continuous amendments to tax laws and also strict sanction regulations are not incentives to take such decisions. Volatility of regulations and sometimes even of interpretations thereof may entail occurrence of any types of risks.
Consequently, the amount of tax due indicated in the financial statement may need to be modified later, after the final decision of tax authorities.
Countermeasure:

- monitoring the changing tax laws
- training for employees to make sure they are as competent as possible in this area
- detailed analyses of any emerging tax issues, including by comparing them to recent tax interpretations and court rulings on similar issues, requesting individual tax interpretations
- using the assistance of advisory companies
- implementation of the Transfer Pricing Policy which sets forth the terms and principles of setting prices for transactions executed within the Group
- application by the Parent Company of a tax strategy as referred to in Article 27c of the Act on Corporate Income Tax.

Risk severity: **medium**

Property tax risk in relation to LW Bogdanka S.A.'s mine workings

In line with the strategy adopted, the Parent Company also takes into account the values of underground mine workings and the equipment located in these workings in its property tax declarations from 2019 for the purpose of calculating this tax. At the same time, the provisions of the Act of 19 November 2024 amending the Act on Agricultural, the Act on Local Taxes and Fees and the Act on Stamp Duty entered into force on 19 November 2024,. This legislation introduces quite significant changes in the area of real estate tax, including a revised definition of a building and a new list of and scope of objects that will be considered as structures subject to property tax therefore the Parent Company has taken appropriate measures in order to mitigate the risk in this regard.
Countermeasure

- monitoring the changing tax laws
- training for employees to make sure they are
- as competent as possible in this area
- detailed analyses of any emerging tax issues, including by comparing them to recent tax interpretations and court rulings on similar issues
- using the assistance of advisory companies

Risk severity: **low**

Risk of changes in the law and its interpretation and application

The laws in Poland change quite frequently. Interpretations of the law and the practice of applying it also are subject to change.
Changes to interpretation of tax regulations are particularly frequent. Practices of tax authorities and judgements handed down by courts in cases related to taxation are not uniform.
The adoption by the tax authorities of an interpretation of tax law different from that adopted by the Group or the introduction of new requirements by the Mining Law may imply a deterioration of its financial position and, as a result, adversely affect the Group's results and development prospects.
Countermeasure:

- using the services of legal advisers and advisory companies, as well as consulting a variety of offices specialising in the issues under analysis
- if applicable, the Group also requests binding interpretations of the law.

Despite the efforts undertaken it is not possible to fully eliminate the risks although the Management Board believes that the risk is significantly mitigated.

Risk severity: **medium**

Risk of violating stock exchange disclosure obligations

As the shares in LW Bogdanka S.A. are listed on the Warsaw Stock Exchange, the Company is subject to a number of obligations which, in case of failure to perform or improper performance, may entail significant fines.
Countermeasure: due performance of the obligations including prior implementation of internal procedures for exchange of stock exchange information in LW Bogdanka S.A., as well as ongoing monitoring of the Company's operations in terms of disclosure obligations
.
Risk severity: **low**

1.12 Workplace hazards

Working conditions

The nature of the business activity conducted by the Company causes employees working in the mine, especially underground, to be exposed to a number of natural hazards and technical risks.
Working in underground conditions means also exposing an employee to harmful and onerous factors of working environment which are present in the workplaces.

Natural hazards

The following natural hazards are present at the mine:

- **Methane threat**
risk severity: **low**

- **Water threat**
risk severity: **high**

- **Threat of coal dust explosion**
risk severity: **medium**

- **Fire hazard**
risk severity: **medium**

Because of compliance with OSH regulations, continuous monitoring and applied prevention measures, the occurring threats and risks remain under control.

Technical threats

In 2025, there were an average of 12 workers per day in positions with mechanical agent hazards associated with particularly hazardous machinery.

Particularly hazardous machinery includes:
- belt and scraper conveyors
- underground railway locomotives
- suspended diesel railways
- hydraulic powered supports.

Mitigation of technical risks and their impact on employees is achieved through:
- replacement of machinery and equipment with more modern and safer for employees
- training on the operation of machinery, equipment and installations requiring appropriate qualifications, as well as skills in the area of operation of minor mechanisation
- ongoing monitoring of technical condition of machinery and equipment
- Implementation of innovative technical solutions, use of minor mechanisation machinery and equipment with improved safety standards.

12 employees per day, on average, are exposed to mechanical risks

we mitigate technical risks by:

state-of-the-art machinery → innovative technical solutions → employee training → monitoring of machinery and equipment → state-of-the-art machinery

1.12 Harmful and nuisance factors

Harmful and onerous factors

Measurements of harmful factors occurring at workplaces in the Company are carried out in compliance with the Regulation of the Minister of Health of 2 February 2011 on the tests and measurements of harmful health factors in the working environment (Journal of Laws of 2025 item 949 as amended) and the internal procedure developed in this regard.

The internal procedure includes measurements of the following factors:

- coal dust
- crystalline silica dust
- audible noise
- general and local vibrations
- ionising radiation
- harmful effects of welding gases
- microclimate.

All employees working in conditions harmful to health are kept informed about the existing risks, i.e. harmful and onerous factors at workplaces. The employer provides employees with personal protective equipment appropriate to the occurring hazards and provides training on their proper use.

Occupational accidents

In 2025, LW Bogdanka S.A. recorded 51 accidents resulting in temporary incapacity for work and 1 accident resulting in serious injury. The number of accidents and the basic accident rates are shown in the table beside.

Number of underground workers employed at workplaces with exceeded Highest Allowed Intensity and Highest Allowed Concentration standards

	Dust	Noise	Vibration	Microclimate	Chemical agents	Other
2023	1,380	967	109	845	–	-
2024	1,452	959	117	964	–	-
2025	1,764	1,066	117	1,239	–	-

Summary of the number of accidents and accident rates in the Company in 2023-2025

	2023	2024	**2025**
Total number of accidents	56	52	52
including fatalities	-	-	-
including involving serious injury	-	-	1
incidence ratio (per 1000 employees)	11.0	9.9	10.2
frequency ratio (per 100,000 days worked)	5.7	5.1	5.3

1.13 Employment at LW Bogdanka Group

The **LW Bogdanka Group** is one of the biggest employers in the Lublin region. We employ over six thousand people, a vast majority of whom come from Łęczna District and its surrounding areas, i.e. within 50 km from Bogdanka.
Naturally, we are strongly attached to the region and its inhabitants. We offer attractive jobs, opportunities to develop in the organisation and a rich social package. Our desire is to build a well-cooperating team with our employees, where people are committed to work and aware of the challenges, opportunities and possibilities faced by our organisation. Employees are perceived as one of our crucial assets affecting our sustainable development. We are happy about their professional ambitions and assure that they continuously improve their professional qualifications and interpersonal skills and are effectively motivated.

Key HR objectives:

- Attracting and retaining the best employees
- Increased level of occupational safety
- Technical improvement of occupational safety
- Industry re-qualification programme for miningworkers

Headcount in the Group

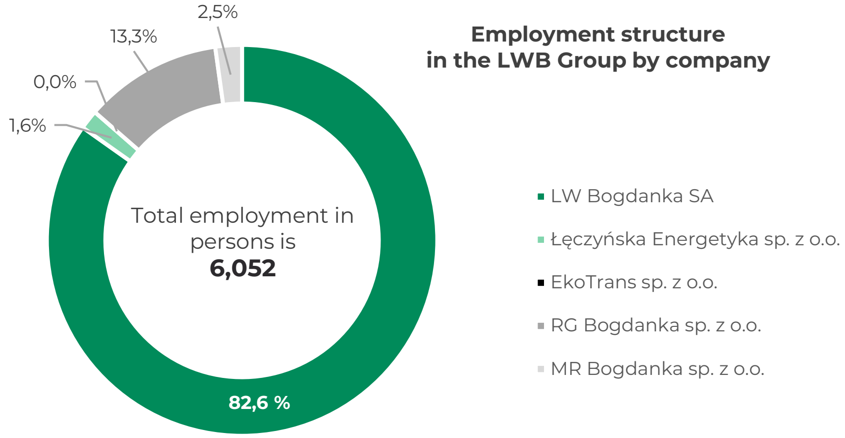
In 2025, a 1.9% decrease in employment at the LW Bogdanka Group was recorded.
The largest increase in the number of employees was reported in RG Bogdanka sp. z o.o.
On the other hand, the highest decline in the number of employees was recorded at LW Bogdanka S.A.
The employees working underground constituted the core group of employees at LW Bogdanka Group, i.e. 70.3%.

Headcount in LW Bogdanka S.A.

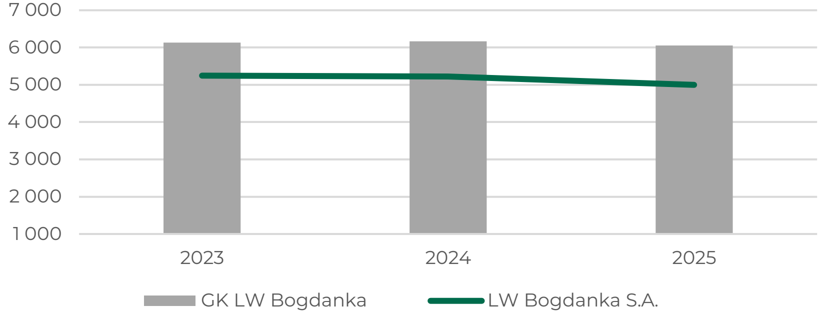
In 2025, the Parent Company employed 82.6% of the LW Bogdanka Group's total workforce.
Blue-collar workers accounted for 79.8% of LW Bogdanka S.A.'s total workforce.

[persons as at 31 December]	2023	2024	2025	Structure	Change 2025/2024
LW Bogdanka S.A	5,246	5,225	4,999	82.6%	-4.3%
Łęczyńska Energetyka sp. z o.o.	101	99	99	1.6%	0.0%
EkoTrans sp. z o.o.	1	1	1	0.0%	0.0%
RG Bogdanka sp. z o.o.	675	704	804	13.3%	14.2%
MR Bogdanka sp. z o.o.	109	138	149	2.5%	8.0%
GK LW Bogdanka	**6,132**	**6,167**	**6,052**	100.0%	**-1.9%**

Employment structure in the LWB Group by company



Headcount in the Group



1.13 Changes in the workforce of the LW Bogdanka Group

White-collar workers

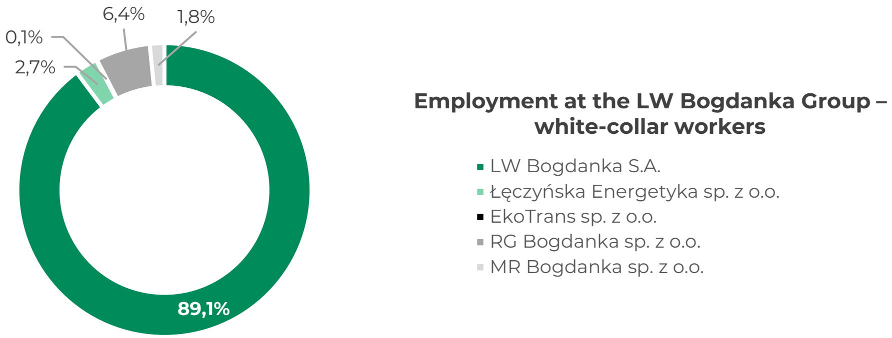
[persons as at 31 December]	2023	2024	**2025**	Structure	Change 2025/2024
LW Bogdanka S.A	1,032	1,027	1,008	89.1%	-1.9%
Łęczyńska Energetyka sp. z o.o.	31	29	30	2.7%	3.4%
EkoTrans sp. z o.o.	1	1	1	0.0%	0.0%
RG Bogdanka sp. z o.o.	69	69	72	6.4%	4.3%
MR Bogdanka sp. z o.o.	12	18	20	1.8%	11.1%
GK LW Bogdanka	**1,145**	**1,144**	**1,131**	100.0%	**-1.1%**

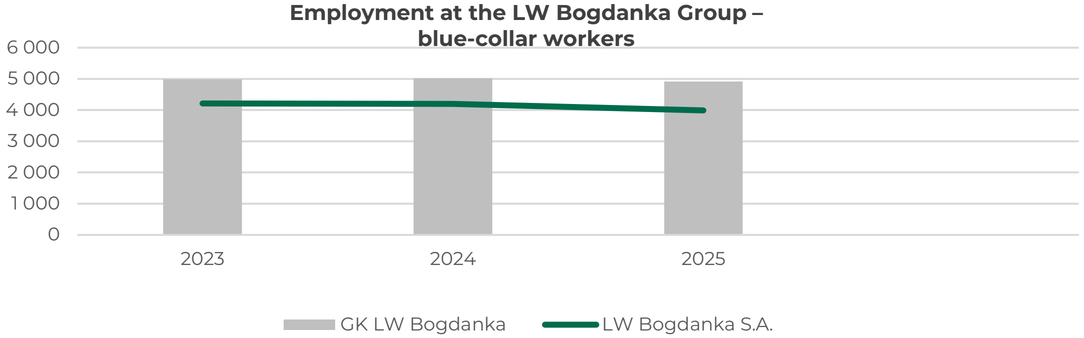
Blue-collar workers

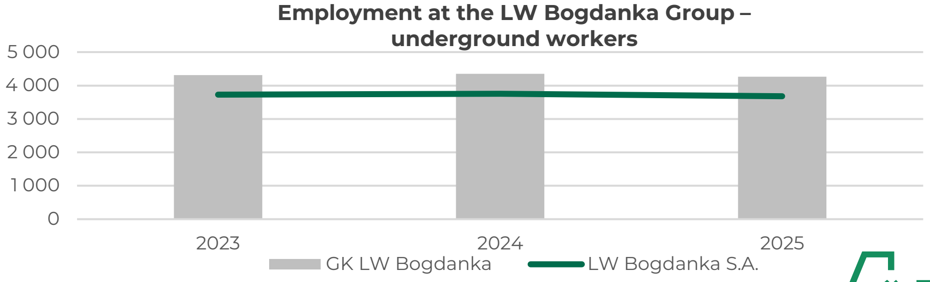
[persons as at 31 December]	2023	2024	**2025**	Structure	Change 2025/2024
LW Bogdanka S.A	4,214	4,198	3,991	81.1%	-4.9%
Łęczyńska Energetyka sp. z o.o.	70	70	69	1.4%	-1.4%
EkoTrans sp. z o.o.	–	-	0	0.0%	0.0%
RG Bogdanka sp. z o.o.	606	635	732	14.9%	15.3%
MR Bogdanka sp. z o.o.	97	120	129	2.6%	7.5%
GK LW Bogdanka	**4,987**	**5,023**	**4,921**	100.0%	**-2.0%**

Underground workers

[persons as at 31 December]	2023	2024	**2025**	Structure	Change 2025/2024
LW Bogdanka S.A	3,726	3,753	3,679	86.3%	-2.0%
Łęczyńska Energetyka sp. z o.o.	-	-	0	–	-
EkoTrans sp. z o.o.	–	-	0	–	-
RG Bogdanka sp. z o.o.	582	596	586	13.7%	-1.7%
MR Bogdanka sp. z o.o.	–	-	0	–	-
GK LW Bogdanka	**4,308**	**4,349**	**4,265**	100.0%	**-1.9%**

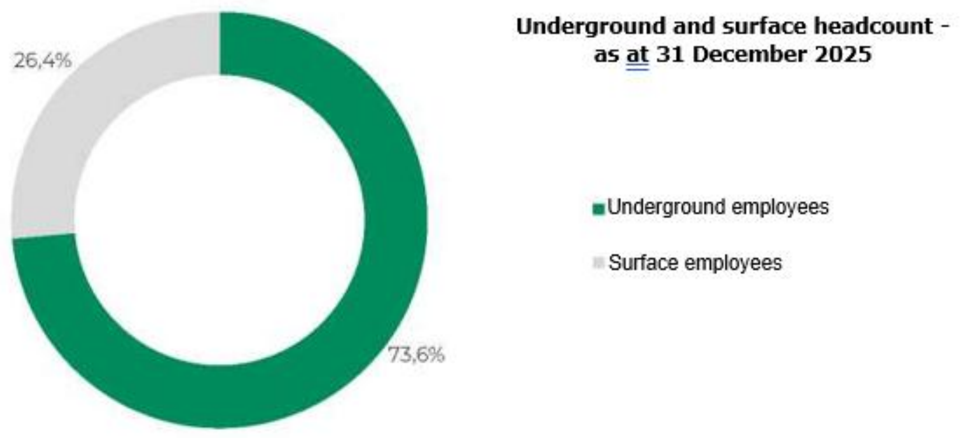






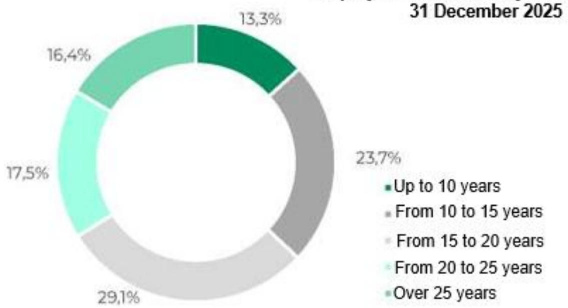
1.13 Changes in headcount in LW Bogdanka S.A.

- at the end of 2025, the Company employed 4,999 people, compared to 5,225 at the end of 2024, i.e. a decrease by 4.3%
- underground mine workers constitute 73.6% of the staff, compared to 26.4% of surface workers.
  Given the nature of the industry, the Company employs mostly men; they accounted for 94.3%, while women for 5.7%
- in terms of age, the largest group consisted of persons aged between 40 and 50 – 42.6% of all employees
- in terms of education, the largest group consists of people with secondary education. Their share in total headcount at the end of December 2025 was 59.8%.
- 3.150 people (63.0%) in the Company have worked for more than 15 years, which indicates extensive experience and high qualifications.

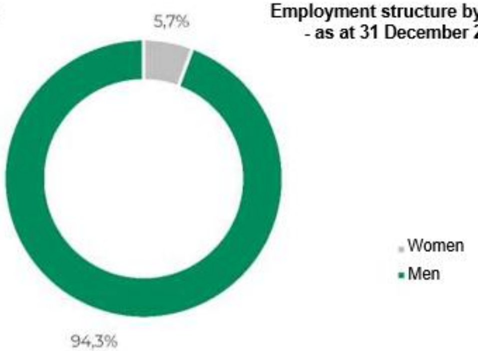


1.13 Employment structure in LW Bogdanka S.A.

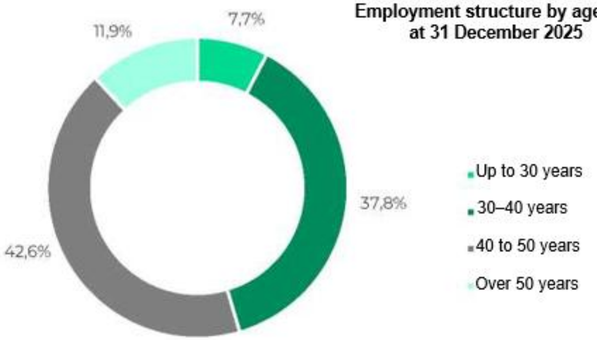
Employment structure by seniority - as at 31 December 2025



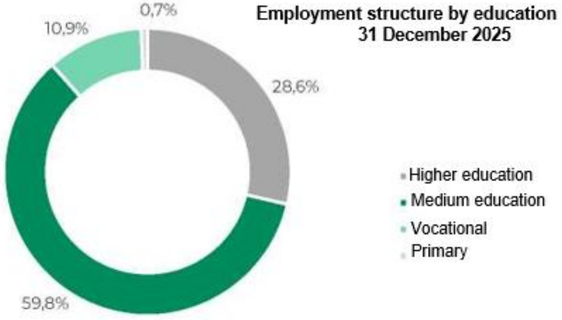
Employment structure by gender - as at 31 December 2025



Employment structure by age - as at 31 December 2025



Employment structure by education - as at 31 December 2025



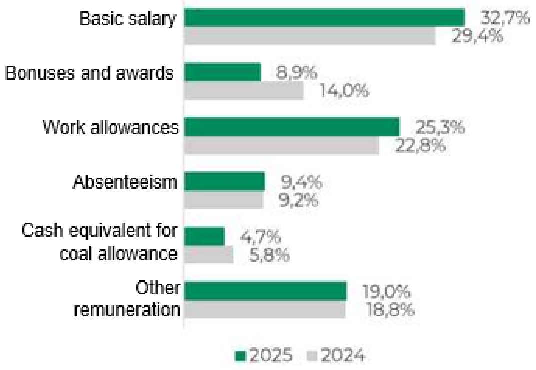
1.14 Average monthly salary

The Company's remuneration rules are governed by the Company Collective Bargaining Agreement of 31October 2001 (hereinafter referred to as the "CBA"), concluded between the Company's Management Board and the trade unions operating at the Company: the Inter-Company Commission of the NSZZ "Solidarność", the Trade Union of Miners in Poland, the Trade Union "Kadra" and the Trade Union of Employees of Coal Preparation Plants in Poland "Przeróbka".
The CBA defines the benefits due under the employment contract, as well as rules for the payment of individual salary components, including: tables of applicable rates, allowances for efficient performance, e.g. for overtime work, allowances for rescue staff and others. The CBA also applies to key managers as referred to in the rule 6.1 of Best Practices of Companies Listed on WSE 2021.
In 2025, the personnel payroll was in line with:

- the agreement of 14 April 2025 on the implementation of the remuneration policy for 2025
- monthly bonus settled on the basis of:
    - extent of completion of monthly production tasks
    - sales of commercial coal
    - average sales price achieved
    - rate of performance of the Company's expense budget in specific periods.

When implementing the remuneration policy, the Company pays special attention to ensure that the remunerations reflect the results of operations. Employees who demonstrate commitment and show initiative at work are given bonuses and rewards.
In 2025, the Company Management Board placed particular emphasis on linking remuneration to the Company's performance, the implementation of production and investment plans, and maintaining the stability of jobs in the Company.

Remuneration structure at LW Bogdanka in 2024 and 2025 was as follows:



The level of remuneration resulted mainly from the following events:

- In connection with the agreement on the implementation of the 2025 remuneration policy signed between the Company's Management Board and the Trade Unions, providing for a 5% increase in the average salary within the Company (an increase in the maximum average remuneration of employees, determined annually in consultation with the Social Partners), it has been agreed that the aforementioned salary increase will be implemented through:
    - maintaining the level of the monthly regulatory bonus on the same basis as in 2024;
    - An 8% increase in the base for building basic wage rate tables from 1 April 2025 compared with 2024.

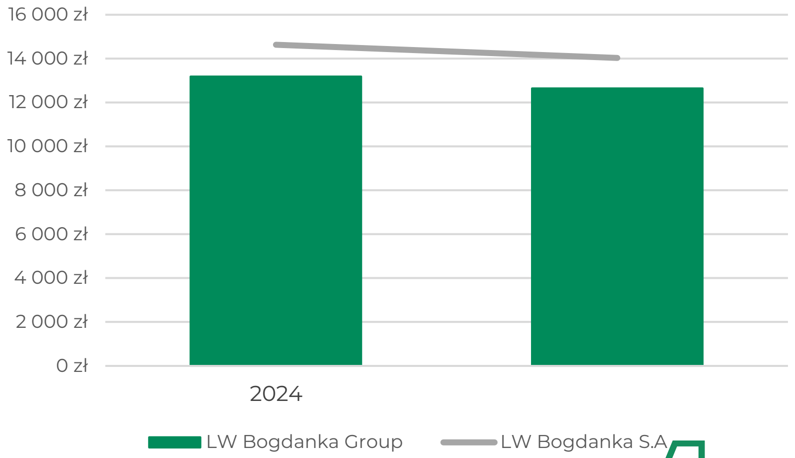
The arrangements included in the agreement on the implementation of the remuneration policy for 2025 resulted from the concern to preserve the jobs of the Employees hired by the Company and to compensate them for the growing cost of living, while maintaining the secure financial condition of LW Bogdanka S.A.

(PLN)	2024	2025	Change 2025/2024
LW Bogdanka S.A	14 031	13,328	-5.0%
Łęczyńska Energetyka sp. z o.o.	8,778	9,402	7.1%
EkoTrans sp. z o.o.	12,651	12,976	2.6%
RG Bogdanka sp. z o.o.	8,167	9,003	10.2%
MR Bogdanka sp. z o.o.	7,882	9,197	16.7%
LW Bogdanka Group*	**13,185**	**12,642**	-4.1%

*The average monthly remuneration was calculated on the basis of the average employment in the LW Bogdanka Group (taking into account the methodology of Statistics Poland reducing the employment of employees staying (continuously) on sickness, maternity, care or rehabilitation

benefits for more than 14 days).

Average remuneration 2024-2025



1.15 Marketing activities

In 2025, marketing activities were conducted in accordance with the strategic documents in force in the Company and the newly developed two-year Sponsorship Strategy of Lubelski Węgiel Bogdanka S.A. Both the objectives of the activities and the areas of action have been clearly defined and tailored to current market conditions and the need to rationalise costs. The Company continued to support local initiatives and projects, thereby building its reputation as a socially responsible company and a stable employer in the region. Most promotional activities focused on raising awareness of the 'Bogdanka' brand both in the local environment and nationwide. Ongoing verification of the projects implemented was conducted throughout the year. Limiting the number of initiatives whilst focusing on partnerships with the greatest media potential has enabled to improve the efficiency of budget spending and achieve measurable communication outcomes.

Objectives of the actions

The objectives of the marketing and promotional activities undertaken include, among others:

- promoting (disseminating and strengthening) the Company's brand by increasing its visibility, recognition and reach,
- strengthening the public and opinion leaders' awareness of the importance of the Company for the Lublin Region,
- creating a positive image of the Company, especially in its immediate geographic environment,
- building the image of the Company as
- effectively implementing the idea of corporate social responsibility (CSR),
- enhancing the Company's reputation as an active patron of socially significant projects and
- initiatives, especially in the Lubelskie Voivodship,
- engaging young people (including children of the Company's employees) in sports, taking care of their psycho-physical development through the opportunity to participate in sports activities organised by entities sponsored by the Company,
- building public support for the Company's business activities,
- continued creation of Bogdanka's image as a leader in the mining industry,
- reaching the Company's key stakeholders, such as customers, business partners, shareholders, investors, and the local community.

The above goals were realized through the following tools: sponsorship projects, PR projects, corporate social responsibility activities, as well as activation of projects through organisational support, and promotional and advertising activities. The projects were selected, reviewed and accounted for in terms of achieving the Company's goals and efficiency.

Sponsorship

Sponsorship is a tool for achieving our company's strategic objectives, including, above all, fostering a positive image of the company, particularly within its immediate geographical vicinity, and building public confidence that Bogdanka is a stable company responsive to the needs of the community, and that the organisational changes introduced are positive in nature and will not be implemented to the detriment of the local community and other key stakeholders.

The Company carries out activities in the form of sports sponsorship (amateur and professional sports) and socio-cultural sponsorship (projects with the greatest social potential).

The overall sponsorship projects translated into advertising, promotional and image benefits for the brand and the company.

In 2025, the Company implemented 25 sponsorship projects, of which 16 related to sport (professional and recreational) and 9 to the socio-cultural area. Total sponsorship expenditure amounted to PLN 11,865,000.
The sponsorship budget was accomplished in 98.2% (the annual plan assumed a maximum budget of PLN 11,995,000 thousand).

In return for the sponsorship remuneration, all entities sponsored performed promotional and advertising service catalogues for LW Bogdanka S.A., as stipulated in the agreements.

The sponsorship activities of the Company are carried out in two areas:

a) sports sponsorship

The sports sponsorship involved the Company's support for both professional and recreational sport, with a focus on upholding the region's sporting traditions and supporting initiatives that foster the development of young sport talents. The actions taken also focused on promoting physical activity among children and young people and strengthening positive social attitudes through sport.

In 2025, the number of projects carried out as part of sports sponsorship amounted to 16 and was 6 lower than in 2024 (22 projects). Total expenditure for this purpose amounted to PLN 11,564,000, representing a decrease of over 14% y/y. Despite the reduction in the number of initiatives, the Company focused on projects of significant importance for the region and activities with high social and reputational potential.

1.15 Marketing activities

The main beneficiaries of the Company's sponsorship budget and, at the same time, the projects that attracted the greatest interest and generated the highest value to the exposure of the LW Bogdanka brand included:

- **Górnik Łęczna S.A.**

In 2025, Górnik Łęczna competed in the First League, continuing its long-standing presence in professional league competitions and maintaining its status as one of the region's leading sports clubs. Throughout its history, it competed in Poland's top division for eight seasons. Through its Foundation, the Club runs the Sports Academy, training over 400 male and female athletes in three disciplines: football, badminton and running.
Górnik holds the Gold Certificate for football academies under the programme of the Polish Football Association, and is the only club in the Lubelskie Voivodship to meet the highest standards for training children and young people. For several years, the Górnik Foundation has also been running the School of Sports Excellence, which specialises in football at a secondary school level.
Lubelski Węgiel Bogdanka S.A. has acted as the club's Strategic Sponsor without interruption since its inception, making it one of the longest-running sponsorship partnerships in Polish sport. Sponsoring a team that is one of the sports icons of the Lublin region reinforces the Company's image as an organisation that supports the development of the local community, physical culture and sporting traditions, and fosters a strong sense of identification with the Bogdanka brand among the region's residents.

- **Speedway Motor Lublin (participating in the PGE Ekstraliga speedway league under the name of Orlen Oil Motor Lublin)**

In 2025, the Motor Lublin speedway team competed in the top class – the PGE Extra League – confirming its place among the country's top teams and finishing the season as Polish runners-up. The club retained its status as one of the most recognisable sports organisations in the Lublin region, with home matches regularly drawing a full house at the stadium in Lublin, generating high attendance figures and widespread interest from the national media.
Bartosz Zmarzlik remained the team's leader – one of the world's best speedway riders, who won his fifth World Championship title in 2025 and was the team's top scorer in the league. Jack Holder, Dominik Kubera, Mateusz Cierniak and Wiktor Przyjemski also made a significant sporting contribution to the team's results; the latter, as a member of the youth squad, confirmed his status as one of the most promising talents in Polish speedway. A stable and consistent squad meant the team scored points regularly and ensured Motor's presence in the decisive phase of the season.
The club's supporters include a large group of employees from Lubelski Węgiel Bogdanka S.A. and their families, which translates into strong community involvement and high sales of season tickets and match tickets. The sponsorship partnership provides the Company with extensive exposure in television broadcasts, online coverage and social media, while the project generates one of the highest media values in the Company's sponsorship portfolio, strengthening the nationwide reach of the 'Bogdanka' brand and its positive perception as a partner to the local community.
Team sponsorship remains an example of effective synergy between sport and business, bringing tangible benefits to both the club and the Company.

- **LKPS Lublin Sp. z o.o. (Competing in the PlusLiga volleyball league under the name BOGDANKA Luk Lublin)**

In 2025, the Company continued its strategic partnership with LKPS Lublin Sp. z o.o., sponsoring the Bogdanka LUK Lublin volleyball team, which resulted in exceptional brand visibility across Poland. Last year was a historic one for the club – the team won its first-ever Polish Championship in the 2024/2025 season and triumphed in the Challenge Cup, securing Bogdanka LUK Lublin's first ever European trophy. The team was among the very best in the PlusLiga, and its sporting successes strengthened the club's position both nationally and internationally.
All of Bogdanka LUK Lublin's matches were broadcast live on Polsat Sport, achieving very high viewing figures, including record audiences for key matches of the season – for example, hundreds of thousands of fans watched the Polish championship finals on television. The brand's consistent presence in the hugely popular PlusLiga, coupled with extensive coverage in the major national and regional media, has brought the Company significant reputational benefits, reflected in a high advertising equivalent and increased brand recognition. An added bonus was the record attendance – Bogdanka LUK Lublin boasted the highest average attendance per match in the entire league (4,089 spectators), which confirms the club's strong roots in the region and its very positive reception among the local community.

Wilfredo Leon remains a key figure and a symbol of the club's transformation; he is one of the world's best volleyball players, and his arrival in Lublin marked a turning point both in sporting and marketing terms. In the 2024/2025 season, he was elected the PlusLiga Player of the Season, won a record number of MVP awards and dominated the league's statistics for
serves and points, which had a direct impact on the team's results. The presence of such a star playing for Bogdanka LUK Lublin further strengthens the Company's position as a modern and ambitious partner in top-level sport, enhancing the brand's prestige both at home and abroad.

1.15 Marketing activities

Effectiveness of ongoing sponsorship projects:

In 2025, systematic surveys of the effectiveness of sponsorship activities continued, using media monitoring, advertising equivalent analyses and ROI indicators. The total value of the brand's exposure exceeded
PLN 85,132 thousand, outweighing the financial expenditure incurred multiple times.
Sports projects with a nationwide scope achieved the highest level of effectiveness.
In the case of key partnerships, every zloty invested in sponsorship generated promotional value many times over, and the ROI ratios for leading projects exceeded 10:1 to 30:1.

Projects with the highest media value (in PLN thousand):

BOGDANKA LUK Lublin - PLN 59,655 thousand
Orlen Oil Motor Lublin – PLN 10,451 thousand
Górnik Łęczna – PLN 7,992 thousand
Bogdanka Volley Cup - PLN 4,964 thousand
Górnik Łęczna – women - PLN 1,366 thousand
PGE MKS Lublin - PLN 462 thousand
Gryf Chełm Cement – PLN 167 thousand
H.Ch. Andersen Theatre in Lublin – PLN 74 thousand.

The results confirmed the validity of the selective sponsorship strategy adopted, which focused on a smaller number of projects but with greater reach and impact, thereby enhancing communication effectiveness with rational use of the budget.

b) Social and cultural sponsorship

Our social and cultural sponsorship activities focus on selected areas of social engagement, with a view to achieving socially beneficial objectives and leveraging the Company's promotional potential. Priority areas supported under social and cultural sponsorship cover culture and the arts, science and traditions, social issues, as well as activities relating to remembrance and national identity.

In 2025, the number of projects carried out in the area of socio-cultural sponsorship fell from 22 to 9 compared to 2024, whereas total expenditure amounted to PLN 301,000 (a decrease of nearly 7% y/y). The Company continued to support social and cultural events and became a patron of the H. Ch. Andersen Theatre, the only institutional theatre for children and young people in the Lublin region and one of three centres of this type in eastern Poland. Every year, the theatre welcomes over 42,000 visitors, and this figure is steadily rising. The institution implements numerous artistic and educational projects that go beyond its regular repertoire. Moreover, in 2025, the Company supported, among others, the Lublin Opera, the Centre for the Meeting of Cultures in Lublin and Radio Lublin.

Involvement in socio-cultural initiatives is consistent with LW Bogdanka's corporate social responsibility policy, which is aimed at building the image of an organisation that is socially credible and actively involved in the life of the local community. Cultural sponsorship is a key component of the Company's brand-building activities and an integral part of its CSR strategy.

Public Relations

The remainder of the promotional budget was used in 2025 for correlated public relations activities using diverse communication channels (internet, social media, press, radio, television). These activities were focused on building public support for the Company's business activities. Among last year's events, it is worth noting the co-organising of the 6th Polish Mining Congress in collaboration with the Institute of Mineral Resources and Energy Management of the Polish Academy of Sciences and the Polish Geological Institute, National Research Institute.
– PIB. The company was also represented by members of the Management Board at key events, including the European Economic Congress.

Last year saw numerous activities on the internet and social media aimed at popularising the brand and presenting Bogdanka to a wider audience. The Company also produced footage of visitors to the Company, but also the footage that gave an insight into the nature of the work of underground workers. Materials were posted on the Company's official social media channels. No less important are the interviews and articles that have appeared both in the trade press (Trybuna Górnicza, nettg.pl), in national newspapers (Forbes, Puls Biznesu, PAP) and in local ones (Kurier Lubelski, Dziennik Wschodni, TVP3 Lublin, Radio Lublin).

Expenditure on sponsorship and promotion [PLN thousand]	**2024**	**2025**
Promotion	785.2	843.2
Sports sponsorship	13,771.0	11,564.0
Social and cultural sponsorship	323.5	301.0
Total	**14,879.7**	**12,708.2**

1.16 Information on the auditor examining the financial statements and certifying the ESG report, as well as any judicial and extrajudicial proceedings

Information about the auditor examining the financial statements and performing the certification

On 24 March 2021, the Supervisory Board adopted a resolution on the selection of PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. with its registered office in Warsaw (PwC), as the entity authorised to:

- review the Parent Company's financial statements and the consolidated financial statements of the Company's Group for the first half of 2021 and 2022,
- audit the Parent Company's financial statements and the consolidated financial statements of the Company's Group for 2021 and 2022.

The agreement was concluded on 16 June 2021.

On 29 May 2023, the Supervisory Board adopted a resolution on extension of the agreement with PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. with its registered office in Warsaw, as the entity authorised to:

- review the Parent Company's financial statements and the consolidated financial statements of the Company's Group for the first half of 2023, 2024 and 2025.
- audit the Parent Company's financial statements and the consolidated financial statements of the Company's Group for 2023, 2024 and 2025.

The annex was signed on 30 May 2023.

PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. is entered since 16 February 1995 in the list of entities authorized to audit financial statements maintained by the National Chamber of Statutory Auditors, under registration number 144.

The Group has previously used the services of PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. and entities within the PwC network, among others, in the following areas: review and audit of standalone and consolidated financial statements, including the review of the consolidated financial statements for 2024-2020, prepared in XBRL format; tax consulting in the area of, among other things, excise taxes; verification of the correctness of the Parent Company's calculation of the Excise Ratio; work related to verification of the calculation of the Electricity Intensity Ratio; and evaluation of the Parent Company's Management and Supervisory Board Remuneration Report. Moreover, PwC performed the assurance service for the Parent Company's sustainability report (ESG) for 2025 and 2024.

Judicial and extrajudicial proceedings

On 20 February 2024, as a result of the Parent Company's appeal against the judgement of the court of first instance in case file I C 942/13 for payment under the rights to patent 206048, the Court of Appeals in Warsaw (case file no. VII Aga 422/23) amended the appealed judgement and dismissed the claim in large part. In accordance with the Court's judgement, the Parent Company was obliged to pay to the plaintiffs the sum of PLN 4.1 million with interest calculated from the dates indicated in the judgement. The judgement is final and therefore the Parent Company has made a payment to the plaintiffs.

On 28 May 2024, the Parent Company filed a cassation appeal with the Supreme Court; in addition, the plaintiffs also filed an appeal.
On 17 December 2025, the Supreme Court issued a ruling accepting both appeals on points of law for consideration. The Parent Company is currently awaiting the setting of a date for the hearing before the Supreme Court.

Apart from the aforementioned case, as at the date of preparation of this Report, neither LW Bogdanka S.A. nor its subsidiaries were parties to any material proceedings pending before any court, arbitration body or public administration body concerning the liabilities or receivables of the Company or its subsidiary.

The fees of the auditor of the financial statements (of the Parent Company and its subsidiaries) and of other entities in the PricewaterhouseCoopers network, for all services rendered are as follows:

	2024	2025
Auditor's total remuneration [PLN thousand]	**904**	**951**
of which:		
- Audit of the annual financial statements	395	451
- Review of the financial statements	79	90
- Verification of consolidated XBRL financial statements	34	39
- Attestation of the sustainability report (ESG)	**345**	**314**
- Verification of the remuneration report	40	45
- Other assurance services (review of ratios)	11	12

2 Financial standing

2.1 Coal production, sales and inventories of the LW Bogdanka Group

Principles of preparation of the Annual Consolidated and Separate Financial Statements
The consolidated financial statements of the LW Bogdanka Group and the financial statements of LW Bogdanka S.A. for the financial year from 1 January to 31 December 2025 have been prepared in accordance with International Financial Reporting Standards and the related interpretations published in the form of European Commission regulations. The financial statements have been drawn up in accordance with the historical cost principle, except for derivative financial instruments measured at fair value. The separate and consolidated financial statements have been prepared using the same accounting policies for the current and comparative periods.

Production, sales of commercial coal by the Company

[thousand tons]	Q4 2024	Q4 2025	Change	Change %	2024	**2025**	Change	Change %
Gross coal extracted	3,597	3,424	-173	-4.8%	12,049	11,556	-493	-4.1%
Commercial coal production	2,526	2,371	-155	-6.1%	7,896	7,569	-327	-4.1%
Mining yield (%)	70.2%	69.2%	-1 p.p	-1.4%	65.5%	65.5%	0 p.p	0.0%
Sales of commercial coal	2,404	2,322	-82	-3.4%	8,109	7,654	-455	-5.6%
New excavations (km)	5.4	6.3	0.9	16.7%	21.8	20.2	-1.6	-7.3%

Company's commercial coal inventories

[thousand tons]	31.12.2024	31.12.2025	Change [%] 31.12.2025 / 31.12.2024
Coal inventories	159	74	-53.5%

Commercial coal production structure

[%]	Q4 2024	Q4 2025	2024	**2025**
Fine coal	99.4%	97.8%	98.5%	97.8%
Chestnut coal	0.2%	0.0%	0.3%	0.1%
Pea coal	0.4%	2.2%	1.2%	2.1%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**

The Group's results in 2025 were adversely affected by both a decrease in coal sales prices and a decline in sales volumes.
In the period analysed, the revaluation write-down on fixed assets in the total amount of PLN 522.5 million was the key factor influencing the financial result. Moreover, the result was also affected by compensation received for losses to underground assets and lower depreciation, resulting from the reduction of the carrying amount of fixed assets following write-downs applied in 2024.

Coal production

(-) gross coal production in Q4 2025 amounted to 3,424 thousand tons, down by 173 thousand tons y/y.
(-) in Q4 2025, commercial coal production decreased by 6.1% compared to Q4 2024, amounting to 2,371 thousand tons
(-) gross coal production in 2025 fell by 4.1%, i.e. by 493 thousand tons
(-) commercial coal production in 2025 amounted to 7,569 thousand tons, 4.1% less (-327 thousand tons) than in 2024
(+) the yield stood at 65.5% in 2025 and was the same as in 2024.

Coal sales

(-) in Q4 2025, coal sales decreased by 3.4% vs Q4 2024 and amounted to 2,322 thousand tons
(-) in 2025, sales of commercial coal amounted to 7,654 thousand tons, 5.6% less than in 2024

Inventories

(+) at the end of 2025, coal inventory stood at 74 thousand tons, i.e. 85 thousand tons less than at the end of 2024.
(+) the level of coal inventories presented at the end of 2025 corresponds approximately to three days' production of commercial coal (based on 12-month average daily production)
(+) inventory levels allow logistics processes to be handled safely in the event of any problems related to coal production.

Commercial coal production structure

(+) the dominant share of production of fine coal sold to industrial customers was maintained
(+) during the period analysed, the higher share of pea coal in the production structure is related to sales to small customers and intermediate coal entities.

2.2 Sales revenues and main customers of the LW Bogdanka Group

Changes in sales revenue on various items

[PLN thousand]	Q4 2024	Q4 2025	Change	Change %	2024	2025	Change	Change %
Sales of coal	1,039,417	822,360	-217,057	-20.9%	3,576,472	2,775,534	-800,938	-22.4%
Other operations	22,077	19,973	-2,104	-9.5%	72,013	65,543	-6,470	-9.0%
Sale of goods and materials	3,450	2,720	-730	-21.2%	16,571	13,187	-3,384	-20.4%
Total	**1,064,944**	**845,053**	**-219,891**	-20.6%	**3,665,056**	**2,854,264**	**-810,792**	-22.1%

Structure of revenues

[%]	Q4 2024	Q4 2025	2024	2025
Sales of coal	97.6%	97.3%	97.5%	97.2%
Other operations	2.1%	2.4%	2.0%	2.3%
Sales of goods and materials	0.3%	0.3%	0.5%	0.5%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Geographical structure of sales revenues

[PLN thousand]	Q4 2024	Structure	Q4 2025	Structure	2024	Structure	2025	Structure
Domestic sales	1,043,263	98.0%	827,455	97.9%	3,616,602	98.7%	2,776,249	97.3%
Foreign sales	21,681	2.0%	17,598	2.1%	48,454	1.3%	78,015	2.7%
Total	**1,064,944**	100.0%	**845,053**	100.0%	**3,665,056**	100.0%	**2,854,264**	100.0%

Revenue from coal sales

(-) in Q4 2025, the Group earned PLN 822,360 thousand in revenues from sales of coal, down by PLN 217,057 thousand compared to Q4 2024.
(-) in 2025, revenues from sales of coal amounted to PLN 2,775,534 thousand compared to PLN 3,576,472 thousand in the corresponding period of 2024, down by 22.4% y/y.
The main source of the Group's sales revenue is the production and sales of steam coal by the Parent Company. This activity generates approximately 97-98% of LW Bogdanka Group's sales revenue in each of the comparative reporting periods.

Revenue from other operations

In Q4 2025, revenue from other operations (which includes revenue from subsidiaries generated outside the Group) amounted to PLN 19,973 thousand (2.4% of total revenue), compared to PLN 22,077 thousand (2.1% of the revenue) in the corresponding period of 2024 (down by 9.5% y/y). Significant items in this group were as follows:

- revenues from coal transport services provided by the Parent Company to certain coal customers (transport fee)
- revenues of Łęczyńska Energetyka from the sale of heat to external entities
- revenues from industrial services provided to companies performing works commissioned by the Parent Company
- rental income from fixed assets.

In the entire 2025, revenue from other operations amounted to PLN 65,543 thousand compared to PLN 72,013 thousand in the previous year. Lower revenues from transport fee are mainly responsible for the decrease in revenue in this group.
The lower revenue from the sale of goods and materials recorded at the end of 2025 is attributable to the reduction in the volume of scrap sales (casings recovered from dismantling of footpaths that are unsuitable for regeneration and reuse), with a simultaneous fall in scrap prices.

Geographical structure of sales revenues

In 2025, the Group focused its operations predominantly on the territory of Poland. In 2025, coal sales abroad (Ukraine, Slovakia) took place both through the intermediary coal entity and directly.

Main customers

In 2025, approximately 81% of the coal (by revenue) was sold by LW Bogdanka S.A. to Enea Wytwarzanie sp. z o.o. and Enea Elektrownia Połaniec S.A.
In the corresponding period of 2024, the share of the aforementioned customers was approx. 1 p.p. higher.
Major customers by share in revenue:

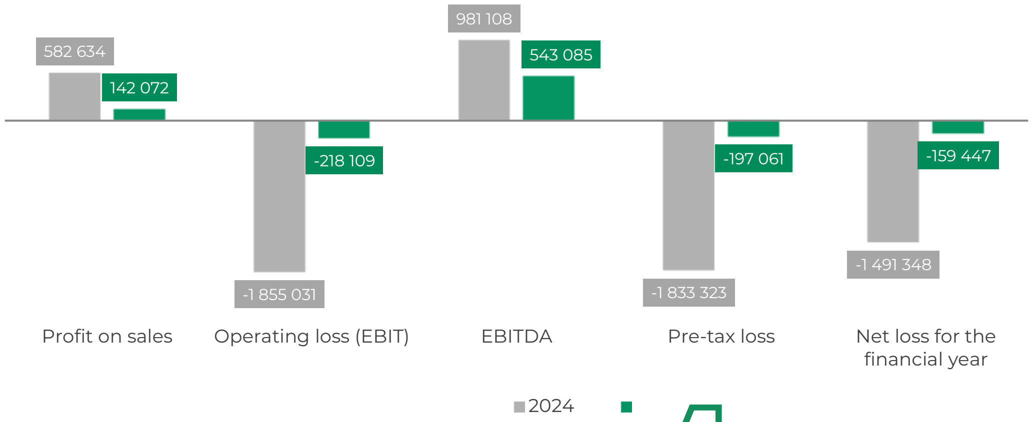
- Enea Wytwarzanie Sp. z o.o. - Grupa Enea S.A. - approx. 65% share in revenues
- Enea Elektrownia Połaniec S.A. - Grupa Enea S.A. - approx. 16% share in revenues.

2.2 Key financial results of the LW Bogdanka Group

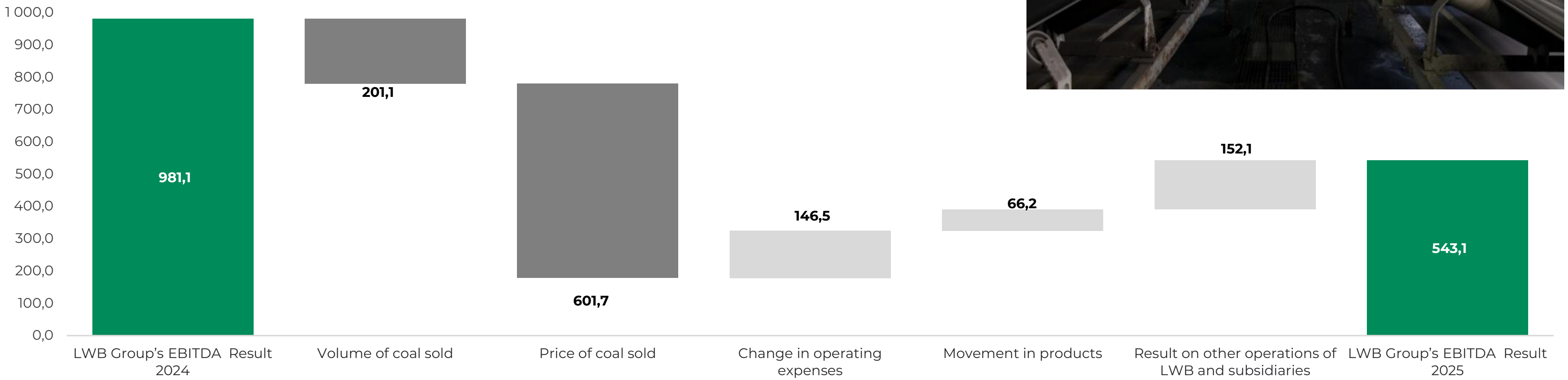
Analysis of the consolidated statement of profit or loss

[PLN thousand]	Q4 2024	Q4 2025	Change	2024	**2025**	Change
Sales revenue	1,064,944	845,053	-20.6%	3,665,056	2,854,264	-22.1%
Costs of products, goods and materials sold, selling and administrative expenses	709,561	695,977	-1.9%	3,082,422	2,712,192	-12.0%
Profit on sales	355,383	149,076	-58.1%	582,634	142,072	-75.6%
Gross return on sales	*33.4%*	*17.6%*	*-15.8 p.p*	*15.9%*	*5.0%*	*-10.9 p.p*
Other revenues	719	12,619	1655.1%	5,425	163,758	2918.6%
Other costs	2,275	186	-91.8%	3,491	2,197	-37.1%
Net operating profit	353,827	161,509	-54.4%	584,568	303,633	-48.1%
Other net profits/(losses)	-836	1,757	-310.2%	-2,307	1,145	-149.6%
Impairment of non-current assets	-1,263,024	-522,744	-58.6%	-2,437,292	-522,887	-78.5%
Operating loss (EBIT)	-910,033	-359,478	-60.5%	-1,855,031	-218,109	-88.2%
EBIT margin	*-85.5%*	*-42.5%*	*43 p.p*	*-50.6%*	*-7.6%*	*43 p.p*
EBITDA	441,799	240,718	-45.5%	981,108	543,085	-44.6%
EBITDA margin	*41.5%*	*28.5%*	*-13.0 p.p*	*26.8%*	*19.0%*	*-7.8 p.p*
Financial income	12,147	9,933	-18.2%	46,175	50,297	8.9%
Financial costs	5,441	7,534	38.5%	24,467	29,249	19.5%
Pre-tax loss	-903,327	-357,079	-60.5%	-1,833,323	-197,061	-89.3%
Profit margin before tax	*-84.8%*	*-42.3%*	*42.5 p.p*	*-50.0%*	*-6.9%*	*43.1 p.p*
Income tax	168,127	67,729	59.7%	341,975	37,614	89.0%
Net loss for the financial year	**-735,200**	**-289,350**	-60.6%	**-1,491,348**	**-159,447**	-89.3%
Net profitability	-69.0%	-34.2%	34.8 p.p	-40.7%	-5.6%	35.1 p.p

Key financial results of the LW Bogdanka Group (thousand PLN)



2.3 Key financial results of the LW Bogdanka Group - factors affecting the EBITDA result (PLN million)



(-) Decrease in quantitative coal sales - in 2025, sales of commercial coal amounted to 7,654 thousand tons, i.e. 5.6% less than in 2024.
(-) Lower price of coal sold - following falling prices on the global and domestic market, contract prices of coal sold by the Company decreased.
(+) Decrease in production costs – lower electricity costs, labour costs and employee provisions.
(-) Change in coal inventories – inventories in 2025 fell by 85 thousand tons, compared with a fall of 212 thousand tons in 2024.
(+) Result on other operations – compensation received in the amount of PLN 144.8 million.

2.3 Key financial results of the LW Bogdanka Group

Sales revenue

Sales revenue in Q4 2025 decreased by 20.6% in relation to the corresponding period of the preceding year and amounted to PLN 845,053 thousand.
Throughout 2025, the Group generated revenues at a level of PLN 2,854,264 thousand compared to PLN 3,665,056 thousand in 2024 (down by 22.1%).

Costs of products, goods and materials sold, selling and administrative expenses

In Q4 2025, the total costs of products, goods and materials sold as well as sales and administrative costs (own cost of sales) amounted to PLN 695,977 thousand and were lower by 1.9% compared to Q4 2024, when they stood at PLN 709,561 thousand.
Throughout 2025, the costs of products, goods and materials sold as well as selling and administrative expenses decreased compared to the previous year from PLN 3,082,422 thousand to PLN 2,712,192 thousand, i.e. by 12.0%.

Profit on sales

In Q4 2025, profit on sales amounted to PLN 149,076 thousand, compared to PLN 355,383 thousand in the corresponding period of 2024.
For 2025, the Group generated profit on sales in the amount of PLN 142,072 thousand compared to PLN 582,634 thousand in 2024.

Other revenues

This item records, among others:
- compensations received
- reversal of other provisions for liabilities
- reversal of impairment losses
- excise tax refund

Other revenue for 2025 amounted to PLN 163,758 thousand, compared to PLN 5,425 thousand in the previous year.
The increase is due to the compensation received in the amount of PLN 144,849 thousand for damages to underground assets caused by groundwater flooding.

Other costs

This item records, among others:
- donations
- enforcement fees and penalties
- compensations paid.

Other costs for 2025 amounted to PLN 2,197 thousand, whereas for 2024 they amounted to PLN 3,491 thousand.
The decline mainly results from lower levels of donations received and compensations disbursed.

Other net profits/(losses)

In Q4 2025, other net profits amounted to PLN 1,757 thousand, compared to other net losses of PLN 836 thousand in Q4 2024.
Throughout 2025, other net profits amounted to PLN 1,145 thousand, compared to other net losses of PLN 2.307 thousand for 2024.

Impairment losses

In 2025, following an impairment test, a write-down was recognised for PLN 522,502 thousand (the total amount of impairment losses on non-current assets, including other write-downs, amounted to PLN 522,887 thousand), whereas write-downs for the whole 2024 amounted to PLN 2,437,292 thousand.
A detailed description of the impairment test carried out at the end of 2025 can be found in the section containing other information concerning the financial position of the LW Bogdanka Group (page 74).

EBIT

In Q4 2025, it amounted to PLN -359,478 thousand. At the same time, the EBIT margin stood at -42.5%, compared to a margin of -85.5% for Q4 2024.
EBIT profitability at the end of 2025 was 43 p.p. higher compared to the corresponding period of 2024 and amounted to -7.6%. Throughout 2025, the EBIT operating result amounted to -218,109 thousand compared to the result of PLN -1,855,031 thousand for 2024.

EBITDA

In Q4 2025, EBITDA (i.e. EBIT plus depreciation and impairment losses applied during the year) decreased by 45.5% compared to Q4 2024 and amounted to PLN 240,718 thousand. The EBITDA margin in Q4 2025 was lower than in the corresponding period of 2024 and amounted to 28.5%.
Throughout 2025, the Group achieved the EBITDA margin at a level of 19.0%, i.e. 7.8 p.p. less than in 2024 (in the period analysed, EBITDA decreased by 44.6%). The EBITDA result for 2025 amounted to PLN 543,085 thousand, compared to PLN 981,108 thousand in 2024.

Financial income

Financial income in Q4 2025 amounted to PLN 9,933 thousand compared to PLN 12,147 thousand in Q4 2024.
For the whole 2025, financial income amounted to PLN 50.297 thousand, compared to PLN 46.175 thousand in the previous year.
The higher financial income in 2025 was primarily driven by higher interest income from bank deposits.

Financial expenses

Financial expenses for Q4 2025 were 38.5% higher than the costs of the corresponding period of 2024, amounting to PLN 7,534 thousand.
Financial expenses for the whole 2025 amounted to PLN 29,249 thousand and were 19.5% higher than in the corresponding period of 2024.
In both cases, this was due to higher interest costs arising from the actuarial measurement of provisions for employee benefits.
As at 31 December 2025, the Group had no interest-bearing debt.

Pre-tax loss

In Q4 2025, the Group recorded a pre-tax loss of PLN 357,079 thousand compared to the pre-tax loss of PLN 903,327 thousand in Q4 2024.
The pre-tax loss for the whole 2025 amounted to PLN 197,061 thousand compared to the pre-tax loss of PLN 1,833,323 thousand for 2024.

Net loss for the financial period

In Q4 2025, the Group generated the net loss of PLN 289,350 thousand, compared to the net loss of PLN 735,200 thousand in Q4 2024.
The Group's net loss for 2025 amounted to PLN 159,447 thousand compared to the net loss of PLN 1,491,348 thousand in the previous year.

Consolidated financial results of the LW Bogdanka Group for 2025 adjusted by the impact of material non-recurring events, i.e. write-downs resulting from impairment test:

- **Net sales revenue: PLN 2,854.3 million**
- **EBITDA: PLN 543.1 million**
- **EBIT: PLN 304.4 million**
- **Net profit: PLN 263.8 million**

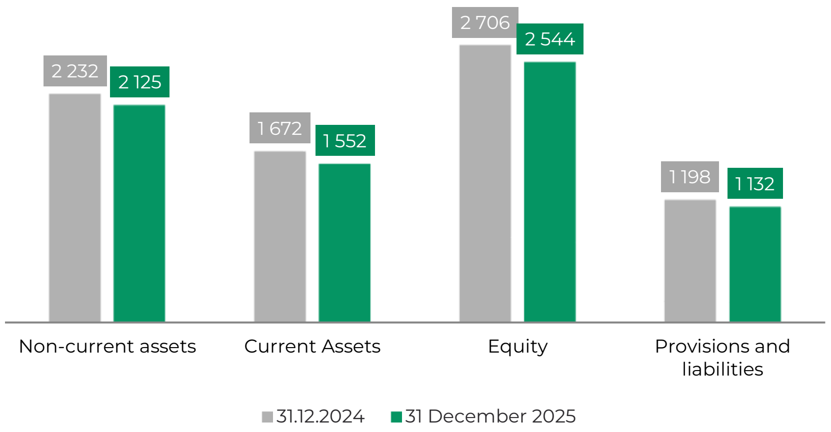
2.4 Balance sheet of the LW Bogdanka Group

Balance sheet

[PLN thousand]	31.12.2024	31.12.2025	Change
Total assets	3,904,460	3,676,863	-5.8%
Return on assets (ROA)*	-30.9%	-4.2%	26.7 p.p.
Non-current assets	2,231,970	2,124,881	-4.8%
Current Assets	1,672,490	1,551,982	-7.2%
Equity	2,706,495	2,544,457	-6.0%
Return on equity (ROE)*	-42.5%	-6.1%	36.4 p.p.
Provisions and liabilities	1,197,965	1,132,406	-5.5%

*the calculation takes into account the net result for the last four quarters and the average level of assets and equity (as at 31 December 2025 + as at 31 December 2024)/2.

Analysis of the consolidated statement of financial position (PLN million)



Assets

Total assets as at 31 December 2025 in relation to the value as at 31 December 2024 decreased by PLN 227,597 thousand and amounted to PLN 3,676,863 thousand, while fixed assets fell by PLN 107,089 thousand and current assets decreased by PLN 120,508 thousand. Among fixed assets, the most significant change is a decrease in the value of property, plant and equipment and intangible assets by a total of PLN 156,388 thousand, accompanied by an increase in deferred tax assets of PLN 37,985 thousand.
Among current assets, the most significant change involves a decline in trade receivables and other receivables by PLN 140,892 thousand and a decline in the value of inventories by PLN 52,433 thousand, with a simultaneous increase of the income tax overpayment in the amount of PLN 75,017 thousand.
In the period analysed, other short-term investments of PLN 517,667 thousand were recognised, with a simultaneous decline in cash and cash equivalents of PLN 519,867 thousand (these investments consist of bank deposits by the Parent Company with original maturity exceeding 3 months).
Due to the impairment losses recognised and the negative financial results, as at 31 December 2025, return on assets (ROA) stood at -4.2%, whereas at the end of 2024 it amounted to -30.9%.

Liabilities

Equity decreased by 6.0% compared to 2024. This is mainly due to the inclusion of the total net income for 2025.
Provisions and liabilities decreased by 5.5% compared to the value as at 31 December 2024, with current liabilities falling by 11.0% (mainly due to a decline in trade and other liabilities) and non-current liabilities increasing by 2.5% (mainly due to an increase in provisions for employee benefits as well as trade and other liabilities).
As at 31 December 2025, an increase in return on equity by 36.4 p.p. was recorded compared to the end of 2024. Due to the impairment losses recognised and the negative financial results, the ratio stood at -6.1% as at 31 December 2025, compared to -42.5% as at 31 December 2024.

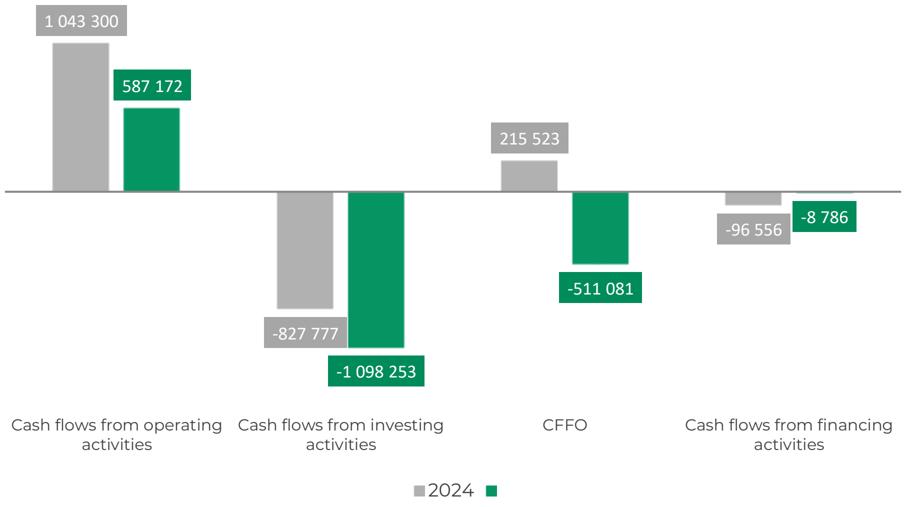
2.5 Cash flows of the LW Bogdanka Group

Cash position

[PLN thousand]	Q4 2024	Q4 2025	Change	Q1-4 2024	Q1-4 2025	Change
Cash flows from operating activities	291,556	124,234	-57.4%	1,043,300	587,172	-43.7%
Cash flows from investing activities	-236,161	-49,010	-79.2%	-827,777	-1,098,253	32.7%
CFFO*	**55,395**	**75,224**	35.8%	**215,523**	**-511,081**	–
Cash flow from financing activities	-2,104	-1,575	-25.1%	-96,556	-8,786	-90.9%

*total operating and investment flows

Cash flow analysis (PLN thousand)



Cash position

Cash flows from operating activities

In Q4 2025, the Group generated net cash flows from operating activities lower by PLN 167,322 thousand than in Q4 2024 - in Q4 2025, they amounted to PLN 124,234 thousand compared to PLN 291,556 thousand a year earlier.
Throughout 2025, the LW Bogdanka Group generated cash flows of PLN 587,172 thousand from operating activities (-43.7% y/y).
The recorded decline is attributable to the lower net result achieved for 2025 compared with the corresponding period in 2024 (after adjusting the results for the value of write-downs, which had a neutral impact on cash flows from operating activities).

Cash flows from investing activities

In Q4 2025, cash flows from investing activities decreased in terms of their value (in absolute terms) by PLN 187,151 thousand (to PLN 49,010 thousand) compared to the corresponding period of 2024. In 2025, cash flows from investing activities increased in terms of their value (in absolute terms) by PLN 270,476 thousand, i.e. from PLN 827,777 thousand to PLN 1,098,253 thousand.
The increase in 2025 compared to 2024 results mainly from the expenditure on short-term investments (establishment of deposits with a maturity of more than 3 months).

Cash flows from financing activities

In Q4 2025, the Group recorded negative cash flows from financing activities in the amount of PLN 1,575 thousand.
In 2025, the Group recorded negative cash flows from financing activities in the amount of PLN 8,786 thousand, i.e. PLN 87,770 thousand less than in 2024. This is associated with the payment of a dividend in 2024 amounting to over PLN 85 million.

2.6 Debt and liquidity ratios of GK LW Bogdanka

When discussing consolidated results, the Group presents selected APM indicators as it believes they provide valuable additional information (besides the data presented in the financial statements) about the financial and operational situation, as well as facilitate the analysis and evaluation of the Group's financial performance over individual reporting periods. The Group presents these specific alternative performance measurements because they represent standard measures and indicators commonly used in financial analysis. The selection of alternative performance measures was preceded by an analysis of their usefulness in terms of providing investors with useful information on financial position, cash flows and financial efficiency and, in the Group's opinion, allows for an optimal assessment of financial results recorded.

Cash position

[PLN thousand]	31.12.2024	31 December 2025	Change
Total debt ratio	30.7%	30.8%	0.1 p.p.
(Debt plus employee liabilities)/EBITDA ratio*	0.35	0.65	85.7%
Net debt/EBITDA ratio**	-0.87	-1.57	80.5%
Debt to equity ratio	44.3%	44.5%	0.2 p.p.
Fixed capital to non-current assets ratio (non-current assets/fixed capital)	135.6%	135.4%	-0.2 p.p.
Short-term debt ratio (current liabilities/liabilities)	18.0%	17.1%	-0.9 p.p.
Long-term debt ratio (non-current liabilities/liabilities)	12.6%	13.7%	1.1 p.p.

*Debt = non-current liabilities under bonds issued + non-current loans and borrowings + current loans and borrowings
** cash from other short-term investments is also included in the calculation of the net debt ratio

	31 December 2024	31 December 2025	Change
Current liquidity ratio	2.44	2.53	3.7%
Quick liquidity ratio	2.10	2.24	6.7%

In the period covered by the consolidated financial statements, the Group's liquidity ratios remained at a high, safe level - the Group has no difficulties in settlement of its liabilities.

Total debt ratio

Total debt ratio as at 31 December 2025 increased by 0.1 p.p. compared to the status as at 31 December 2024 and amounted to 30.8%.
In the period analysed, a decline in the value of liabilities was recorded while the total assets decreased.

As at 31 December 2025, the Group's level of debt did not pose threat to its operations and its ability to meet its obligations in a timely manner.
Based on medium- and long-term projections, the Group's financing needs are analysed to ensure liquidity and balances of available cash at an adequate level.

Debt plus employee liabilities/EBITDA

The indicator describing the ratio of debt to EBITDA at the end of 2025 increased by 85.7% and stood at 0.65. A comparison of the figures as at 31 December 2025 with those as at 31 December 2024 revealed a significant decline in EBITDA (calculated on a rolling basis for the last four quarters), accompanied by a slight increase in debt levels.

Net debt/EBITDA ratio

The indicator describing the ratio of net debt (total interest-bearing short-term and long-term liabilities less cash and cash equivalents) to EBITDA increased, in absolute terms, from -0.87 as at 31 December 2024 to -1.57 as at 31 December 2025. Net debt increased by approx. 2 million and amounted to PLN -854 million with a decline in EBITDA by approx. PLN 438 million (EBITDA calculated on a rolling basis for the last four quarters) to the level of PLN 543 million.

Debt to equity ratio

The debt to equity ratio as at 31 December 2025 increased by 0.2 p.p. compared to the status as at 31 December 2024 and amounted to 44.5% - the liabilities decreased by approx. PLN 66 million while equity fell by approx. PLN 162 million.

Fixed capital to non-current assets ratio

The ratio of coverage of non-current assets with fixed capital reached 135.4% (as at 31 December 2025) against 135.6% (as at 31 December 2024) - during the period under analysis, the value of non-current assets decreased by approximately PLN 107 million, as well as the value of fixed capital (the sum of equity and non-current liabilities excluding provisions) fell by approximately PLN 150 million.

2.6 Turnover of receivables and liabilities in the LW Bogdanka Group

Turnover ratios

[PLN thousand]				31.12.2024	31 December 2025	Change
1. Inventory turnover ratio	average balance of inventories / cost of goods, products and materials sold	x	number of days in the period	37	31	-16.2%
2. Receivables turnover ratio*	average balance of receivables / sales revenues	x	number of days in the period	58	65	12.1%
3. Liabilities turnover ratio**	average balance of liabilities / cost of goods, products and materials sold	x	number of days in the period	79	84	6.3%
4. Operating cycle	1+2			95	96	1.1%
5 Cash conversion cycle	4 - 3			16	12	-25.0%

* Trade and other receivables

** Trade and other liabilities

Inventory turnover ratio

The inventory turnover ratio as at 31 December 2025 decreased in relation to the status as at 31 December 2024 and amounts to 31 days. On average, it takes 6 days longer to liquidate inventory. In the analysed period, the average level of inventories decreased by approx. PLN 76 million, while costs fell by PLN 364 million.

Receivables turnover ratio

The receivables turnover ratio (calculated on the basis of the balance sheet item “Trade and other receivables”) was 65 days (as at 31 December 2025) compared to 58 days (as at 31 December 2024).
During the period under review, both a lower average level of receivables and a lower average level of revenue was recorded.

Liabilities turnover ratio

The liabilities turnover ratio (calculated on the basis of the balance sheet item "Trade and other liabilities") was extended in the corresponding period by 5 day and amounted to 84 days.

Operating cycle

The operating cycle of current assets (the sum of inventory and trade receivables turnover ratios) was extended slightly to 96 days in the period under review. On average, the Group's current assets are liquidated after 96 days.

Cash conversion cycle

The result of the changes described above was to achieve a cash conversion cycle of 12 days as at 31 December 2025. A positive value of the ratio means that the Group does not use trade credit

2.7 Provisions of the LW Bogdanka Group

Balance sheet provisions

[PLN thousand]	As at 31 December 2024	As at 31 December 2025	Change 31.12.2025/ 31.12.2024
Employee provisions	345,620	351,935	1.8%
Provision for mine decommissioning and land reclamation costs	173,450	173,781	0.2%
Mining damage	10,768	7,480	-30.5%
Other	8,383	7,346	-12.4%
Total	**538,221**	**540,542**	0.4%

Location of the impact of the change in provisions in the consolidated financial statements

[PLN thousand]	Change in provisions in 2025	Including:				
		Change recognised in operating activities (EBITDA)	Change recognised below operating profit - interest	Change recognised only in the balance sheet - increase in the carrying amount of fixed assets	Change recognised in Other Comprehensive Income	Change recognised only in the balance sheet - use of the provision
Employee provisions	6,315	51,413	15,070	–	2,204	-62,372
Provision for mine decommissioning and land reclamation costs	331	-4,952	9,713	-4,430	–	-
Mining damage	-3,288	-524	–	-	-	-2,764
Other	-1,037	183	–	-	-	-1,220
Total	**2,321**	**46,120**	**24,783**	**-4,430**	**2,204**	**-66,356**

Change in provisions

[PLN thousand]	Change Q4 2023	Change in Q4 2025	Change Q4 2025/ Q4 2024	Change in 2024	Change in 2025	Change 2025/ 2024
Employee provisions	-17,703	4,096	-123.1%	74,901	6,315	-91.6%
Provision for mine decommissioning and land reclamation costs	5,897	-3,433	-158.2%	4,348	331	-92.4%
Mining damage	4,945	-1,688	-134.1%	3,416	-3,288	-196.3%
Other	199	-560	-381.4%	-1,188	-1,037	-12.7%
Total	**-6,662**	**-1,585**	-76.2%	**81,477**	**2,321**	-97.2%

Location of the impact of the change in provisions in the financial statements

[PLN thousand]	Change in provisions in Q4 2025	Including:				
		Change recognised in operating activities (EBITDA)	Change recognised below operating profit - interest	Change recognised only in the balance sheet - increase in the carrying amount of fixed assets	Change recognised in Other Comprehensive Income	Change recognised only in the balance sheet - use of the provision
Employee provisions	4,096	18,816	4,130	–	-4,241	-14,609
Provision for mine decommissioning and land reclamation costs	-3,433	-6,003	3,144	-574	–	-
Mining damage	-1,688	-524	–	-	-	-1,164
Other	-560	-299	–	-	-	-261
Total	**-1,585**	**11,990**	**7,274**	**-574**	**-4,241**	**-16,034**

2.8 Sales revenues and main customers of LW Bogdanka S.A.

Changes in sales revenue on various items

[PLN thousand]	Q4 2024	Q4 2025	Change	Change %	2024	**2025**	Change	Change %
Sales of coal	1,045,043	827,788	-217,255	-20.8%	3,589,105	2,786,296	-802,809	-22.4%
Other operations	15,406	13,344	-2,062	-13.4%	54,109	48,151	-5,958	-11.0%
Sale of goods and materials	3,431	3,096	-335	-9.8%	16,514	13,421	-3,093	-18.7%
Total	1,063,880	844,228	-219,652	-20.6%	3,659,728	2,847,868	-811,860	-22.2%

Structure of revenues

[%]	Q4 2024	Q4 2025	2024	**2025**
Sales of coal	98.2%	98.0%	98.0%	97.8%
Other operations	1.5%	1.6%	1.5%	1.7%
Sales of goods and materials	0.3%	0.4%	0.5%	0.5%
Total	100.0%	100.0%	100.0%	100.0%

Geographical structure of sales revenues

[PLN thousand]	Q4 2024	Structure	Q4 2025	Structure	2024	Structure	**2025**	Structure
Domestic sales	1,042,199	98.0%	826,630	97.9%	3,611,274	98.7%	2,769,853	97.3%
Foreign sales	21,681	2.0%	17,598	2.1%	48,454	1.3%	78,015	2.7%
Total	1,063,880	100.0%	844,228	100.0%	3,659,728	100.0%	2,847,868	100.0%

Revenue from coal sales

(-) in Q4 2025, the Company earned PLN 827.788 thousand in revenues from sales of coal, down by PLN 217,255 thousand compared to the Q4 2024.
(-) in 2025, revenues from sales of coal amounted to PLN 2,786,296 thousand compared to
PLN 3,589,105 thousand in the corresponding period of 2024, down by 22.4% y/y.
The main source of sales revenue for LW Bogdanka S.A. is the production and sales of steam coal. This activity generates approx. 98% of LW Bogdanka S.A.'s sales revenue recorded in each of the comparative reporting periods.

Revenue from other operations

In Q4 2025, revenue from other operations amounted to PLN 13,344 thousand (1.6% of total revenue), compared to PLN 15,406 thousand (1.5% of the revenue) in the corresponding period of 2024 (down by 13.4% y/y).
Significant items in this group were as follows:

- revenues from coal transport services provided by LW Bogdanka to certain coal customers (transport fee)
- revenues from industrial services provided to companies performing works commissioned by the Company
- rental income from fixed assets.

In the entire 2025, revenue from other operations amounted to PLN 48,151 thousand compared to PLN 54,109 thousand in the previous year. Lower revenues from transport fee are mainly responsible for the decrease in revenue in this group.

The lower value of revenue from the sale of goods and materials recorded at the end of 2025 results from the lower volume of scrap sales (casings recovered from dismantling of footpaths that are unsuitable for regeneration and reuse), with a simultaneous fall in scrap prices.

Geographical structure of sales revenues

In 2025, the Company focused its operations predominantly on the territory of Poland. In 2025, coal sales abroad (Ukraine, Slovakia) took place both through the intermediary coal entity and directly.

Main customers

In 2025, approximately 80% of the coal (by revenue) was sold by LW Bogdanka S.A. to Enea Wytwarzanie sp. z o.o. and Enea Elektrownia Połaniec S.A.
In the corresponding period of 2024, the share of the aforementioned customers was approx. 2 p.p. higher.
Major customers by share in revenue:

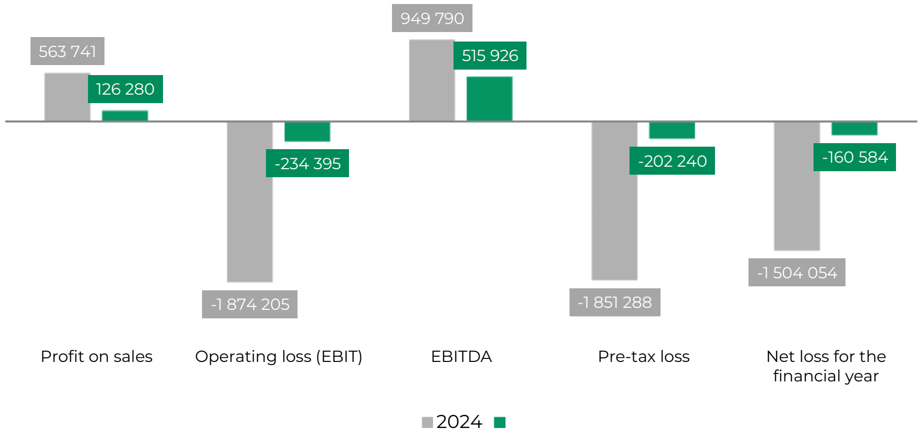
- Enea Wytwarzanie Sp. z o.o. - Enea S.A. Group - approx. 64% share in revenues
- Enea Elektrownia Połaniec S.A. - Enea S.A. Group - approx. 16% share in revenues.

2.9 Key financial results LW Bogdanka S.A.

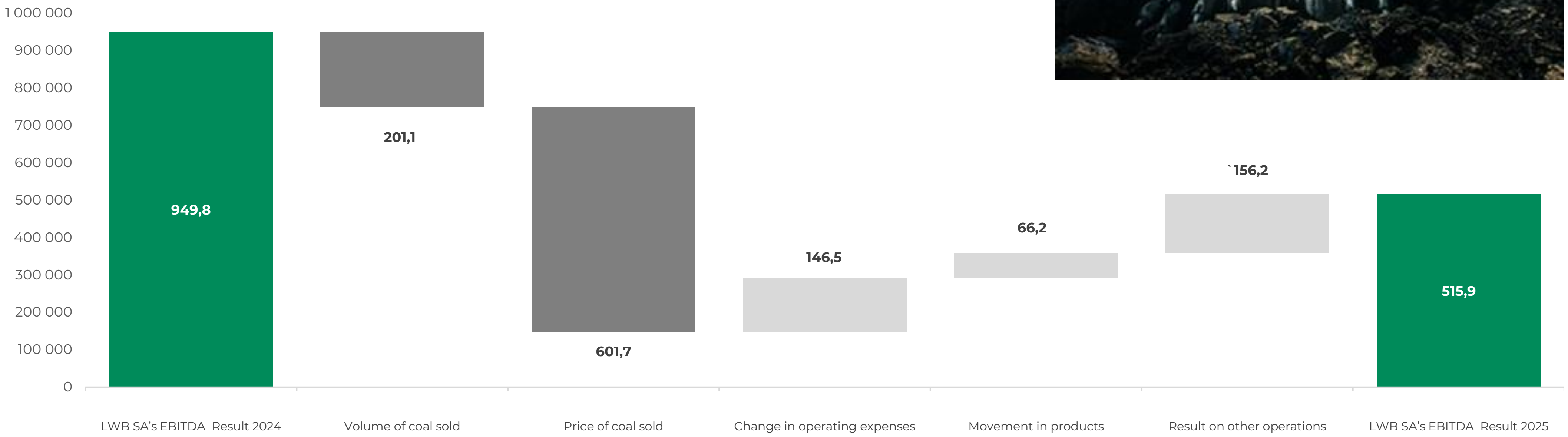
Analysis of the result report

[PLN thousand]	Q4 2024	Q4 2025	Change	2024	**2025**	Change
Sales revenue	1,063,880	844,228	-20.6%	3,659,728	2,847,868	-22.2%
Costs of products, goods and materials sold, selling and administrative expenses	717,677	697,150	-2.9%	3,095,987	2,721,588	-12.1%
Profit on sales	346,203	147,078	-57.5%	563,741	126,280	-77.6%
Gross return on sales	*32.5%*	*17.4%*	*-15.1 p.p*	*15.4%*	*4.4%*	*-11 p.p*
Other revenues	462	12,259	2553.5%	4,996	163,185	3166.3%
Other costs	2,209	150	-93.2%	3,367	2,110	-37.3%
Net operating profit	344,456	159,187	-53.8%	565,370	287,355	-49.2%
Other net profits/(losses)	-831	1,768	-312.8%	-2,283	1,137	-149.8%
Impairment of non-current assets	-1,263,024	-522,744	-58.6%	-2,437,292	-522,887	-78.5%
Operating loss (EBIT)	-919,399	-361,789	-60.6%	-1,874,205	-234,395	-87.5%
EBIT margin	*-86.4%*	*-42.9%*	*43.5 p.p*	*-51.2%*	*-8.2%*	*43 p.p*
EBITDA	430,779	237,387	-44.9%	949,790	515,926	-45.7%
EBITDA margin	*40.5%*	*28.1%*	*-12.4 p.p*	*26.0%*	*18.1%*	*-7.9 p.p*
Financial income	11,801	9,578	-18.8%	46,782	60,831	30.0%
Financial costs	5,181	7,258	40.1%	23,865	28,676	20.2%
Pre-tax loss	-912,779	-359,469	-60.6%	-1,851,288	-202,240	-89.1%
Profit margin before tax	*-85.8%*	*-42.6%*	*43.2 p.p*	*-50.6%*	*-7.1%*	*43.5 p.p*
Income tax	170,638	68,452	59.9%	347,234	41,656	88.0%
Net loss for the financial year	**-742,141**	**-291,017**	-60.8%	**-1,504,054**	**-160,584**	-89.3%
Net profitability	-69.8%	-34.5%	35.3 p.p	-41.1%	-5.6%	35.5 p.p

Key financial results of LW Bogdanka S.A. (PLN thousand)



2.9 Key financial results LW Bogdanka S.A. - factors affecting the EBITDA result (PLN million)



(-) Decline in the volume of coal sales - in 2025, sales of commercial coal amounted to 7,654 thousand tons, i.e. 5.6% less than in 2024.
(-) Lower price of coal sold - following falling prices on the global and domestic market, contractual prices of coal sold by the Company decreased.
(+) Decrease in production costs – lower electricity consumption costs as well as labour costs and employee provisions.
(-) Change in coal inventories – inventories in 2025 fell by 85 thousand tons, compared with a fall of 211.9 thousand tons in 2024.
(+) Result on other operations – compensation received in the amount of PLN 144.8 million.

2.9 Key financial results LW Bogdanka S.A.

Sales revenues

The value of sales revenue (comprising revenue from coal sales, revenue from other operations and sales of goods and materials) in Q4 2025 decreased by PLN 219,652 thousand compared to the same period of the previous year and amounted to PLN 844.228 thousand. In the entire 2025, the Company generated revenues of PLN 2,847,868 thousand compared to PLN 3,659,728 thousand in the corresponding period of 2024 (a decline of 22.2%).

Costs of products, goods and materials sold, selling and administrative expenses

In Q4 2025, own costs of production sold, i.e. costs of products, goods and materials sold as well as selling and administrative costs amounted to PLN 697,150 thousand and were lower by PLN 20,527 thousand (-2.9%) compared to the corresponding period of the previous year, when they stood at PLN 717,677 thousand.
In 2025, costs of products, goods and materials sold, including selling and administrative costs, stood at PLN 2,721,588 thousand, down by 12.1% compared to 2024 (PLN 3,095,987 thousand).

Profit on sales

In Q4 2025, the Company generated profit on sales amounting to PLN 147,078 thousand, compared to PLN 346,203 thousand in the corresponding period of 2024.
In the entire 2025, the Company generated profit on sales in the amount of PLN 126,280 thousand compared to PLN 563,741 thousand in 2024.

Other revenues

This item comprises, among others:
- compensations received
- reversal of other provisions for liabilities
- refund of overpaid accident insurance contributions
- reversal of impairment losses
- excise tax refund

Other revenue for 2025 amounted to PLN 163,185 thousand, compared to PLN 4,996 thousand in the previous year.
The increase is due to the compensation received

in the amount of PLN 144,849 thousand for damages to underground assets caused by groundwater flooding.

Other costs

This item records, among others:
- donations
- enforcement fees and penalties
- compensations paid.

Other costs for 2025 amounted to PLN 2,110 thousand, whereas for 2024 they amounted to PLN 3,367 thousand.
The decline mainly results from lower levels of donations received and compensations disbursed.

Other net gains/(losses)

This item comprises, among others:
- profit on sale of fixed assets
- foreign exchange differences
- result on the liquidation of fixed assets
- creation of other provisions.

In Q4 2025, other net profits amounted to PLN 1,768 thousand, compared to the net loss of PLN 831 thousand in Q4 2024.
Other net profits throughout 2025 amounted to PLN 1,137 thousand compared to net losses of PLN 2,283 thousand in 2024.
In 2025, inventory surpluses were disclosed, alongside higher other net losses reported in 2024.

Impairment losses

In 2025, following an impairment test, a write-down was recognised for PLN 522,502 thousand (the total amount of impairment losses on non-current assets, including other write-downs, amounted to PLN 522,887 thousand), whereas write-downs for the whole 2024 amounted to PLN 2,437,292 thousand.
A detailed description of the impairment test carried out at the end of 2025 can be found in the section of this report, “Other information concerning the financial position of the LW Bogdanka Group” (page 74).

EBIT

The operating profit for Q4 2025 amounted to PLN - 361,789 thousand, whilst the EBIT margin stood at -42.9%.
The EBIT margin for the full 2025 stood at -8.2%, compared to -51.2% for 2024.
For the whole 2025, the EBIT operating profit was negative and amounted to PLN -234,395 thousand, compared to a negative result of PLN -1,874,205 thousand for 2024.

EBITDA

The EBITDA result (i.e. the operating result EBIT increased by depreciation and amortisation and write-downs on non-current assets made during the year) in Q4 2025 amounted to PLN 237,387 thousand and decreased by PLN 193,392 thousand compared to Q4 2024. The EBITDA margin in Q4 2025 was 28.1%.
In the entire 2025, the Company recorded an EBITDA margin of 18.1%, i.e. 7.9 p.p. less than in 2024 (the EBITDA decreased in the period under review by PLN 433,864 thousand). The EBITDA result for 2025 amounted to PLN 515,926 thousand, compared to PLN 949.790 thousand in 2024.

Financial income

Financial income in Q4 2025 amounted to PLN 9,578 thousand and was lower than in Q4 2024, when it amounted to PLN 11,801 thousand. In the entire 2025, financial income amounted to PLN 60,831 thousand compared to PLN 46,782 thousand in 2024.
The higher financial income in 2025 was primarily driven by higher interest income from bank deposits and the dividends received.

Financial expenses

Financial costs in Q4 2025 were 2,077 thousand higher than the costs of the corresponding period of 2024 and amounted to PLN 7,258 thousand.
Financial costs for the whole of 2025 amounted to PLN 28,676 thousand, compared to PLN 23,865 thousand in 2024. In both cases, this was caused by higher interest costs arising from the actuarial valuation of employee provisions.
As at 31 December 2025, the Company had no interest-bearing debt.

Pre-tax loss

In Q4 2025, the Company recorded a pre-tax loss of PLN 359,469 thousand compared to the pre-tax loss of PLN 912,779 thousand in Q4 2024.
The pre-tax loss for the whole 2025 amounted to PLN 202,240 thousand compared to the pre-tax loss of PLN 1,851,288 thousand for 2024.

Net loss for the financial period

In Q4 2025, the Company recorded the net loss of PLN 291,017 thousand, compared to the net loss of PLN 742,141 thousand in Q4 2024.
The Company's net loss for 2025 amounted to PLN 160,584 thousand compared to the net loss of PLN 1,504,054 thousand in the previous year.

Financial results of LW Bogdanka S.A. for 2025 adjusted by the impact of material non-recurring events, i.e. a write-down resulting from the impairment test:

- **Net sales revenue: PLN 2,847.9 million**
- **EBITDA: PLN 515.9 million**
- **EBIT: PLN 288.1 million**
- **Net profit: PLN 262.6 million**

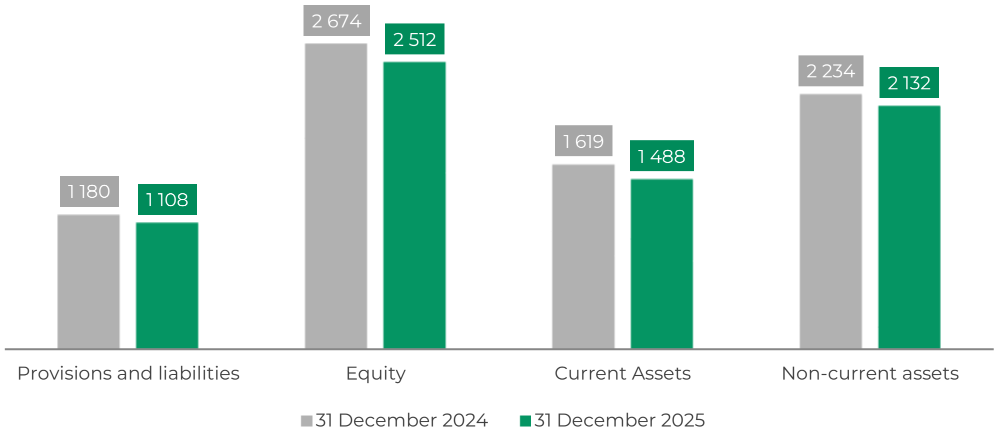
2.10 Balance Sheet of LW Bogdanka S.A.

Balance sheet

[PLN thousand]	31.12.2024	31.12.2025	Change
Total assets	3,853,172	3,619,712	-6.1%
Return on assets (ROA)*	-31.4%	-4.3%	27.1 p.p.
Non-current assets	2,234,452	2,131,542	-4.6%
Current Assets	1,618,720	1,488,170	-8.1%
Equity	2,673,636	2,511,550	-6.1%
Return on equity (ROE)*	-43.2%	-6.2%	37.0 p.p.
Provisions and liabilities	1,179,536	1,108,162	-6.1%

*the calculation takes into account the net result for the last four quarters and the average level of assets and equity (as at 31 December 2025 + as at 31 December 2024)/2.

Analysis of the separate statement of financial position (PLN million)



Assets

Total assets as at 31 December 2025 decreased to PLN 3,619,712 thousand (down by PLN 233.460 thousand) compared to the value as at 31 December 2024, with non-current assets decreasing by PLN 102,910 thousand and current assets by PLN 130,550 thousand. Among fixed assets, the most significant change is a decrease in the value of property, plant and equipment and intangible assets by a total of PLN 152,907 thousand, accompanied by an increase in deferred tax assets of PLN 38,043 thousand.
Among current assets, the most significant change involves a decline in trade receivables and other receivables by PLN 141,917 thousand and a decline in the value of inventories by PLN 56,158 thousand, with a simultaneous increase of the income tax overpayment in the amount of PLN 74,619 thousand.
In the period analysed, other short-term investments of PLN 517,667 thousand were recognised, with a simultaneous decline in cash and cash equivalents of PLN 524,761 thousand (these investments consist of bank deposits with original maturity exceeding 3 months).
Due to the impairment losses recognised and the negative financial results, as at 31 December 2025, return on assets (ROA) stood at -4.3%, whereas at the end of 2024 it amounted to -31.4%.

Liabilities

The value of equity decreased by PLN 162,086 thousand compared to 2024. This is mainly due to the inclusion of the total net income for 2025.
Provisions and liabilities decreased by 6.1% compared to the value as at 31 December 2024, with current liabilities falling by 11.9% (mainly a decline in trade and other liabilities) and non-current liabilities increasing by 2.4% (mainly due to an increase in employee benefit liabilities trade liabilities and finance lease liabilities).
As at 31 December 2025, return on equity increased by 37.0 p.p.
compared to the end of 2024. Due to the impairment losses recognised and the negative financial results, the ratio stood at -6.2% as at 31 December 2025, compared to -43.2% as at 31 December 2024.

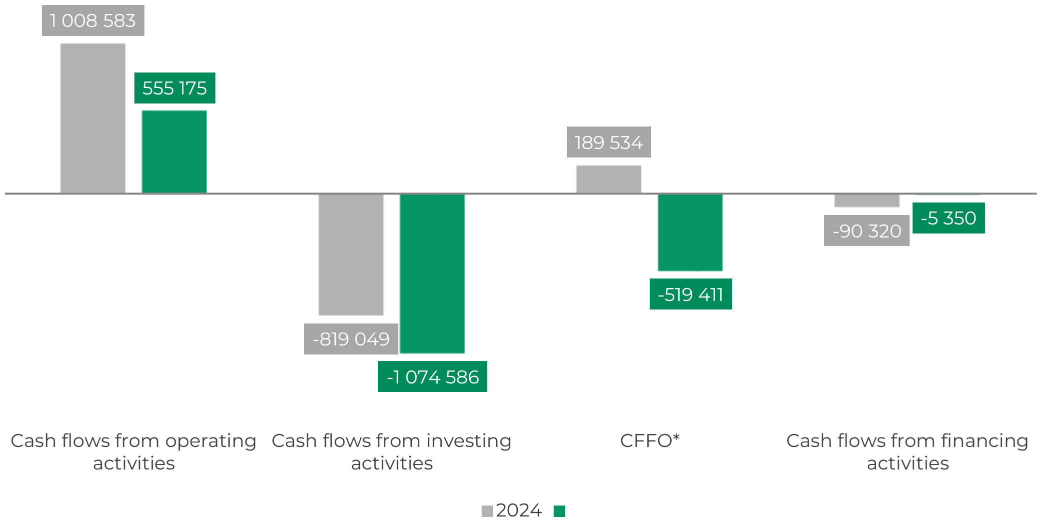
2.11 Cash flows of LW Bogdanka S.A.

Cash position

[PLN thousand]	Q4 2024	Q4 2025	Change	2024	**2025**	Change
Cash flows from operating activities	285,212	124,706	-56.3%	1,008,583	555,175	-45.0%
Cash flows from investing activities	-237,142	-44,570	-81.2%	-819,049	-1,074,586	31.2%
CFFO*	**48,070**	**80,136**	66.7%	**189,534**	**-519,411**	–
Cash flow from financing activities	-1,263	-1,206	-4.5%	-90,320	-5,350	-94.1%

*total operating and investment flows

Cash flow analysis (PLN thousand)



Cash position

Cash flows from operating activities

In Q4 2025, the Company generated PLN 160,506 thousand lower net cash flows from operating activities than in Q4 2024. In Q4 2025, they amounted to PLN 124,706 thousand compared to PLN 285,212 thousand in Q4 2024. In the entire 2025, the Company generated cash flows of PLN 555.175 thousand from operating activities (-45.0% y/y).
The recorded decline is attributable to the lower net result achieved for 2025 compared with the corresponding period in 2024 (after adjusting the results for the value of write-downs, which had a neutral impact on cash flows from operating activities).

Cash flows from investing activities

Cash flows from investing activities in Q4 2025 decreased (in absolute terms) by 81.2% (to PLN 44,570 thousand) compared to the corresponding period of 2024. Cumulatively for the 12 months of 2025, investment flows were 31.2% higher than the value of cash flows
in the corresponding period of the previous year.
The increase in 2025 compared to 2024 results mainly from the expenditure on short-term investments (establishment of deposits with an original maturity term of more than 3 months).

Cash flows from financing activities

In Q4 2025, the Company recorded net cash flows from financing activities of PLN 1,206 thousand, representing a decrease of 4.5% compared with Q4 2024. Throughout 2025, the Company generated a negative net cash flows from financing activities of PLN 5,350 thousand, i.e. PLN 84,970 thousand less than in 2024. This is due to the payment of a dividend in 2024 amounting to over PLN 85 million.

2.12 Debt and liquidity ratios of LW Bogdanka S.A.

The Company presents selected APM ratios when discussing separate results, as it believes that they provide additional valuable information (in addition to the data presented in the financial statements) about the financial and operational situation, as well as facilitate the analysis and assessment of the Company's financial results over individual reporting periods. The Company presents these specific alternative performance measurements because they represent standard measures and indicators commonly used in financial analysis. The selection of alternative performance measures was preceded by an analysis of their usefulness in terms of providing investors with useful information on financial position, cash flows and financial efficiency and, in the Company's opinion, allows for an optimal assessment of financial results recorded.

Cash position

[PLN thousand]	31.12.2024	31.12.2025	Change
Total debt ratio	30.6%	30.6%	0.0 p.p.
(Debt plus employee liabilities)/EBITDA ratio*	0.35	0.66	88.6%
Net debt/EBITDA ratio**	-0.85	-1.55	82.4%
Debt to equity ratio	44.1%	44.1%	0.0 p.p.
Fixed capital to non-current assets ratio (non-current assets/fixed capital)	133.6%	133.0%	-0.6 p.p.
Short-term debt ratio (current liabilities/liabilities)	18.0%	16.9%	-1.1 p.p.
Long-term debt ratio (non-current liabilities/liabilities)	12.6%	13.7%	1.1 p.p.

*Debt = non-current liabilities under bonds issued + non-current loans and borrowings + current loans and borrowings
** cash from other short-term investments is also included in the calculation of the net debt ratio

	31 December 2024	31 December 2025	Change
Current liquidity ratio	2.39	2.49	4.2%
Quick liquidity ratio	2.05	2.20	7.3%

In the period covered by the consolidated financial statements, the Company's liquidity ratios remained at a high, safe level - the Company has no difficulties in settlement of its liabilities.

Total debt ratio

The overall debt ratio remained unchanged and amounted to 30.6%. In the period analysed, a decline in the value of liabilities was recorded while the total assets decreased.
As at 31 December 2025, the Company's level of debt did not pose a threat to its operations and its ability to meet its obligations in a timely manner. Based on medium- and long-term projections, the Company's financing needs are analysed to ensure liquidity and cash balances at an adequate level.

Debt plus employee liabilities/EBITDA

The indicator describing the ratio of debt to EBITDA at the end of 2025 increased by 88.6% and stood at 0.66. A comparison of the figures as at 31 December 2025 with those as at 31 December 2024 revealed a significant decline in EBITDA (calculated on a rolling basis for the last four quarters), accompanied by a slight increase in debt levels.

Net debt/EBITDA ratio

The indicator describing the ratio of net debt (total interest-bearing short-term and long-term liabilities less short-term cash and its equivalents) to EBITDA increased, in absolute terms, from -0.85 as at 31 December 2024 to -1.55 as at 31 December 2025. Net debt increased by approx. 7 million and amounted to PLN -801 million with a decline in EBITDA by approx. PLN 434 million (EBITDA calculated on a rolling basis for the last four quarters) to the level of PLN 516 million.

Debt to equity ratio

The debt-to-equity ratio as at 31 December 2025 remained unchanged compared to 31 December 2024, standing at 44.1% – liabilities fell by approximately PLN 71 million, while equity decreased by approximately PLN 162 million.

Fixed capital to non-current assets ratio

The ratio of coverage of non-current assets with fixed capital reached 133.0% (as at 31 December 2025) against 133.6% (as at 31 December 2024) - in the period under analysis, the value of non-current assets decreased (by approx. PLN 103 million), as well as the value of fixed capital (the sum of equity and non-current liabilities excluding provisions) fell by approximately PLN 151 million.

2.12 Turnover ratios of receivables and liabilities at LW Bogdanka S.A.

Turnover ratios

[PLN thousand]				31.12.2024	31.12.2025	Change
1. Inventory turnover ratio	average balance of inventories / cost of goods, products and materials sold	x	number of days in the period	36	30	-16.7%
2. Receivables turnover ratio*	average balance of receivables / sales revenues	x	number of days in the period	59	65	10.2%
3. Liabilities turnover ratio**	average balance of liabilities / cost of goods, products and materials sold	x	number of days in the period	79	83	5.1%
4. Operating cycle	1+2			95	95	–
5. Cash conversion cycle	4 - 3			16	12	-25.0%

* Trade and other receivables

** Trade and other liabilities

Inventory turnover ratio

The inventory turnover ratio as at 31 December 2024 decreased by 6 days compared to 31 December 2024 and amounted to 30 days. On average, it takes 6 days longer to liquidate inventory. In the analysed period, the average level of inventories decreased by approx. PLN 78 million, while costs fell by PLN 371 million.

Receivables turnover ratio

The receivables turnover ratio (calculated on the basis of the balance sheet item “Trade and other receivables”) was 65 days (as at 31 December 2025) compared to 59 days in the previous year.
In the period analysed, both a lower average balance of receivables and a lower average level of revenues was recorded.

Liabilities turnover ratio

The liabilities turnover ratio (calculated on the basis of the balance sheet item "Trade and other liabilities") was extended in the corresponding period by 4 day and amounted to 83 days.

Operating cycle

The operating cycle of current assets (the sum of inventory and trade receivables turnover ratios) in the period under review remained at the same level and amounted to 95 days. On average, the Group's current assets are liquidated after 95 days.

Cash conversion cycle

The result of the changes described above was to achieve a cash conversion cycle of 12 days as at 31 December 2025. A positive value of the ratio means that the Group does not use trade credit

2.13 Provisions of LW Bogdanka S.A.

Balance sheet provisions

[PLN thousand]	As at 31 December 2024	As at 31 December 2025	Change 2025/2024
Employee provisions	336,780	341,377	1.4%
Provision for mine decommissioning and land reclamation costs	173,450	173,781	0.2%
Mining damage	10,768	7,480	-30.5%
Other	7,609	7,011	-7.9%
Total	**528,607**	**529,649**	0.2%

Location of the impact of the change in provisions in the financial statements

[PLN thousand]	Change in provisions in 2025	Including:				
		Change recognised in operating activities (EBITDA)	Change recognised below operating profit - interest	Change recognised only in the balance sheet - increase in the carrying amount of fixed assets	Change recognised in Other Comprehensive Income	Change recognised only in the balance sheet - use of the provision
Employee provisions	4,597	40,039	14,821	–	1,854	-52,117
Provision for mine decommissioning and land reclamation costs	331	-4,952	9,713	-4,430	–	-
Mining damage	-3,288	-524	–	-	-	-2,764
Other	-598	172	–	-	-	-770
Total	**1,042**	**34,735**	**24,534**	**-4,430**	**1,854**	**-55,651**

Change in provisions

[PLN thousand]	Change Q4 2023	Change in Q4 2025	Change Q4 2025/ Q4 2024	Change in 2024	Change in 2025	Change 2025/2024
Employee provisions	-14,696	7,134	-148.5%	75,495	4,597	-93.9%
Provision for mine decommissioning and land reclamation costs	5,897	-3,433	-158.2%	4,348	331	-92.4%
Mining damage	4,945	-1,688	-134.1%	3,416	-3,288	-196.3%
Other	411	-310	-175.4%	-1,146	-598	-47.8%
Total	**-3,443**	**1,703**	-149.5%	**82,113**	**1,042**	-98.7%

Location of the impact of the change in provisions in the financial statements

[PLN thousand]	Change in provisions in Q4 2025	Including:				
		Change recognised in operating activities (EBITDA)	Change recognised below operating profit - interest	Change recognised only in the balance sheet - increase in the carrying amount of fixed assets	Change recognised in Other Comprehensive Income	Change recognised only in the balance sheet - use of the provision
Employee provisions	7,134	13,076	3,881	–	-4,591	-5,232
Provision for mine decommissioning and land reclamation costs	-3,433	-6,003	3,144	-574	–	-
Mining damage	-1,688	-524	–	-	-	-1,164
Other	-310	-310	–	-	-	-
Total	**1,703**	**6,239**	**7,025**	**-574**	**-4,591**	**-6,396**

2.14 Costs of LW Bogdanka S.A.

Costs by type

[PLN thousand]	Q4 2024	Q4 2025	Change	2024	2025	Change
Net production [thousand t].	2,526	2,371	-6.1%	7,896	7,569	-4.1%
Sales [thousand t]	2,404	2,322	-3.4%	8,109	7,654	-5.6%
Amortization and depreciation	87,154	76,432	-12.3%	386,703	227,434	-41.2%
Consumption of materials and energy	282,929	236,293	-16.5%	1,045,922	908,545	-13.1%
External services	159,859	190,221	19.0%	611,818	748,810	22.4%
Employee benefits	434,286	384,432	-11.5%	1,203,138	1,127,533	-6.3%
Representation and advertising costs	3,472	5,823	67.7%	17,117	15,157	-11.5%
Taxes and charges	14,675	17,680	20.5%	58,633	63,978	9.1%
Other costs	3,331	47,745	1,333.4%	62,185	51,099	-17.8%
Total costs by type	**985,706**	**958,626**	-2.7%	**3,385,516**	**3,142,556**	-7.2%
Manufacturing cost of products for internal purposes	-141,303	-101,341	-28.3%	-481,744	-427,956	-11.2%
Accruals	-93,312	-156,264	67.5%	-10,742	-24,388	127.0%
Provisions and other presentation adjustments between expenses by nature and by function	2,425	7,714	218.1%	92,102	-10,882	-111.8%
Total production costs	**753,516**	**708,735**	-5.9%	**2,985,132**	**2,679,330**	-10.2%
Change in products	-39,252	-14,669	-62.6%	95,148	28,916	-69.6%
Value of goods and materials sold	3,413	3,084	-9.6%	15,707	13,342	-15.1%
Own cost of production sold, including:	**717,677**	**697,150**	-2.9%	**3,095,987**	**2,721,588**	-12.1%
Cost of products, goods and materials sold	651,178	627,788	-3.6%	2,843,689	2,472,636	-13.0%
Selling costs	15,556	17,699	13.8%	60,386	58,853	-2.5%
Administrative costs	50,943	51,663	1.4%	191,912	190,099	-0.9%

Q4 2025

Costs by type

In Q4 2024, LW Bogdanka S.A. incurred costs by type in the amount of PLN 958,626 thousand (PLN -27,080 thousand y/y), i.e. 2.7% lower than in Q4 2024. The decrease in costs in Q4 2024 was mainly affected by lower costs of depreciation and amortisation, employee benefits and material and energy consumption, with a simultaneous increase in costs of third-party services and other costs.

Amortisation

Depreciation and amortisation decreased by 12.3% (to PLN 76,432 thousand). First of all, the value of depreciation of fixed assets and natural depreciation decreased, which is a consequence of the revaluation write-downs of tangible fixed assets recognised in 2024.

Costs of consumed materials and energy

The value of the cost of materials and energy consumed during Q4 2025 in relation to Q4 2024 decreased by 16.5% and amounted to PLN 236,293 thousand.
In the period under review, a decrease was recorded in consumption as well as in the price of electricity and the value of materials used.

Third-party services

The value of costs of third-party services increased in relation to Q4 2024 by 19.0% and amounted to PLN 190,221 thousand.
In the period analysed, the Company incurred higher costs primarily in respect of Saturday and Sunday work, repairs and other third-party services.

Employee benefits

The value of employee benefits in Q4 2025 in relation to Q4 2024 decreased by PLN 49,854 thousand.
In the period under review, a decline was recorded, among others, in the Company's average headcount and the value of additional bonuses paid to employees.

Representation and advertising costs

The increase in the value of representation and advertising costs by PLN 2,351 thousand results from the implementation of the current payment schedule under sponsorship agreements. The payment schedule has been aligned with the timeline of sponsorship projects (events and campaigns), resulting in a different distribution of costs over time.

Taxes and fees

The increase in taxes and fees by approx. PLN 3,000 thousand results from the increase in the mining fee, the property tax and contributions to PFRON (Company Fund for the Rehabilitation of the Disabled People).

Other costs

The increase in other costs by PLN 44,414 thousand is mainly due to higher property insurance premiums (following the issue of new 18-month policies in Q4 2025).

2.14 Costs of LW Bogdanka S.A.

2025

Costs by type

Throughout 2025, LW Bogdanka S.A. incurred costs by type in the amount of PLN 3,142,556 thousand, i.e. by 7.2% (PLN -242,960 thousand) less than in 2024. The decrease in costs in the analysed period was mainly affected by the recorded lower cost of consumption of materials and energy, depreciation and amortisation, as well as employee benefits.

Depreciation and amortisation

Depreciation and amortisation decreased by 41.2% (to PLN 227,434 thousand). First of all, the value of depreciation of fixed assets and natural depreciation decreased, which is a consequence of the revaluation write-downs of tangible fixed assets recognised in 2024.

Material and energy consumption

The total value of the cost of materials and energy consumed decreased by 13.1% compared to 2024 and amounted to PLN 908,545 thousand.
Due to the limited scope of auxiliary work, the cost of material consumption fell and, at the same time, a decline in the price of electricity was recorded.

Third-party services

The value of third-party services in 2025 increased from PLN 611,818 thousand to PLN 748,810 thousand (+22.4%) compared to 2024.
In the period under review, the Company incurred higher costs of Saturday and Sunday work, mining and drilling services, coal transport by rail, repairs and other third-party services.
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Employee benefits

In 2025, the value of employee benefits fell by PLN 75,605 thousand compared to 2024.
In the period under review, there was a decrease in the cost of wages and employee benefits, primarily due to a fall in average headcount and lower additional bonuses paid to employees.

Representation and advertising costs

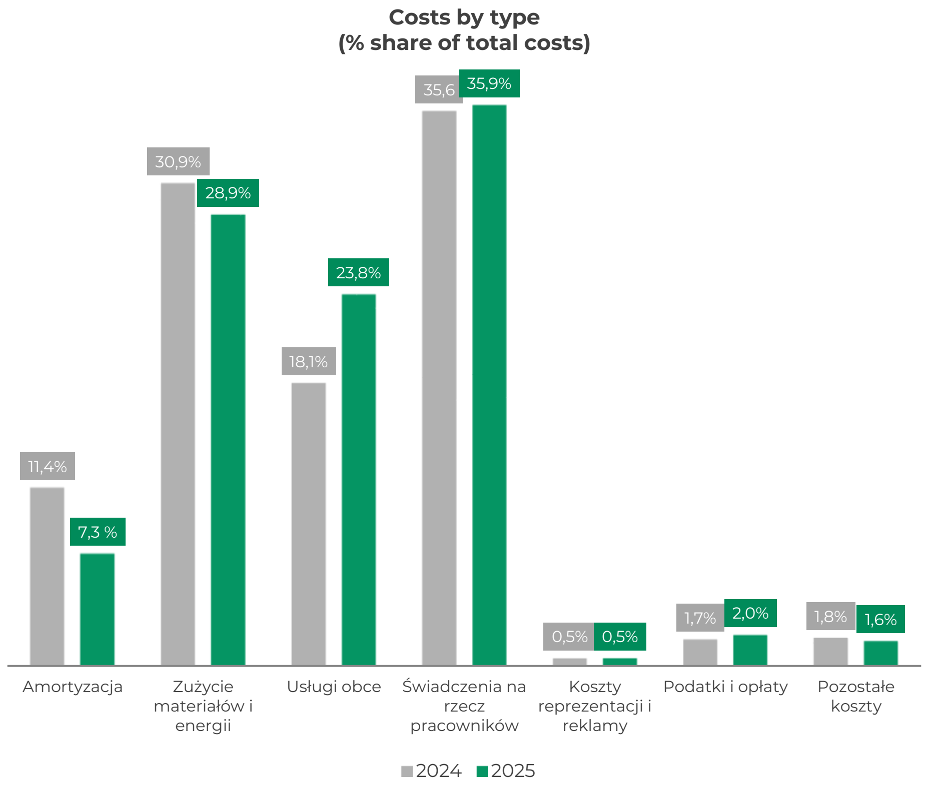
The total decrease in representation and advertising costs by PLN 2.0 million is the result of a revised structure for the implementation of sponsorship agreements in 2025.

Taxes and fees

The increase in taxes and charges by approx. PLN 5.3 million results mainly from the increase in the property tax and contributions to PFRON (Company Fund for the Rehabilitation of the Disabled People).

Other costs

The decline in other costs by PLN 11.1 million is mainly due to lower property insurance costs and lower mining damage payouts.

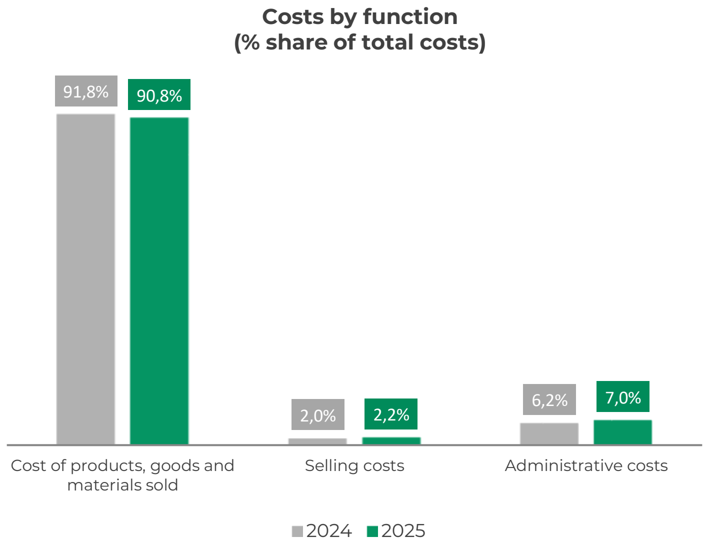


2.14 Costs of LW Bogdanka S.A.

Costs by function

The cost of own production sold (by function) in Q4 2025 was PLN 697,150 thousand, compared to PLN 717,677 thousand in the corresponding period of the previous year.
Own cost of goods sold (by function) for the entire 2025 amounted to PLN 2,721,588 thousand and was 12.1% lower (PLN -374,399 thousand) than the cost incurred in the corresponding period of 2024.

[PLN thousand]	Q4 2024	Q4 2025	Change	2024	**2025**	Change
Cost of products, goods and materials sold	651,178	627,788	-3.6%	2,843,689	2,472,636	-13.0%
Selling costs	15,556	17,699	13.8%	60,386	58,853	-2.5%
Administrative costs	50,943	51,663	1.4%	191,912	190,099	-0.9%
Costs of goods sold	**717,677**	**697,150**	-2.9%	**3,095,987**	**2,721,588**	-12.1%



2.15 Other information regarding the financial position of the LW Bogdanka Group

Information on the current and projected economic and financial standing of the LW Bogdanka Group and assessment of financial resources management

The LW Bogdanka Group continuously monitors cost levels, ratios and the value of accumulated cash. The lack of interest-bearing debt, together with the level of cash held, guarantee current financing.
The Parent Company systematically performs works aimed to optimise the mining process (in terms of the applied technology and the planned deposit slicing and opening out works for new coal seams). The works as a whole (planning new excavations, extraction and sales of commercial coal) take the current and future quantifiable market risk into account. The opening out works (for new excavations) are performed in a manner enabling continuous extraction. Coal prices are also monitored on an ongoing basis in domestic and international markets.
The LW Bogdanka Group settles its liabilities on an ongoing basis. The Group manages its financial resources efficiently, depositing free funds in banks (the tenor and value of deposits depends on internal short-term financial forecasts).

Investments and deposits of the LW Bogdanka Group

The value of cash held by the Group at the end of 2025 amounted to PLN 514.083 thousand, of which:

- an amount of PLN 180,276 thousand was recognised in non-current assets
- an amount of PLN 333.807 thousand was recognised in current assets

The amount of PLN 180,276 thousand includes cash accumulated by the Parent Company as part of the Mine Closure Fund, earmarked to cover the costs of decommissioning of the mine (these funds are held on a bank deposit).
The amount of PLN 333,807 thousand includes cash
(available cash) kept on short-term bank deposits - the level of deposits depends on internal revenue and expenditure forecasts, as well as the availability of such a solution in banks providing services to the Group companies.

In line with accepted standards, it maintains a level of disposable cash of at least the value of the average monthly sales revenue (1/12 of the planned annual sales revenue). The funds accumulated in the Parent Company as at 31 December 2025 amounted to PLN 283,009 thousand, while those in subsidiaries amounted to PLN 50,798 thousand (mainly in Łęczyńska Energetyka). Moreover, the Parent Company reports other short-term investments of PLN 517,667 thousand at the end of 2025.

Description of material off-balance sheet items of
the LW Bogdanka Group - by subject, object and value

A detailed description of contingent liabilities and contingent assets is presented in note no. 29 to the Consolidated Financial Statements of the LWB Bogdanka Group for the period from 1 January to 31 December 2025.

Decision on payment of dividends

In 2025, the Company did not pay a dividend due to the need to cover the net loss for 2024.
On 25 June 2025, the Company's Annual General Meeting passed a resolution whereby the Company's net loss of PLN 1,504,054 thousand was covered in full from the reserve capital.

Opinion of the Management Board of LW Bogdanka S.A. on the feasibility of the previously published result forecasts for the given year in view of the results presented in the standalone annual report compared to the forecast results

LW Bogdanka S.A. did not publish any financial result forecasts for 2025.

Evaluation of factors and unusual events affecting the operating result:

Payment of compensation for the damage to wall 3/VII/385

On 24 January 2025, the Parent Company received an insurance decision issued by Towarzystwo Ubezpieczeń Wzajemnych Polskiego Zakładu Ubezpieczeń Wzajemnych ("TUW PZUW"). The decision of TUW PZUW of 22 January 2025 concerned the award and payment of compensation to the Parent Company for the damage to underground assets resulting from the event in wall 3/VII/385 of February 2023 (groundwater spill). In accordance with the insurer's decision, the Parent Company was paid compensation of PLN 144.85 million.

Recognition of the results of the asset impairment tests in the 2025 financial statements

The Group's results in 2025 were significantly affected by impairment losses on the carrying value of non-current assets, totalling PLN 522,5 million, created in connection with the asset impairment tests carried out in accordance with the requirements of IAS 36.

The asset impairment test was carried out as new indications of potential impairment of non-current assets were identified at the end of 2025, including the high likelihood of the need to adapt the scope of operations to the new market environment
(largely due to the same factors that were already evident by the end of 2024 and which had a decisive impact on results of the tests conducted at that time). This risk is particularly apparent in the strategies adopted and presented on the market by Polish energy groups, which assume the development of new low-emission/zero-emission generation sources and an increase in the importance of renewable energy sources in the Polish energy mix, as well as the planned, long-term gradual decommissioning of coal-based generation units and their conversion to other energy sources.

The total value of the Parent Company's assets tested as at the balance sheet date amounted to PLN 1,947,824 thousand, while the value of the discounted cash flows estimated on the basis of the forecast prepared (value in use) amounted to PLN 1,425,322 thousand. As a result of the test conducted, an impairment of PLN 522,502 thousand was identified as at 31 December 2025, with a wrtite-down of PLN 516,873 thousand allocated to property, plant and equipment and a write-down of PLN 5,629 thousand allocated to intangible assets.

3 Corporate governance statement

3.1 Corporate governance principles

This Corporate Governance Statement was prepared in accordance with § 72(7)(5) of the Regulation of the Minister of Finance of 6 June 2025 on current and periodic information transmitted by securities issuers and the conditions for recognising the information required by legal regulations of a non-member state as equivalent.

In the period from 1 January 2025 to 31 December 2024 LW Bogdanka S.A., a company listed on the Warsaw Stock Exchange, applied the corporate governance principles defined in the "Best Practices of Companies Listed on WSE 2021".

Code of Best Practice for WSE Listed Companies

On 29 March 2021, the Stock Exchange Board adopted resolution No. 13/1834/2021 on the document "Best Practices of Companies Listed on WSE 021" (hereinafter: "Best Practices"), with effect from 1 July 2021. The document is available on the WSE website at: https://www.gpw.pl/dobre-praktyki2021

A report on the progress in the application of the Best Practices by the Company was published on 29 December 2025; it is available under the Investor Relations tab of LW Bogdanka S.A.'s website, in the corporate governance section: https://ri.lw.com.pl/lad-korporacyjny-raporty

Application of the "Best Practices for WSE Listed Companies 2021":

Chapter 1 - Information policy and communication with investors

LW Bogdanka S.A. complies with all the principles in Chapter 1.
In 2025, the Company communicated with investors under an information policy designed primarily to build trust of capital market participants.
The company communicates with investors through its Investor Relations web page www.ri.lw.com.pl where all information relevant to investors is posted in Polish and English.

- Investor Relations Service published all Company information, such as the financial statements, reports, corporate news, information on the Company's governing bodies, etc.
- information on the ESG activities can be found under a tab dedicated to environmental, social and corporate governance matters. Information on ESG is also included in an annual integrated report published on the Company's website.
- The Company regularly reports its preliminary financial results in the middle of the month following the quarter end.
- a business strategy adopted by the Company, containing the ESG Strategy presents actions planned for implementation as regards ESG management, including actions to mitigate environmental damage and climate impacts.
- Every quarter, representatives of the Management Board participate in a performance results conference, addressed primarily to analysts and journalists. Furthermore, the President of the Management Board participates in investor chats addressed to retail shareholders, which usually attract around 100 participants; information about planned investor chats is published on the Company's website, in the investor calendar
- The Company responds to investor queries on an ongoing basis, usually contacting the investor by e-mail or telephone.

Chapter 2 - Management Board and Supervisory Board

The Company complies with the principles in Chapter 2, with the exception of principles 2.1, 2.2, 2.11.6 with regard to the diversity policy in place for the Management Board and the Supervisory Board.
The persons on the Company's Management Board and Supervisory Board meet all the criteria and requirements specified in the Best Practices. Votes held by the Supervisory Board and the Management Board are open, barring the situations when a secret ballot is required by the law.

Reasons for not applying rules 2.1, 2.2, 2.11.6
When appointing the Management Board and the Supervisory Board, education and professional experience are taken into account, without differentiating candidates by gender, age, background or other factors that have no substantive impact on the assessment of qualifications. The decisive aspect is, first of all, being fit to discharge the specific function well.

- At LW Bogdanka, we do not have a separate formal diversity policy applied to management and supervisory bodies.
- as at as 31 December 2024, there were 14% women and 86% men in the Company's Supervisory Board and as at 31 December 2025, there were 11% women and 89% men.
- as regards the Management Board, as at 31December 2024 and at as 31 December 2025, its was composed of 100% men.

Chapter 3 - Internal systems and functions

LW Bogdanka S.A. complies with all the principles in Chapter 3.

- The Company meets the criteria and requirements in respect of the systems of internal control, risk management and compliance, as well as in respect of the internal audit function.
- The Company's organisational chart specifies
- the departments responsible for risk management, compliance and internal audit.
- There is an Internal Audit Department, managed by the head of department,
- The remuneration of persons responsible for
- risk management, compliance and internal
- audit depends on the achievement of their determined tasks, rather than the performance of the Company
- The Risk Management Department reports to the Director of the Management Board who reports directly to the President of the Management Board.
- The Compliance Department reports to the Director of the Management Board who reports directly to the President of the Management Board.
- The Internal Audit Department functionally reports to the Audit Committee, and in organisational terms - directly to LW Bogdanka S.A.'s President of the Management Board.
- Every time an internal audit is conducted, the person responsible for the internal audit function presents the findings including the post-audit report, while the annual report on the systems' effectiveness is presented to the Supervisory Board.
- An audit involving an independent assessment of LW Bogdanka's internal audit function by an independent auditor was performed in 2025.

3.1 Identification of applied corporate governance rules

Chapter 4 - General Meeting of Shareholders and shareholder relations

The Company complies with the principles of Chapter 4 with the exception of Rule 4.1 on enabling shareholders to participate in the general meeting by means of electronic communication (e-General Meeting).

- The Company determines the place and date as well as the form of the General Meeting so as to enable the participation of the highest possible number of shareholders - the General Meetings are organised in the Company's head office in Bogdanka.
- The Ordinary Shareholder Meeting's proceedings are broadcast in real time while the proceedings of Extraordinary Shareholder Meetings are recorded, and the recordings are made available on the Company's website.
- Representatives of the Management Board and the Supervisory Board are always present at the General Meetings, to discuss the Company's performance and situation
- The Company publishes draft resolutions
- The Company aims to pay a dividend in accordance with its dividend policy; however, no dividend was paid in 2025 due to the fact that the Company incurred a loss of PLN 1,504,054 thousand in 2024.
- In 2025, at the request of the majority shareholder, the Extraordinary General Meeting scheduled for 28 January 2025 was cancelled. The reason for the cancellation was the need for further review of the Company's Articles of Association.

Reasons for not applying rule 4.1:
In 2025, the Company did not apply Rule 4.1 on enabling shareholders to participate in the general meeting by means of electronic communication (e-General Meeting).

Justification
The Company has abandoned this rule due to technical and legal risk factors it identifies. At the same time, an analysis of the potential cost of holding the e-General Meeting, as well as absence of any requests in this respect from the Company's shareholders, made the Company conclude that there was no need to introduce any changes.
The Company does not exclude that it will provide the possibility of a bilateral communication with shareholders in real time during shareholder meetings held in the future.

Chapter 5 - Conflicts of interest and transactions with related parties

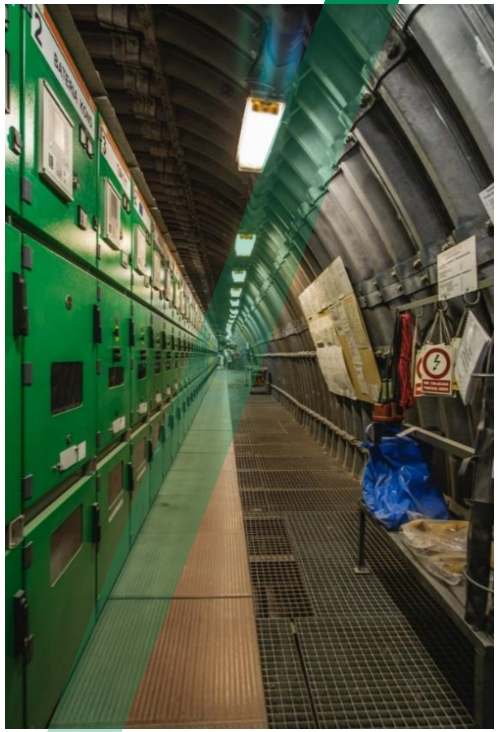
LW Bogdanka S.A. complies with all the principles in Chapter 5.

- The Company meets all the requirements as regards management of conflicts of interests and transactions with related parties.
- No shareholder is given undue preference over other shareholders with regard to transactions with related parties.
- Each of the Company's transaction with a related party requires a consent of the Supervisory Board which – prior to the adoption of the relevant resolution – examines if an external entity should be consulted on the matter, to price the transaction and analyse its economic effects.

Chapter 6 - Remuneration

LW Bogdanka S.A. complies with all the principles in Chapter 6.

- On 28 June 2024, the Ordinary General Meeting of the Company adopted the Remuneration Policy for members of the supervisory body and the management body.
- The Remuneration Policy meets all the requirements of the Best Practices set.
- The Company strives for the stability of its management team, ensuring stable, consistent and non-discriminatory remuneration principles
- The Company did not have any active executive options programme in 2025
- Members of the Supervisory Board receive fixed monthly compensation irrespective of the number of meetings. Members of the Supervisory Board did not receive any additional remuneration for work on the Supervisory Board committees.
- The remuneration of Supervisory Board Members is not dependant on the performance of the Company.



3.2 Description of the main features of the issuer's internal control and risk management systems with reference to the process of drawing up stand-alone and consolidated financial statements

LW Bogdanka S.A. prepares separate and consolidated financial statements based on the generally binding provisions of the law and internal regulations.
Under the internal control and risk management systems, in the process of preparing financial statements the Group applies a number of internal procedures designed to ensure effective and efficient control, as well as identification and elimination of potential risks. The above solutions are defined in the Organisational Regulations of the Company, the document distribution instruction, accounting policy, as well as job descriptions (scopes of duties and powers) of the financial and accounting services employees.
At the same time, the Company maintains full employee's obligation of self-control as well as functional control exercised by all levels of management, within the scope of their coordination and oversight duties.
LW Bogdanka S.A. operates control mechanisms in order to achieve the following control objectives:

- powers and duties – distribution of tasks among employees ensures that errors or irregularities are detected at an early stage
- reliability and completeness – from start to finish, all operations and transactions are correctly conducted and registered
- timeliness – operations are performed and registered in records or IT applications at the adequate time, as stipulated by the relevant regulations
- valuation and qualification – assets and liabilities and equity are valued correctly, and profits and costs are disclosed in the correct amount
- presentation and recognition – assets, liabilities, profits and expenses, as well as all transactions, are correctly recognised, described and recorded in the relevant documents
- monitoring and reporting – reports presenting information and data on the performed activities are provided timely to the Company's Management Board
- confidentiality – information and data is disclosed only to persons who are their intended recipients given their functions and responsibilities
- availability – IT systems and applications are available when needed to conduct and register operations and transactions
- compliance – the process and its supporting systems are compliant with the existing laws, norms and standards.

The data from the accounting ledgers ensure accuracy of the financial statements, as they contain evidence entered on the basis of the appropriate supporting documentation.
The completeness of reporting applies to all reporting templates applicable to the Company.
Data presentation method is to ensure that the reports can be easily understood (transparency and clarity of information), provide useful information and the presented data is comparable.
Accounting ledgers of LW Bogdanka S.A. are maintained by the FINANSE IT system, which is a part of the INTEGRA Integrated Management System.
The oversight over the process of preparing the Company's financial statements is exercised by Vice-President of the Management Board for Economic and Financial Affairs, to whom the financial and accounting services report.
Moreover, the quality of the financial statements is also a function of the experience and qualifications of the financial and accounting services employees with functional oversight exercised by the Chief Accountant of the Company.
LW Bogdanka S.A. maintains its accounting ledgers and prepares the financial statements in line with the International Financial Reporting Standards and the related interpretations announced in the form of the European Commission regulations, as enacted by the EU ("IFRS EU").

Pursuant to the provisions of Directive 2004/109/EC of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market (the "Issuer") and with reference to European Commission Regulation No. 2019/815 of 17 December 2018 with regard to regulatory technical standards on the specification of a single electronic reporting format, the Company, as the Issuer, is required to prepare financial statements in accordance with the Single European Electronic Format (ESEF) for the financial year beginning 1 January 2020.

Pursuant to the aforementioned regulations, issuers are required to prepare annual financial statements in the XHTML format, and where annual financial statements include consolidated financial statements prepared in accordance with IFRS - which is the case for LWB - issuers must mark (otherwise tag) them using XBRL.
In view of the foregoing, the financial statements of the Lubelski Węgiel Bogdanka Group for 2025, where the Company is the Parent Company, have been prepared in accordance with the requirements of the ESEF.

The Company keeps abreast of the changes required by external laws and regulations relating to reporting requirements. The Audit Committee, appointed by the Supervisory Board, exercises oversight over financial reporting in the Company and collaborates with the independent auditor. Moreover, pursuant to Article 4a of the Accounting Act of 29 September 1994, the duties of the Supervisory Board include ensuring that the Company's financial statements and the activity report meet the requirements prescribed by the law.
In order to verify the consistency of the data contained in the financial statements with the actual state affairs and the records in the accounting ledgers maintained by the Company, the financial statements are audited by an independent auditor, who presents their own audit report. The Company's Supervisory Board selects the statutory auditor from among reputable audit firms, based on the Audit Committee's recommendations which, among others, ensures that the auditor will maintain impartiality and independence when performing the audit.
The adopted rules of procedure regarding the preparation of financial statements and the "Audit Firm Selection Procedure for the Purposes of LW Bogdanka S.A.'s Statutory Audits", as well as the "Policy of the Provision by an Audit Firm of Permitted Services Other Than a Statutory Audit" and the "Audit Firm Selection Procedure" are supposed to procure compliance with the requirements of the law and the actual state of affairs, as well as to allow for early identification and elimination of prospective risks so that they do not affect the accuracy and correctness of the presented financial data.

3.2 Description of the main features of the issuer's internal control and risk management systems with reference to the process of drawing up stand-alone and consolidated financial statements

The Internal Audit department is another important element of the organisational structure; the department follows the "Internal Audit Regulations".

The scope of the Internal Audit Department's activities includes, in particular, the performance of assurance and advisory tasks in accordance with the Global Standards for the Professional Practice of Internal Auditing, through:

- An assessment of the effectiveness and adequacy of the internal control system, risk management and corporate governance
- Examination and evaluation of the adequacy of the control mechanism to ensure compliance of the operation of individual organisational units with the law, Articles of Association, agreements, procedures, by-laws, instructions, internal normative acts, etc.
- Examination and evaluation of the control mechanisms to ensure that the Company's activities are in line with the adopted strategies and plans
- Examination and evaluation of the control mechanisms to ensure reliability and consistency of the data providing the basis for the preparation of the reports required by the law as well as of management reports
- Evaluation of operational effectiveness and efficiency
- Identification and assessment of potential threats to the Company's activities
- Carrying out planned and ad hoc audits in the Company and its subsidiaries in the LW Bogdanka S.A. Group
- Monitoring of the implementation of postaudit recommendations and corrective actions
- Performance of tasks instructed by the Supervisory Board and the Audit Committee operating within the Company's Supervisory Board
- Cooperation with the Compliance Policy Department and the Risk Management Department to collectively support the Company in achieving its goals and to provide integrated support to the Company's bodies in the area of effectiveness and efficiency of the internal control system and the risk management system, consisting in particular in the continuous undisturbed exchange of information.

The internal controls system in LW Bogdanka S.A. is a set of procedures and control mechanisms designed and implemented to reasonably ensure that the objectives set by the LW Bogdanka Group are achieved. The internal control system covers all organisational units defining the performance of tasks, the principles of cooperation between them, the flow of information and the monitoring of activities within the Company, and applies to all the Company's processes, including those having a direct or indirect impact on the regularity of the financial statements.

Changes in the basic governance principles of LW Bogdanka S.A.

In order to clarify the management principles at LW Bogdanka S.A., the following were updated in 2025 and the following documents, amongst others, were adopted.

Adopted for use in the Company:

- Regulations on External Control and External Audits at LWB
- LWB Code of Conduct for Suppliers
- Anti-money laundering and counter-terrorist financing procedures at LWB
- LWB contractor verification procedure
- HR policy at LWB
- The procedure for applying the ENEA Group's corporate governance principles and adopting derivative instruments at LWB
- The procedure for preparing and publishing interim reports
- The procedure governing restrictions on the purchase and disposal of LWB Company securities by persons in management positions and closely associated persons.

Amendments were introduced, among other things, in:

- Regulations and organisational chart of the Company
- Coal Sales Regulations
- Rules and Regulations of the Incentive Programme for LWB Management (MBO)
- Internal Audit Regulations of Lubelski Węgiel Bogdanka S.A.
- Manual of Internal Audit Procedures of LW "Bogdanka" S.A.
- Code of Ethics of Internal Audit of LW "Bogdanka" S.A.

Introduced for use:

- Derivative acts of the ENEA Group

3.3 Governing bodies of LW Bogdanka S.A. - Management Board

The Company's Management Board acts in accordance with the law, the Company's Articles of Association and the Regulations of the Management Board. The principles governing its operation and its remit are presented below.

1. Appointment and dismissal of Members of the Management Board

1.1. Members of the Management Board, including the President and the Vice-Presidents of the Management Board, are appointed and dismissed by the Supervisory Board, in accordance with the Company's Articles of Association and applicable law

1.2. Members of the Management Board are appointed for a joint three-year term of office, covering full financial years

1.3 The term of office of a Member of the Management Board commences upon appointment and expires on the date of the General Meeting on which the financial statements for the last full financial year of their term of office are approved, or in the event of dismissal, resignation or death

1.4 Any member of the Management Board may be dismissed or suspended from their duties by the Supervisory Board. The Supervisory Board may delegate one of its members, for a period not exceeding three months, to temporarily perform the duties of a member of the Management Board.

2. Operating principles

2.1 The Management Board manages the Company's operations and represents it externally

2.2 The operating procedures of the Management Board are set out in the Regulations of the Management Board

2.3 Members of the Management Board perform their duties in accordance with the Company's Articles of Association, applicable law and the rules of the Code of Best Practices of Listed Companies, which the Company undertook to apply

2.4 The President of the Management Board manages the work of the Management Board. Individual members of the Management Board manage the areas of activity entrusted to them in accordance with the Company's Organisational Regulations

2.5 The Management Board is responsible for:
a) transparency of the management system
b) the Company's operational efficiency
c) conducting business in accordance with the law and best practice

2.6 The Management Board provides the Supervisory Board with regular and comprehensive information regarding:
a) significant issues relating to the Company's operations
b) operational risks
c) risk management methods.

3. Scope of responsibilities

3.1. Each Member of the Management Board, within the scope of their powers set out in the Regulations of the Management Board and the Company's Organisational Regulations, shall act independently, without a prior resolution of the Management Board, in matters that do not exceed the scope of the Company's business as usual, provided that none of the Management Board members raises an objection and requests that the matter should be referred to the Management Board for a collective decision

3.2 The Management Board is responsible for any matters relating to the management of the Company's affairs which are not reserved by law or the Articles of Association for the General Meeting or the Supervisory Board

3.3 Matters falling outside the scope of the Company's business as usual require a resolution of the Management Board, in particular:

3.3.1. Organisational and internal matters
a) adopting and amending regulations, policies, procedures and other internal documents
b) creating and liquidating branches
c) appointment of proxies (requiring the consent of all members of the Management Board) and the appointment of representatives, excluding legal representatives
d) adopting ENEA Group's secondary legislation for implementation.

3.3.2 Financial and property issues
a) granting guarantees and sureties, including sureties for promissory notes
b) issuing and accepting bills of exchange with a net value exceeding PLN 200,000
c) performing legal acts resulting in incurring of liabilities or the acquisition, disposal or encumbrance of fixed assets with the total net value exceeding PLN 200,000.

3.3.3. Strategic and corporate affairs
a) adopting material and financial (technical and economic) plans, including investment plans and amendments thereto
b) adopting multi-annual development plans and area-specific strategies
c) formation of companies and the subscription, purchase and sale of shares or interests
d) joining associations and creating foundations
e) implementation of resolutions of the General Meeting and the Supervisory Board
f) exercising ownership rights in subsidiaries, including convening meetings and determining the procedure for exercising voting rights
g) convening ordinary and extraordinary General Meetings and setting the agenda
h) taking decisions to carry out:
- meetings of shareholders
- the General Meeting, including:
  - setting the agenda,
  - determining the content of instructions for the representative of the Company in a capital company in which the Company holds 100% of the shares

i) approving a proposal regarding the distribution of net profit or the coverage of net loss
j) submitting a request to the management board of a company regarding:
- Convening of an extraordinary meeting of shareholders
- Convening of an extraordinary general meeting
- The inclusion of specific items on the agenda, in accordance with:
  - Article 236 of the Commercial Companies Code
  - Article 300[85] of the Commercial Companies Code
  - Article 400 of the Commercial Companies Code

k) taking decisions on matters reserved for the founder – in accordance with the articles of association of the foundation of which the Company is the founder.

3.3.4. Reporting and supervision
a) approving the annual, interim and quarterly financial statements and reports on activities of the Company and the Group,
b) accepting reports on entertainment expenses and expenditure on consultancy, legal, marketing and public relations services, in accordance with the applicable regulations

3.3.5 Matters relating to procurement, investments, supplies, renovation and other services carried out in accordance with the provisions of the Act on Public Procurement Law
a) Approval of the public procurement plan
b) Granting consent to initiate or award a contract not included in the applicable annual and multiannual plans
c) Approval of:
- the procedure selected by the Tender Committee
- draft Terms of Reference (ToR)
- significant changes to the contract notice and the ToR

d) Rejection of a tender in a public procurement procedure
c) Cancellation of the public procurement procedure
e) Approval of the outcome of the procurement procedure with a net value exceeding PLN 200,000.00 – including the selection of the most advantageous tender.

3.4 Matters relating to purchases, investments, supplies, renovations and other services in accordance with internal regulations:

3.4.1 Approval of the outcome of the procurement procedure with a net value exceeding PLN 200,000.00 – including the selection of the most advantageous tender.

3.4.2 Cancellation of a tender procedure conducted in accordance with internal regulations (where at least one tender has been received)

3.4.3 Cancellation of actions taken by the contracting authority under the conducted proceedings

3.4.4. Contracts awarded without applying the procedures laid down in internal regulations.

3.3 Governing bodies of LW Bogdanka S.A. - Management Board

4. **Competence in the scope of procurement**

4.1. Planning and approval:

a) Approval of the public procurement plan

b) Granting consent to initiate or award a contract not included in the applicable annual and multiannual plans

c) Approval of:
- the procedure selected by the Tender Committee
- draft Terms of Reference (ToR)

d) Approval of significant changes to the contract notice and the ToR

4.2 Tender procedures:

a) Cancellation of a tender procedure conducted in accordance with internal regulations (where at least one tender has been received)

b) Rejection of a tender in a public procurement procedure

c) Cancellation of the public procurement procedure

d) Approval of the outcome of the procurement procedure with a net value exceeding PLN 200,000.00 – including the selection of the most advantageous tender

e) Cancellation of actions taken by the contracting authority under the conducted proceedings

4.3 Contracts awarded under a special procedure

a) Awarding contracts – where justified – without following the procedures laid down in internal regulations

b) Awarding contracts with a net value exceeding PLN 50,000.00, the subject of which covers:
- expertise
- valuation
- research and development
- technical, economic and financial opinions
- legal, consultancy, promotional and advertising services

c) Awarding contracts with the net value exceeding PLN 200,000.00, relating to:
- domestic and international trips
- sporting and recreational events
- festivals, concerts, stage performances
- use of sports and leisure facilities funded by the Company Social Benefit Fund

d) Concluding framework agreements.

5. Corporate and ownership matters

5.1 Implementation of matters arising from resolutions of:

a) the General Meeting of the Company

b) the Supervisory Board of the Company

5.2 Taking decisions on conducting:

a) shareholders' meetings,

b) the General Meeting,

including:
- setting the agenda,
- determining the content of instructions for the representative of the Company in a capital company in which the Company holds 100% of the shares

5.3 Submitting a request to the management board of a capital company regarding:

a) Convening of an extraordinary meeting of shareholders

b) Convening of an extraordinary general meeting

c) Inclusion of specific items on the agenda, in accordance with:
- Article 236 of the Commercial Companies Code
- Article 300[85] of the Commercial Companies Code
- Article 400 of the Commercial Companies Code

5.4 Taking decisions on matters reserved for the founder – in accordance with the articles of association of the foundation of which the Company is the founder.

6. Contractual and liability matters

6.1 Concluding court and out-of-court settlements

6.2. Conclusion of annexes to agreements (settlements) entered into pursuant to the resolution of the Management Board

6.3 Concluding agreements for the assignment of receivables with a net value exceeding PLN 200,000.00

6.4. Termination of or withdrawal from agreements concluded pursuant to a resolution of the Management Board.

7. Other competence of the Management Board

7.1 Consideration of matters referred for a collective decision by any member of the Management Board

7.2 Taking decisions on matters requiring the approval of the Management Board in accordance with the internal regulations of the Company.

8. Representation of the Company

8.1 Joint action of the following persons is required to make declarations of intent on behalf of the Company:

a) two members of the Management Board or

b) one member of the Management Board, jointly with a proxy

8.2 The unanimous consent of all Management Board Members is required for the appointment of a proxy.

8.3 Any member of the Management Board may revoke the power of attorney.

3.3 Governing bodies of LW Bogdanka S.A. - Management Board

Information about meetings of the Management Board and the resolutions adopted

In 2025, 68 minuted meetings of the Management Board took place, in which 1,317 resolutions were adopted, including 4 resolutions adopted by means of electronic communications.

Decisions taken by the Management Board in the form of resolutions were based on:
- provisions of the Code of Commercial Companies
- Company's Articles of Association
- Regulations of the Supervisory Board
- Regulations of the Management Board
- rules set forth in the resolutions of the General Meeting of Shareholders
- Procedures for the preparation and circulation of documents submitted to the meetings of the Management Board of LW Bogdanka S.A.

Information on significant issues addressed by the Management Board in 2025

1.1. Operational and strategic oversight

In 2025, the Management Board closely monitored the Company's economic and financial position and developments in the coal market, taking decisions regarding, among others:
- coal production and sales levels
- pricing policy and commercial terms
- the OHS and environmental protection area
- concessions and remedying of mining damages
- procurement, tenders and property acquisitions
- human resources and remuneration policy
- supervision of investments
- risk management and the ESG area
- changes in the structure oc Company Collective Agreement.

2. Reporting obligations

In fulfilling its reporting obligations, the Management Board:
- approved the Company's financial statements for 2024
- approved the consolidated financial statements of the LWB Group for 2024
- approved the Management Board's report on the activity of the Company and the LWB Group for 2024, together with the LW Bogdanka Group's Sustainability Report, which forms an integral part thereof
- approved the consolidated statement of payments to public administration of the LWB Group for 2024
- approved the quarterly consolidated interim reports for Q1 and Q3 2025
- approved the Consolidated interim report of the LW Bogdanka Group for H1 2025.

3. Strategic documents and plans

The Management Board has adopted or updated, among others:
- LWB Technical and Economic Plan for 2025
- Update to the Development Strategy of LW Bogdanka S.A. up to 2030 (with a outlook to 2035)
- LW Bogdanka S.A. Sponsorship Strategy for 2025–2026
- Integrated Management System Policy and the IMS Manual.

4. **Internal policies and regulations**

In 2025, the Management Board adopted or updated, among others:

a) HR and organisational aspects:
- Human resources policy
- Policy on staff upskilling and development
- Regulations of the Leadership Development Programme
- Regulations of the Company Social Benefits Fund (ZFŚS)
- Regulations for Participation in the Group Medical Insurance Scheme for Employees of Lubelski Węgiel "Bogdanka" S.A. and their family members.
- Regulations of the management of toolboxes in the underground departments of Lubelski Węgiel "Bogdanka" S.A.
- changes to the Organisational Structure and Organisational Regulations.

b) Compliance and risk area:
- Internal whistleblowing procedure
- Procedure for counteracting money laundering and terrorist financing
- Procedures for verifying business partners
- Internal Audit Regulations
- Regulations on External Control and Audits
- Procedures governing the restrictions on the purchase and disposal of Lubelski Węgiel "Bogdanka" S.A. securities by persons holding management positions and closely associated persons.
- The procedures for preparing and publishing interim reports
- Risk and Opportunity Management Methodology in the Mining Divisions and Preparatory Works Divisions at LW "Bogdanka" S.A.
- Methodology for collecting data to calculate greenhouse gas emissions (Scopes 1–3)

c) Data protection and security:
- Personal Data Protection Policy
- Policy on the security system of facilities and premises
- Social Media Policy

5. Derivative acts of the ENEA Group

The Management Board has adopted selected ENEA Group's derivative acts for use in the Company, including:
- ENEA Group's OHS policy
- Risk management policy
- Tax policy
- Currency and interest rate risk management policy
- Rules on the provision of sureties and guarantees
- Risk management methodologies (strategic, operational, credit risk)
- Third-party risk management procedure

The Management Board applied to the Supervisory Board for, among other things:
- the approval of the financial statements for the 2024 financial year and the interim reports for 2025
- issuing the opinion on the Technical and Economic Plan

Information about commercial proxies appointed and revoked in 2025

- Ms Urszula Piątek's power of attorney has been revoked
- The power of attorney has been granted to Mr Ireneusz Sosnowski.

3.3 Members and changes in the composition of the Management Board of LW Bogdanka S.A.

Personal composition

Pursuant to the Company's Articles of Association, the Management Board consists of 3 to 7 members, including the President and the remaining members of the Management Board. At present, the Management Board of LW Bogdanka S.A. consists of four members.

The composition of the Management Board as at 1 January 2025 and 31 December 2025

No changes to the composition of the Management Board of LW Bogdanka S.A. occurred throughout 2025.
The composition of the Management Board is as follows:

- Zbigniew Stopa - President of the Management Board
- Artur Wasilewski - Vice-President of the Management Board, Economic and Financial Affairs
- Bartosz Rożnawski - Vice-President of the Management Board, Production
- Sławomir Krenczyk - Vice-President of the Management Board, Development

Changes in the composition of the Management Board after the balance sheet date until the date of publication of the Report:

There were no changes after the balance sheet date in the composition of the Management Board of LW Bogdanka S.A.

On 8 April 2026, the Supervisory Board of the Company adopted resolutions appointing, with effect from the day following the approval of the Company's financial statements for 2025, the Management Board for the new term of office comprising:

- Mr Zbigniew Stopa - President of the Management Board
- Mr Bartosz Rożnawski - Vice-President of the Management Board, Production
- Mr Sławomir Krenczyk - Vice-President of the Management Board, Development

3.3 Membership of the Management Board of LW Bogdanka S.A. as at 10 April 2026

Zbigniew Stopa - President of the Management Board

Education

He is a graduate of the Faculty of Mining at the AGH University of Science and Technology in Kraków, a recognized manager and an underground mining expert and specialist. In 1997 he completed postgraduate studies of occupational health and safety management at the Central Mining Institute in Katowice. He participated in many specialised training activities and courses (basic economics, human resources management, finance for managers) and completed a course for candidates for supervisory board members of State Treasury companies.

Experience

Almost the entire professional career of Mr. Zbigniew Stopa has been associated with the mining industry and Lubelski Węgiel Bogdanka S.A., where he worked at all levels of the company. From 1984 to 1985 he did an underground internship and between 1985 and 1987 he worked as an underground miner-supervisor. In February 1987 he took the position of underground shift foreman and, at the end of the same year, he became underground branch foreman.

From 1991 to 2006, he served as an Underground Mining Superintendent. From May to December 2006 he was the Manager of the Mining Work Department at the Nadrybie Field.

Mr. Zbigniew Stopa holds the following qualifications approved by the Mining Inspectorate: Mining Department Manager (1997), Senior Supervisor (1991). In 2007 he was appointed by the President of the State Mining Authority to the Mining Safety Commission at the State Mining Authority in Katowice.

From 2006 to 2012 he held the position of Vice-President - Production Director, and then from 2012 to 2016 - President of the Management Board of LW Bogdanka S.A.

As the President of the Management Board, he organises and supervises the Company's activities, in particular with regard to:

- Providing information and reports to investors, shareholders and stock exchange institutions,
- Implementation of the LW Bogdanka S.A. strategy,
  and long-term plans of the Company and the implementation of strategic management and project management in the Company,
- Market analysis,
- Communication policy and cooperation with the media,
- Corporate social responsibility, sustainability and ESG projects,
- Activities related to maintaining and improving the compliance system,
- Organisation of the enterprise,
- Service of the Company bodies,
- Human resources and personnel policy,
- Payroll and insurance policies,
- Legal services for the Company,

Promotion and marketing activities,
- Risk management,
- Internal audit in the Company,
- The Company's security policy, protection and security of critical information
- Defence matters
- Archives of the General Registry Office.
- Administrative and economic policy,
- Cooperation with trade union organisations,
- Protection of classified information
- Cooperation with members of the Company's Management Board in the preparation of development concepts, multi-annual economic plans and production development plans.
- Occupational health and safety issues,

Artur Wasilewski - Vice-President of the Management Board, Economic and Financial Affairs

Education

In 1998, Mr. Wasilewski graduated from the Lublin University of Technology, majoring in Management and Marketing; in 2000 he completed postgraduate studies in Corporate Finance and Capital Market, and in 2003 – the Master of Business Administration programme at University of Warsaw & University of Illinois. Participant of numerous training courses on finance and reporting under IAS/IFRS. Member of Supervisory Boards of capital companies.

Experience

From 1998 to 2000 he worked as a financial analyst at the consulting company "DEMOS" Sp. z o.o. gaining experience in the field of analysis and valuation of enterprises, consulting on
on the introduction of efficiency solutions and preparation of privatisation reports for the Ministry of
State Treasury.
Associated with Lubelski Węgiel Bogdanka S.A. since 2000, Mr. Wasilewski progressed in his professional career from a Financial Analyst, through Manager of the Planning and Analyses Department to the position of the Chief Economist. From 2013, he served as Director of Controlling, and in 2018 he assumed the position of Director of Controlling and Finance. Vice-President of the Management Board for Economic and Financial Affairs from 8 October 2018.

Vice-President of the Management Board for Economic and Financial Affairs is responsible for the Company's activities in particular with respect to:

- the Company's financial management,
- Economic and financial analyses
- reporting and statistics,
- budgeting and controlling,
- oversight of the Company's value management,
- oversight of the financial and accounting functions,
- oversight of bookkeeping and settlements with business partners,
- cost-effectiveness of investment ventures,
- development of principles for the management of short-term securities,
- deployment of the ICT infrastructure in the Company,
- asset stock taking and management,
- cost estimation,
- personnel welfare matters,
- personal data protection

3.3 Membership of the Management Board of LW Bogdanka S.A. as at 10 April 2026

Bartosz Rożnawski - Vice-President of the Management Board, Production

Education

Mr. Rożnawski is a graduate of the Stanisław Staszic AGH University of Science and Technology in Kraków with a degree in Engineering, specializing in Environmental Geophysics and Mining and Geology. At the AGH University of Science and Technology he also completed post-graduate studies in Value Based Management in Mining Companies. He holds a Master of Business Administration (MBA) degree in Management from WSB University in partnership with EY Academy of Business.

Experience

He started his professional career in 2006 as an intern at Lubelski Węgiel Bogdanka S.A. and after a year continued as a shift foreman. From 2010 to 2012, he was employed as a branch foreman of the mining branch.
In 2017 he was entrusted with the position of Mining Department Manager, and in 2020, the position of Deputy Mining Operations Manager. From July 2020 to the end of April 2024 he was a Member of the Supervisory Board of LW Bogdanka S.A.

The Vice-President of the Management Board for Production organises and supervises the Company's activities, in particular with regard to:

- maintaining production capacity
- deposit management planning,
- mining and production of commercial coal,
- innovation, research and implementation,
- operational planning,
- materials management,
- internal logistics,
- environmental protection,
- mining damages,
- organisation and planning of production and development of the mine,
- cooperation with members of the Company's Management Board in the preparation of development concepts, multi-annual economic plans and production development plans,
- controlling of technical and production activities at the mine,
- analysis of technical progress and implementation of modern solutions in terms of their innovation.
- Control of the operation of the coal preparation plant
- coal storage management,

Mr. Sławomir Krenczyk - Vice-President of the Management Board, Development

Education

He graduated from the Faculty of Law at the Catholic University of Lublin, and completed postgraduate studies at the Warsaw School of Economics (SGH), the University of Commerce and Services (WSHIU) in Poznań (Executive MBA) and the University of Social Sciences (SAN) in Łódź (doctoral seminar). He has experience as a university lecturer.
me is writing a PhD thesis on the transformation of Bogdanka.

Experience

Since 1 May 2024, he has served on the Management Board of LW Bogdanka S.A. as the Vice-President of the Management Board for Development, with responsibility for sales, procurement and investment. He is involved, among others, in the development of the railway and projects of new business line development.

Earlier, he gained management experience in public companies, as well as managing foundations and projects. At a level of representation bodies, he was responsible for legal and organisational, communications and marketing, and development areas, among others. He held director's and management positions at, among others, Enea S.A. in the areas of communication, marketing and public relations.

As part of his business activities, he has implemented consulting and training projects for local and international entities in the energy and raw materials industry.

He was responsible for the energy and climate programme of the Warsaw Security Forum, coordinating high-level experts from Poland, the US, the EU and Ukraine. He is the author and co-author of reports and publications on the energy transition, and has participated in public industry debates. In the debates, he points in particular to the importance of aspects of industrial competitiveness and security of energy supply.

The Vice-President of the Management Board for Development organises and supervises the Company's activities, in particular with regard to:

- Public tendering and strategic purchasing
- Internal tendering and operational purchasing
- Purchasing and warehousing
- investment planning and implementation.
- Delivery of machinery
- Coal sales
- Relations with customers
- Sales logistics
- Market development
- Rail transport
- Traffic and railway operations
- Maintenance of rolling stock
- Maintenance of railway infrastructure
- Railway audit
- Business diversification projects

3.3 Rules and level of the remuneration of Members of the Management Board

Remuneration rules for Members of the Management Board

In 2025, the rules of remuneration for Members of the Management Board of LW Bogdanka S.A. were in force introduced by resolutions of the Extraordinary General Meeting of the Company of 7 March 2017 and 17 October 2019, the Supervisory Board of the Company of 30 July 2018 and the Remuneration Policy of Members of the Supervisory and Management Bodies at LW Bogdanka S.A. introduced pursuant to:

- the resolution of the Company's Annual General Meeting of 29 July 2020, as amended by the resolution of the Extraordinary General Meeting of 26 April 2024
- resolutions of the Company's Annual General Meeting of 28 June 2024

All the Members of the Management Board concluded the Agreements for the Provision of Management Services with the Company, pursuant to the Act of 9 June 2016 on the Principles of Remuneration of Persons Managing Certain Companies.
The above mentioned Agreements for the Provision of Management Services concluded by the Company stipulate that:

- during the term of the Agreement for the Provision of Management Services, Mambers of the Management Board shall receive a fixed monthly remuneration as well as variable supplementary remuneration for the Company's financial year;
- in return for the Management Board Members
  compliance with their non-competition obligations, over the term of the non-competition clause they shall receive a compensation of a total value equal to the 0.5 times monthly salary multiplied by a factor of 6;
- in the event of termination of the agreement, a Member of the Management Board is obliged to transfer their duties to an authorised person or persons, including appearing in person at the Company's request, providing the requested explanations and reliable provision of information, documents and items relating to the performance of the Agreement
- Members of the Management Board are entitled to a severance payment equaling 3-times the fixed monthly salary provided that the Member performed their function for at least 12 months prior to the termination of the Agreement, except for:
  a) termination, dissolution or amendment to the Agreement as a result of a change to the function discharged by the Management Board Member,
  b) termination, dissolution or amendment of the agreement as a result of appointment of a member of the Management Board for a consecutive term of office,
  c) taking up the position of a Member of the Management Board in a company within the ENEA Group
  d) resignation.
- Under the terms of the contract with a Member of the Management Board, the Company's obligations include, in particular:
  a) incurring the costs of standard medical and sports packages, in accordance with the Company policy
  b) incurring the accommodation costs of a Member of the Management Board, where the place of residence of the Member of the Management Board is located more than 150 km from the Company's registered office, up to the maximum of PLN 5,000 gross per month.

If a Management Board Member breaches the non-competition clause, they shall lose their right for the subsequent installments of the compensation and shall be liable to pay a contractual penalty to the Company.
The managers acquired at their own expense third party liability insurance arising from non-performance or improper performance of the Agreement for the Provision of Management Services.
Relative to the adopted Key Performance Indicators (KPIs), a Member of the Management Board may be awarded an annual bonus (variable renumeration) in the amount of 100% of the base remuneration received in a given year.

The total annual remuneration of the Members of the Management Board of LW Bogdanka S.A., as presented in the table, consists of four components:
- fixed salary, variable component
- performance-related pay (a bonus paid subject to the achievement of annual targets)
- severance pay
- compensation for the non-competition clause.

First name and surname:	Period in office on the Management Board in 2025	Total annual remuneration
Zbigniew Stopa	1 May - 31 December	PLN 1,040.0 thousand
Artur Wasilewski	1 May - 31 December	PLN 1,139.5 thousand
Bartosz Rożnawski	1 May - 31 December	PLN 957.4 thousand
Slawomir Krenczyk	1 May - 31 December	PLN 957.4 thousand

Full name	Annual bonus for 2024 (paid in 2025)
Zbigniew Stopa	PLN 416.0 thousand
Artur Wasilewski	PLN 563.5 thousand
Bartosz Rożnawski	PLN 381.4 thousand
Slawomir Krenczyk	PLN 381.4 thousand
Kasjan Wyligała	PLN 0.0 thousand
Adam Partyka	PLN 0.0 thousand
Dariusz Dumkiewicz	PLN 0.0 thousand

As the General Meeting of Shareholders did not grant discharge in respect of the performance of their duties for the 2024 financial year, three members of the Company's Management Board were not paid their annual bonus for 2024.

In 2025, no remuneration was paid to the members of the Company's Management Board in respect of the non-competition clause.

The amount of remuneration paid to individual Members of the Management Board in 2025

In 2025, the total gross remuneration paid by the Company to members of the Management Board (current and former) amounted to PLN 4,094.3 thousand. A y/y increase of 34.0% (PLN 3,055.3 thousand was paid out in 2024) results from the fact that no annual bonus for 2023 was paid to the members of the Management Board in 2024.
For the performance of their functions in the Company, Members of the Management Board received renumeration under the agreements for the provision of services.

In 2025, Members of the Management Board did not receive remuneration for performing functions in subsidiaries of LW Bogdanka S.A.
In 2025, the total gross remuneration paid by the Company to the commercial proxies amounted to PLN 3,098.6 thousand.
For the performance of their functions in the Company, the commercial proxies received remuneration exclusively under the employment contract.

Amount of remuneration paid to the individual Members of the Management Board in 2025 under employment contracts.

Members of the Management Board are employed under the agreements for the provision of management services.

Changes in remuneration rules after 31 December 2025

After 31 December 2023, no changes were introduced to the remuneration rules for the Members of the Management Board. A detailed report on the remuneration for 2025, prepared pursuant to Article 90(g)(1) of the Act on Public Offering, will be drawn by the Supervisory Board and presented to the General Meetings of Shareholders for their opinion.

3.4 Bodies of LW Bogdanka S.A. - Supervisory Board

Supervisory Board

Appointment and dismissal of Supervisory Board members

The appointment and dismissal of the Company's Supervisory Board members is regulated by the Articles of Association of LW Bogdanka S.A. Pursuant to the Articles of Association, the Supervisory Board consists of five to nine members. Supervisory Board Members shall be appointed or dismissed by the Shareholder Meeting, for a joint term of office, which lasts three years. The State Treasury, represented by the Minister of State Assets, is authorised to appoint one Supervisory Board Member. A Supervisory Board Member may be dismissed by the Shareholder Meeting at any time. If a Supervisory Board Member resigns from their function, they should address a written resignation to the Management Board, with a copy to the Supervisory Board.
Mandates of the members of the Supervisory Board shall expire, at the latest, on the date of the Shareholder Meeting approving the activity report and the financial statements for the most recent full year of discharging the function of a Member of the Supervisory Board.

Operating principles

The Supervisory Board exercises continuous oversight over the Company's operations in all areas of its activity. The Board adopts resolutions on issues stipulated in the Commercial Company Code and the Company's Articles of Association.
The procedures of the Supervisory Board's work, including the rules of convening its meetings, are defined in detail in the Supervisory Board By-laws, adopted by the Supervisory Board.
In its work, the Supervisory Board also follows the Best Practices of Companies Listed at the Warsaw Stock Exchange.
The Board may appoint standing or ad hoc committees from among its members.
The Audit Committee is a standing committee of the Supervisory Board. It was the only committee of the Supervisory Board in the Company in 2025.

Competence of the Supervisory Board

Except for the competence arising from the generally applicable legal regulations, the powers of the Supervisory Board comprise, in particular:

1. Supervisory and reporting powers
- evaluation of:
  - Management Board report on the Company's activities (including the LW Bogdanka Group's Sustainability Report)
  - financial statements of the Company for the previous financial year
  - report of the Management Board on activities of the Group
  - the consolidated financial statements of the Group (where applicable)
- evaluation of the Management Board's motions on the distribution of net profit or coverage of net loss
- submission of an annual written report on the results of the above assessments to the General Meeting
- issuing opinions on any matters presented by the Management Board for examination by the General Meetings.

2. Selection of the auditor and oversight of reporting
- selection of an audit firm to carry out the audit of:
  - the Company's annual financial statements,
  - the consolidated financial statements of the Group,
- selection of an audit firm to perform assurance:
  - the Company's sustainability reporting
  - the Group's sustainability reporting
  - notifying the key auditor of the date of the meeting of the Board at which matters relating to the evaluation of the financial statements and motions concerning the distribution of profits or the coverage of losses will be discussed – no later than one week before the date of convening the meeting,
- issuing opinions to be submitted to the General Meeting concerning:
  - a report on entertainment expenses,
  - a report on expenditure on legal, marketing, public relations and public communication services, as well as management consultancy services,
  - a report on the application of good practices, referred to in Article 7(3) of the Act of 16 December 2016 on the principles of state property management.

3. Organisational and corporate competence:
- adoption of the regulations defining in detail the procedure of operation of the Supervisory Board,
- adoption of the Regulations on the appointment and dismissal of Supervisory Board members elected by the employees,
- adoption of the consolidated text of the Company's Articles of Association, prepared by the Management Board,
- representing the Company in agreements and disputes between the Company and the members of the Management Board.

4. Appointment and supervision of the Management Board
- appointment and dismissal of the Management Board Members, including the President of the Management Board,
- determining the remuneration of the Management Board Members,
- suspension of Management Board Members in their duties,
- delegating Supervisory Board Members, for a period not exceeding three months, to temporarily perform the duties of a member of the Management Board,
- granting consent authorising Management Board Members to assume positions in corporate bodies of other companies.

5. Corporate and property consents
- approving material and financial plans, long-term development plans and regional strategies
- approving the acquisition or disposal of fixed assets with a value exceeding PLN 20,000,000,
- granting consent to the payment to shareholders of an advance for the anticipated dividend,
- granting consent to the conclusion by the Company of a material agreement with a shareholder holding at least 5% of the total number of votes in the Company or with a related entity.

An agreement is recognised as material if its value on the date of conclusion exceeds 10% of the Company's consolidated equity, as determined on the basis of the most recently published financial statements. This obligation shall not apply to standard transactions concluded on an arm's length basis as part of the Company's operations with entities within the Company's Group.

6. Consents for specific categories of agreements.
The Supervisory Board approves the conclusion of:
- agreements for legal, marketing, public relations and public communication services, as well as management consultancy, provided that:
  - the total remuneration for the year concerned exceeds PLN 500,000 net (under one or more agreements with the same entity),
  - a change to the agreement takes place resulting in exceeding of this amount,
  - the agreement does not define the maximum amount of the remuneration.
- Deeds of gift or other agreements with a similar effect, with a value exceeding PLN 20,000 or 0.1% of the total assets (as determined on the basis of the most recent approved financial statements).
- Debt waiver agreements or other agreements with a similar effect, with a value exceeding PLN 50,000 or 0.1% of the total assets (as determined on the basis of the most recent approved financial statements).

3.4 Membership of the Supervisory Board of LW Bogdanka S.A.

Period in office	Personal composition
from 1 January 2025 to 24 June 2025	• Bartosz Krysta - Chairman of the Supervisory Board • Szymon Jankowski - Secretary of the Supervisory Board • Paweł Cygan - Member of the Supervisory Board • Daniel Frąc - Member of the Supervisory Board • Magdalena Makieła - Member of the Supervisory Board • Robert Wietrzyk - Member of the Supervisory Board • Paweł Wójcik - Member of the Supervisory Board
Changes in the composition of the Supervisory Board:	On 25 June 2025, the Annual General Meeting of the Company adopted a resolution on the appointment of Mr Gregory Czornik to the Supervisory Board.
from 25 June 2025 to 07 December 2025	• Bartosz Krysta - Chairman of the Supervisory Board • Szymon Jankowski - Secretary of the Supervisory Board • Paweł Cygan - Member of the Supervisory Board • Daniel Frąc - Member of the Supervisory Board • Magdalena Makieła - Member of the Supervisory Board • Robert Wietrzyk - Member of the Supervisory Board • Paweł Wójcik - Member of the Supervisory Board • Grzegorz Czornik - Member of the Supervisory Board
Changes in the composition of the Supervisory Board:	On 8 December 2025, the Management Board of LW Bogdanka S.A. received a statement from the Minister of State Assets on the appointment of a member of the Supervisory Board, Mr Zbigniew Niedbalski.
from 08 December 2025 to 31 December 2025	• Bartosz Krysta - Chairman of the Supervisory Board • Paweł Cygan - Vice-Chairman of the Supervisory Board • Szymon Jankowski - Secretary of the Supervisory Board • Daniel Frąc - Member of the Supervisory Board • Magdalena Makieła - Member of the Supervisory Board • Robert Wietrzyk - Member of the Supervisory Board • Paweł Wójcik - Member of the Supervisory Board • Grzegorz Czornik - Member of the Supervisory Board • Zbigniew Niedbalski - Member of the Supervisory Board
From 1 January 2026 to the Report publication date	• There have been no changes to the composition of the Supervisory Board

In 2025, the Supervisory Board adopted resolutions on, among others:

- the approval of the Technical and Economic Plans for 2025
- the approval of the Company's conclusion of agreements for the provision of legal services and agreements for the provision of legal representation services in 2025 and 2026
- the approval of the Audit Plan for 2025
- the approval of the Audit Committee's Work Plan for 2025
- the approval of LW Bogdanka S.A.'s Sponsorship Strategy for 2025–2026
- giving consent for the conclusion of sponsorship agreements
- evaluation of the financial statements and the Management Board's report for 2024
- approval of donations
- adoption of the updated LW Bogdanka S.A.'s Development Strategy until 2030 (outlook to 2035)
- the appointment of an entity authorised to review and audit the Company's financial statements and the Group's consolidated financial statements for 2026-2027
- the evaluation of the Management Board's motion concerning the coverage of the net loss incurred by the Company in 2024
- giving consent for the conclusion of sales agreements
- amendments to the resolution of the Company's Supervisory Board concerning the remuneration of members of the Company's Management Board
- determining the content of the Annex for the provision of management services and authorising a Member of the Supervisory Board to conclude agreements for the provision of management services with members of the Company's Management Board on behalf of the Company
- the adoption of the consolidated text of the Articles of Association of Lubelski Węgiel "Bogdanka" S.A.
- the approval of the Audit Plan for 2026
- the adoption of the amended Regulations of the Supervisory Board of Lubelski Węgiel "Bogdanka" S.A.
- the adoption of the amended Regulations of the Audit Committee of the Supervisory Board of Lubelski Węgiel "Bogdanka" S.A.

Attendance of members at meetings of the Supervisory Board

	2024	2025
Krysta Bartosz	8/8	9/9
Cygan Paweł	8/8	9/9
Jankowski Szymon	11/11	9/9
Frąc Daniel	8/8	9/9
Makieła Magdalena	8/8	8/9
Wietrzyk Robert	7/8	9/9
Wójcik Paweł	8/8	5/9
Grzegorz Czornik	-	4/4
Zbigniew Niedbalski	-	1/1
Krenczyk Slawomir	4/4	–
Batyra Dariusz	7/7	–
Chudek Anna	3/3	–
Gigol Krzysztof	3/3	–
Wróbel Grzegorz	3/3	–
Rożnawski Bartosz	3/3	–
Piechota Bartosz	3/3	–
Breś Piotr	3/3	–
Szafrański Kamil	3 / 3	–

3.4 Membership of the Supervisory Board of LW Bogdanka S.A.

Bartosz Krysta - Chairman of the Supervisory Board

PhD in economics, an expert with 27 years of experience in trade and sales development in energy companies. Specialist in the area of district heating, asset optimisation, portfolio management, wholesale of electricity and related instruments, as well as controlling and risk management.
He began his career in 1997 at the Upper Silesian Power Company.
Throughout his professional life, he has set the direction of trade and sales development in key companies on the energy market, such as Vattenfall, Tauron, Enea and Veolia.
From 2001 to 2012, he worked at Vattenfall Sales Poland, holding managerial positions in controlling, sales portfolio and pricing. From 2012 to 2014, he was the head of the Pricing and Risk Measurement Department at Tauron Polska Energia, where he was responsible for the implementation and development of an innovative commercial risk measurement and control system.
From 2014 to 2016, he served as Management Board Member for Portfolio Management and then as President of the Management Board at Enea Trading, responsible for the company's strategic and operational management.
At Zarmen Energia, from 2017 to 2018, as President of the Management Board and Managing Director, he created from scratch an organisation for the wholesale trading of electricity and related instruments.
From 2019 to 2024, he has been associated with the Veolia Group.
At Veolia Energia Warsaw, he served as Management Board Member and Sales Director. There, he was responsible, among other things, for the concept and implementation of the integration of commercial areas across the Veolia Group, the organisation and automation of the connection process and the implementation of risk management tools as well as for the development of commercial activities in the field of district heating projects and products.
Since 1 March 2024, he has served as a Member of the Management Board for Commercial Affairs at ENEA S.A.
Graduate of the Silesian University of Technology and postgraduate studies in the management of electricity trading and distribution companies. He received his doctoral degree in economics in 2010 from the Department of Finance and Insurance at the University of Economics in Katowice. He holds domestic and foreign certificates for training programmes in energy, finance and management practices.

Paweł Cygan - Vice-Chairman of the Supervisory Board

Paweł Cygan - a graduate of Wyższa Szkoła Biznesu-National Louis University in Nowy Sącz, ACCA member, Certified Auditor. He holds an MBA in Financial Management from the University of Hull in the UK. He gained his professional experience at Arthur Andersen/ Ernst & Young in the area of financial audit and business consulting, then from 2004 he worked at Vattenfall, where he was responsible for the development and management of internal audit and business consulting and supervision of key projects in the area of electricity sales and distribution.
From 2008 to 2016, Vice President of the Management Board, Chief Financial Officer of TAURON Dystrybucja and Chairman of the Supervisory Boards of subsidiaries, including responsibility for dozens of optimisation projects, M&A and implementation of key IT systems. In 2014, he received an award in the large company category in the 2013 CFO of the Year competition organised by ACCA, Forbes and Euler Hermes, among others, "for the CFO's extensive involvement in the company's difficult and complex processes and for his influence in shaping the company's corporate culture".
From 2010 to 2012, he represented the Polish Electricity Committee and the Polish Society for Transmission and Distribution of Electricity in Eurelectric as part of the task force for the EU budget after 2013. In 2016-2017, member of the management board, chief financial officer of the Ożarów Group, and since 2017, managing director, member of the management board of Kirchhoff Automotive Poland, responsible for the overall company activities.
On 19 December 2025, the Supervisory Board adopted a resolution appointing Mr Paweł Cygan as Vice-Chairman of the Supervisory Board of LW Bogdanka S.A.

Szymon Jankowski - Secretary of the Supervisory Board

Mr. Jankowski graduated from the Poznań University of Economics and Business, Management Faculty, majoring in Management and Marketing. He also completed Postgraduate Studies at the Poznań University of Economics and Business in the field of Business Law and Postgraduate Studies at the WSB University in Poznań in the field of Renewable Energy Sources. He developed his competences through training in corporate governance and financial analysis of enterprises. He took a course for candidates for supervisory board members in State Treasury companies, completed with an examination and a diploma. He has been professionally connected with the commercial power sector for over 30 years. Since 1999 till now, he has exercised corporate governance over ENEA Group companies in various positions. Mr. Jankowski has experience in supervising capital companies in the energy, services and IT sectors - he was a member of the supervisory board of, among others, Enea Operator sp. z o.o., Enea Centrum sp. z o.o., BHU S.A., Energetyka Poznańska Zakład Transportu sp. z o.o., ITSERWIS sp. z o.o., He currently serves as the Secretary of the Supervisory Board at LW Bogdanka S.A.

Daniel Frąc - Member of the Supervisory Board (independent member)

He is a graduate of the Warsaw University of Technology's Faculty of Transportation, a graduate of Lublin University of Technology's Faculty of Management and Fundamentals of Technology, where he studied Management and Marketing, and a graduate of the Faculty of Mechanical Engineering. He also completed Postgraduate Master of Business Administration programme at the University of Ilinois at Urban-Champaing. He is competent in corporate governance, the Commercial Company Code and corporate financial analysis. He took a course for candidates for supervisory board members in State Treasury companies, completed with an examination and a diploma issued by the Minister of State Treasury.
He has many years of experience in managerial positions obtained at international financial institutions, specialising in financial solutions for corporate entities and hedge accounting.

3.4 Composition of the Supervisory Board of LW Bogdanka S.A.

Magdalena Makieła - Member of the Supervisory Board (independent member)

Lawyer, PHD in law, arbitrator, mediator, Vice-President of the Court of Arbitration at the Chamber of Industry and Commerce in Kraków, Advisory Board Member at the European Criminal Bar Association. Trainer in the field of business mediation, speaker at numerous seminars and conferences on such topics as business mediation.
Graduate of the Faculty of Law and Administration of the Jagiellonian University in Kraków.
He earned his doctorate at his Alma Mater in the department of public international law.
She completed an advocate trainee program.
Owner of an advocate firm in Kraków with many years of experience in litigation and non-litigation, negotiation and mediation. Expert in extradition law. She specialises in business cases, international criminal business cases, and providing services to commercial law companies.

Robert Wietrzyk - Member of the Supervisory Board (independent member)

He has been an employee of LW Bogdanka S.A. since 2009. Currently employed as an underground miner. Completed a post-secondary mining technical school, with a degree of underground mining technician.
Elected by employees as a Member of the Supervisory Board of LW Bogdanka S.A. in May 2024.

Paweł Wójcik - Member of the Supervisory Board (independent member)

Graduate of the Catholic University of Lublin. He majored in administration, graduating in 2006.
He has been with LW Bogdanka S.A. since 2007, initially on the surface in the logistics department, and currently an underground worker in the mechanical department as a steel fixer-mechanic. Social Branch Labour Inspector at LW Bogdanka S.A. since 2024.
Since April 2023 he has also served as a councilor for the Sławinek district.
Elected by employees as a Member of the Supervisory Board of LW Bogdanka S.A. in May 2024.

Grzegorz Czornik - Member of the Supervisory Board (dependent member)

PhD in Economics and Engineer. Expert with more than 30 years of experience in the mining, energy and district heating industries, in the area of international solid fuel trade and logistics. His management experience includes positions such as Member of the Management Board, Managing Director, Commercial Director, and Member of Supervisory Boards in WIG 20 capital companies. He has a record of success in commercial and logistic processes, IPO, M&A, functional strategy optimisation, environmental and ESG processes.
He has gained professional experience both at home and abroad. Since 1993, he has been active in the energy, mining and steel industry companies: Polski Koks SA, JSW SA, Tauron Wydobycie, SFW Energia, Koksownia Częstochowa Nowa, and Veolia; where he managed processes related to fuel trading, international trade, new technology development, M&A processes, and applications of the circular economy and ESG. He currently serves as a member of the Management Board of Enea Trading Sp. z o.o. and is an assistant professor at the University of Business in Dąbrowa Górnicza.He obtained his PhD in Economics from the University of Economics in Kraków and his first-cycle engineering degree from the AGH University of Science and Technology in Kraków, which were supplemented by postgraduate MBA studies at the University of Economics in Poznań and the Warsaw School of Economics, as well as postgraduate studies abroad.

Zbigniew Niedbalski - Member of the Supervisory Board (independent member)

Doctor habilitated in technical sciences, for 29 years a research and teaching employee of the AGH University of Science and Technology, currently employed as a university professor. A graduate of mining and geology at his alma mater.
Specialist in mining technology and natural hazards in underground mines.
In 2016–2024, Vice-Dean of the Faculty of Civil Engineering and Resource Management (before the name change, the Faculty of Mining and Geoengineering) at the AGH University of Science and Technology.
In 2008–2012, Deputy Head of the Department of Geomechanics, Construction and Geotechnics, Faculty of Mining and Geoengineering at the AGH University of Science and Technology.
Author and co-author of nearly 200 scientific papers and conference presentations in Poland and abroad.
He participated in about 100 national and international congresses, conferences, seminars, fairs and exhibitions in the field of mining. He delivered approximately 80 presentations in Poland and abroad, including many at the invitation as an expert.
For over 15 years, he has held the title of an expert awarded by the President of the State Mining Authority. Since the beginning of his work at the AGH University of Science and Technology, he has been actively cooperating with underground plants as an expert and appraiser. The result of cooperation with industry is the management of or participation in the implementation of approximately 300 projects, expert reports, opinions and studies for all hard coal mining companies. Participant in domestic and international training tours.
He has extensive experience in training personnel for the mining industry as a lecturer and supervisor of engineering, master's and doctoral theses. He peer-reviewed several doctoral and habilitation theses. He provided classes during studies and courses specifically designed for foreign students.
He holds the rank of second-degree mining director general.

3.4 Rules and level of the remuneration of Members of the Supervisory Board

Remuneration rules applicable to Supervisory Board of the Company

Supervisory Board Members are entitled to monthly remuneration in the amount set by the General Meetings of Shareholders. The Company covers the costs incurred in connection with the performance of the functions of Supervisory Board Members, in particular the costs of transportation to Supervisory Board meetings, the costs of exercise of personal oversight and the costs of accommodation and meals.
The remuneration of Supervisory Board Members delegated to temporarily perform the functions of a Management Board Member shall be determined by the Supervisory Board.
In the event a Member of the Supervisory Board is delegated to temporarily perform the function of a Management Board Member and is in receipt of the relevant remuneration, they are not entitled to the remuneration as a Member of the Supervisory Board.
Remuneration of Supervisory Board Members was set by force of:

- resolution no. 5 of the Extraordinary Shareholder Meeting on 7 March 2017,
- and amended by force of resolution no. 30 of the Annual General Meeting of 26 June 2017,
- and of resolution no. 4 of the Extraordinary Shareholder Meeting of LW Bogdanka S.A. on 17 October 2019.

In accordance with the resolutions adopted, the monthly remuneration of Supervisory Board members is determined as the product of the basis of assessment referred to in the Act of 9 June 2016 on the Principles of Remuneration of Persons Managing Certain Companies, taking into account the detailed provisions defining its value, multiplied by the factor of:

- for the Chairperson of the Supervisory Board - to 2.75
- for the remaining members of the Supervisory Board - to 2.75.

Furthermore, pursuant to the regulations of the Enea Group, representatives of the Enea Group on the Company's Supervisory Board do not receive any remuneration.

In 2025, the basis used to calculate the remuneration of the members of the Supervisory Board of LW Bogdanka SA remained unchanged; this basis
continues to amount to PLN 4,403.78.

Other benefits and sources of remuneration

In 2025, Members of the Supervisory Board of LW Bogdanka S.A. did not receive any renumeration for performing functions on the corporate bodies in subsidiaries.

The Company does not operate pension schemes, nor does it pay any benefits of similar nature to the former members of the management and supervisory bodies.

The amount of remuneration paid to individual Members of the Supervisory Board in 2025

In 2025, the total gross remuneration paid to the members of the Supervisory Board for their functions in the Company amounted to PLN 384.5 thousand, down by 24.9% y/y (in 2024 it amounted to PLN 511.4 thousand).

Members of the Supervisory Board, elected by the Company's employees, also received remuneration in 2025 under their employment contracts at LW Bogdanka SA.

Supervisory Board members in office in 2025:

Full name	Term of office in 2025	Remuneration
Krysta Bartosz	01 January 2025 – 31 December 2025	PLN 0
Cygan Paweł	01 January 2025 – 31 December 2025	PLN 63.4 thousand
Jankowski Szymon	01 January 2025 – 31 December 2025	PLN 63.4 thousand
Frąc Daniel	01 January 2025 – 31 December 2025	PLN 63.4 thousand
Makieła Magdalena	01 January 2025 – 31 December 2025	PLN 63.4 thousand
Wietrzyk Robert	01 January 2025 – 31 December 2025	PLN 63.4 thousand
Wójcik Paweł	01 January 2025 – 31 December 2025	PLN 63.4 thousand
Grzegorz Czornik	25 June 2025 – 31 December 2025	PLN 0
Zbigniew Niedbalski	08 December 2025 – 31 December 2025	PLN 4.1 thousand

3.5 General Meeting and the Company's Articles of Association

Functioning and main powers of the Shareholder Meeting, description of shareholders' rights and the manner in which they are exercised, in particular the principles laid down in the by-laws of the General Meeting

The Company's Shareholder Meeting is held as an Ordinary or Extraordinary Shareholder Meeting, on the basis of the Commercial Company Code, the Company's Articles of Association and the By-laws of the General Meetings of Shareholders of LW Bogdanka S.A.

Convening of the General Meeting

The General Meeting is convened by the Management Board.
subject to the provisions of the Commercial Company Code and the Company's Articles of Association.
The General Meeting is convened by way of an announcement published on the Company's website and in the manner prescribed for the dissemination of current information by public companies, provided that such announcement should be published at least twenty-six days before the date of the General Meetings of Shareholders.

Shareholder rights

The General Meeting may adopt resolutions only on the matters provided for in the agenda, subject to Article 404 of the Commercial Company Code. A shareholder or shareholders representing at least one-twentieth of the share capital have the right to request that a specific item be placed on the agenda of the General Meeting. In order to exercise this right, the shareholders who are entitled to request that a specific item be placed on the agenda of the Shareholder Meeting should submit a motion to the Company's Management Board, in writing or in electronic form, together with a justification and a draft resolution on the proposed item on the agenda, no later than twenty one days before the set date of the General Meetings of Shareholders.
The Management Board announces any changes to the agenda of the next Shareholder Meeting that are made at the request of shareholders immediately, but not later than eighteen days before the set date of the General Meeting. The announcement is published following the same procedure as applicable to convening the General Meetings of Shareholders.

The right to attend the General Meeting

Only those persons who are shareholders of LW Bogdanka S.A. sixteen days prior to the date of the General Meetings of Shareholders (date of registration to attend the Shareholder Meeting) have the right to attend and vote at the General Meeting.
Pledgees and users vested with voting rights have the right to attend the general meeting of a public company if the limited right in rem created in their favour is registered in the securities account on the date of registration of attendance at the general meeting.
Other parties with the right to participate in the General Meeting are Members of the Company's Management Board and Supervisory Board and, in the case of a General Meeting at which the financial affairs of LW Bogdanka S.A. are on the agenda, the statutory auditor auditing the Company's financial statements and the Company's chief accountant.
The General Meeting may also be attended by experts and guests invited by the body convening the General Meeting.
A shareholder may transfer shares in the period between the date of registration to attend the General Meeting and the end date of the General Meeting.
According to the By-laws of the General Meeting of Shareholders of LW Bogdanka S.A., the members of the Supervisory Board and the Management Board and the Company's statutory auditor should provide the participants of the General Meeting with explanations and information on the Company within their powers and to the extent necessary to handle the matters discussed by the General Meeting.

The right of a proxy to attend the General Meeting

A Shareholder may participate in the General Meeting and exercise its right of vote in person or by proxy. Proxy documents to attend and vote at the Shareholder Meeting should be issued in writing or electronically.

Adoption of resolutions by the General Meeting

According to the Articles of Association, the General Meeting adopts resolutions if at least a half of the share capital is represented at the General Meeting.
Each share gives its holder one vote at the General Meeting.
Resolutions of the General Meeting are required, in addition to other matters arising from generally applicable provisions of law, in the following cases:
- examination and approval of financial statements for the previous financial year as well as the Management Board's report on the Company's activity
- decision on distribution of net profit or coverage of net loss
- granting a discharge to the members of the Company's bodies for the performance of their duties
- setting a dividend record date and determining the date of dividend payment
- appointing and dismissing of the Supervisory Board members
- determining the number of members of the Supervisory Board
- determining the rules for compensating Supervisory Board members and Management Board members
- disposal and lease of the Company enterprise or its organised part as well as establishing of a limited right in rem thereon
- concluding of a loan, surety or any other similar agreement with a member of the Management Board, Supervisory Board, a proxy, a liquidator or in favour of any of those persons,
- determining the rules, the procedure and the conditions for the retirement of shares
- creation and liquidation of funds or capital of the Company
- adopting the By-laws of the General Meeting defining detailed principles for the conduct of meetings and adoption of resolutions
- accession and withdrawal of the Company from the ENEA Group
- adoption or repeal of the ENEA Group Code upon recommendation of the Management Board and opinion of the Supervisory Board.

Moreover, resolutions of the General Meeting are required for the matters set forth in §12(2) of the Company Articles of Association.

Company's Articles of Association

The Articles of Association of LW Bogdanka S.A. represent the fundamental document setting out the rights and obligations of the founders, shareholders and corporate bodies. Principles for appointing the Management Board and the Supervisory Board are

Description of the rules concerning the amendments to the Company's Articles of Association

Any amendments to the Company's Articles of Association require a resolution of the

General Meeting of Shareholders and entry into the Register of Commercial Undertakings, as stipulated by the Articles of Association of LW Bogdanka S.A. and

the Commercial Company Code.
If extensive amendments are to be made to the Articles of Association, the Management Board prepares a draft of a new consolidated text of the Articles of Association, including a schedule of the provisions to be amended or introduced as new, and attaches this draft to the announcement convening the General Meetings of Shareholders at which the amendments are to be enacted.
After the General Meetings of Shareholders amends the Articles of Association, the Management Board prepares a draft consolidated text of the amended Articles and presents it to the Supervisory Board for approval.
Furthermore, any amendments to the Articles of Association are governed by the Regulation of the Minister of Finance of 29 March 2018 on the Current and Periodic Information Transmitted by Securities Issuers and the Conditions for Recognising the Information Required by the Regulations of a Non-Member State as Equivalent, which stipulate the obligation to publish - in the form of an interim report - the information about the intended or introduced amendments to the Articles of Association.

3.5 General Meeting

Information on the meetings of the General Meeting of LW Bogdanka S.A. held in 2025

In 2025, one Ordinary General Meeting of Shareholders and one Extraordinary General Meeting of Shareholders was held.

Ordinary General Meeting convened on 25 June 2025 - held in the registered office of the Company in Bogdanka.
Agenda of the Ordinary General Meeting of Shareholders on 25 June 2025:

1) Opening of the General Meeting
2) Election of the Chairperson of the General Meeting
3) Determination as to whether the General Meeting has been duly convened and is capable of adopting resolutions
4) Adoption of the agenda
5) Consideration of the Management Board's Report on activities of LW Bogdanka S.A. and the LW Bogdanka Group for 2024, including the Sustainability Report of the LW Bogdanka Group for 2024
6) Review of the Financial Statements of Lubelski Węgiel Bogdanka S.A. for the financial year 2024
7) Review of the Consolidated Financial Statements of the Lubelski Węgiel Bogdanka Group for the financial year 2024
8) Presentation of the Management Board's motion on coverage of net loss for the financial year 2024
9) Presentation of the Report of the Supervisory Board of Lubelski Węgiel Bogdanka S.A. for the financial year 2024
10) Presentation of the report on representation expenditures as well as on expenditure on legal services, marketing services, public relations and social communications services as well as management advisory services, and on the report on Best Practices, as referred to in Article 7(3) of the Act of 16 December 2016 on the Rules for Managing State Property for the financial year 2024.
11) Adoption resolutions by the General Meeting on:
    - approval of the Management Board's Report
      on activities of LW Bogdanka S.A. and the LW Bogdanka Group for 2024, including the Sustainability Report of the LW Bogdanka Group for 2024
    - approval of the Financial Statements of Lubelski Węgiel Bogdanka S.A. for the financial year 2024,
    - approval of the Consolidated Financial Statements of the Lubelski Węgiel Bogdanka Group for the financial year 2024,
    - granting a discharge to the Members of the Management Board of Lubelski Węgiel Bogdanka S.A. for the performance of their duties in the financial year 2024
    - approval of the Report of the Supervisory Board of Lubelski Węgiel Bogdanka S.A. for the financial year 2024
    - granting a discharge to the Members of the Supervisory Board of Lubelski Węgiel Bogdanka S.A. for the performance of their duties in the financial year 2024
    - issuing an opinion on the Report on Remuneration of the Management Board and the Supervisory Board of LW Bogdanka S.A. for 2024
    - coverage of the net loss for the financial year 2024
    - changes in the composition of the Supervisory Board
12) any other business
13) Closure of the General Meeting.

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Extraordinary General Meeting convened on 05 November 2025 - held in the registered office of the Company in Bogdanka.

Agenda of the Extraordinary General Meeting of Shareholders on 05 November 2025:

1) Opening of the Extraordinary General Meeting.
2) Election of the Chairperson of the Extraordinary General Meeting.
3) Determination as to whether the Extraordinary General Meeting has been duly convened and is capable of adopting resolutions.
4) Adoption of the agenda.
5) Adoption of a resolution regarding amendments to the Company's Articles of Association (amendments registered by the Court on 13 November 2025)
6) Closure of the Extraordinary General Meeting.

Information on the resolutions
documents are available on the
of LW Bogdanka S.A. **www.ri.lw**

3.6 Audit Committee

The Audit Committee is a collegiate advisory and opinion-giving body supporting the Supervisory Board in 2025.
The Audit Committee consist of at least three

members appointed by the Supervisory Board from among its members, for a term of office coinciding with the term of office of the Supervisory Board.

The Audit Committee's responsibilities and powers

1. The Audit Committee performs duties set out in the Act, in particular:

- monitors the Company's financial reporting and sustainability reporting processes
- monitors the effectiveness of the internal control systems, risk management systems, compliance systems and internal audit systems, particularly in relation to financial reporting and sustainability reporting
- monitors the performance of financial audit activities, in particular the audit firm's examination or assurance of sustainability reporting, taking into account any conclusions and findings of the Polish Audit Oversight Agency arising from an inspection carried out at the audit firm
- controls and monitors the independence of the statutory auditor and the audit firm, in particular where the audit firm provides services to the Company other than the audit and certification of sustainability reports
- informs the Company's Supervisory Board of the results of the review or assurance of the sustainability reporting and explains how this audit or assurance contributed to the reliability of financial reporting and sustainability reporting, as well as the role of the Audit Committee in the audit or assurance process, as appropriate
- develops a policy for the selection of an audit firm to audit the financial statements and a policy for the selection of an audit firm to perform the assurance of the sustainability reporting
- develops a policy for the provision of services by the audit firm performing audit or sustainability reporting attestation, by affiliates of the audit firm and by members of the network to which the audit firm belongs of permitted services other than audit or sustainability reporting assurance
- develops a procedure for selecting the audit firm by the Company
- submits recommendations to the Supervisory Board regarding the appointment of a statutory auditor or an audit firm in accordance with the policies referred to above
- submits recommendations aimed at ensuring the reliability of the financial reporting and sustainability reporting processes in the Company.

2. As part of its monitoring of the financial reporting process and sustainability reporting, the Audit Committee, in particular:

- analyses the Company's quarterly, annual and interim financial reporting, the timeliness of the various stages of the financial reporting process in accordance with the established schedules,
  and the effectiveness of the control procedures applied in relation to financial reporting
- analyses information regarding the progress of the Company's annual sustainability reporting, the timeliness of the sustainability reporting process in accordance with the established schedules,
  and the effectiveness of the control procedures applied in relation to reporting
- analyses information on human resources in the Company's finance and accounting department, particularly regarding key staff involved in financial reporting, including information on changes that have occurred in key positions within the finance and accounting department and the reasons for such changes
- assesses the Company's process for publishing interim reports and preliminary results
- reviews the draft interim reports and current reports of the Company prior to their publication in order to ask questions, seek clarification and provide any comments or feedback
- reviews the policies for the preparation and disclosure of non-financial information for the Company's group
- discusses and analyses the scope of changes in financial reporting and sustainability reporting and their significance, including the impact of new standards, amendments to existing standards and new interpretations as they relate to the Company,
  and assesses the preparations for their implementation
- reviews the management accounting system
- reviews the investor relations practices
- reviews the IT systems used for accounting and reporting purposes
- reviews the accounting policies and their compliance, as well as the consolidation criteria, as well as discusses the list of 'critical accounting policies' that have a significant impact on the financial statements.

3. As part of its monitoring of the conduct of the financial audit, the Audit Committee, in particular:

- assesses the independence of the statutory auditor and the audit firm; discusses with the statutory auditor the plan and timetable for the audit or review of the financial statements, as well as the assurance report on the sustainability report
- updates information related to the audit firm, including obtaining information from it regarding the findings and conclusions of audits carried out by the Polish Audit Oversight Agency ('PANA')
- collects and analyses information, including information from the media and directly from the audit firm, regarding the possibility that the audit firm may lose its authorisation to carry out the audit; analyses the findings or conclusions contained in PANA's annual report; analyses the annual transparency report published by the audit firm
- takes note of the auditor's report and discusses with the Company's Management Board the results of the annual audit/half-yearly review and the results of the certification of the annual sustainability report
- discusses with the auditor the latter's assessment of the cooperation during the audit and review (without the participation of the Company's management)
- approves the appointment of a statutory auditor to carry out an assurance engagement to assess the remuneration report (and, where necessary, other permitted non-audit services)
- carries out an analysis of the reservations, comments and recommendations provided by the auditor
- takes note of the statutory auditor's supplementary report.

3.6 Audit Committee

The Audit Committee's responsibilities and powers

4. As part of its monitoring of the internal control system, risk management, compliance and the internal audit function, the Audit Committee performs, in particular, the following tasks:

- discusses the results of internal controls and internal audits; the results of ad hoc and special inspections, as well as deviations from established control and audit plans, including a review of the recommendations issued; discusses the reasons for delays or failure to implement previously issued recommendations
- reviews the risk management system, including the list of key risk factors and the measures taken to mitigate their impact
- reviews the internal control system, its adequacy and effectiveness, and its performance within the Company and across the entire group, including a review of procedures relating to the prevention of money laundering and terrorist financing
- receives from the person responsible for internal audit an assessment of the effectiveness of the internal control systems, risk management and compliance oversight, as well as the internal audit function
- reviews the compliance management system for anti-corruption measures, the whistleblower protection scheme and the monitoring of reports
- assesses the internal audit function, its independence and its reports
- reviews procedures relating to conflicts of interest and ethical standards, as well as the detection and prevention of fraud and abuse
- reviews the internal audit plan for the forthcoming financial year
- receives and approves information regarding the budget, resources and remuneration levels within the internal audit unit.

5. The Audit Committee has a possibility to contact the Head of the Company's internal audit unit directly.

6. The Audit Committee may, without the intermediation of the Supervisory Board, request information, explanations and the provision of documents necessary for the performance of its duties.

7. The Audit Committee may request that the statutory auditor discuss with the Audit Committee, the Management Board or the Supervisory Board the key audit matters set out in the additional report referred to in Article 11 of Regulation (EU) No 537/2014 of the European Parliament and of the Council (EU) No 537/2014 of 16 April 2014 on specific requirements regarding the statutory audit of financial statements of public-interest entities.

Rules governing the operation of the Audit Committee

- The Audit Committee performs the functions entrusted to it collectively.
- Meetings of the Committee are convened and chaired by the Chairperson; in the Chairperson's absence, a member of the Supervisory Board who is a member of the Audit Committee and has been designated by the Chairperson.
- The committee meets as required, but at least four times during the financial year
- The notice convening the Committee meeting shall specify the date and venue of the meeting, a detailed draft agenda and, where applicable, the manner in which means of direct remote communication are to be used during the meeting. Along the invitation, the relevant documents concerning the items on the agenda are sent.

Resolutions of the Audit Committee

- The Audit Committee's opinions, recommendations and conclusions are issued in the form of resolutions.
- The Committee adopts resolutions provided that at least half of its members are present at the meeting and all members of the Committee have been duly notified of the meeting. As a general rule, the Committee adopts resolutions by open vote. At the request of a Committee member, the Chairperson orders a secret ballot. The Committee may pass a resolution to waive the secrecy of a vote ordered at the request of a Committee member.
- Resolutions of the Committee shall be adopted by an absolute majority of the votes cast; in the event of a tie, the Chairperson of the Committee shall have the casting vote.
- The procedure for adopting resolutions by the Supervisory Board applies to the adoption of Committee's resolutions.

3.6 Audit Committee

Composition of the Audit Committee

- The Committee consists of at least three members, including the Chairperson of the Audit Committee, appointed by a resolution of the Supervisory Board among its members, for a term corresponding to the term of office of the Supervisory Board.
- The Audit Committee's Chairperson is elected by the Supervisory Board.
- The Committee's Chairperson manages the work of the Committee, supervises the work of the Committee, in particular the organisation and execution of the Committee meetings.
- The Supervisory Board Chairperson may be a member of Supervisory Board Committees but may not be the Chairperson of the Audit Committee.
- Membership of the Audit Committee ceases when the member ceases to be a Supervisory Board member; however a Committee member may be dismissed from the Committee at any time by a Supervisory Board resolution. A member of the Committee may resign from the Committee at any time by submitting a letter of resignation to the Chairperson of the Committee. If the Chairperson of the Audit Committee resigns, the resignation shall be submitted to the Chair of the Supervisory Board or, if this is not possible, to the Deputy Chairperson of the Supervisory Board
- If the number of Committee members falls below the specified minimum, the Supervisory Board shall immediately fill the vacancies
- At least one member of the Audit Committee has knowledge and skills in the scope of accounting or auditing of financial statements.
- The members of the Audit Committee possess the knowledge and skills required for the sector in which Lubelski Węgiel "Bogdanka" S.A. operates. This condition is deemed to be met if at least one member of the Audit Committee possesses knowledge and skills relating to that sector, or if individual members possess such knowledge and skills in specific areas.
- Most members of the Audit Committee, including its Chairperson, are independent of the Company, i.e. they meet the independence criteria set out in Article 129(3) of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight.

Composition of the Audit Committee as at 01 January 2025

Paweł Cygan1[1), 2)]	Chairman
Daniel Frąc [1)]	Member
Magdalena Makieła [1)]	Member

Following the changes to the composition of the Supervisory Board made on 25 June 2025 by the Annual General Meeting, the Supervisory Board appointed Mr Grzegorz Czornik to the Audit Committee on 5 August 2025.

Composition of the Audit Committee as at 31 December 2025 and as at the day of the Report:

Paweł Cygan1[1), 2)]	Chairman
Grzegorz Czornik[3)]	Member
Daniel Frąc [1)]	Member
Magdalena Makieła [1)]	Member

[1)] Independent member within the meaning of Article 129(3) of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision,
[2)] A member with knowledge and skills in the area of accounting or auditing financial statements,
[3)] A member with knowledge and skills in the scope of the industry in which the issuer operates.

The person holding the knowledge and skills in the area of accounting or financial statements audits is:

Paweł Cygan - a graduate of Wyższa Szkoła Biznesu-National Louis University in Nowy Sącz, ACCA member, Certified Auditor. He holds an MBA in Financial Management from the University of Hull in the UK.
He gained professional experience at Arthur Andersen / Ernst & Young in the area of financial audit and business consulting, then from 2004 he worked at Vattenfall, where he was responsible for the development and management of internal audit and business consulting and supervision of key projects in the area of electricity sales and distribution.
From 2008 to 2016, Vice President of the Management Board, Chief Financial Officer of TAURON Dystrybucja and Chairman of the Supervisory Boards of subsidiaries, including responsibility for dozens of optimisation projects, M&A and implementation of key IT systems. In 2014, he was recognised in the large enterprise category of the 2013 CFO of the Year competition organised by ACCA, Forbes and Euler Hermes, among others, "for the CFO's extensive involvement in the company's difficult and complex processes and for his influence in shaping the company's corporate culture". In 2010-2012, he represented the Polish Electricity Committee and the Polish Society for Transmission and Distribution of Electricity at Eurelectric as part of the task force on the EU budget after 2013. From 2016 to 2017, a management board member, CFO at the Ożarów Group, and since 2017, managing director, management board member at Kirchhoff Automotive Poland, responsible for the overall operations of the company.

Industry-related knowledge and skills are held by:

Grzegorz Czornik (in office since 5 August 2025)
PhD in Economics and Engineer.
Expert with more than 30 years of experience in the mining, energy and district heating industries, in the area of international solid fuel trade and logistics. His management experience includes positions such as Member of the Management Board, Managing Director, Commercial Director, and Member of Supervisory Boards in WIG 20 capital companies. He has a record of success in commercial and logistic processes, IPO, M&A, functional strategy optimisation, environmental and ESG processes.
He has gained professional experience both at home and abroad. Since 1993, he has been active in the energy, mining and steel industry companies: Polski Koks SA, JSW SA, Tauron Wydobycie, SFW Energia, Koksownia Częstochowa Nowa, and Veolia; where he managed processes related to fuel trading, international trade, new technology development, M&A processes, and applications of the circular economy and ESG. He currently serves as a Member of the Management Board of Enea Trading sp. z o.o. and is an assistant professor at the WSB University in Dąbrowa Górnicza. He received his Ph.D. in Economics from the Cracow University of Economics and completed a graduate programme in engineering at the AGH University in Kraków, complemented by postgraduate MBA studies at the Poznań University of Economics, the Warsaw School of Economics and postgraduate studies abroad.

3.6 Audit Committee

Meetings of the Audit Committee

Committee meetings are convened by its Chairperson and in his or her absence by the committee member appointed by him or her. The Supervisory Board Chairperson or the Supervisory Board member appointed by him or her convenes the first meeting of the Committee. The regulations pertaining to notifications of Supervisory Board meetings will apply accordingly to notifications of the Audit Committee meetings. The meetings of the Committees should be held as necessary, of which one before the Company publishes its financial statements.
The Committee presents information on its meetings to the Supervisory Board.
The Committee Chairperson submits to the Supervisory Board the resolutions, motions and reports on matters on the agenda of the Supervisory Board meeting, as well as other motions, including motions on the need to prepare, for the needs of the Committee, expert opinion or opinions on the scope of the Committee's duties or engagement of an advisor.

The provisions of the Regulations of the Supervisory Board shall apply, respectively, to matters not regulated by the provisions pertaining to Supervisory Board Committees.

Attendance record of Audit Committee members at meetings

	2024	2025
Paweł Cygan	4/4	5/5
Daniel Frąc	4/4	5/5
Magdalena Makieła	4/4	4/5
Grzegorz Czornik	–	2/2
Krzysztof Gigol	1/1	–
Dariusz Batyra	1/1	–
Anna Chudek	1/1	–
Bartosz Piechota	1/1	–
Grzegorz Wróbel	1/1	–

Information concerning the Audit Committee's activities in 2025

In 2025, the Audit Committee held five meetings and adopted 13 resolutions concerning, among others:
- approval of the minutes of the proceedings for the selection of an audit firm for Lubelski Węgiel "Bogdanka" S.A. and the subsidiaries of the Lubelski Węgiel "Bogdanka" Group for the years 2026–2027, to forward it to the Supervisory Board of Lubelski Węgiel "Bogdanka" S.A. and issuing a recommendation for the Supervisory Board to select an entity authorised to audit the Company's financial statements
- issuing an opinion on the Separate and Consolidated Financial Statements of Lubelski Węgiel "Bogdanka" S.A. for the financial year from 1 January to 31 December 2024,
- approval of the Management Board's Report on activities of LW Bogdanka S.A. and the LW Bogdanka Group for 2024, including the Sustainability Report of the LW Bogdanka Group
- accepting information for the Supervisory Board on the results of the audit of the financial statements of Lubelski Węgiel Bogdanka S.A. and the Lubelski Węgiel Bogdanka Group for the financial year from 1 January to 31 December 2024.
- adoption of the Report on the activity of the Audit Committee in 2024
- approval of the Report on the Implementation of the Audit and Internal Control Plan for 2024.
- approval of Internal Audit Regulations of Lubelski Węgiel "Bogdanka" S.A.

Moreover, the Audit Committee:
- reviewed the management systems of Lubelski Węgiel "Bogdanka" S.A. and the Company's internal regulations
- reviewed the Risk Management Report - update on material risks as at 31 December 2024, and subsequently as at the end of Q1, Q2 and Q3 2025;
- reviewed the report on the audits carried out in the H1 2025 by the Internal Audit Department of the Lubelski Węgiel Bogdanka Group
- reviewed the motion to issue an opinion on the Audit Plan for 2026.

Cooperation of the Audit Committee with the statutory auditor:

- The Committee reviewed the motion to give consent for PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt Sp.k. to verify the correct the calculation of the excise duty coefficient for 2024
- The Committee reviewed the work schedule of the statutory auditor, PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. related to the audit of the Company's financial statements and the consolidated financial statements of the LW Bogdanka Group for 2025.

3.7 External auditor

Information on the selection of the statutory auditor

In order to review the financial statements of the Company and the consolidated financial statements of the Company's Group, the Supervisory Board, in accordance with the recommendation of the Audit Committee, on 29 May 2023 adopted a resolution on the extension of the agreement with PwC as the entity authorised to:

- review the Parent Company's financial statements and the consolidated financial statements of the Company's Group for the first half of 2023, 2024 and 2025.
- audit the Parent Company's financial statements and the consolidated financial statements of the Company's Group for 2023, 2024 and 2025.

Annex to the existing agreement with the auditor was signed on 30 May 2023.

Non-audit services:

In 2025, PwC was engaged to perform the following services, in addition to the service of auditing the financial statements of the Company and the consolidated financial statements of the Group and reviewing the interim statements:

- other assurance services (audit and review of the group consolidation package for ENEA's purposes),
- verification of the Group's consolidated 2025 financial statements prepared in the XBRL format
- attestation of the sustainability report (ESG) for 2025
- audits of the financial statements of subsidiaries
- assessing the Remuneration Report for the Parent Company's Management Board and Supervisory Board for 2025
- verification of correct calculation of the excise duty ratio for 2024

During the performance of the above activities, both PwC as an entity authorised to audit financial statements and the statutory auditors performing financial audit activities for LW Bogdanka S.A. observed the independence criteria referred to in Article 69-73a of the Act of 11 May 2017 on statutory auditors, audit firms and public supervision.

Main assumptions underlying the Policy for selecting the audit firm

When selecting an audit firm, the main considerations include the audit team's experience in auditing companies, competence, financial criteria and human resources. The selection is conducted in accordance with the principle of impartiality and independence of audit firms, in compliance with the laws on the mandatory periodic rotation of audit firms and key statutory auditors, mandatory retention periods and the results of audit firm inspections presented in the annual report published by the Polish Audit Supervision Agency. The first statutory audit agreement is concluded with an audit firm for a minimum period of two years, with an option to renew for additional periods of at least two years. The maximum time of uninterrupted duration of the statutory audit mandate for a single audit firm may not exceed ten years. A new mandate may not begin until four years have elapsed since the end of the previous statutory audit.

Main assumptions of the Policy on the provision of permitted non-audit services by an audit firm

LW Bogdanka S.A. and its subsidiaries are allowed to use permitted services (i.e. those which are not prohibited pursuant to Article 136 of the Act on Auditors), which are provided by the audit firm performing the audit, provided that they are not related to the tax policy of the companies. A permitted non-audit service may be rendered by an audit firm provided that the firm has been previously approved by the Audit Committee, following an assessment of the risks and safeguards of independence referred to in Articles 69-73a of the Act on statutory auditors. In addition, if the audit firm provides permitted non-audit services for a period of at least three consecutive financial years, the fee for the provision of such services is limited to 70% of the average fee for the last three consecutive financial years paid for the statutory audit of LW Bogdanka and, if applicable, its subsidiaries and the consolidated financial statements of the Group. In the case of prohibited services, i.e. services other than the permitted services, their direct or indirect provision to LW Bogdanka S.A. and its subsidiaries by the audit firm performing the audit of LW Bogdanka is prohibited in the period from the beginning of the audited period to the issuance of the audit report.

3.8 Diversity Policy

The Company does not have in place a formal diversity policy applicable to its administrative, management and supervisory bodies. Principles for appointing the Management Board and the Supervisory Board are defined in the Company's Articles of Association. When appointing members of its corporate bodies, the Company pays a lot of attention to ensuring comprehensiveness, diversity, as well as a range of educational backgrounds, age and professional experience, without differentiating candidates by gender, age, background or other factors that have no substantive impact on the evaluation of their qualifications. The decisive aspect is, first of all, being fit to discharge the specific function well.
Notwithstanding the foregoing, the Company pursues a diversity policy in the recruitment of its staff, which aims to harness their potential, diverse skills, talents, competencies and experience in an atmosphere of respect and support. Such approach applies to all the employees of the Company, which fosters its better functioning and contributes to the development of its strong market position.
Such diversity policy leads to high work productivity, building of trust, as well as counteracts discrimination, thus creating an environment of mutual respect.
The matters of diversity are regulated by: the Diversity Policy, the Company Articles of Association, Labour Regulations, Code of Ethics, Personnel Policy and the Company Collective Bargaining Agreement. In accordance with the Code of Ethics, in LW Bogdanka S.A. any conduct such as discrimination, both direct as well as indirect, harassment or mobbing are absolutely prohibited and unacceptable.

The "Work Regulations" list the prevention of discrimination in employment among the employer's fundamental obligations, in particular on grounds of gender, age, disability, race, religion, nationality, political beliefs, trade union membership, ethnic origin, religion, sexual orientation, or on the grounds of employment for a definite or indefinite period of time, or else on a full-time or part-time basis.

The policy of equal career development opportunities for every employee is a key element of the strategy implemented by the Company.

The Human Resources policy specifies the rules of recruiting employees. When looking for the best candidates, the Company focuses first and foremost on their knowledge, professional qualifications, personality aptitude and work experience. Being aware of the value of human capital, the Company attaches a lot of importance to its recruitment processes. In the process of candidate recruitment and selection, the Company is guided by professional candidate selection criteria based on requirements applicable to individual job descriptions.

Pursuant to its provisions, the Company Collective Bargaining Agreement lays down the duty to respect equal opportunities for efficient and well-organised work, so that the remuneration reflects the type of work performed, its quality and productivity. The criteria for setting remuneration for work are intended to ensure that employees receive a fair pay. Remuneration is determined in the amount corresponding to the type of work performed, the qualifications of the employee required for its performance, and taking into account the quantity and quality of the work performed.
The key personnel of LW Bogdanka S.A. is selected based on objective substantive criteria, and with respect for diversity. The Company provides equal opportunities for professional development and promotion.

LW Bogdanka S.A.'s activities to ensure compliance with equal treatment principles include:

- familiarising all employees with the Code of Ethics; continuous promotion of ethical standards at the mine site (the Company's website, notice boards, roll-ups, posters, messages, OHS monitors, etc.)
- training for managers raising their awareness of discrimination and mobbing
- equal access of women to decision-making processes, promotions, pay raises and management positions
- application of a remuneration system that does not in any way discriminate against any employees
- equal access to training for all employees
- maintenance of dialogue with employee representatives (trade unions)
- maintenance of regular internal communication with all employees
- pension schemes
- assistance provided to families of employees in need (the "Solidary Miners" Foundation)
- equal support for local initiatives.

LW Bogdanka S.A - Management Board
as at 31 December 2025

Total	**4**
Women	0
Men	4
Up to 30 years	0
From 31 to 40 years	0
From 41 to 50 years	2
Over 50 years	2
Foreigners	0

LW Bogdanka S.A - Supervisory Board
as at 31 December 2025

Total	**9**
Women	1
Men	8
Up to 30 years	0
From 31 to 40 years	1
From 41 to 50 years	4
Over 50 years	4
Foreigners	0

3.9 Dividend policy of LW Bogdanka S.A.

Dividend policy

In the medium- and long-term perspective, LW Bogdanka S.A. wants to remain a dividend payer, and the Management Board's intention is to apply to the General Meetings of Shareholders for payment of a dividend of up to 50% of the net profit recognised in the Company's separate financial statements prepared in accordance with the EU IFRS.

In view of the rapid changes in the coal market in Poland and globally, it is the Management Board's priority to ensure financial and liquidity security of the Company. As a result, the amount of the dividend distribution recommended by the Management Board is in each case a function of:
- the current market situation
- cash flows generated from operating activities
- planned investment processes
- projected level of the Company's debt.

The dividend distribution policy is subject to regular verification and any future dividends will be paid in accordance with the decisions of the General Meetings of Shareholders.

Coverage of the loss for 2024

On 25 June 2025, the Company's Annual General Meeting was held, at which the Shareholders passed a resolution to cover the net loss for 2024, pursuant to which it was decided to cover the Company's net loss of PLN 1,504,054 thousand in full from the reserve capital.

Decision on dividend distribution in LW Bogdanka S.A. for 2025

The Company's Management Board is currently assessing a possibility of paying a dividend for 2025, and as at the date of this Management Board Report, no decision has yet been taken. The Management Board's recommendation is expected in the mid-second quarter of 2026.

Dividend paid out from profit in 2023-2025

	2023	2024	2025
Unit net profit/(loss) for previous year [PLN million]	175.8	687.0	-1,504.0
Total dividend [PLN million]	87.8	85.0	–
Dividend per share [PLN]	2.58	2.50	–
% of profit allocated for dividend payment	49.9%	12.4%	–
Profit/loss per share [PLN]	5.2.	20.2	-44.2
Dividend rate	6.5%	8.0%	–

3.10 Share capital structure and shareholding of LW Bogdanka S.A

Share capital structure

The Company's share capital is PLN 170,067,950 and is divided into 34,013,590 shares with a nominal value of PLN 5 per share. On 4 January 2012, 3,208,111 employee shares were floated on the Warsaw Stock Exchange, and on 4 February 2013, another 34,754 shares were floated.
The total number of the Company's shares traded is 34,013,455.
The remaining 135 shares, as of the date of this Report, are registered shares.
The total number of votes resulting from all outstanding shares of the Issuer corresponds to the number of shares, translating into 34,013,590 votes. The dominant strategic shareholder in the Company is ENEA S.A., with a majority shareholding of 64.6% in LW Bogdanka S.A., which authorise it to 21,962,189 votes, translating into the nominal value of PLN 109,810,945.

The Issuer's other shareholders are mainly institutional investors in the form of pension and investment funds.

Treasury shares

In Q1-Q4 2025, LW Bogdanka S.A. and its subsidiaries did not purchase any Treasury shares.

Participation of LW Bogdanka S.A.'s shares in indices

The Company was floated on the Warsaw Stock Exchange S.A. on 25 June 2009.

At the end of 2025, LW Bogdanka S.A. was included in the following stock exchange indices:

- **sWIG80** - index of small companies listed on the WSE
- **sWIG80TR** - version of the sWIG80 index which takes into account dividend income
- **WIG** - broad index comprising all companies listed on the WSE main market
- **WIG-Poland** - index of only Polish companies on the main market
- **WIG140** - index of the 140 largest companies on the WSE
- **WIG mining -** a sector index comprising companies participating in the WIG index and simultaneously classified in the "mining" sector.
- **GPWB-CENTR –** a net income index comprising the largest and most liquid companies in Central Europe, taking into account both the transaction prices of the companies in its portfolio and net dividend income.
- **CEEplus –** a price index comprising the largest and most liquid companies in Central Europe, based on transaction prices but excluding dividend income.

3.10 Share capital structure and shareholding of LW Bogdanka S.A

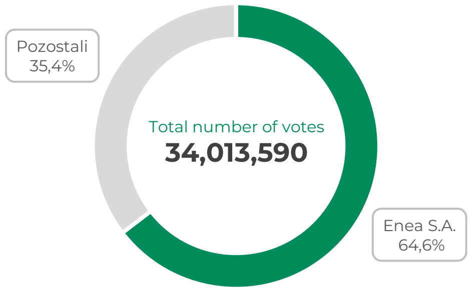
Changes in shareholder structure up to the date of the report

According to information in possession of the

Parent Company, in 2023 there were no changes in the number of votes held by the shareholders having more than 5% of the votes at LW Bogdanka S.A.'s Shareholder Meeting.

From 31 December 2025 until the publication date of this Report, and according to the information in possession of the Parent Company, there have been no changes in the number of votes held by the shareholders having more than 5% of the votes at LW Bogdanka S.A.'s General Meeting of Shareholders.

Shareholding structure of LW Bogdanka S.A as at 31 December 2024 and 31 December 2025



Shareholders holding directly or indirectly significant stakes in the Company

Shareholder	31 December 2024		31 December 2025	
	Number of shares / Number of votes at GM	Interest in the share capital (%)	Number of shares / Number of votes at GM	Interest in the share capital (%)
Enea S.A.	21,962,189	64.6%	21,962,189	64.6%
Others	12,051,401	35.4%	12,051,401	35.4%
Total	**34,013,590**	100.0%	**34,013,590**	100.0%

From 31 December 2025 until the publication date of this Report, and according to the information in possession of the Parent Company, there have been no changes in the number of votes held by the shareholders having more than 5% of the votes at LW Bogdanka S.A.'s General Meeting of Shareholders.

Specification of holders of any securities that give special controlling rights over the issuer

The Company did not issue any securities that give special rights of control to the shareholders.

Specification of any restrictions on voting rights

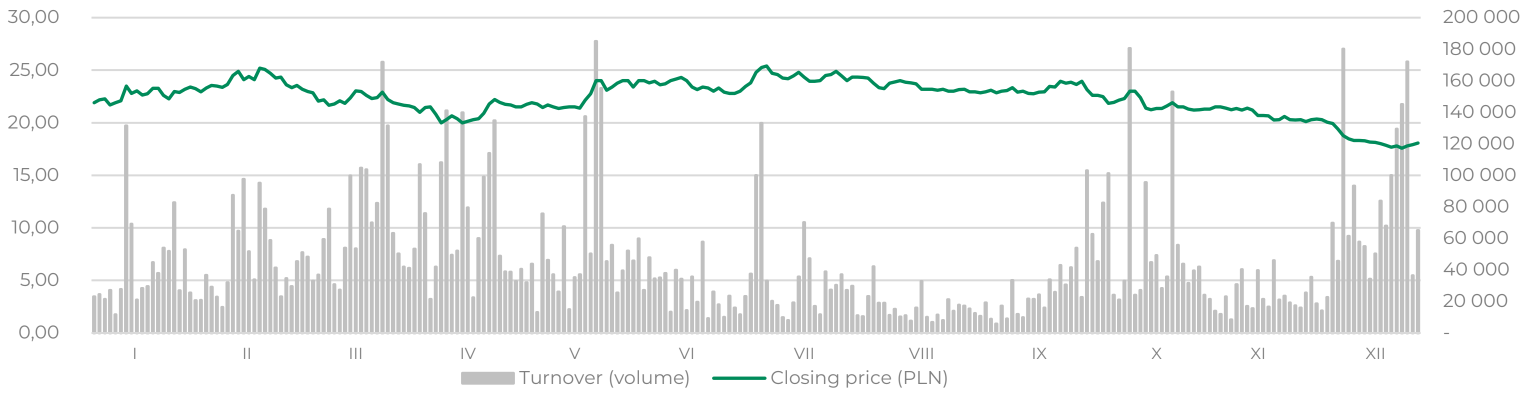
The Company's Articles of Association do not stipulate any restrictions on the exercise of voting rights at the General Meeting of LW Bogdanka S.A.

Specification of any restrictions on the transfer of the title to securities issued by the Company

The Company's Articles of Association do not stipulate any restrictions on transfer of the ownership title to securities of the Companies.

3.11 LW Bogdanka S.A. stock prices on the Warsaw Stock Exchange

LW Bogdanka S.A. stock prices in 2025



Key data on shares

	2024	2025
Maximum price [PLN]	36.4	25.4
Minimum price [PLN]	20.3	17.6
Last price [PLN]	21.6	18.1
Average price [PLN]	28.1	22.4
Capitalisation at the end of the period [PLN million]	733.3	615.0
Carrying amount [PLN million]	2,673.6	2,511.6
P/E [market capitalisation/net profit]	-0.49	-3.83
P/BV [market capitalisation/book value]	0.27	0.24
Rate of return at the end of the period [%]	-37.0	-16.1
% of profit earmarked for dividend payment [%]	12.4	–
Dividend rate [%]	8.0	–
Average trading value per session [PLN 000].	1,659.7	1,004.7
Average volume per session	55,282	45,569
Number of shares traded [pcs]	34,013,590	34,013,590

Analyst recommendations

Date of issue	Institution	Recommendation	Price target	Price before date of issue
20 February 2025	Santander Brokerage House	Sell	PLN 15.30	PLN 24.72
4 June 2025	Santander Brokerage House	Sell	PLN 15.80	PLN 23.80
26 September 2025	BM Banku Pekao	Sell	PLN 16.22	PLN 23.95
26 September 2025	Santander Brokerage House	Sell	PLN 15.80	PLN 23.95

The above information constitutes a summary of security broker recommendations within the meaning of Commission Delegated Regulation (EU) 958 of 9 March 2016.

3.12 Number of shares of LW Bogdanka S.A. held by members of the Company's governing bodies

Shares in related parties of the Company

Members of the Management Board and Supervisory Board of LW Bogdanka S.A. do not hold any shares in the following subsidiary:

- Łęczyńska Energetyka sp. z o.o.
- EkoTRANS Bogdanka sp. z o.o.
- RG Bogdanka sp. z o.o.
- MR Bogdanka sp. z o.o.

According to the information available to the Parent Company, in the period from the publication of the previous interim report, i.e. the report for Q3 2025, to the date of publication of the annual report for 2025, there were no changes in the number of shares in LW Bogdanka S.A. held by persons discharging management and supervisory functions.

The Issuer is not aware of any agreements concluded including agreements concluded after the balance sheet date, which may result in future changes in the proportions of shares held by existing shareholders.

Employee share scheme

There are no employee share schemes in operation in the Group's companies.

A breakdown of the shareholdings in LW Bogdanka S.A. and in the Company's related parties by persons discharging management and supervisory functions in LW Bogdanka S.A. is presented in the tables below*:

MANAGEMENT BOARD

Full name	Number of Company shares as at 10 April 2026	Par value per share (PLN)	Number of Company shares as at 18 November 2025	Par value per share (PLN)	Number of shares in Subsidiaries
Zbigniew Stopa	0	0	0	0	0
Bartosz Rożnawski	43	215	43	215	0
Slawomir Krenczyk	0	0	0	0	0
Artur Wasilewski	0	0	0	0	0

SUPERVISORY BOARD

Full name	Number of Company shares as at 10 April 2026	Par value per share (PLN)	Number of Company shares as at 18 November 2025	Par value per share (PLN)	Number of shares in Subsidiaries
Bartosz Krysta	0	0	0	0	0
Szymon Jankowski	0	0	0	0	0
Paweł Cygan	0	0	0	0	0
Grzegorz Czornik	0	0	0	0	0
Daniel Frąc	0	0	0	0	0
Magdalena Makieła	0	0	0	0	0
Robert Wietrzyk	0	0	0	0	0
Paweł Wójcik	0	0	0	0	0
Zbigniew Niedbalski	0	0	–	-	0

	Number of the Company's shares as at 10 April 2026	Par value per share (PLN)	Number of the Company's shares as at 18 November 2025.	Par value per share (PLN)	Number of shares in subsidiaries
TOTAL	**43**	**215**	**43**	**215**	**0**

*According to the representations by members of the Issuer's Management Board and Supervisory Board

3.13 Investor relations, contacts with investors

Investor relations - how we operate

For LW Bogdanka SA, investor relations make a very important element of consistent and integrated corporate communication. Communication and the channels and tools used are tailored to the needs of specific target groups, while maintaining the principle of equal access to information.

In 2025, the Company communicated with investors under an information policy designed primarily to build trust of capital market participants.

Forms of communication with investors

1. The Company communicates with investors via its Investor Relations website, www.ri.lw.com.pl, where all information relevant to investors is published in both Polish and English.
2. The Company sends the Investor Newsletter, following the publication of current reports and periodic reports and information relevant to investors.
3. Moreover, in 2025, representatives of the Management Board of the Company:
   - took part in performance conferences addressed in particular to analysts and journalists, and the meetings were also streamed online,
   - The President of the Management Board took part in investor chats addressed to individual investors where usually approx. 100 participants logged; information concerning the planned investor chat are announced in advance on the Company's website, in the investor's calendar.
   - The Company responds to shareholders' queries on an ongoing basis - employees of the investor relations department are usually contacted by e-mail or telephone.
   - The Company representatives attend industry events offering an opportunity to obtain information about the Company directly.

The Company endeavours to meet the highest possible standards in terms of quality and availability of information to investors.

In 2025, for its communication activities with investors, the Company received an award in The Best Annual Report competition organised by the Institute of Accounting and Taxes - the Company won the second grand prize in The Best Annual Report competition in the "Companies" category
The aim of the competition is to promote high-quality standards in the preparation of consolidated annual reports by issuers of securities, drawn up in accordance with International Financial Reporting Standards (IFRS), applicable legislation, guidelines issued by the Polish Financial Supervision Authority (KNF) and the European Securities and Markets Authority (ESMA), as well as national and international best practices and the expectations of capital market participants. The overarching aim of the initiative is to recognise companies that prepare consolidated annual reports in accordance with IFRS/IAS which offer the highest level of information value and utility to shareholders and investors.

The Company did not receive any significant queries or comments from Investors or analysts regarding its reporting or reports.

Publication of information concerning the Company

A report informing of the Company's implementation of Best Practices was published on 29 December 2025
– is available on the Investor Relations page of LW Bogdanka S.A. in the section on corporate governance:
https://ri.lw.com.pl/lad-korporacyjny-raporty

The Company also informs on the application of the Best Practices in the annual report, in the corporate governance section describing the activities that took place during the year.

All information about the Company was published in the Investor Relations Service:

- basic corporate documents, in particular, such as the Articles of Association, the By-laws of the General Meeting, the By-laws of the Supervisory Board, the By-laws of the Management Board, the Remuneration Policy for Members of the Management Board and the Supervisory Board, as well as information on the application of the Best Practices by the Company,
- current and interim reports,
- composition of the Management Board, the Supervisory Board, the Audit Committee, professional CVs of members of these bodies,
- summary of financial and operating data from 2011 onwards (including, but not limited to, balance sheet, profit and loss account, cash flows, financial ratios, operational data) with a possibility to set the data in table and chart versions; moreover, it is possible to download these data in a CSV or XLS file,
- up-to-date investor presentations, including presentations on financial performance and business strategy,
- investor's calendar containing, among other things, dates of publication of reports and investor meetings, dates of general meetings, dates of investor chats,
- information on the ESG activities which can be found under the tab dedicated to environmental, social and corporate governance matters. information on ESG is also included in an annual integrated report published on an annual basis and available on the Company's website.

The Company regularly reports its preliminary financial results in the middle of the month following the quarter end.

Contact with the Investor Relations department

Pawel Bielski
Manager of Investor Relations and Market Analysis Department
Tel.: +48 81 462 55 44
e-mail: gielda@lw.com.pl, pbielski@lw.com.pl

Magdalena Szewczyk
Chief Specialist for Investor Relations and Market Analysis
Tel.: +48 81 462 55 44
e-mail: gielda@lw.com.pl, mszewczyk@lw.com.pl

Łukasz Sarzyński
Chief Specialist for Investor Relations and Market Analysis
Tel.: +48 81 462 50 29
e-mail: gielda@lw.com.pl, lsarzynski@lw.com.pl

Anna Hermann
Specialist for Investor Relations and Market Analysis
tel. +48 81,462 55 44
e-mail: gielda@lw.com.pl, ahermann@lw.com.pl

4. Sustainability Report of the LW Bogdanka Group

Chapter One
ESRS 2 - General information

BP-1- General basis for the preparation of the sustainability statements

This statement concerning the Lubelski Węgiel Bogdanka Group (GK LWB) has been prepared on the basis of Article 63x of the Accounting Act of 29 September 1994 (consolidated text, 4 November 2022. Journal of Laws 2023, item 120, as amended) and in accordance with the sustainability reporting guidelines contained in Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023, which supplements Directive 2013/34/EU of the European Parliament and of the Council regarding sustainability reporting standards (European Sustainability Reporting Standards, "ESRS"). The document has been prepared in consolidated form while the scope of data consolidation is the same as for the financial statements and includes the following companies:

- Lubelski Węgiel Bogdanka S.A. (LWB)
- Łęczyńska Energetyka Sp. z o.o.
- Ekotrans Bogdanka Sp. z o.o.
- RG Bogdanka Sp. z o.o. (RGB)
- MR Bogdanka Sp. z o.o. (MRB)

The Sustainability Statement of LW Bogdanka Group for 2025 applies to the Group's entire value chain. In preparing this statement, the LWB Group did not use the option to omit information concerning intellectual property, know-how and the results of innovation, nor did it avail itself of the exemption from the obligation to disclose information concerning expected events or matters subject to ongoing negotiations in accordance with Article 19a(3) and Article 29a(3) of Directive 2013/34/EU.

[BP-2] Disclosure in relation to specific circumstances

In the reporting period, in the opinion of the LW Bogdanka Group, there were no particular circumstances, including one-off events or significant organisational, operational or regulatory changes, that could have affected the preparation and drafting of the sustainability statement. In the statement prepared, the LW Bogdanka Group did not take into account any sustainability reporting requirements other than those set out in the European Sustainability Reporting Standards (ESRS). In its reporting process, the Group has adhered to the definitions of time horizons set out in ESRS 1, defining the short-term horizon as a period of one year, the average-term horizon as a period of five years, and the long-term horizon as a period exceeding five years. In 2025, there were no changes to the preparation and presentation of sustainability information, and no new metrics were introduced in the reporting process.

The data presented does not include quantitative metrics or figures that are subject to a high degree of measurement uncertainty. The report sets out the methods used to calculate quantitative data, including descriptions of instances where estimates were used. The majority of the quantitative data was calculated using actual data obtained from direct sources or measurements. The selected quantitative data on the value chain published in the report were estimated using proxy data – Scope 3 emission data from international sources and publications, which are described in detail under indicator E1-6.

Whilst compiling the quantitative data for the 2025 statement, the LW Bogdanka Group identified irregularities and new circumstances affecting the figures presented in the 2024 report. Consequently, the statement includes revised figures for the energy consumption indicators set out in the table 'Energy consumption and energy mix'. As part of the process of verifying the data disclosed in the 2024 Statement, irregularities were identified regarding the completeness and allocation of energy volumes in certain items. In particular, it was found that part of the fuel consumption had not been included in the data for 2024 and that district heating supplied by Łęczyńska Energetyka had not been included in the statements. In addition, the volumes of self-generated renewable energy were subject to adjustment following verification against data from the PV installations. Following the adjustment to the energy basket, the energy intensity indicator has also been updated.

The revised figures are presented in this report in Chapter E1, 'Climate Change', on page 140. The issues identified were of an organisational and presentation nature and did not affect the overall picture of energy consumption or the structure of the Group's energy mix. These adjustments do not significantly change the conclusions drawn from the disclosed data.
At the same time, irregularities were identified regarding data completeness and opportunities to improve the methodology for calculating emissions in selected items within the scope

At the same time, irregularities were identified regarding data completeness and opportunities to improve the methodology for calculating emissions in selected items within scope 1 and 3.
Scope 1 includes detailed measurement data obtained as a result of the implementation of the Methane Act. For Category 1 of Scope 3, values resulting from cost fluctuations have been adjusted and the emission factors used have been revised. Furthermore, following the materiality analysis, changes were made resulting in the identification of immaterial categories in Scope 3 and the disclosure of figures solely for emissions under Scope 11.

In its 2025 statement, the LW Bogdanka Group made use of the option to omit information in the indicators specified in Appendix C* of ESRS 1 (List of phased-in disclosure requirements):

- E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities
- E5-6 Anticipated financial effects resulting from resource use and circular economy-related impacts, risks and opportunities
- S1-13 Training and skills development metrics As part of its reporting, the LW Bogdanka Group took the opportunity to omit information on the percentage of employees who participated in regular performance reviews and career development.

* Appendix C sets out the possibility of omitting selected indicators/disclosure requirements.

ESRS 2 - General information

GOV-1 The role of the entity's administrative, management and supervisory bodies, and GOV-2 Information provided to the entity's administrative, management and supervisory bodies and matters relating to sustainable development addressed by them

The management board of the parent company is responsible for making decisions that have not been reserved for other bodies of the Company. Decisions concerning financial rights and obligations, as well as key strategic, economic and organisational decisions, are taken collectively by the parent company and formalised by a resolution of the Management Board. With regard to day-to-day operational management, decisions are taken independently by members of the Management Board and division managers, in accordance with their respective areas of responsibility as set out in the Management Board Regulations and the Organisational Regulations. A similar framework for managing sustainability issues is in place within the subsidiaries, with the exception that certain decisions (e.g. matters relating to the disclosure of non-financial information, compliance or the prevention of human rights violations) are taken by the parent company's Management Board as part of its ownership oversight and coordination of the subsidiaries' activities in line with the strategy. In accordance with the decision of the Management Board of LW Bogdanka, following the adoption of the resolution in question, it is implemented within the subsidiaries. This is a mechanism designed to ensure consistency within the ESG management system.

In addition to the General Meeting of Shareholders, the Supervisory Board oversees the operations of LW Bogdanka SA; the Management Board provides the Supervisory Board with key information regarding the Company's operations, including information on the adopted ESG Strategy and non-financial targets. Supervisory boards in the Group's subsidiaries perform a similar role. The Supervisory Board, on the other hand, submits a report on its activities to the General Meeting of Shareholders, requesting discharge. The body responsible for overseeing significant impacts, risks and opportunities is the parent company's Management Board, which comprises four experienced managers. In accordance with their skills and professional experience, they are heads of divisions within the Group's organisational structure. In particular, in the specific areas assigned to them which fall under their direct managerial responsibility. Members of the parent company's Management Board are involved in setting objectives relating to significant impacts, risks and opportunities by adopting resolutions on the strategies, policies and individual projects to be implemented – together with their objectives. They subsequently oversee the implementation of ESG-related tasks through reporting: quarterly, half-yearly, annual, upon completion of projects, or as a result of scheduled reviews or emerging information requirements. The ESG strategy, which is a document addressing all material impacts, risks and opportunities, is reviewed on a 12-monthly basis.

In performing its duties, the Management Board draws on the advice of specialist advisory groups, in particular those representing the scientific community, which provide conclusive scientific evidence to inform management decisions – with regard to issues relating to sustainable development, it cooperates, amongst others, with an independent body operating within LW Bogdanka, namely the Scientific Council for Environmental Protection.

Furthermore, the Group's organisational structure includes experienced experts who have been involved in the hard coal mining sector for decades, holding managerial and executive positions and overseeing specific divisions and organisational units. These individuals are responsible for the day-to-day management of key issues relating to impacts, risks and opportunities, within their respective areas of responsibility.

A dedicated ESG Department is responsible for monitoring the implementation of the ESG strategy, carrying out tasks related to managing the organisation's impact, ESG risks and opportunities, and reporting. During the reporting period, the ESG Department operated within the division reporting directly to the President of the Management Board; from October 2025, it became part of the Management Board's Office (still within the division of the President of the Management Board).

Responsibility for managing key issues relating to impacts, risks and opportunities has been assigned on a functional basis to the relevant organisational units within the Group. Environmental issues remain the responsibility of the Head of the Environmental Protection Department, who oversees issues relating to, among others, pollution, water, biodiversity and the circular economy. This unit reports to the President of the Management Board for Production. The Environmental Protection Department monitors progress towards the environmental targets and implements appropriate control procedures. It also addresses issues related to climate change, including monitoring and calculating carbon footprint. During the reporting period, the scope of the Environmental Protection Department's responsibilities was also expanded to include the area of mining damage (specifically in relation to land transformation and environmental impact, rather than in the areas of investment, infrastructure and the impact on households).

Social issues, including staff training and development, remain the responsibility of the HR Director, who is in charge of programmes designed to support the development of staff skills and engagement levels. Occupational Health and Safety is overseen by the Manager of the OHS Department who reports directly to the President of the Management Board, thereby ensuring compliance with the applicable standards and procedures. The areas of compliance, human rights and the prevention of irregularities, including corruption and breaches of the law within the value chain, fall within the remit of the Head of the Compliance Department, who reports to the Director of the Office of the Management Board – together with the Office of the Management Board, they are responsible for ensuring that operations comply with applicable regulations.

Supply chain management is provided by the Procurement Director, who is responsible for verification of suppliers and monitoring of the consumption of renewable and non-renewable materials. On the other hand, financial reporting, including the collection of financial data for sustainability reporting, accounting and payment practices designed to ensure financial transparency, is carried out by the Accounting Department within the Chief Accountant's division.

The Group has not established separate procedures for managing material impacts, risks and opportunities, as these matters are overseen within the parent company under the existing Internal Control System, which falls under the direct responsibility of the President of the Management Board. This system comprises a set of interrelated elements, consisting of: 1) the control environment, which includes factors such as: ethical values, staff competence, organisational structure; 2) a risk assessment process involving the continuous identification and analysis of risks; 3) control activities, i.e. all measures designed to ensure compliance with the law; 4) an information and communication system that facilitates the acquisition and exchange of information necessary for effective management; and 5) monitoring, i.e. activities enabling the continuous assessment of the system's quality and effectiveness.

An integral part of the system is the risk management process, which involves the ongoing identification and analysis of risks that could hinder the achievement of the established objectives, and which forms the basis for determining appropriate ways of managing those risks. The methodology adopted by the parent company was implemented from the Enea Group's system and is managed by it. The control system also includes control activities designed to ensure that operations comply with applicable laws and regulations, as well as the guidelines of the parent company's Management Board and the Supervisory Board of LW Bogdanka, and to enable risk mitigation measures to be taken at all organisational levels and across all organisational units.

ESRS 2 - General information

The management and supervisory bodies of the LW Bogdanka Group receive information regarding significant impacts, risks and opportunities, as well as the implementation of due diligence and the results
and effectiveness of policies, measures, indicators and targets through the persons responsible for specific areas of responsibility, in accordance with the established organisational structure. This process involves directors, managers and their deputies, section leaders and supervisors. Information is provided in a manner tailored to current decision-making and communication needs, including during regular briefings, via management systems (e.g. the Integrated Management System), and
in the form of periodic reports. In accordance with the applicable procedure, the ESG Department submits a report summarising the review of the Double Materiality Analysis to the parent company's Management Board, presenting senior management with a list of material impacts, risks and opportunities, together with an indication of trends and changes compared with the previous year. The ESG Department, in accordance with the agreed schedule, reports to the Audit Committee at least twice a year on significant impacts, risks and opportunities relating to ESG.

Information regarding the implementation of strategic initiatives in the area of sustainable development is provided to the Management Board on a quarterly basis in the form of reports, whilst data relating to the achievement of specific objectives is reported on a quarterly or annual basis, in accordance with their allocation and the monitoring schedule set out in the Integrated Management System. Based on the results of these reviews, the Management Board formulates any necessary changes to the strategy or business as usual, taking into account the impacts, risks and opportunities identified for the Group. These issues serve as a guide for the Management Board in setting priorities and identifying corrective measures, and also form the basis for communication with stakeholders.

The decision-making process takes into account potential trade-offs between short-term financial outcomes and long-term impacts on the environment, society and stakeholders. Examples include diversification and decarbonisation initiatives, which may result in higher costs or reduced demand for coal in the short term, but in the longer term lead to a reduction in regulatory risks, improved environmental and economic performance, and support employment stability and the continuity of the Group's operations in the long term.

Decisions regarding significant investment and projects are assessed in terms of their alignment with the objectives of the business strategy, the ESG strategy and the requirements of the EU Taxonomy. ESG aspects form an integral part of risk analysis and due diligence processes, particularly in relation to major investment initiatives, development projects and collaboration with new suppliers, including the verification of submitted declarations and compliance with the Code of Conduct for Suppliers.

The governing bodies regularly review ESG risks and opportunities, including those related to regulations, climate change, employee safety and human rights. LW Bogdanka S.A. has in place mechanisms for monitoring and reporting on ESG risks, the status of which, along with any corrective actions, are periodically reviewed by the Management Board and reported to the Audit Committee on a quarterly basis. Risk management is also a component of the activity report of the parent company's supervisory board.
In the reporting period, the administrative, management and supervisory bodies at the LW Bogdanka Group focused on the management of the material impacts, risks and opportunities associated with climate change, impact on biodiversity, occupational health and safety, employee relations and corporate culture.

ESRS 2 - General information

GOV-1 The role of the entity's administrative, management and supervisory bodies, and GOV-2 Information provided to the entity's administrative, management and supervisory bodies and matters relating to sustainable development addressed by them

Composition of the Management Board:

Zbigniew Stopa - President of the Management Board
A graduate of the Faculty of Mining at the AGH University of Science and Technology in Kraków. He completed a postgraduate course at the Central Institute of Mining in Katowice in occupational health and safety management, as well as numerous specialist courses in economics, human resources management and finance for managers. He holds qualifications recognised by the mining regulatory authorities, including certification as a senior operations supervisor and as a mining department manager.
A manager with many years' experience in the mining sector, whose entire professional career has been with Lubelski Węgiel "Bogdanka" S.A. He has extensive expertise in the management of mining operations, health and safety, and the supervision of extraction processes. He previously served as Deputy Chairman of the Management Board for Production and as Chairman of the Management Board, with responsibility for strategic and operational aspects of the business.

Artur Wasilewski - Vice-President of the Management Board, Economic and Financial Affairs
A graduate of Lublin University of Technology, specialising in management and marketing. He completed postgraduate studies in corporate finance and capital markets, as well as a Master of Business Administration programme run in partnership with the University of Warsaw and the University of Illinois. He has attended numerous specialist training courses in finance, management accounting and financial reporting in accordance with IFRS.
A manager with many years' experience in corporate finance and financial control. He has been with Lubelski Węgiel "Bogdanka" S.A. since 2000, where he has held positions including Chief Economist and Director of Controlling and Finance. He has extensive expertise in financial analysis, financial planning, corporate governance and financial reporting.

Sławomir Krenczyk - Vice-President of the Management Board, Development
A graduate of the Master's programme at the Faculty of Law, Catholic University of Lublin. He completed postgraduate studies at the Warsaw School of Economics and an Executive MBA programme, as well as doctoral-level studies in management and quality sciences. He has academic experience as a lecturer.
A manager with experience in listed companies and projects at the intersection of the energy and raw materials sector, public administration and the capital market. He specialises in the areas of development, strategy, communication and stakeholder relations. He was involved in the process of changing the ownership structure of LW Bogdanka within the Enea Group and served as the Management Board's representative and Director of External Relations. He is the author and co-author of analyses and reports on the energy transition.

Bartosz Rożnawski - Vice-President of the Management Board, Production
A graduate of the AGH University of Science and Technology in Kraków in the fields of environmental geophysics, mining and geology. He completed a postgraduate course in mining enterprise value management and a Master of Business Administration in management.
A manager with many years' experience in the mining sector, whose professional career has been associated with Lubelski Węgiel "Bogdanka" S.A. since the beginning. He rose through the ranks of supervision and operations management at the mining plant, holding positions including head of the mining department and deputy operations manager. He has expertise in production management, health and safety, and technological processes. He was a member of the Company's Supervisory Board between 2020 and 2024.

In 2025, the expertise of members of the Management Board in the area of sustainable development was enhanced through consultations with external ESG experts and participation in seminars and conferences on the subject. These included workshops on climate policy and participation in a training course on effective change management.

	2024	2025
Number of Management Board members	4	4
Number of executive members	Not applicable	
Number of non-executive members	Not applicable	
Number of members of the Supervisory Board	7	9
Number of women on the Supervisory Board	1	1
Number of employee representatives on the Supervisory Board	2	2
Percentage of men on the Management Board	100%	100
Percentage of women on the Management Board	0%	0%
Number of independent members on the Management Board	Not applicable	
Percentage of independent members on the Management Board	Not applicable	

* Within the organisational structure of the LW Bogdanka Group, established in accordance with the regulations in force in Poland, there are no administrative bodies or independent members, to which the individual indicators of the ESRS Standards refer. The information set out in the table above reflects the actual situation as at the date of publication of the Statement.

ESRS 2 - General information

GOV-1 The role of the entity's administrative, management and supervisory bodies, and GOV-2 Information provided to the entity's administrative, management and supervisory bodies and matters relating to sustainable development addressed by them

Membership of the Supervisory Board of LW Bogdanka S.A. (as at the date of publication of the report)

Bartosz Krysta - Chairman of the Supervisory Board
A graduate of the Silesian University of Technology and a postgraduate course in energy company management. PhD in Economics with 27 years' professional experience in the energy sector, which he has further developed through numerous domestic and international training courses in energy, finance and management.
A manager specialising in district heating, portfolio and risk management, and wholesale electricity trading. He gained experience at companies including Górnośląski Zakład Energetyczny, Vattenfall Sales Poland, Tauron Polska Energia, Enea Trading and Zarmen Energia. In the years 2019-2024, he was associated with the Veolia Group as a Member of the Management Board and Commercial Director. Since 1 March 2024, he has served as Management Board Member for Sales at ENEA S.A.

Szymon Jankowski - Secretary of the Supervisory Board
A graduate of the Poznań University of Economics, Faculty of Management and Marketing. He completed postgraduate studies in commercial law and renewable energy, as well as a course for candidates for supervisory board members in state-owned companies, which culminated in a state examination.
A manager with over 30 years' experience in the energy sector. He has been with the Enea Group since 1999, where he has carried out duties relating to corporate governance, most recently as Head of the Corporate Governance Unit. He has experience in supervising companies in the energy, services and IT sectors.

Paweł Cygan - Vice-Chairman of the Supervisory Board
He is a graduate of the School of Business - National Louis University in Nowy Sącz, ACCA member and chartered accountant. He completed a Master of Business Administration in Financial Management at the University of Hull in the UK.
A manager with many years' experience in finance, auditing and business consultancy. He gained experience at, amongst others, Arthur Andersen / Ernst & Young and the Vattenfall Group, where he was responsible for internal audit and project oversight in the field of energy sales and distribution. In the years 2008-2016, he served as the Vice President of the Management Board and Chief Financial Officer of TAURON Dystrybucja, whilst also chairing the supervisory boards of its subsidiaries. He gained further managerial experience at the Ożarów Group and as managing director and a member of the board at Kirchhoff Automotive Polska.

Daniel Frąc - Member of the Supervisory Board
A graduate of the Faculty of Transport at the Warsaw University of Technology, the Faculty of Mechanical Engineering and the Faculty of Management and Marketing at the Lublin University of Technology, and the MBA programme at the University of Illinois at Urbana-Champaign. He completed a course for candidates for supervisory boards in which the State Treasury was involved, culminating in a state examination and the award of a diploma from the Minister of the State Treasury.
A manager with many years' experience in international financial institutions, specialising in corporate finance and hedge accounting. He has extensive expertise in corporate governance, the Companies Act and financial analysis of companies.

Magdalena Makieła - Member of the Supervisory Board
A graduate of the Faculty of Law and Administration at Jagiellonian University, she obtained her PhD at the Department of Public International Law at Jagiellonian University. She completed an advocate trainee program.
Solicitor, Doctor of Laws, expert in extradition law, arbitrator and mediator with experience in conducting court and out-of-court proceedings, negotiations and commercial mediation. She runs a law firm in Kraków, specialising in commercial law, white-collar crime, international law and providing legal services to commercial companies. She also serves as Vice-President of the Arbitration Court at the Kraków Chamber of Industry and Commerce and as a member of the Advisory Board of the European Criminal Bar Association.

Robert Wietrzyk - Member of the Supervisory Board
A graduate of a post-secondary technical college specialising in mining, holding a qualification as an underground mining technician. Associated professionally with Lubelski Węgiel Bogdanka S.A. since 2009.
He has many years of operational experience in underground mining and is currently employed as an underground miner. In the years 2019-2022, he ran a sole trader business specialising in commercial brokerage within the automotive sector on the international market.
Elected by employees of the Company as a Member of the Supervisory Board of LW Bogdanka S.A. in May 2024.

Paweł Wójcik - Member of the Supervisory Board
A graduate of the Catholic University of Lublin, having studied administration. He has been associated with Lubelski Węgiel „Bogdanka" S.A. since 2007.
He has many years of professional experience gained within the Company's operational structures – initially in logistics, and currently as a shop floor worker in the mechanical department, working as a metalworker and mechanic. Since 2024, he has served as the Social Branch Labour Inspector at LW Bogdanka S.A. Elected by employees as a Member of the Supervisory Board of the Company in May 2024.

Grzegorz Czornik - Member of the Supervisory Board
PhD in Economics and Engineer. A graduate of the AGH University of Science and Technology in Kraków and the University of Economics in Kraków. He completed postgraduate MBA programmes at the Poznań University of Economics and the Warsaw School of Economics, as well as postgraduate studies abroad.
An expert with over 30 years' experience in the mining, energy and heating sectors, as well as in international trade in solid fuels and logistics. He held management and supervisory roles, including as a board member, managing director and commercial director, and as a member of the supervisory boards of limited companies. He gained his professional experience in companies within the energy and mining sectors, where he was responsible for commercial, logistics and development processes, as well as initiatives in the areas of ESG and the circular economy.

Zbigniew Niedbalski - Member of the Supervisory Board
Doctor habilitated in technical sciences, for 29 years a research and teaching employee of the AGH University of Science and Technology, currently employed as a university professor. A graduate of mining and geology at his alma mater. Specialist in mining technology and natural hazards in underground mines. In 2016–2024, Vice-Dean of the Faculty of Civil Engineering and Resource Management (before the name change, the Faculty of Mining and Geoengineering) at the AGH University of Science and Technology. In 2008–2012, Deputy Head of the Department of Geomechanics, Construction and Geotechnics, Faculty of Mining and Geoengineering at the AGH University of Science and Technology.
Author and co-author of nearly 200 scientific papers and conference presentations in Poland and abroad. He participated in about 100 national and international congresses, conferences, seminars, fairs and exhibitions in the field of mining. For over 15 years, he has held the title of an expert awarded by the President of the State Mining Authority. Since the beginning of his work at the AGH University of Science and Technology, he has been actively cooperating with underground plants as an expert and appraiser. He holds the rank of second-degree mining director general.

ESRS 2 - General information

GOV-3 Incorporating sustainability-related results into incentive schemes

The remuneration of members of the Management Board and Supervisory Board of the LW Bogdanki Group is not linked to issues relating to sustainable development. However, the parent company has implemented the Management by Objectives (MBO), an incentive programme for middle-level managers. Some of the people included in the programme are assigned individual MBO targets related to sustainability, while the remuneration of these employees depends on their fulfilment. Under the scheme, managers are set individual performance targets in line with the Company's current strategy, and their progress towards these targets is monitored and assessed. Managers receive additional remuneration based on their progress towards achieving the quantitative and qualitative targets approved by the Board. In the reporting period, the metrics used did not serve as performance benchmarks; they related to selected qualitative aspects concerning OHS, environmental protection and energy efficiency.

GOV-4 Statement on due diligence

Spółka	Zasoby wprowadzane
Podstawowe elementy procesu należytej staranności	Punkty w oświadczeniu
Uwzględnienie należytej staranności w ładzie korporacyjnym, strategii i modelu biznesowym	ESRS 2 GOV-2, ESRS 2 SBM-3
Współpraca z zainteresowanymi stronami, na które jednostka wywiera wpływy, na wszystkich kluczowych etapach należytej staranności	ESRS 2 SBM-2, ESRS 2 SBM-2 S1, ESRS 2 SBM-2 S3
Identyfikacja i ocena niekorzystnych wpływów	ESRS 2 IRO-1, ESRS 2 IRO-1 E1, ESRS 2 IRO-1 E2, ESRS IRO-1 E3, ESRS2 IRO-1 E4, ESRS2 IRO-1 E5
Podejmowanie działań w celu ograniczenia zidentyfikowanych niekorzystnych wpływów	MDR-A w rozdziałach tematycznych w odniesieniu do negatywnych wpływów
Monitorowanie skuteczności tych starań i przekazywanie stosownych informacji w tym zakresie	ESRS E1-3, ESRS E2-2, ESRS E3-2, ESRS E4-3, ESRS E5-2, ESRS S1-4, ESRS S3-4

GOV-5 Risk management and internal controls over sustainability reporting

The LW Bogdanka Group has *a Procedure for the Preparation and Disclosure of Non-Financial Information* in place, which sets out the rules, responsibilities and stages involved in the preparation, verification and publication of ESG data in accordance
with the CSRD Directive and ESRS standards. This procedure forms the basis for the organisation of the sustainability reporting process across the entire Group, covering both the parent company and its subsidiaries.

Within the Group, processes relating to sustainability reporting are overseen by a dedicated ESG Department, which acts as the coordinator for the entire reporting process. Its responsibilities include identifying and updating materiality areas, preparing and distributing indicators and reporting templates, overseeing data collection, verification and control, as well as drafting the report in accordance with ESRS standards and the results of the double materiality analysis.

The ESG Department also monitors regulatory changes, best practices and non-financial reporting requirements, and participates in sector-specific initiatives and all activities undertaken at ministerial level, which enables it to obtain the most up-to-date knowledge and the most reliable interpretations of regulations, including the ESRS.

The process of preparing non-financial information involves the regular collection of data, its initial analysis for completeness and compliance with standards, consolidation, and the preparation of content for publication. The data is obtained from the organisational units of the parent company and its subsidiaries, which have been designated to compile specific sets of information. Each unit responsible for providing data compiles it in a specified format, has it verified internally by a line manager, ensures its completeness, and provides any necessary clarification during further analysis.

The organisational units of the parent company, LW Bogdanka, responsible for the reporting process – including ESG, investor relations, accounting and communications – collaborate on the preparation of the report, ensuring the consistency of qualitative
and quantitative information, its alignment with financial data, and its appropriate presentation to stakeholders. Subsidiaries submit data in a standardised format, participate in the verification process and in the preparation of the final version of the report.

As part of existing reporting processes, quantitative and descriptive data are consolidated and used to prepare the content of the report, which then undergoes a process of verification, correction and approval. The report is published in two language versions, following the auditor's review, in accordance with the LW Bogdanka Group's schedule. Information about the publication is shared with stakeholders, and additional meetings are organised as required to present the ESG results.

Another component of the internal quality control system for reporting is the regulation introduced during the reporting year, which sets out the rules for compiling data on air pollution. Since 2025, the LW Bogdanka Group has been subject to the Ordinance of the President of the Management Board No. 35/2025 of 15 December 2025 on establishing rules for the preparation, calculation and disclosure of greenhouse gas emissions (carbon footprint), which sets out a uniform organisational and methodological framework for the calculation of GHG emissions in scopes 1, 2 and 3 in accordance with the GHG Protocol and the requirements of the CSRD. The Ordinance introduces the Carbon Footprint Methodology, together with a report for the base year (2024), and sets out the minimum scope of data to be disclosed in subsequent years. The document establishes a Central Emissions Data Management Team, responsible for the collection, verification, consolidation, trend analysis, archiving and monitoring of data compliance with regulations, and sets up a network of Emissions Coordinators within the relevant departments of the Company and its subsidiaries, with assigned responsibilities for specific areas and categories of emissions. The directive also sets out the rules for the timely submission of data, the procedure to be followed in the event of non-compliance, the integration of the 'Carbon Footprint' application with ERP systems, and the involvement of subsidiaries in the process of consolidating and certifying data, which is subject to annual verification by a statutory auditor as part of the Consolidated Annual Report of the LW Bogdanka Group.

ESRS 2 - General information

GOV-5 Risk management and internal controls over sustainability reporting

The system resulting from the introduction of Directive
No. 35/2025 and the Procedure for the preparation and disclosure of non-financial information is: formalised and backed by management, methodologically standardised (based on applicable methodologies), process-defined, with specific responsibilities assigned (data owners identified as specific departments within the organisational structure), and is partially digitised (in 2025, the 'Carbon Footprint' application was developed, which
partially automates the collection of data from internal network programmes). It is also a system that is integrated across the entire Group and subject to regular monitoring and reporting to the Audit Committee.
In terms of compliance, it can be described as the internal ESG data management system with a structure similar to financial reporting control systems, tailored to the requirements of the CSRD and ESRS E1.

The general principles of risk management are set out in Enea Group's Corporate Risk Management Policy. The directors and managers of the organisational units, whose competence includes the implementation of individual operational and support processes in the parent company, are responsible for the ongoing identification and assessment of risks, as well as the implementation of appropriate ways of dealing with and responding to risks and monitoring their effectiveness.
Reporting risks are assessed in terms of: (1) the likelihood of occurrence, (2) the potential financial impact, and the resulting assessment then enables the identified risks to be prioritised. During the reporting period, the LWB Group identified risks associated with the reporting process, primarily including the risk of greenwashing and the risk of failing to meet its obligations regarding the disclosure of non-financial information. In response to these challenges, the Group implements mitigating measures, including an established procedure for the preparation and disclosure of non-financial information, as well as a multi-stage verification and correction process for the data and content of the report. Activities relating to non-financial disclosures are regularly reported to the Audit Committee, which assesses the adequacy and effectiveness of the process.

The results of the assessment of risks associated with sustainability reporting form the basis for identifying and improving measures to mitigate risks and enhance the quality of the information presented. These processes involve the systematic monitoring of existing reporting systems and an assessment of their suitability in light of changing regulatory and operational conditions. Where appropriate, the ESG Department analyses and identifies potential changes to the indicators and updates them, as well as refining the processes that enable the reliable and timely collection of data on progress in implementing measures.

The most significant risks relating to reporting and the outcomes of reporting processes are regularly communicated to the management, supervisory and administrative bodies on a quarterly and half-yearly basis, as well as at the end of the financial year.

ESRS 2 - General information

LUBELSKI WĘGIEL "BOGDANKA" S.A.

88.7 % — **ŁĘCZYŃSKA ENERGETYKA SP. Z O.O.**
heat generation, overhauls, maintenance and assembly of power equipment, production of drinking and industrial water

100% — **EKOTRANS BOGDANKA SP. Z O.O.**
comprehensive organisation of transport and recovery of waste generated during washing and cleaning of coal shale, reclamation services

100% — **RG BOGDANKA SP. Z O.O.**
services, supplies and mining works for LW Bogdanka S.A.

100% — **MR BOGDANKA SP. Z O.O.**
overhauls, regeneration and production of steel structures, provision of services to LW Bogdanka S.A.

SBM-1 Strategy, business model and value chain

In 2025, the Lubelski Węgiel Bogdanka Group updated its development strategy, adapting it to new market conditions and the directions of the energy transition. The cornerstone of the document remains the efficient and profitable production of steam coal, which provides a stable financial foundation for the implementation of transformation projects and the development of new areas of activity. At the same time, the strategy sets out a direction for the gradual restructuring of the Group's operations towards innovation, diversification and the creation of a modern industrial and energy infrastructure.

The Company's vision is to transform Bogdanka into a modern, diversified industrial and energy enterprise, using its mining expertise as a foundation for building future competitive advantages. Our mission is the efficient production of steam coal, which meets the needs of our existing customers and enables financing investment necessary to drive the transition.

The strategy focuses on maintaining a strong market position by consistent improvement of the operational efficiency of our core business whilst simultaneously exploring new development directions.

As part of the Efficient Mining pillar, Bogdanka focuses on increasing production flexibility, optimising costs, automating processes and implementing innovative technologies that improve safety and operational efficiency. The second pillar – Sustainable Industry – covers the development of industrial and technical services, rail transport, dual-use initiatives, projects related to circular economy, and involvement in the development of the 'Łęczna' economic zone. Pillar Three – Energy Transition – involves the development of zero- and low-carbon energy sources, the modernisation of district heating systems, the construction of energy storage facilities and the implementation of biogas, biomethane and hydrogen projects.

ESRS 2 - General information

ESG factors constitute an integral part of the updated strategy of the LW Bogdanka Group and play a key role in building the company's long-term value. The strategy involves the simultaneous optimisation of mining operations in line with the ESG targets and the gradual diversification of activities towards sustainable industry and energy transition.

In the environmental area, the priority remains reducing our carbon footprint through the development of our own renewable energy facilities, improving energy efficiency of our processes, recovering heat from mine water, implementing circular economy solutions, and ensuring effective water management and land reclamation. In social terms, the strategy focuses on the safety and well-being of employees, skills development, retraining programmes for mining staff and supporting the sustainable development of the region and local communities, including through involvement in the development of the economic zone. In the area of corporate governance, ESG initiatives support the development of a responsible and transparent management model, the integration of ESG criteria into decision-making and investment processes, the development of a responsible value chain, and the expansion of access to diversified sources of financing that support the achievement of transformation goals.

The LW Bogdanka Group's sustainability goals have been defined in relation to key product and service groups, main customer categories, geographical areas of operation and stakeholder relations, taking into account the specific nature of the mining sector and the phased transformation of the business model. The ESG Strategy for 2025–2030 aims to maintain efficient production and sales of steam coal as the Group's core product, whilst systematically reducing its environmental impact and, in parallel, developing new industrial services and low- and zero-carbon energy projects. The environmental goals focus, among others, on reducing the carbon footprint, improving energy efficiency, developing the company's own renewable energy installations, implementing circular economy, and managing resources sustainably – particularly water and waste – which is especially important in relation to mining operations carried out in the Lublin Voivodship. With regard to current key markets and customer groups, comprising primarily customers from the commercial and industrial energy sectors, the ESG strategy involves gradually adapting the Group's offering to changing market expectations regarding emissions and environmental responsibility. At the same time, the strategy takes into account social targets focused on the safety and well-being of employees, competence development and retraining programmes, as well as support for local communities and the just transition of the region.

Name of the programme	Programme objectives
OPTIMISING THE IMPACT OF INFRASTRUCTURE	Minimising the environmental and social impact of infrastructure
CLIMATE-EFFICIENT	Reducing negative climate and environmental impacts by increasing energy efficiency and reducing greenhouse gases in mine operations
RESOURCES USED	Reducing resource consumption by implementing modern resource management and treatment solutions
BEST STAFF	Attracting and retaining the best employees
INNOVATION AND DEVELOPMENT	Launching new tools and resources to enhance innovation and process optimization, reduce failures, improve employee qualifications in the use of modern technologies, and minimize associated risks
SAFE WORKPLACE	Enhancing the safety culture and fostering a sense of shared responsibility for personal and colleagues' work safety
WELL-BEING OF THE EMPLOYEES	Support for health initiatives, including mental, physical, emotional and economic health in the workplace and beyond
CHANGE LEADER	Building a responsible value chain based on defined ESC criteria

The Group's business operations involve significant capital requirements, both in terms of operations as well as capital expenditure and development, with cash flow generated from operating activities as the primary source of funding. In the reporting period, the Group had no active bond issuance programmes or outstanding debt securities, and the parent company did not take out any new loans. The measures described in this statement, in the respective thematic sections, implemented to manage significant impacts, risks and opportunities, did not require major financial outlay.

The Group provides services to a wide range of customers, including industrial companies and electricity suppliers located mainly in eastern and north-eastern Poland. It is also one of the leading companies in the domestic hard coal mining sector, distinguished for its financial performance, innovation and high production efficiency. The coal sold by the Group is used primarily for the generation of electricity and heat and the commercial power sector remains the key customer segment, in particular the Enea Group. Revenue from the operations conducted amounted to PLN 2,854,264 thousand in 2025. In 2025, the Group recorded a net loss in the amount of PLN 159,447 thousand.**

In accordance with the EFRAG sector classification, in the reporting period, the Group operated in two sectors related to the fossil fuels sector included in the dual materiality analysis: in the area of mining, extraction and coal production, and in the sector of the generation and supply of electricity, gas, steam and air for air-conditioning systems.

** Breakdown of total revenue by major ESRS sectors: mining, extraction and coal: PLN 2,775,534 thousand / generation and supply of heat: PLN 0 production and supply of electricity, gas, steam and air for air-conditioning systems: PLN 26,696 thousand; Energy production and energy companies: PLN 0

ESRS 2 - General information

Upstream value chain

TIER 5 PRODUCERS OF RAW MATERIALS, MATERIALS, CHEMICALS AS WELL AS ENERGY AND FUELS	TIER 4 DISTRIBUTION, SUPPORT AND LOGISTICS SERVICES	TIER 3 SUPPLIERS OF COMPONENTS AND SUB-ASSEMBLIES AS WELL AS RAW MATERIALS AND MATERIALS FOR SUBCONTRACTORS	TIER 2 OTHER SUPPLIERS OF SERVICES, TOOLS AND MATERIALS	TIER 1 DIRECT SUPPLIERS AND MAIN PARTNERS
1. Chemical plants	1. Importers and dealers of manual tools and equipment	1. Suppliers of raw materials for production of equipment (suppliers of raw materials such as steel, aluminium, copper, used in the manufacture of machinery and equipment)	1. Suppliers of spare parts (e.g. engines, drive systems, batteries, cooling systems, electrical and hydraulic systems)	1. Providers of mining services
2. Manufacturers of building materials	2. Attestation bodies and auditors	2. Suppliers of materials used in mining processes, such as dust suppressants, lubricants, oils.	2. Suppliers of prefabricated elements and steel structures (including anchors, conveyors)	2. Suppliers of mining machinery and tools
3, fuel and energy producers	3. Suppliers of research and expertise	3.Engineers and designers, site managers	3. Automation and control and safety system suppliers	3. Software and technology providers
4. Transport services	4. Importers of personal protection and OHS equipment	4.Employees and subcontractors of counterparties	4. Technical support	4. Supply of materials and chemicals
5. Manufacturers of manual tools and equipment	5. Providers of financial and accounting, legal and administrative services	5. Building material suppliers	5. Maintenance	5. Non-mining service providers (health, fire protection, benefits)
6 Producers of personal protection and OHS equipment	6. Waste collectors and processors	6. Transport companies carrying waste rock	6. Service of machinery and equipment	
7. Innovators and patent providers	7. Reclamation contractors		7. Transport services	
8. Logistics centres	8. Providers of training and education services		8. Safety and security services	
9. Mines of other raw materials	9. Postal services 10. PHU Górnik 11. Transport companies carrying workers		9. Other construction services	

ESRS 2 - General information

Own operations

RG Bogdanka sp. z o.o.	MR Bogdanka sp. z o.o.	EkoTrans Bogdanka sp. z o.o.	LW Bogdanka S.A	Łęczyńska Energetyka sp. z o.o.
provision of services for the mine in the field of mining and ancillary works and handling of ore haulage	provision of services for the mine in the scope of renovation, construction services, work performed in underground machinery divisions, refurbishment and production of steel structures.	provision of services for the mine related to the transport, disposal, management of waste generated by washing and cleaning of excavated material and the performance of reclamation services;	producer of hard coal, the company specialises in the extraction of steam coal, used mainly for the production of electricity, heat and in the cement industry.	provision of heat supply services and water and sewage management; sales of heat to consumers in Łęczna; construction and repairs of heat, water and sewage systems

Downstream value chain

TIER 1 TRANSPORT	TIER 2 INDUSTRIAL USERS	TIER 3 PRODUCT SALES AND DISTRIBUTION	TIER 4 PRODUCT CONSUMPTION BY END-USER
1. Rail transport	1. Enea Group	1. Sales and distribution of electricity and heat	1. Energy consumption by households
2. Road transport	2. Power plants and combined heat and power plants outside the Enea Group	2. Energy sales and distribution in the Enea Group	2. Energy consumption by service sector customers
	3. Other industrial operators	3. Sales and distribution of building materials	3. Energy consumption of industrial customers
	4. Coal distributors and depots	4. Sales and distribution of chemical materials	4. Customers using building materials
		5. Sales of other products and services	5. Customers using chemicals

ESRS 2 - General information

SBM-2 Interests and views of stakeholders

The stakeholder relationship management process in the parent company of the Lubelski Węgiel Bogdanka Group comprises a set of coordinated activities aimed at identifying, analysing, engaging and maintaining lasting and positive relationships with key stakeholder groups. It also involves supervising the implementation of the adopted relationship model and coordinating the delivery of strategic initiatives arising from the operationalisation of that model. The stakeholder engagement process is organised centrally at the parent company level, with the involvement of the relevant functions and operational units within the Group, which carry out activities in accordance with the adopted stakeholder relations model. Coordination of activities ensures a consistent approach and use of the outcomes of the dialogue in the decision-making processes. In the reporting period, feedback from stakeholders did not result in any changes to the strategy or business model. The Group cooperates with various stakeholders, tailoring the frequency of contact and forms of engagement to suit the nature of each relationship. The organisation analyses the feedback received from stakeholders and assesses the extent to which its measures meet their expectations. The results of these assessments may lead to changes in the strategy and the initiatives implemented, thereby enabling the continuous improvement of the relationship management process.

Projects and investments affecting stakeholders are the subject of stakeholder dialogue – a proactive approach in this area involves, among others, organising dedicated meetings and dialogue panels where a multi-stakeholder, open dialogue can take place. In 2025, the LW Bogdanka Group carried out dialogue with representatives of local authorities regarding the planned extension of the hard coal mining concession and the long-term development directions of the region. The meetings focused on environmental issues and the impact of mining activities on the environment, including the possibilities to mitigate any negative effects. Invitations to the meeting are sent to stakeholders in accordance with the company's stakeholder matrix, which is reviewed on an annual basis.

At the same time, the Group engages key stakeholders in the process of identification of the impacts of the organisation. As part of the double materiality analysis process, the result of the stakeholder engagement exercise conducted in the second half of 2025 via a dedicated communication channel was used. Through the questionnaires submitted, stakeholders were able to assess the impact of the organisation on the environmental, social and corporate governance issues.
Over 700 respondents took part in the stakeholder engagement process, representing both internal and external stakeholders: shareholders, employees, suppliers/business partners, subcontractors, customers, representatives of public administration, representatives of banks and financial institutions, representatives of industry organisations, and other groups: local residents and organisations involved in projects carried out in the region where the LW Bogdanka Group operates.

The stakeholders' perspective of the impact of the LW Bogdanki Group was presented to the Management Board and the Supervisory Board in the form of a report summarising the double materiality analysis process, approved during the 2025 reporting period.

Key stakeholders of the Lubelski Węgiel Bogdanka Group include:

Key stakeholders	Engagement	Frequency of contact
Subsidiaries of the LWB Group	Cooperation as part of own operations	Regular
ENEA Group	Close cooperation	Regular
Competition	Cooperation within the sector	Irregular
Shareholders	Decisions regarding the company's operations	Regular
Lenders, insurers	role in the planning and implementation of investment	Irregular
Polish Financial Supervision Authority and financial supervision bodies; Warsaw Stock Exchange; rating agencies	role in the process of ensuring and verifying the accuracy of operations; role in the process of building corporate value and reporting	Irregular
Minister for Industry, Minister for State Assets, Minister for Climate and the Environment, Minister of Finance	monitoring of operations, compliance and consistency with the PEP and applicable policies and legal regulations	Irregular
Voivodship Inspection for Environmental Protection, Director-General for Environmental Protection, Regional Direction of Environmental Protection	Control processes	Irregular
State Labour Inspection	Control processes	Irregular
State Mining Authority, Regional Mining Authority;	Control processes	Regular
Current employees; Future employees; Retired employees; Former employees	maintaining operational continuity and achieving business and social targets, organisational development and governance	Regular
Trade unions and the Management Board's Representative for Relations with Trade Unions	maintaining production continuity and achieving business and social targets; organisational development and governance; negotiation, communication and consultation activities	Regular
LGUs: Local government bodies (district), mining municipalities;	cooperation in the scope of meeting the needs of the local community and sustainable development	Regular
Scientists, researchers and environmental experts	impact on the environmental activities of the mine	Irregular
NGOs opposed to mining operations; activists;	Activities aimed at accelerating the closure or limitation of mining operations	Irregular

SBM disclosures which form a part of the thematic standards, are disclosed in the dedicated sections of the Statement: ESRS E1 Climate change, ESRS E4 Biodiversity and ecosystems, ESRS S1 Own workforce, ESRS S3 Affected communities.

ESRS 2 - General information

IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities

In 2025, the LW Bogdanka Group reviewed its double materiality analysis process. The methodology has been updated to reflect current market practices and expert knowledge. The changes introduced focused, among others, on expanding and organising the internal and external sources of information used in the process of identifying and assessing impacts, risks and opportunities, as well as on strengthening the stakeholder engagement process. The assessment criteria have also been clarified and the materiality threshold has been updated as part of the materiality analysis. Detailed information regarding the process, the criteria adopted, the assumptions and the materiality thresholds is presented below.

The process continued to be based on the principle of double materiality – the identified impacts, as well as the identified risks and opportunities, were taken into account as part of the financial materiality analysis. The double materiality analysis process covered the following companies:

1. LW Bogdanka
2. Łęczyńska Energetyka
3. Ekotrans Bogdanka
4. RG Bogdanka
5. MR Bogdanka

As at the date of submission of this Report, LW Bogdanka S.A. also holds 22.41% of shares in Kolejowe Zakłady Maszyn KOLZAM S.A., with the share capital of PLN 750 thousand (bankruptcy proceedings have been discontinued, the company is not conducting any business activity). The title to the shares has been transferred to the Parent Company as security for the financial settlements for performance of transportation services. This company was not covered by the double materiality analysis.

The revision carried out in 2025 was conducted in accordance with the process based on the adopted methodology: :

The value chain mapping process

The review took into account the applicable business model of the LW Bogdanka Group and the value chain which remained unchanged compared to the previous year. The Group pursues its business operations exclusively within Poland. The process of identifying and analysing the value chain took into account the geographical origin of 100 key suppliers to LW Bogdanka S.A., which enabled an assessment of the risks and social impacts associated with the location of the suppliers' operations. The analysis did not identify any parts of the value chain demonstrating an increased risk of adverse effects. The remaining companies of the LW Bogdanka Group operate on the local market and their suppliers are mostly businesses operating in the region, which limits their exposure to risks associated with the geographical location of the value chain.

Impact significance – Stakeholder engagement process

The materiality analysis from an impact perspective took into account a variety of data and sources: the organisation's existing management systems, procedures, quantitative data, reports, academic publications, analyses by international and national institutions, a sectoral perspective and a stakeholder survey. The data used included quantitative data for previous reporting periods monitored by the Bogdanka Group, industry information and publications by state bodies and independent research and analytical centres. The sources used were identified on the basis of the following criteria: reliability, transparency, verticality, objectivity and relevance to the targets of the double materiality analysis. The value chain mapping process covered the LW Bogdanka Group and took into account key raw materials and suppliers. The aim of the survey was to acquire the opinions of internal and external stakeholders on the significance of individual environmental, social and corporate governance issues in the context of the LW Bogdanka Group's operations. The survey was also designed to allow respondents to raise additional issues that were important from their perspective but had not been included in the original scope of the questionnaire, by using open-ended questions. A total of 724 completed questionnaires were received, including 627 responses from internal stakeholders and 97 responses from external stakeholders. Stakeholders were encouraged to contact the company if they wished to take part in the extended version of the survey, which involved the method of in-depth interviews.

Review of the expert impact assessment

As part of a further expert review, the Group has reviewed its operations and business relationships and has not identified any areas presenting a heightened risk of adverse effects on other parts of the value chain. The self-assessment of impacts was carried out using standardised assessment criteria for the three stages of the value chain, taking into account the thematic areas of ESRS 1 and additional topics identified during the impact identification process.

The scope of the review included an assessment of the identified actual and potential impacts, both positive and negative, carried out in accordance with the methodology set out in the table below.

The actual impact was recognised as significant if the sum of the scores for the frequency and extent of the impact (and, in the case of a negative impact, also for the reversibility of the effects) exceeded 5 points (for a positive impact) or 7.5 points (for negative impacts). A potential impact was recognised as significant if, in any of the time horizons (short, medium or long), the sum of the assessments of occurrence, likelihood and severity (and reversibility of effects in the case of negative impact) exceeded 7.5 points (for a positive impact) or 10 points (for a negative impact).

Where a potential adverse impact on human rights was identified, the severity of the impact (scale, scope, reversibility) was assessed prior to the likelihood.

As part of the review of the identified impacts, quantitative data (including operational and environmental indicators) were also taken into account, as well as publications by government bodies, think tanks, research institutions and academic studies.

ESRS 2 - General information

The process of analysing the materiality of the impact

Stage 1

Review the identified impacts and determine their nature and location using the criteria below:

- Positive/negative impact
- Actual/potential impact
- Location of occurrence: Own operations, Upstream/Downstream

Stage 2

An overview of the evaluation criteria, including their values based on the data and sources used:

- Scale
  each impact was rated on a scale of 1 to 5, where 1 represented an impact imperceptible to the environment and 5 represented an impact that critically interferes with the environment
- Scope
  For each impact, the scope was assessed, with 1 representing the local scope and 5 representing the global scope
  When assessing the impacts identified in relation to smaller thematic units within ESRS S1, the scope assessment took into account the number of employees, with 80% classified as 1 and less than 20% of own employees classified as 1
- Nature (reversibility - in case of negative impacts)
  for each impact, reversibility was assessed, with a score of 1 indicating a level of reversibility that is relatively easy to remedy in the short term, and a score of 5 indicating irreversibility
- Probabilities (in the case of potential impacts)
  This scale applies only to potential impacts, where 1 indicates a negligible likelihood of occurrence and 5 indicates a near-certain likelihood of occurrence
- Time horizons
  For each impact, the timeframe has been defined as short-term (up to one year), medium-term (from the second to the end of the fifth year), or long-term (more than five years).

Stage 3

Validation and verification

ESRS 2 - General information

The financial materiality analysis process

As part of its financial materiality assessment, the LW Bogdanka Group carried out a renewed process of identifying and assessing the risks and opportunities associated with environmental, social and corporate governance aspects that may affect its financial position, operating performance and long-term ability to create value.
The assessment of financial materiality was carried out on the basis of the criteria set out in the ESRS standards, taking particular account of the scale of the potential financial consequences arising from the materialisation of the identified risks and opportunities, as well as the likelihood of their occurrence. The identified risks and opportunities relating to environmental, social and corporate governance issues were assessed, plotted on a risk and opportunity matrix, and reviewed against a specific materiality threshold—the arithmetic mean of the ratings being equal to or exceeding the materiality threshold of 2.5.

Stage 1

Revision of the list of risks and opportunities associated with individual ESRS sub-themes:
Risks
Opportunities

Stage 2

An overview of the criteria* used as part of the self-assessment:

- Likelihood
The assessment involved determining the likelihood of risks and opportunities occurring on a scale of 1 to 4, where 1 represented a low likelihood (below 30%) and 4 a very high likelihood (above 90%)

- Financial impact
assessment of the identified risks and opportunities, where 1 indicates a low impact on profit or loss, and 4 indicates a very high impact

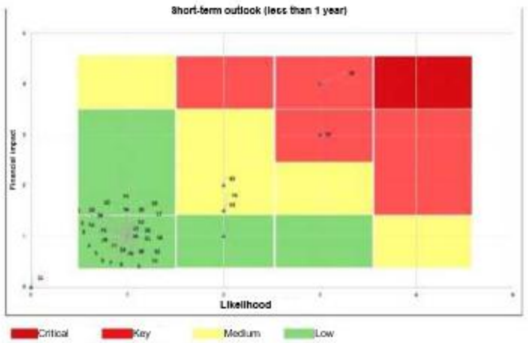
- Taking time horizons into account
For each impact, the timeframe has been defined as short-term (up to one year), medium-term (from the second to the end of the fifth year), or long-term (more than five years).

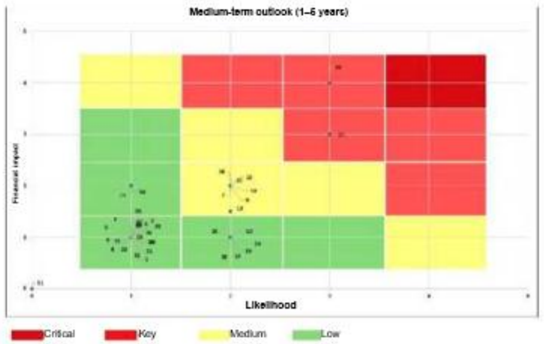
Stage 3

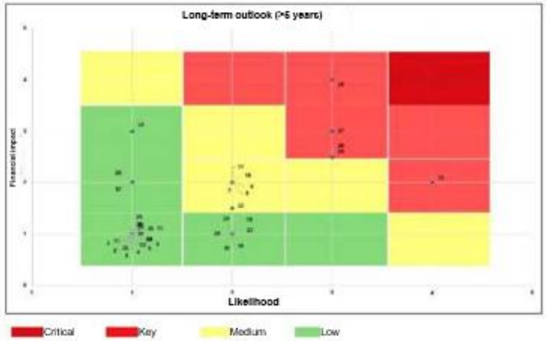
Revision of assessments that allowed to identify potentially material themes in terms of financial materiality

Stage 4

Validation and verification







ESRS 2 - General information

IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities

The process of identifying and assessing risks and opportunities relating to environmental, social and corporate governance issues, carried out as part of the financial materiality analysis, was conducted separately from the risk management system in place
within the ENEA Group.
The process involved the application of consistent criteria relating to financial impact and likelihood to assess the potential financial impact of the identified risks and opportunities. The list of material risks and opportunities identified as part of the dedicated financial materiality analysis process has not been prioritised in relation to other material non-financial risks identified by the LW Bogdanka Group.
The final step in the process of identifying and assessing risks and opportunities was to review the process carried out: the methodology adopted, the list and assessment of the identified impacts, risks and opportunities, and the results of the assessment of materiality of impact and financial materiality carried out by the project team and independent external advisers, followed by submission for review to the other parties involved in the process representing various organisational units of the Company.

The final approval of the results of the double materiality analysis was granted by the Management Board of LW Bogdanka S.A. by way of a resolution. Depending on the scale of their financial impact and the severity of their consequences, significant risks and opportunities are prioritised and then – where possible – taken into account in decision-making processes and within the business and ESG strategies implemented by the LW Bogdanka Group. Trends related to a given risk and the management and mitigation measures taken are also reviewed on a regular basis.
The ESG Department of the LW Bogdanka Group will regularly analyse internal and external factors that may influence the identification and assessment of impacts, risks and opportunities. The double materiality analysis process is subject to annual review by specialists from the relevant departments within the LW Bogdanka Group.

SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

Results of the double materiality analysis process: Materiality of the impact

Smaller thematic unit	Impact location	Description of impact	Nature of impact	Irreversibility	Time perspective
Adapting to climate change	Own operations – LW Bogdanka Group (excluding Ekotrans)	The LW Bogdanka Group may have very limited possibilities to influence its ability to adapt to climate change, as well as significant identified risks associated with climate change: regulatory pressure, Poland's energy transition, and changes in market demand.	Potential negative impact	Very difficult to repair or long-lasting	Short-term Medium-term Long-term
Climate change mitigation	Own operations – LW Bogdanka Group (excluding Ekotrans)	Coal mining and its combustion in power plants contribute to the emission of greenhouse gases, such as carbon dioxide (CO2), as the main factors affecting global warming. These processes lead to an increase in the concentration of greenhouse gases in the atmosphere, which contributes to climate change.	Actual negative	Very difficult to repair or long-lasting	Short-term Medium-term Long-term
Energy	Own operations – LW Bogdanka Group (excluding Ekotrans)	The mining, processing and production operations at the LW Bogdanka Group are characterised by high electricity consumption.	Actual negative	Very difficult to repair or long-lasting	Short-term Medium-term Long-term
Energy	Own operations – LW Bogdanka Group (excluding Ekotrans)	The LW Bogdanka Group, as one of Poland's leading suppliers of hard coal, ensures the stability of the national power system. The raw material supplied is crucial for maintaining the continuity of electricity generation at power stations, which mitigates the risk of blackouts and supports the country's energy security.	Actual positive	-	Short-term Medium-term Long-term
Air pollution	Own operations – LW Bogdanka Group (excluding Ekotrans)	As part of their own coal mining operations and technical support activities, including machinery repairs, the companies emit small amounts of pollutants on an annual basis, such as total dust, carbon monoxide and sulphur dioxide. During the combustion of coal for heat generation, Łęczyńska Energetyka emits significant amounts of pollutants into the air, such as particulate matter, carbon oxides and nitrogen oxides.	Actual negative	Difficult-to-fix medium-term problem	Short-term Medium-term Long-term
Water consumption	Own operations – LW Bogdanka and Łęczyńska Energetyka	Within the LW Bogdanki Group's own operations, water is used for the production of hard coal and heat.	Actual negative	Irreversible	Short-term Medium-term Long-term

SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

Results of the double materiality analysis process: Materiality of the impact

Smaller thematic unit	Impact location	Description of impact	Nature of impact	Irreversibility	Time perspective
Water intake	Own operations – LW Bogdanka and Łęczyńska Energetyka	As part of its coal mining operations, the LW Bogdanka Group collects mine water from Jurassic levels and channels it to the plant for technical and welfare purposes.	Actual negative	Very difficult to repair or long-lasting	Short-term Medium-term Long-term
Water discharges	Own operations – LW Bogdanka	The mine water discharges from the LW Bogdanka Group consist of a mixture of drainage water extracted from deep Jurassic strata and treated domestic and industrial wastewater. This water may contain elevated concentrations of sodium, sulphate and chloride ions. Despite systematic quality monitoring, the constant inflow of discharged water may affect the chemical composition of the Świnka River, which receives these discharges.	Actual negative	Very difficult to repair or long-lasting	Short-term Medium-term Long-term
Land use change as a direct cause of biodiversity loss	Own operations – LW Bogdanka	LW Bogdanka's operations may lead to changes in land use as a result of ground subsidence caused by coal mining, as well as secondary effects such as flooding of sunken areas.	Actual negative	Difficult-to-fix medium-term problem	Short-term Medium-term Long-term
Impact on the range and condition of the ecosystems caused by land degradation	Own operations – LW Bogdanka	LW Bogdanka's operations affect the extent and condition of ecosystems due to land degradation caused by ground subsidence and the flooding of low-lying areas, which is a consequence of mining activities.	Actual negative	Very difficult to repair or long-lasting	Short-term Medium-term Long-term
Impact on ecosystem services and dependence on them	Own operations – LW Bogdanka	LW Bogdanka's operations may affect ecosystem services – provisioning services – through land subsidence and flooding resulting from coal mining processes.	Potential negative impact	Difficult-to-fix medium-term problem	Short-term Medium-term Long-term
Resources introduced, including the use of resources	Own operations – LW Bogdanka Group (excluding Ekotrans)	As part of its operational activities, LW Bogdanka primarily uses non-renewable natural resources – hard coal. In addition, it pumps out significant quantities of mine water and uses a variety of materials and products, such as steel components (e.g. mine supports), mechanical lining compounds, oils and greases, adhesives, resin grouts and other chemicals. Łęczyńska Energetyka uses coal produced by LWB, as well as the waste product left over from processing – coal fines.	Actual negative	Irreversible	Short-term Medium-term Long-term

SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

Results of the double materiality analysis process: Materiality of the impact

Smaller thematic unit	Impact location	Description of impact	Nature of impact	Irreversibility	Time perspective
Non-hazardous	Own operations – LW Bogdanka Group (excluding Ekotrans)	The waste generated during coal mining at LW Bogdanka consists mainly of residues from the processing of mined coal at the Mechanical Coal Processing Plant – coal slurry, waste rock and coal shales. They constitute mining waste. Around 50% of mining waste is recycled; the remainder is sent to a mining waste disposal facility. The waste generated by Łęczyńska Energetyka consists primarily of combustion waste: slag and ash. The ash-slag mixture is disposed of by transferring it to recipients in accordance with environmental protection legislation.	Actual negative	Difficult to repair or long-lasting	Short-term Medium-term Long-term
Employment security	Own operations – LW Bogdanka Group	The LW Bogdanka Group ensures stable and secure employment conditions by offering permanent contracts to the vast majority of its employees.	Actual positive	-	Short-term Long-term Medium-term
Adequate wages	Own operations – LW Bogdanka Group	LW Bogdanka offers its employees high salaries, significantly higher than the national average gross salary, including bonuses such as a 13th and 14th monthly salary and other benefits.	Actual positive	-	Short-term Long-term Medium-term
Social dialogue	Own operations – LW Bogdanka Group	Bogdanka continues regular dialogue with its employees and their representatives in order to resolve issues and improve working conditions.	Actual positive	-	Short-term Long-term Medium-term
Occupational health and safety (OHS)	Own operations – LW Bogdanka Group	Due to the nature of the work, employees in certain roles within the mining sector are exposed to the risk of accidents and occupational diseases.	Actual negative	Difficult-to-fix medium-term problem	Short-term Medium-term Long-term
Adequate housing conditions within the community: Mining damage and land reclamation	Own operations – LW Bogdanka	Mining operations can affect the living conditions of local communities through noise, vibrations and land transformation.	Actual negative	Difficult-to-fix medium-term problem	Short-term Medium-term Long-term

SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

Results of the double materiality analysis process: Materiality of the impact

Smaller thematic unit	Impact location	Description of impact	Nature of impact	Irreversibility	Time perspective
Impact on land	Own operations – LW Bogdanka	The mining operations of the LW Bogdanka Group result in permanent transformation of the land, including the loss of agricultural and forest land and the formation of subsidence depressions, which affect the soil structure.	Actual negative	Difficult-to-fix medium-term problem	Short-term Medium-term Long-term
Relationships with the community and maintaining a licence to operate (including community engagement, working with local government and community organisations, sustainable cities (community health and quality of life)	Own operations – LW Bogdanka Group	Relationships with the community and commitment to sustainability are essential for maintaining a licence to operate. Good relations with local communities and a positive corporate image can influence government decisions on licence renewal and public acceptance of mining activities.	Actual positive	-	Short-term Medium-term Long-term
Supplier relationship management, including payment practices	Own operations – LW Bogdanka Group	Bogdanka manages its relationships with suppliers through transparent and fair practices, including timely payments, negotiating agreements and supporting long-term partnerships.	Actual positive	-	Short-term Medium-term Long-term

SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

Results of the double materiality analysis process: Materiality of the impact

Smaller thematic unit	Risk / opportunity	Location of occurrence	Description	Time perspective	Financial impact
Adapting to climate change	Regulatory risk	Own operations	The drive towards climate neutrality at EU level means there is a risk of having to contend with new regulations, standards or mechanisms that particularly affect the coal and energy-intensive sectors. From a national perspective, new climate challenges are addressed in strategic documents such as Poland's Energy Policy to 2040 and the updated National Energy and Climate Plan, known as the 'green compass' for Poland's transition	Short-term Medium-term Long-term	Very high
Adapting to climate change	Regulatory risk	Own operations	The risk of fluctuations in the price of CO_2 emission allowances stems from the establishment of the European Emissions Trading Scheme. Carbon pricing increases the price of fossil fuels based on their carbon content or emissions during combustion. Given the specific nature of LWB's operations, Łęczyńska Energetyka is the entity within the Group responsible for acquiring CO_2 emission allowances. It is estimated that, following the implementation of ETS2 in 2027, the cost of CO_2 emission allowances may rise from 2029 onwards. The financial impact of these changes will be an increase in the Company's operating costs.	Short-term Medium-term Long-term	High
Adapting to climate change	Regulatory risk	Own operations	The long-standing failure to implement a coherent, long-term decarbonisation strategy at national level increases the risks facing the coal sector on many fronts and may lead to long-term difficulties in adapting to new economic and regulatory realities, such as social agreements, new legislation, regional transition plans and anti-smog resolutions. This risk may also affect: (i) tightening of standards and legal regulations concerning environmental protection standards for the mining sector and the requirement to obtain environmental permits; (ii) tightening of regulations concerning CO_2, SO_x, NO_x and mercury emission standards, as well as quality standards for coal sold on the domestic market, and the implementation of local authority anti-smog resolutions – which may affect LWB's ability to sell coal.	Short-term Medium-term Long-term	High
Adapting to climate change	Regulatory risk	Own operations	The CSRD Directive set 6 July 2024 as the deadline for its implementation by EU Member States. The Polish implementing regulations were not published until almost six months after that date. (17 December 2024, Journal of Laws 2024,1863)	Short-term	High
Adapting to climate change	Market risk	Own operations	As the transition to a green economy accelerates, the mining sector is hit hard by radical changes in market conditions. As we move away from high-carbon practices in favour of cleaner alternatives in the coming years, demand for coal will change. This may also be linked to the introduction of new emission or quality standards that reduce demand for coal. The decline in demand for coal resulting from the use of new fuels and alternative fuels, as well as support for RES and decarbonisation policies, will ultimately lead to a fall in coal prices on the international and/or domestic market – and will thus have a direct impact on the Company's revenue.	Short-term Medium-term Long-term	High
Adapting to climate change	Market risk	Own operations	The risk associated with reduced access to financing applies to LW Bogdanka, and its significance is set to increase in the coming years due to the increasingly widespread restrictions on financing coal projects being introduced by financial institutions. In addition, the growing importance of ESG and pressure from investors means that increasing importance is being placed on environmental, social and corporate governance (ESG) standards. A mine that shows no commitment to climate issues may be seen as less attractive to investors and contractors, which could affect its access to finance and its ability to secure new agreements	Short-term Medium-term Long-term	High

SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

Results of the double materiality analysis process: Materiality of the impact

Smaller thematic unit	Risk / opportunity	Location of occurrence	Description	Time perspective	Financial impact
Adapting to climate change	Market risk	Own operations	Changes in legislation (e.g. the introduction of new coal quality standards or emission standards), shifts in market conditions (changes in coal prices), or restrictions resulting from decarbonisation policies may lead to the risk of key customers of the Company terminating, cancelling, withdrawing from or not renewing coal supply agreements. The loss of contractors who, from the perspective of the Company's core business, ensure the continuity of supplies, services and construction works, also poses a significant risk in terms of the inability to replace them immediately	Medium-term Long-term	High
Adapting to climate change	Market risk	Own operations	Consumers / customers are increasingly turning towards environmentally friendly practices and the adoption of cleaner energy sources, which is reducing demand for fossil fuels, including coal. As a result of these trends, mining companies may find it difficult to maintain their sales volumes and profit margins, which affects their financial stability.	Medium-term	High
Adapting to climate change	Market risk	Own operations	The energy transition poses a significant risk to the Company in terms of its ability to recruit, retain and engage staff. The threat stems from growing concerns among workers about the future of their jobs due to mine closures and the transition to a low-carbon economy. As pressure increases to cut emissions and reduce reliance on fossil fuels, many mine workers are concerned about the security of their jobs and their ability to find alternative employment in the future.	Medium-term Long-term	High
Adapting to climate change	Technological risk	Own operations	Growing competition from the renewable energy sector and low-carbon technologies is significantly reducing demand for coal, which is affecting the Company's profitability and future growth prospects	Short-term Medium-term Long-term	High
Adapting to climate change	Reputational risk	Own operations	With growing concern over climate change and the sector's contribution to greenhouse gas emissions, the reputation of companies in the extractive sector is increasingly exposed to risk. This covers the following areas: (i) environmental – increasing emphasis is placed on the environmental responsibility of companies in this sector. The assessment of environmental responsibility involves evaluating whether these companies have implemented measures aimed at reducing their impact on natural resources and ecosystems, and this is of particular importance in the context of relations with external stakeholders as well as supply chain participants; (ii) social – a failure to communicate and engage in dialogue with representatives of the local community or external stakeholders regarding the Group's activities or future plans may lead to a loss of trust; this is also particularly important from the perspective of employees. The risk of reputational damage is linked to a negative perception of the Company's image by investors, shareholders and regulators, as well as by the local community and local institutions themselves. It also creates a risk that key suppliers (e.g. steel producers, chemical plants) may fail to take LWB into account in their supply chains.	Short-term Medium-term Long-term	High
Adapting to climate change	Risk	Own operations (risks specific to Łęczyńska Energetyka)	The EU ETS provides for a gradual reduction in the number of free allowances allocated to the heating sector. Rising prices for CO_2 emission allowances could significantly increase the cost of heat generation. At the same time, reducing the number of free units diminishes the company's ability to invest in low-– and zero-emission sssdsand produceórcze.	Medium-term Long-term	Average

SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

Results of the double materiality analysis process: Financial significance

Smaller thematic unit	Risk / opportunity	Location of occurrence	Description	Time perspective	Financial impact
Adapting to climate change	Risk	Own operations (risks specific to Łęczyńska Energetyka)	Planning investments that require significant financial outlay, Łęczyńska Energetyka may need to secure external funding. The company's classification as a large enterprise, its links to the mine and its reliance on coal may hinder access to certain support schemes, thereby increasing the risk of limited access to finance.	Medium-term Long-term	Average
Non-hazardous	Opportunity	Own operations: LW Bogdanka	Treatment of mining waste can be an opportunity for marketing of new products while reducing the volume of deposited waste	Long-term	Average
Non-hazardous	Risk	Own operations: LW Bogdanka	Restrictions or inability to store rock at a mining waste disposal facility	Long-term	High
Additional topic: Availability of employees	Risk	Own operations: LW Bogdanka	A shortage of skilled staff may result in the need to reduce the volume of coal extracted.	Long-term	Average
Additional topic: Relationships with the community and maintaining a licence to operate (including community engagement, working with local government and community organisations, sustainable cities (community health and quality of life)	Risk	Own operations: LW Bogdanka	Failure to maintain positive relations with the local community could result in increased opposition to the extension of LWB's mining licence.	Long-term	Average
Additional topic: The risk of a cyberattack and/or sabotage	Risk	Own operations: LW Bogdanka	Risk associated with the war in Ukraine and the activities of Russian hacking or sabotage groups	Short-term/ Medium-term	High

SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model

Results of the double materiality analysis process: Financial significance

Category change	Description of the change	ESRS standards and smaller thematic units linked to material impacts, risks and opportunities (IROs)
EFRAG's position on compliance procedures, in accordance with the simplified ESRS standards.	The change stems from an update to the approach to identified impacts, taking into account the applicable ESRS standards. In accordance with the ESRS Standards, activities aimed at complying with legal requirements and those designed to mitigate negative impacts are not classified as positive impacts.	**Deleted IROs**: ESRS S1: Freedom of association, the existence of works councils, and employees' rights to information, consultation and participation; the impact associated with the ability to form associations and participate in works councils. Additional topic: An opportunity linked to activities carried out as part of our engagement with local communities, cooperation with local authorities and non-governmental organisations.
New IROs	The identification of new IROs was the result of changes in the operating environment and the inclusion of previously unconsidered sources of information, such as new data, analyses and internal factors. In particular, the findings of scientific research, quantitative data, the results of the resilience analysis, and the employee satisfaction survey were taken into account.	**New IROs** ESRS E1: Adapting to climate change: Identification of impacts and risks stemmed directly from the resilience analysis carried out. ESRS E1: Energy: Identification of impacts and risks stemmed directly from the resilience analysis carried out. ESRS E5: Waste: Identification of material risks associated with the limited or non-existent capacity for storage at the mining waste treatment facility.
Taking into account the relationship between smaller thematic units	Identification and assessment of the direct links between individual sub-themes. With the inclusion of quantitative data, the new IROs have gained significance.	**New IROs** ESRS E4: Impact on ecosystem services and dependence on them Identification of significant impacts directly linked to biodiversity impacts associated with mining damage. ESRS E4: Land use change as a direct cause of impact on biodiversity loss: Identification of significant impacts directly linked to biodiversity impacts associated with mining damage.
Identification and updating of the assessment of impacts, risks and opportunities	Incorporating new data, analyses and internal factors not previously taken into account into the double-significance analysis process, as part of the identification and assessment of individual criteria relating to impacts, risks and opportunities.	**Deleted IROs:** Additional topic: Innovation and industry: the risks and opportunities associated with the implementation of sustainable innovation. ESRS E5: Risks associated with the availability of raw materials. **Updated IROs:** ESRS S1: Employment security: Identification of a new impact linked to internal practices within the LW Bogdanka Group. **Newly added IROs:** ESRS E3: Water intake Taking into account the internal documentation in the double materiality analysis. ESRS E5: Inputs, including resource use: clarification of information within the impact assessment. ESRS S1: Adequate wage: Identification of a new impact linked to working conditions. ESRS S1: Social dialogue: Identification of a new impact linked to internal practices within the LW Bogdanka Group. ESRS S3: Impact on land: Identification of significant impacts directly linked to biodiversity impacts associated with mining damage. Additional topics: Risks associated with a failure to maintain positive relations with the local community, and with hacking and sabotage activities arising from the geopolitical situation.

A table describing changes in material impacts, risks and opportunities compared with the previous process

Category change	Description of the change	ESRS standards and smaller thematic units linked to material impacts, risks and opportunities (IROs)
IRO disaggregation	The change was introduced to determine whether the identified inflows occur across the entire LW Bogdanka Group or solely within the internal operations of individual subsidiaries.	IRO updated, significant: ESRS E3: Water consumption and discharge; the change involved clarifying the scope of the impact. The scope includes companies that discharge water.
Deleted IRO	The removal of specific impacts, risks and opportunities that have been addressed within the framework of other, more relevant impacts, risks and opportunities, as well as a dedicated resilience analysis.	Eliminating the risks and opportunities associated with climate change. As part of the resilience analysis performed, related risks were identified which were assessed as material in the 2023 financial materiality analysis. Additional topic: EU regulations in the field of sustainable development.
The relationship between IROs and smaller thematic units within the ESRS	As part of the update to the double materiality analysis process, impacts, risks and opportunities were reviewed in order to assign the identified impacts precisely to smaller thematic units within the ESRS standards. Consequently, the impact relating to mining damage, which was reported as a separate additional topic in the previous report, has been assigned to the appropriate sub-topic within ESRS Standard E3: Adequate housing conditions have an impact on land. The risks associated with the sub-theme 'Training and Development' have been integrated with the significant risks identified for the additional theme under 'Staff Availability'.	
Update of the IRO description	The changes introduced were intended to clarify and streamline the IRO descriptions so that they would be easier for stakeholders to understand. These changes have not affected the assessment of the materiality or significance of individual IROs, nor the scope of the information presented.	

ESRS 2 - General information

The material impacts, risks and opportunities identified as part of the dual materiality analysis stem directly from the business model of the LW Bogdanka Group. Their nature and sources are consistent with the Group's key areas of activity, which enables them to be consistently monitored and managed within existing structures and processes. Consequently, the issues identified do not necessitate any changes to the business model, value chain or decision-making processes within the LW Bogdanka Group.

The management of impacts, risks and opportunities is carried out on an ongoing basis, in accordance with applicable policies, procedures and management systems, ensuring operational stability and the predictability of operations. The current and anticipated impacts arising from material impacts, risks and opportunities, as identified through the double materiality analysis process, are addressed and managed by the Group as part of its adopted business strategy and complementary ESG strategy. The company is aware of the potential impacts associated with significant climate risks. In order to maintain its strong market position and enhance its competitiveness, the LW Bogdanka Group has incorporated a pillar relating to the Energy Transition into its business strategy; this is described in detail on page 114 of the activity report .

In the reporting period, significant risks and opportunities did not have a material impact on the financial results, cash flows or balance sheet adjustments of the LW Bogdanka Group. The LW Bogdanka Group has also not identified any changes in terms of the anticipated financial impact on the company's investment plans and planned sources of financing associated with significant risks and opportunities.

At the same time, from a long-term perspective, the LW Bogdanka Group is aware of the Company's limited resilience resulting from its exposure to significant identified climate risks. Detailed information regarding the analysis of resilience to significant climate risks and the measures taken by LW Bogdanka in this regard is set out below under the indicator relating to the resilience analysis process. In the opinion of the LW Bogdanka Group, the other material factors, risks and opportunities identified in the double materiality analysis do not have a material impact on the company's resilience.

ESRS-2 IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities

The identification and assessment of climate-related impacts were carried out as described in Chapter *ESRS 2 General Information – IRO-1*. In 2025, as part of a review of the double materiality analysis, the results of the resilience analysis launched last year were taken into account. Resilience analysis is a process designed to enable an organisation to gain insights into the resilience of its business model to events resulting from climate change and those associated with the transition towards sustainability. The results of the analysis include a description of the anticipated impact of climate change on LW Bogdanka's business model and a list of the significant transition risks identified. The scope of the resilience analysis covered the operations of LW Bogdanka itself and its subsidiaries MR Bogdanka and RG Bogdanka, as well as the upstream and downstream value chains; in geographical terms, it covered Łęczna County, the area in which the company operates. As part of a separate process, a qualitative analysis was also carried out for Łęczyńska Energetyka.

The resilience analysis was carried out at the turn of 2024 and 2025 in collaboration with the Central Mining Institute. An approach based on the guidelines of the Task Force on Climate-Related Financial Disclosures (TCFD). In accordance with the TCFD recommendations, climate-related risks are divided into two main categories: (1) risks associated with the physical impacts of climate change – physical risks; and (2) risks associated with the transition to a low-carbon economy – transitional risks. Transition risks include, in particular, political and legal risks, technological risks, market risks and reputational risks. Physical risks stem from the physical impacts of climate change, including both extreme weather events and gradual climate shifts, as well as environmental degradation, such as air, water and soil pollution, water stress, biodiversity loss and deforestation. Physical risks are also divided into sudden risks (also referred to as acute or short-term risks), which are dependent on events such as the increased intensity of extreme weather phenomena, including cyclones, hurricanes or floods, and chronic (long-term) risks, which relate to long-term changes in climate patterns (e.g. persistently higher temperatures) and which may cause sea-level rise or chronic heatwaves.

During the risk identification phase, 9 physical risks and 15 transformational risks were identified. The likelihood of each identified risk occurring was then assessed. This assessment was carried out by a group of experts and was based on a multi-faceted analysis of data, including climate scenarios and reports from the Intergovernmental Panel on Climate Change (IPCC), industry reports and EU documents. The potential impact of these risks on LW Bogdanka's operations was assessed on the basis of the results of a survey conducted among key stakeholders, both internal and external, within the value chain. This assessment covered both the financial aspects and the actual impact on LW Bogdanka's operations, as well as the long-term consequences relating to reputational impact and regulatory requirements. The climate risk assessment was carried out in accordance with the guidelines set out in the Enea Group's Corporate Risk Management Methodology. This made it possible to fully incorporate the risks identified earlier into the assessment process and to link them to existing risk management procedures. This approach enables consistent and effective risk management across the entire group and across a large part of LWB's value chain.

Given the duration of LWB's licence, the analyses focused on projected climate change over the 'average-term' reference period used by the IPCC, i.e. up to 2050, using the decade 2011–2020 as the baseline. This period has also been divided into three time frames:

- a short time horizon covering a period of one year (in accordance with ESRS reporting requirements),
- a medium-term timeframe, covering the period up to 2030 (taking into account the Company's strategic outlook)
- a long-term timeframe, extending to 2050 (based on EU scenarios and documents, and as set out in the licence granted to LW Bogdanka S.A.).

The analyses used two climate change scenarios, which were developed on the basis of the IPCC's Climate Change 2021 report and the 2022 World Energy Outlook (IEA):

- The PARIS-ALIGNED scenario, which aims to achieve the Paris Agreement's goals and limit the rise in temperature to 2°C, and
- The PARIS-MISSED scenario, which anticipates the failure of climate action and significant consequences for the economy.

A summary of the scenario analysis carried out and the anticipated level of resilience of the Bogdanka power plant is presented in tabular form on the following page.

ESRS 2 - General information

Scenario	Description	Impact on LW Bogdanka S.A.
Scenario 1: PARIS-ALIGNED	The scenario assumes the implementation of the Paris Agreement (reducing GHG emissions at a rate that will keep the global average temperature rise below 2 °C), which means that climate change will be kept within relatively safe limits. This scenario was developed by merging the IPCC SSP1-1.9 scenario and the IEA's Net Zero Emissions by 2050 Scenario (NZE).*	• A relatively safe level of resilience in the short term. • A relatively safe level of resilience in the medium term, provided that appropriate adaptive measures are taken. • A average-to-low level of resilience in the long term (the greatest challenges lie in the areas of raw materials and resources, as well as waste and water management).
Scenario 2: PARIS-MISSED	This scenario predicts that the rate of GHG emissions reduction will fall short of the current commitments made by UN member states (including failure to meet the targets of the Paris Agreement) and, as a result, climate change will reach the levels predicted by science by the middle of the 21st century. This scenario was developed by merging the IPCC SSP5-8.5 scenario and the IEA Net Zero Emissions by 2050 Scenario (STEPS).**	• A relatively safe level of resilience in the short term. • A relatively secure level of resilience in the medium term, with rapidly growing challenges (particularly in the areas of logistics and access to water) that require taking preventive and adaptive measures. • An average level of resilience over the long term, with critical challenges in several areas (logistics, shortages of raw materials and a decline in demand for services).

The significant risks and opportunities identified are set out in the table on page 127. The analysis identified 11 significant transformation risks for LW Bogdanka, whilst no significant physical risks or opportunities related to climate change were identified. The resilience analysis was carried out solely for the parent company; however, given LW Bogdanka's business model and the subsidiaries' close dependence on its operations, the entire Group is resilient to the significant transformation risks identified.
In accordance with the description of the business model and value chain presented in ESRS 2 SBM-1, and the results of the process of identifying material impacts, risks and opportunities described in ESRS 2 IRO-1, LW Bogdanka has identified that climate-related risks – including transformational, market, regulatory, technological and reputational risks – may affect the Company's business strategy and, consequently, its financial position in the coming years. At the same time, a qualitative analysis carried out for Łęczyńska Energetyka identified two significant risks associated with climate change adaptation, as described on pages 128 and 129.

In the context of the parent company's operations, LW Bogdanka, the most significant transformation risks include those arising from EU and national climate policy, the EU ETS scheme and the ongoing decarbonisation of the energy sector. These factors may lead to a steady decline in demand for steam coal, resulting in a shift in the revenue mix and a fall in sales volumes in the medium to long term. These risks also include rising operating costs, including greenhouse gas emissions costs, indirect increases in energy prices, and rising prices for services and materials within the supply chain.

The identification of market risks also highlights the possibility of changes in the behaviour of customers
and suppliers, including, for example, the discontinuation of coal supplies, a reduction in the demand for fossil fuels, or the replacement of orders with alternative technologies. Reputation risks associated with growing public pressure regarding the environmental responsibility of the extractive sector may, in turn, affect relations with stakeholders, including investors, financial institutions, customers and the local community.

The Company also identifies technological risks, in particular the development of low-carbon technologies and renewable energy sources, which in the long term pose a threat to fossil fuels and may affect the Company's profitability and growth prospects.

In response to the identified risks, the Company anticipates increased capital expenditure related to bringing its infrastructure into line with environmental requirements, measures to reduce emissions, and the rehabilitation of post-mining sites. At the same time, the Company is aware of the risk of a decline in the value of assets related to coal mining in the long term. This awareness and approach to mitigating transformation risks are reflected in a business strategy aimed at diversification of operations. The strategy primarily focuses on measures to improve the efficiency of coal production, including infrastructure development, improved energy efficiency, increased machine utilisation rates, and improvements in materials logistics and downtime management. The company also carries out a number of initiatives related to the growth of industrial activity - particularly in the fields of rail transport, mining services, infrastructure services and the management of medical waste. At the same time, a key pillar of the response to climate risks is the gradual development of renewable and low-carbon energy, including the construction of in-house generation facilities, heat recovery systems and projects designed to enhance energy recovery in operational processes. By implementing these measures, the Company is able to reduce its vulnerability to regulatory, market and technological changes, and to develop new revenue streams that underpin the long-term resilience of its business model. The detailed objectives of the business strategy are set out on page 114 of this statement.

At this stage of the process, no account has been taken of the link between critical climate assumptions
and the information presented in the financial statements, which limits the ability to fully assess the financial implications of the identified risks. Consequently, no identification was carried out of the assets and business activities for which the transition to a climate-neutral economy has been taken into account, or for which such consideration would require significant effort.

*The IPCC's SSP1-1.9 scenario outlines a very low-emission pathway consistent with the Paris Agreement, whilst the IEA Net Zero Emissions by 2050 scenario sets out a pathway for a profound transformation of the energy system, leading to climate neutrality by 2050.
**The IPCC's SSP5-8.5 scenario assumes a pathway of high emissions and intensive use of fossil fuels, whilst the IEA Stated Policies Scenario reflects the implementation of current policy commitments without any additional climate ambitions.

ESRS 2 - General information

ESRS 2 IRO-1 - Description of the processes for identifying and assessing significant pollution impacts, risks and opportunities

The companies forming part of the LW Bogdanka Group, as part of their business operations, emit pollutants into the air due to the nature of their production processes:

LW Bogdanka, MR Bogdanka, RG Bogdanka – emissions associated with coal mining and technical support process
Łęczyńska Energetyka – coal combustion for the purposes of heat generation.

Details regarding air emissions are provided in section E2-4.*
The identification and assessment of impacts related to pollution issues was carried out in respect of all companies and sites within the LW Bogdanka Group, and covered both the Group's own operations and the upstream and downstream value chains. The process of assessing the relevance of the topics took into account the pollutants emitted by the LW Bogdanka Group that are subject to monitoring and reporting, the results of a survey in which participants included representatives of the local community (residents of the municipalities of Puchaczów, Cyców and Ludwin), as well as an expert assessment of the impact on the local environment based on existing scientific publications. Details regarding the process of engaging key stakeholders, including local communities, are described in detail in Chapter of ESRS2.

As part of the double materiality analysis process, the remaining minor thematic areas associated with ESRS E2 – water, soil, living organisms and food resources pollution; potentially hazardous substances; substances of very high concern; and microplastics – were not identified as material topics.

ESRS 2 IRO-1 Description of the processes for identifying and assessing material impacts, risks and opportunities related to water and marine resources

The double-significance analysis made it possible to identify impacts associated with the smaller thematic units defined under the ESRS E3 standard: Water and marine resources: water consumption and discharges. The process covered the Group's own operations as well as the upstream and downstream value chains, and was carried out across all companies and sites within the LW Bogdanka Group. No dedicated LEAP analysis was carried out as part of the process. The impact assessment took into account available and reliable data: historical data on water consumption and discharge, the locations of the LW Bogdanka Group's own operations, exposure to drought risk, and scientific analyses.**

The management of mining water is a key component of LW Bogdanka's own operations. Drainage systems enable safe drainage of workings and help in maintaining safe and stable working conditions underground. The discharges may contain elevated concentrations of certain elements, which could affect the characteristics of the Świnka River at the discharge point. The volume and scale of water discharges are controlled as part of our own management programme and are subject to regular monitoring. The parameters monitored include, amongst others, pH, total suspended solids, sodium, potassium, total iron, as well as metals, nickel and zinc.

In terms of water consumption, the identified impact relates to water used for process purposes at the LW Bogdanka mine and to heat production by Łęczyńska Energetyka.
The process of identifying impacts took into account the perspectives of local stakeholders, including representatives of local communities, non-governmental organisations operating in the region where the business is conducted, and representatives of local government. The process is described in detail in Chapter ESRS2, Section IRO-1: Description of the process to identify and assess significant impacts, risks and opportunities As part of its stakeholder dialogue, the Company organised a meeting entitled 'Social Dialogue: the future of LW Bogdanka and the region in the context of ongoing environmental work', attended by representatives of local authorities, provincial and marshal offices, environmental protection agencies, scientists and partners.
During the meeting, the findings were presented from the environmental impact assessment report on the planned continuation of mining operations, prepared by an interdisciplinary team of experts from the Institute of Mineral Resources and Energy Management of the Polish Academy of Sciences, the University of Silesia in Kraków, Maria Curie-Skłodowska University in Lublin, and the AGH University of Science and Technology in Kraków. This document has been prepared in accordance with the applicable environmental requirements and environmental impact assessment procedures. The meeting formed part of an extensive dialogue with representatives of local authorities regarding the identified impact of LW Bogdanka on water consumption and discharge.

*In connection with the results of the double materiality analysis – namely, the absence of any material risks or opportunities identified in relation to the smaller reporting segments defined in ESRS Standard E2 – the LW Bogdanka Group does not disclose the information required by E2-5 indicator: Anticipated financial effects from pollution-related impacts, risks and opportunities
**In connection with the results of the double materiality analysis – namely, the absence of any material risks or opportunities identified in relation to the smaller reporting segments defined in ESRS Standard E3 – the LW Bogdanka Group does not disclose the information required by E3-5 indicator: Anticipated financial effects from water-related risks and opportunities

ESRS 2 - General information

ESRS 2 IRO-1 - Description of the processes for identifying and assessing material impacts, risks and opportunities related to biodiversity and ecosystems

The material impacts, risks, relationships and opportunities relating to biodiversity and ecosystems in the entire LWB Group's value chain have been assessed in accordance with the criteria adopted as part of the double materiality analysis process, which is described in detail in Chapter ESRS 2 of this statement. In addition, in the area of biodiversity impact analysis, a variety of sources were used as references
within the impact assessment. The sources included a variety of academic publications by the Polish Society for Environmental Engineering, the Polish Academy of Sciences, the University of Life Sciences in Lublin, and a scientific monograph published in 2025 entitled *"The challenges and opportunities of sustainable development at LW Bogdanka S.A.*
in the context of environmental and socio-economic conditions", edited by Professor Grzegorz Grzywaczewski, which provides a comprehensive analysis of the impact of LW Bogdanka in five different thematic areas.
As part of its financial materiality process, the Group did not categorise the identified biodiversity-related risks and opportunities into transition risks/opportunities, physical risks and did not include systemic risks. The impact materiality analysis process did not include an additional and extensive process of identifying and assessing dependencies on biodiversity and ecosystems and related services in their own locations. Such analyses are, however, carried out as part of environmental procedures implemented for the purpose of obtaining or extending a mining concession, as part of the environmental impact assessment of the project.

The process of identifying impacts took into account the perspectives of local stakeholders, including representatives of local communities, non-governmental organisations operating in the region where the business is conducted, and representatives of local government. The process is described in detail in Chapter ESRS2, section IRO-1: Description of the process to identify and assess significant impacts, risks and opportunities
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In the organisation's opion, the greatest risk of impact on biodiversity and ecosystems is associated with operations at three mining sites. LW Bogdanka operates in close proximity to protected areas, including the Natura 2000 sites of the Uściwierskie Lakes and Polesie, the Łęczyńskie Lake District Landscape Park, the Polesie and Chełm Protected Landscape Areas, as well as in close, though not immediate, proximity – the Polesie National Park. In the reporting period, no adverse impacts leading to the deterioration of natural habitats or species habitats were identified, nor were there any instances of disturbance to the species for whose protection the protected areas were designated. In view of the foregoing, no need to implement measures to mitigate biodiversity loss has been identified.

IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities related to the use of resources and circular economy

The identification and assessment of circular economy-related impacts was carried out as described in Chapter ESRS 2 General Information – IRO-1.
The process of assessing the significance of the topics took into account the results of a survey involving key stakeholders, including representatives of the local community, and an expert assessment of the environmental impact was carried out based on internal data and scientific publications. Details regarding the process of engaging key stakeholders are described in detail in the ESRS2 chapter.

As a result of a double materiality analysis process, which involved a review of the Group's own operations as well as its upstream and downstream value chains and was carried out across all companies and locations within the LW Bogdanka* Group, significant impacts in the area of the circular economy were identified. Significant impacts arise primarily from the the process of mining and production of commercial coal, which requires the use of considerable natural resources, including electricity, water from rock dewatering, and other raw materials necessary for production or for the construction and maintenance of mining infrastructure. At the same time, mining operations also generate significant quantities of waste, including mining waste and other industrial waste. The operation of facilities in a mining plant generates industrial waste – both hazardous and non-hazardous – which requires appropriate management and security. The parent company produces waste rock (coal shale), which was classified as waste until 2024; however, to enable its use other production processes, design work has resulted in this material being reclassified from waste to a 'by-product'. This certification opensnew opportunities for the commercial use of the material.

In the provess of heat production, Łęczyńska Energetyka generates waste such as ash and slag, which must also be properly managed.
The opportunity identified in the field of waste management consists in utilising waste to introduce a new product – aggregates produced during the mechanical processing of coal – which could yield potential financial benefits.

The methods and tools used in the process are described in detail under the ESRS2 IRO indicator in Chapter ESRS 2 on page 119 of this statement.

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ESRS 2 - General information

ESRS 2 IRO-1 - Description of the processes for identifying and assessing significant impacts, risks and opportunities related to business conduct

The LW Bogdanka Group has identified one significant impact relating to business conduct - this relates to supplier relationships, including payment practices. This impact was classified in the value chain as occurring within the organisation and assessed as positive: *The LW Bogdanka Group manages its relations with suppliers through the current Code of Conduct for Suppliers of LW "Bogdanka" S.A. and a range of internal procedures, including the Supplier Verification Procedure and contractual clauses, designed to ensure fair and transparent terms of cooperation for both parties*.

The company ensures high-quality relationships with its suppliers, for example by setting a maximum payment term of 30 days for invoices, which is shorter than the average payment terms prevailing in the market. According to Coface data, the average payment term in Poland in 2024 was 46.2 days, while only 40% of companies apply payment terms of up to 30 days; this means that the standard adopted by the LW Bogdanka Group is more favourable to suppliers than typical market practices, thereby strengthening their financial liquidity and growth prospects.

[(G1) 6] The process, methodology used and assumptions adopted for the identification and assessment of impacts are described under the ESRS 2 indicator: IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities.*

IRO-2 - Disclosure Requirements in ESRS covered by the undertaking's sustainability statements.

The scope of information to be disclosed regarding impacts, risks and opportunities has been determined on the basis of a process of identification of material sustainability issues. The assessment covered issues that were material from the perspective of the impact, the financial perspective, or both these perspectives simultaneously, in accordance with the principle of double materiality. Detailed information regarding the materiality thresholds adopted is presented in section IRO-1, based on the guidelines and recommendations contained in ESRS 1. The results of the materiality analysis were then linked to the relevant ESRS disclosure requirements, enabling the full scope of mandatory disclosures to be identified, broken down into environmental, social and corporate governance topics.

ESRS standard	Subtopic	Smaller thematic unit	Reporting indicators
ESRS2: General disclosures	Not applicable	Not applicable	BP-1, BP-2, GOV-1, GOV-2, GOV-3, GOV-4, GOV-5, SBM-1, SBM-2, SBM-3, IRO-1, IRO-2
ESRS E1: Climate change	Adapting to climate change Climate change mitigation Energy	Not applicable	ESRS 2 GOV-3, E-1 ESRS 2 SBM-3 , ESRS 2 IRO-1, E1-2, , E1-3, E1-4, E1-5, E1-6, E1-7, E1-8, E1-9,
ESRS E2: Pollution	Air pollution	Not applicable	ESRS 2 IRO-1, E2-1, E2-2, E2-3, E2-4
ESRS E3: Water and marine resources	Water and marine resources	Water consumption Water discharges Water intake	ESRS 2 IRO-1, E3-1, E3-2, E3-3, E3-4
ESRS E4: Biodiversity and ecosystems	Direct factors of impact on biodiversity loss Impact on ecosystem services and dependence on them	Changes in land use, changes in the use of freshwater and marine resources	E4-1, ESRS 2 SBM-3, ESRS 2 IRO-1, E4-2, E4-3, E4-4, E4-5
ESRS E5: Use of resources and circular economy	Resources introduced, including the use of resources Non-hazardous	Not applicable	ESRS 2 IRO-1, E5-1, E5-2, E5-3, E5-4, E5-5, E5-6

*Coface, Poland Payment Survey 2024: shorter payment delays amid improving economy

Chapter Two: Environment
ESRS E1 - Climate change

ESRS topic	Materiality
Adapting to climate change	Materiality of the impact: Negative potential impact
Climate change mitigation	Materiality of the impact: Actual negative impact
Energy	Materiality of the impact: Actual negative impact Actual positive impact

Place of impact **Own operations** → **GROUP**

ESRS topic	Materiality
Climate change mitigation	Financial significance: 2x Risk

Place of impact **Own operations** → **Łęczyńska Energetyka**

E1-1 - Plan of transition to climate change mitigation needs

The Lubelski Węgiel Bogdanka Group has not adopted a transition plan aimed at mitigating climate change. Due to the business model adopted and the core operations conducted in the mining sector, the LW Bogdanka Group does not plan to draw up such a document.

E1-2/ ESRS 2 GOV-3 - Policies related to climate change mitigation and adaptation and integration of sustainability-related performance in incentive scheme

The LW Bogdanka Group has not adopted a dedicated climate policy that would directly regulate the management of material impacts, risks and opportunities arising from climate change. As of the date of this statement, the organisation is in the process of drafting a governance document - a policy to regulate the above-mentioned matters. The development of this policy is one of the strategic initiatives implemented under the environmental pillar of the adopted ESG Strategy – the policy was adopted in Q1 2026.
At the same time, all current and planned environmental issues, including the reduction of the organisation's negative impact on the environment, are addressed in the parent company through the Integrated Management System, which includes, among others, an Environmental Management System.

The Integrated Management System Manual of LW Bogdanka S.A. highlights the following areas as the most important aspects:
- identification and assessment of environmental aspects,
- monitoring the key characteristics of environmental aspects,
- identification of legal and other requirements and compliance assessment,
- development of environmental programmes.

The IMS Policy has been approved by the Management Board of LW Bogdanka S.A., which is also responsible for implementing its provisions and monitoring its effectiveness. The regulation is available on the company's website. The system is compliant with ISO 9001:2015, ISO 14001:2015, ISO 45001: 2024 The Integrated Management System, addressing the entity's impact on the environment, has also been adopted at Łączyńska Energetyka and is based on ISO 14001: 2015 and ISO 9001:2015 standards.
By 2027, LW Bogdanka intends to implement systemic environmental plans at the level of departments and organisational units within the LW Bogdanka Group, enabling the local identification of measures to reduce environmental impact and improve efficiency of the use of resources. The LW Bogdanka Group does not include climate-related issues in the remuneration of members of the administrative, management and supervisory bodies of the subsidiaries and the parent company.

ESRS E1 - Climate change

E1-3 - Measures and resources in relation to climate policy

As part of the ESG Strategy adopted in 2025, the LW Bogdanka Group implements a range of measures
related to climate change mitigation, which are divided into initiatives. The document does not define a completion date, but rather the period by the end of which the investment is to be completed.
In the previous financial year (2024), the installed capacity of the photovoltaic farm reached 10 MW; however, following the emergence of additional capital resources, it was decided to review and increase the target installed capacity. At the same time, as part of its Integrated Management System, LW Bogdanka S.A. Conducts activities (in the municipality of Puchaczów) that help to mitigate climate change.

The regulation does not define deadlines for individual tasks, indicating only cut-off dates for their completion. The measures implemented, acting as a leverage for decarbonisation, i.e. aimed at reducing emissions, include investment in technological processes and in the photovoltaic farm** which are listed below including the description of the progress made.

Overview of the LW Bogdanka Group's initiatives related to climate change mitigation

Initiative	Tasks under the initiative, including the scope of implementation	Implementation period	Expected outcomes
"Bogdanka 2050" Initiative 2.1 - a way to reduce the Group's carbon footprint	• Development of the LW Bogdanka Climate Policy • CF management system for the LW Bogdanka Group • Automation of CF data management • Branch Environmental Performance Plans	2025 - 2035	Structuring of the approach to the management of climate impacts and risks within the LWB Group Drawing up plans including the relevant KPIs
Initiative 2.2: Developing own renewable energy sources to the minimum of 30 MW capacity	Construction of a 27MW photovoltaic farm*	2025-2030	LWB carbon footprint reduction in scope 2
Initiative 2.4 Peatland offset programmes	• Study of research and analysis • Programme objectives	2026-2030	Assessing the programme's cost-effectiveness, feasibility and potential programme assumptions

Summary of the measures serving as a leverage for the decarbonisation of the LW Bogdanka Group

Activities: Description and information regarding the decarbonisation levererage	Progress report at the end of the current reporting year	Expected reduction in greenhouse gas emissions
Energy efficiency: Replacement of the pump set of the main drainage system in the chamber with a new set with an increased efficiency - annual energy savings of 2352 MWh	Implementation of 20% of the investment in 2025. The technical design has been drawn up, and a frame for the pump base and the fittings required to connect the pump have been purchased. The agreement has been signed for the supply of a more efficient main dewatering pump; the replacement process will be completed by the end of Q3 2026.	(1,691 t CO_2e)
Energy efficiency: Upgrading the existing lighting to LED (gradual replacement over 3 years) - planned energy savings of 850 MWh	Implementation of 33% of the investment in 2025. The lighting has been replaced in the bathhouse, changing room and lamp room buildings in Bogdanka. The OHS complex is planned for Stefanów in 2027	(611 tons of CO_2e)
Energy efficiency. Replacement of two transformers supplying the mines in the Stefanów field with more efficient units – energy savings of 209 MWh	Implementation of 100% of the investment in 2025. The transformers have been replaced.	(150 t CO_2e)
Decarbonisation of electricity: Construction of a photovoltaic farm	Implementation of 10% of the investment in 2025. A concept was developed, based on which the application was submitted to PGE Dystrybucja S.A. for the issuance of Connection Conditions. A response on this matter is expected by 10 July 2026, in accordance with the EP Act.	N/A

*Since 2023, LW Bogdanka has been using its own photovoltaic installation with a total capacity of 3 MW. In the years 2025-2030, the company plans to carry out new investment projects with a total capacity of 27 MW.
** The activities carried out in the reporting period were not based on natural resources.

ESRS E1 - Climate change

The scope of key activities covers LW Bogdanka S.A.'s own operations, and their implementation did not require significant capital expenditure at Group level – in 2025 a net total of PLN 6,452,207.00 was spent on the above activities – expenditure allocated for the construction of a photovoltaic farm and energy modernisation was included in the section of the report referring to the EU Taxonomy. According to the company's estimates, the measures implemented in the years 2024-2026 will allow to reduce greenhouse gas emissions by 2,445 tons eCO2 per year. In the period covered by the statement, no key activities oriented towards the achievement of climate change mitigation targets were carried out in other subsidiaries of the LW Bogdanka Group.
As part of this initiative, the R&D project is carried out which is focused on the development, preventing the quantification of the expected reductions.

E1-4 - Climate change mitigation targets

In the LW Bogdanka Group, targets relating to climate change mitigation are set at a level of individual companies. In the reporting period, LW Bogdanka adopted the target of reducing energy consumption in its own operations.**

In the reporting period, the entity did not adopt the climate policy; consequently, the target set is not directly linked to it.

*These estimates do not take into account initiative 2.4 'Peatland offset programmes', from the ESG Strategy. As part of this initiative, the R&D project is carried out which is focused on the development, preventing the quantification of the expected reductions.

In the reporting period, the entity did not adopt the climate policy; consequently, the target set is not directly linked to it.

LW Bogdanka's energy-saving targets

Target***	Base year	Base year value	Progress in implementation	Range	Background information
Reducing energy consumption in the scope of own operations at LW Bogdanka by 34,000 MWh per year until 2026	2024	318,969.989 MWh	324,585.489 MWh	LW Bogdanka	Lack of progress in the implementation of the target results from an increase in electricity consumption in 2025 caused by difficult geological conditions that affected the coal extraction process. At the same time, the mining area was expanded to include the Ostrów field and new facilities were commissioned, which led to a further increase in electricity demand.

The target was created in relation to the company's significant environmental aspects, taking into account energy consumption. When setting the energy consumption reduction target, LW Bogdanka did not use data presenting unquestionable scientific evidence, the process took into account applicable regulations, the results of energy efficiency audits presented to the ERO and internal technical knowledge. The setting of objectives was guided by the diverse sources available within the unit - no dedicated methodology was adopted for setting and defining them. Through expert consultation, stakeholders were involved in the process, in particular: auditors, employees of organisational units responsible for environmental areas and, the certification body. In the period covered by the statement, a detailed process was in place to monitor progress against the objective as part of the monitoring of the environmental goals of the Integrated Management System. Environmental goals and targets relating to energy efficiency are set on a three-year cycle. At the end of the three-year period, a review of the implementation phase and an assessment of whether the objective has been achieved are carried out, enabling a review of the measures taken and their effectiveness.

***The target, the associated indicators, key assumptions, limitations, data sources and data collection processes remained unchanged during the reporting period.

ESRS E1 - Climate change

E1-5 Energy consumption and energy mix

Energy consumption and energy mix (MWh)	2024 base year*	2025
Consumption of fuel from coal and coal products	122,311.37	123,356.41
Consumption of fuel from crude oil and petroleum products	43,060.86	40,549.12
Consumption of fuel from natural gas	-	-
Consumption of fuel from other fossil sources	-	-
Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources	320,215.09	325,681.36
Total consumption of energy from fossil sources (MWh)	485,587, 33	489,586, 89
Share of fossil fuel sources in total energy consumption (%)	99.25	99.13
Energy consumption from nuclear sources	-	-
Share of energy consumption from nuclear sources in the total energy consumption (%)	-	-
Fuel consumption in case of renewable sources, including biomass (comprising also industrial and municipal bio-waste, biogas, renewable hydrogen, etc.)	-	815.36
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources	-	-
Non-fuel self-generated renewable energy consumption	3,670.10	3,480.19
Total consumption of renewable and low-emission energy	3,670.10	4,295, 55
Share of renewable sources in total energy consumption (%)	0.75	0.87
Total energy consumption (MWh)	489,257, 43	493,882, 44
Energy intensity (total energy consumption per net revenue) associated with activities in sectors of material impact on climate	0.143MWh/PLN 1000	0.143MWh/PLN 1000
Sectors of material impact on climate used to determine energy intensity**	Mining and extraction Generation and supply of electricity, gas, steam and air conditioning systems	

*The base year presents data for 2024 following adjustments identified during the update of the methodology and the process for calculating and verifying emissions for 2025; as a result, the data for 2024 presented in the table differ from the data presented in the 2024 Sustainability Report.
Adjustment of data on self-generated energy from RES (production): Following the end of the previous reporting period, the measurement data relating to renewable energy production from our own installations was re-verified. Consequently, the figure for 'renewable energy production' for 2024 was corrected from 44.13 MWh to 3,670.105 MWh (difference: 3,625.975 MWh). This correction is due to the migration of data from the old to the new system used for carbon footprint calculation. The correction relates solely to the disclosure of energy data in ESRS E1-5 and does not affect greenhouse gas emissions calculations presented in ESRS E1-6, as it does not alter the activity data used to calculate emissions (e.g. the volume of electricity purchased from the grid).

*The calculations are based on the energy consumption data and net sales revenue disclosed in the Consolidated Financial Statements of the LW Bogdanka Group, item 19.
The total energy consumption reported in 2024 amounted to: 523,031.45 MWh / The reported energy intensity figure was: 0.143 MWh/PLN 1,000
The adjusted figure for 2024 is presented in Table E1-5.

ESRS E1 - Climate change

E1-6 - Gross Scope 1, 2 and 3 greenhouse gas emissions and total greenhouse gas emissions

In 2025, the LW Bogdanka Group calculated its greenhouse gas emissions in Scope 1, Scope 2 and Scope 3 in accordance with the GHG Protocol*. The above process covered all LW Bogdanka Group's companies, i.e. RG Bogdanka Sp. z o.o., EkoTrans Bogdanka Sp. z o.o., MR Bogdanka Sp. z o.o. and Łęczyńska Energetyka Sp. z o.o.

Greenhouse gas emissions, Scope 1

	2024 (base year)	2025	2024-2025
Scope 1 gross greenhouse gas emissions [t CO2e]	58,959.27	307,010.38	420, 72%
Percentage of Scope 1 greenhouse gas emissions from regulated emission trading schemes (%)	68.67%	13.08%	80.95%

The increase in Scope 1 emission results from the adoption of an improved methodology for calculating methane emissions in 2025. Due to an incorrect acetylene emission factor used in the base year, Scope 1 emissions were overstated – the correct figure is 58,959.27 t CO2e instead of the figure provided in the report, i.e. 75,596.88 t CO2e, and the figure of 53.36% for the percentage of Scope 1 greenhouse gas emissions covered by regulated emissions trading schemes. Total emissions in this area for 2025 take account of the change in methodology.

The possibility of reporting biogenic CO2 emissions separately has been identified only in scope 1 – from the combustion of bio-components blended into fuels (petrol and diesel). The calculated biogenic emissions in Scope 1 amount to 836.90 tCO_2.

The direct emissions (Scope 1) for 2025 include emissions from the combustion of fuels from both stationary and mobile sources, as well as emissions from the consumption of refrigerants from the company's refrigeration and air conditioning systems and the use of combustible and shielding gases. The indicators adopted for the calculations derive from DEFRA 2025, IPCC 2021 and Greenhouse Gas Emissions during the Construction Phase of a Building: A Case Study in China. Seven greenhouse gases were calculated and reported in accordance with the Kyoto Protocol, i.e. carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF6) and nitrogen trifluoride (NF3).

In accordance with the GHG Protocol, biogenic carbon dioxide emissions are reported separately. It was found that biogenic CO_2 emissions could only be reported separately under Scope 1; therefore, the consumption of petrol and diesel (due to their biofuel content) and wood was multiplied by a specific factor from the DEFRA 2025 database, which enabled the reporting of these emissions outside the scopes. The calculated biogenic emissions in Scope 1 amount to 836.90 t CO_2.

Greenhouse gas emissions, Scope 2

	2024 (base year)	2025	2024-2025
Scope 2 gross greenhouse gas emissions according to the location-based method [t CO2e]	179,249.85	170,963.03	-4.62%
Scope 2 gross greenhouse gas emissions according to the market-based method [t CO2e]	252,404.00	263,244.00	4.29%

* The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard REVISED EDITION, WRI, WBCSD; The Greenhouse Gas Protocol: Scope 2 Guidance An amendment to the GHG Protocol Corporate Standard, WRI, WBCSD; The Greenhouse Gas Protocol: Corporate Value Chain (Scope Accounting and Reporting Standard), WRI, WBCSD.

ESRS E1 - Climate change

E1-6 - Gross Scope 1, 2 and 3 greenhouse gas emissions and total greenhouse gas emissions

Significant Scope 3 greenhouse gas emissions

	2024	2025	% (2025-2024)
Total gross indirect greenhouse gas emissions (Scope 3) [t CO_2e]	19,456,085,50	18,333,960,41	-5.77%
11 Use of products sold	19,456,085,50	18,333,960,41	-5.77%

Total greenhouse gas emissions

	2024	2025	% (2025-2024)
Total greenhouse gas emissions (location-based method) [t CO_2e]	19,694,294,63	18,811,933,55	-4.48%
Total greenhouse gas emissions (market-based method) [t CO_2e]	19,767,448,77	18,904,214,52	-4.37%

The LW Bogdanka Group has identified Category 11 as the only significant category requiring disclosure within Scope 3 emissions, whilst considering the remaining categories as insignificant in the context of the scope's total emissions. 3 This assessment is subject to regular review as part of the reporting process.
No raw data obtained from third parties, such as suppliers and business partners, was used in the calculation of Scope 3 emissions.

In accordance with the GHG Protocol methodology, indirect emissions (Scope 2) for 2025 include electricity consumption and heat consumption. A location-based method and a market-based method were used to calculate the emissions from the electricity used.
In the market-based method, information on electricity suppliers was used and then the respective CO2 emission factors were applied for the identified suppliers.

As part of indirect emissions (Scope 3), the LW Bogdanka Group presented emission calculations for category 11 related to the combustion of coal sold during the reporting year.
These emissions were calculated on the basis of quantitative data (tons of coal sold) and the emission factor assigned to it by DEFRA 2025.

Given that none of the companies within the LW Bogdanka Group held guarantees of origin for the electricity purchased or other forms of confirmation of its origin from renewable sources (e.g. PPAs), the residual *mix*derived from the AIB (Association of Issuing Bodies) "European Residual Mixes; Results of the calculation of Residual Mixes for the calendar year 2024". This indicator does not take into account energy from renewable sources covered by guarantees of origin. For purchased heat, the same indicator was used in both methods, deriving from the Energy Regulatory Office (ERO) publication 'Heat Energy in Figures 2024'.

For the location-based method, the emission factor for electricity was used, calculated on the basis of a publication by the National Centre for Emissions Balancing and Management (KOBiZE), 'CO2, SO2, NOx, CO and total particulate matter emission factors for electricity based on information contained in the National Database on Greenhouse Gas Emissions and Other Substances for 2024'.
A hierarchy of data sources was used in the GHG analysis process to ensure maximum accuracy in the calculations. Priority was given to data reported by companies under the EU ETS, which guaranteed compliance with existing regulations.

Secondly, calculated emissions for other purposes, e.g. KOBiZE, individual emission factors and calorific values provided by the companies were taken into account, allowing for a more precise consideration of the specifics of their operations. In the absence of the above data, emission factors originating from the from DEFRA 2025* base were applied. This approach allowed regulatory compliance to be reconciled with the accuracy of the calculations and ensured consistency and comparability of results in the absence of more detailed information.
The greenhouse gas emission intensity, calculated using a market- and location-based method and taking into account net revenue, is presented in the table below:

Intensity indicators**

Reporting method [tCO_2e]	Emission value [tCO_2e]	Net sales revenue [thousand PLN]	Greenhouse gas emissions intensity [tCO_2e/PLN]
Total greenhouse gas emissions (market-based method)	18,904,214, 52	2,854,264	0. 0066231
Total greenhouse gas emissions (location-based method)	18,811,933,55		0.0065908

The calculations are based on Scope 1, 2 and 3 (Category 11) emission data and net sales revenue disclosed in the Consolidated Financial Statements of the LW Bogdanka Group (Note 19).

*UK Government, Department for Energy Security and Net Zero, Greenhouse gas reporting: conversion factors 2024 (version 1.1), 2024, https://assets.publishing.service.gov.uk/media/6722567487df31a87d8c497e/ghg-conversion-factors-2024-full_set__for_advanced_users_v1_1.xlsx

ESRS E1 - Climate change

E1-7 - Greenhouse gas elimination and mitigation projects financed through carbon credits

In 2025, the LW Bogdanka Group did not conduct greenhouse gas removal and reduction projects financed with carbon credits

E1-8 - Internal carbon pricing

During the reporting period, the LW Bogdanka Group did not implement any internal carbon pricing systems.

E1-9 - Anticipated financial impacts arising from significant climate-related risks and opportunities

The LW Bogdanka Group exercises the option to omit the information set out in in Appendix C, ESRS 1.

Chapter Two: Environment
ESRS E2 – Air pollution

ESRS topic	Materiality
Air pollution	Materiality of the impact: Actual negative impact

Place of impact **Own operations** → **GROUP**

E2-1 - Pollution-related policies

The LW Bogdanka Group did not adopt a policy specifically addressing air pollution, since work on adopting a Climate Policy was continued in 2025 – the policy was adopted in Q1 2026. At the parent company, this issue is addressed indirectly in the provisions of the Integrated Management System Policy updated in 2025 - the document indicates that the Company's adopted method of pollution prevention is to mitigate the negative impact on the environment. The policy has been drawn up in accordance with the ISO 9001:2015 and ISO 14001: 2015 and ISO 4500:2015 standards. The Management Board of the LW Bogdanka Group is responsible for implementing the policy, the full text of which is available on the Company's corporate website.
As part of the System's operations, procedures have also been established to indicate how to respond to environmental incidents and emergency situations. The effectiveness of the policy adopted is assessed based on the monitoring of pollution indicators generated by the organisation.

E2-2 - Activities and resources related to pollution

The main measures related to air pollution undertaken
in 2025 as part of the company's own operations included the monitoring of key characteristics of the pollutants emitted and the use of emission-reducing equipment, such as filters installed on emission sources. These activities are carried out on an ongoing basis and have no timeframe set. The priority
in the Company was to operate in this area in full compliance with the administrative decisions obtained. The expected results of the activities performed are oriented towards guaranteeing full compliance with administrative decisions and reducing pollutant emissions. The environmental department of the relevant company is responsible for implementing these measures.

In the reporting period, the other companies of the Group carried out monitoring activities, including the verification and reporting of emissions resulting from their operations. In Łęczyńska Energetyka, data on pollutant emissions – with the exception of CO_2 emissions – are acquired on the basis of periodic measurements carried out by an accredited laboratory. The measurement results obtained are forwarded to the Regional Inspectorate for Environmental Protection and the Department of Environmental Protection at the Marshal Office in Lublin.

E2-3 - Pollution-related targets

Companies of the LW Bogdanka Group have not adopted any voluntary, measurable targets relating to air pollution. The objective set for the parent company, to apply
in 2025, is to prevent pollution by mitigating the negative impact on the natural environment, as set out
in the Integrated Management System Policy, with the aim of improving the environmental performance of its operations through air protection. The scope of the objective relates to the entity's entire operations, while the Company has not set a target level and a base year for the target. The deadline set for achieving this objective is the end of 2026.
Due to the general formulation of the pollution target, the company did not adopt a methodology for setting it, nor did it base it on scientific evidence. The objective - as well as the corresponding
corresponding content of the *Integrated Management System Policy* - was not updated in 2025. In setting the target, LW Bogdanka S.A. involved internal stakeholders - representatives of the employer and trade unionised employees, which is a requirement of the ISO standard.

ED-4 - Air pollution

Emissions released into the air for all installations by companies of the LWB Group in 2025

Pollutant*	2024 (kg)	2025 (kg)	Limit (kg/year)
Fluorocarbons	1,640	1,832	100
Ammonia	100	0	10,000
Nitrogen oxides (NO_x/NO_2)	47,853	51,712	100,000
Carbon monoxides (CO)	154,617	138,743	500,000
Sulphur oxides (SO_x/SO_2)	18,710	13,183	150,000
PM 10 dust	22,986	22,820	50,000

Contextual information:
In 2025, the companies did not exceed the applicable emission limits set out in Annex II to Regulation (EC) No 166/2006. Calculation and estimation methods were used to determine the emission levels, as it was not possible to measure emissions directly under the plant's operating conditions. The calculations were carried out in accordance with the methodologies described in the reporting prepared by the LW Bogdanke Group, including on the basis of the indicators set out in the emissions permit and the guidelines specified in the KOBiZE reports (National Database on Greenhouse Gas Emissions and Other Substances). For certain parts of the installation (e.g. the welding shop and CNC cutting facility), calculations based on data from the Welding Institute in Gliwice or figures from the Lublin City Council were used, whereas for the repair hall, estimates based on figures from the administrative decision were applied. The range of methods used reflects the specific nature of the technological processes and the availability of data during the reporting period.

*In accordance with the disclosure requirement, the company should include in the table only those pollutants listed in Annex II to Regulation (EC) No 166/2006 of the European Parliament and of the Council of 18 January 2006 concerning the establishment of a European Pollutant Release and Transfer Register. The Group did not exceed the specified thresholds, but decided to voluntarily disclose some of its emissions into the air.

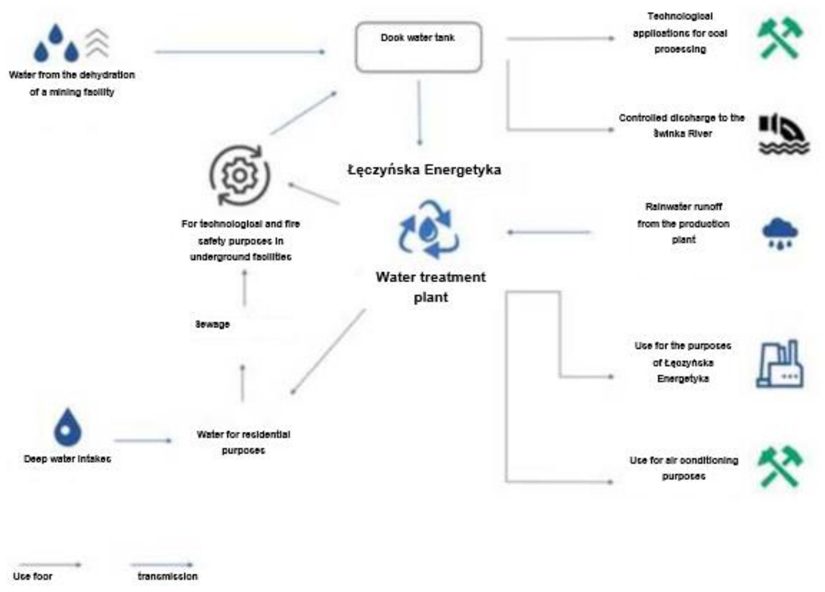
Chapter Two: Environment
ESRS E3 – Water

ESRS topic	Materiality
Water consumption	Materiality of the impact: Actual negative impact
Water intake	Materiality of the impact: Actual negative impact

Place of impact **Own operations**

In 2025, the rate of mine water utilisation in Bogdanka stood at nearly 39.20%
This indicator is significantly higher than the national average for other hard coal mines (12.6%) – the data covers 2023*

Schematic diagram of a circular water system



E3-1 Policies relating to water and marine resources and E3-2 Activities and resources relating to water and marine resources

As part of its operations, the Lubelski Węgiel Bogdanka Group manages the utilisation and discharge of mine water, in accordance with the relevant provisions of Polish law. The LW Bogdanka Group has not adopted a separate, dedicated policy on water consumption and discharge – the measures taken are in line with the ESG strategy's objectives regarding sustainable resource management and reducing the negative environmental impact of operations. The internal approach to managing environmental impact is set out in the Integrated Management System Policy of two companies within the Group: LW Bogdanka and Łęczna Energetyka. The policy is publicly available on the parent company's corporate website, and the content of the document has been prepared in accordance with the standards ISO 9001:2015 and ISO 14001: 2015 and ISO 45001:2015 standards.

Mining operations involve the need to discharge dewatering effluent into surface waters, which requires a water permit: an assessment of the scope of the discharge and monitoring of measurements. The mine monitors and measures the volume of mine water, as well as water discharged into the aquatic environment. The volume of water discharged into the environment depends on the volume of natural inflow and the volume of water used for process purposes.

Although the LW Bogdanka Group operates in areas at high risk of drought, these are not areas with a significant water deficit*. Accordingly, the Group takes measures focused on managing the negative impacts within its own operations. Groundwater is used in an integrated way in the circular system involving two Group companies:
LW Bogdanka and Łęczyńska Energetyka. After collection as part of the mine's dewatering process, the water is sent to the Water Treatment Plant (WTP), where, following preliminary treatment, membrane processes (including, amongst others, ultrafiltration and reverse osmosis) and disinfection, it is treated to produce drinking water and process water.

LW Bogdanka uses reclaimed water for process operations at the Mechanical Coal Processing Plant (washing and enrichment of mined material), to supply fire-fighting systems, for dust suppression, and for underground cooling and air conditioning.

*Information regarding the risk of drought has been obtained from the Drought Mitigation Plan available on the ISOK Hydroportal. The data on activities in water gficit areas was derived from the Aqueduct Water Risk Atlas.
**Source: Janson, E. (2025). *Implementation of legal requirements in water management realized by LW Bogdanka*. W G. Grzywaczewski (Ed.), *Challenges and Opportunities for the Sustainable Development of LW Bogdanka S.A. in the Context of Environmental and Socio-Economic Conditions* (academic monograph). Central Mining Institute – National Research Institute.

ESRS E3 – Water

Łęczyńska Energetyka uses it as process water in steam energy production processes, including the preparation of heating water, water treatment for district heating systems, and the maintenance of the required parameters in transmission systems. After treatment at the water treatment plant, the water is also suitable for domestic use – as drinking water and for sanitary purposes.

As part of their efforts to close the circulation at the Bogdanka site, the companies are maximising the reuse of mine water and treated effluent, thereby reducing discharges into the environment. Unused water volumes and effluent from the mining waste treatment facility is discharged in a controlled manner into the Żelazny Ditch and then into the Świnka River, while maintaining the retention infrastructure in areas affected by mining damage (including the Nadrybie Dwór and Kaniwola reservoirs, pumping stations and drainage systems).

At the same time, in order to manage water discharge effectively and prevent uncontrolled outflows, regular monitoring is carried out to assess the impact of mining activities on the Świnka River. The scope of the individual tests includes, among other things:

- physicochemical measurements,
- sampling and analysis of the following parameters: pH, total suspended solids, total solids, heavy metals and trace elements,
- biological research.

Research conducted by LW Bogdanke and scientists* indicates that mine water discharged from the mining facility directly into the Świnka River affects the physicochemical parameters of the receiving water body. The groundwater captured by LW Bogdanka originates from Jurassic aquifers and is characterised by high-quality physicochemical parameters – low mineralisation. At the same time, due to favourable hydrogeological conditions and the quality of the discharged water, the negative impact on the aquatic environment is kept under control. In accordance with the current water law permit, the point at which the effluent is fully mixed with the river water and its properties are restored to their original state is located 50 metres from the discharge point.

The activities described above are carried out on an annual basis as part of our own operations. In the future, GK LW Bogdanka plans to continue its efforts to utilise dewatering water, with the aim of increasing the rate of mine water utilisation.

The measures implemented by the parent company to increase the reuse rate of water from the mine's dewatering system did not require any significant operating or capital expenditure in 2025. Funding of PLN 0.5 million has been allocated for 2026, to be used for the preparation of conceptual documentation for the construction of the main drainage system for the mining plant.

Total expenditure on water discharge management in 2025 amounted to approximately PLN 15.1 million and related primarily to the continuation of construction work on the pumping station at the RE Żelazny, which is used, amongst other things, to discharge mine water. The project is scheduled for completion in 2026, with additional investment costs estimated at around PLN 3.1 million.

*Ciosmak, M. (2012). Changes in the parameters of mine water in the Lublin Coalfield (LZW) during intensive mining operations and their impact on the water quality of the Świnka River. Ecological Engineering & Environmental Technology, 28

ESRS E3 – Water

E3-3 - Targets related to water and marine resources

In 2025, the parent company and Łęczyńska Energetyka worked towards achieving the targets* set for 2024–2026 in accordance with internally adopted documents.
LW Bogdanka S.A. pursues voluntary objectives relating to responsible water management, guided by the principle of mitigating its impact on the environment. The adopted targets cover only own operations of both companies: Łęczyńska Energetyka and LW Bogdanka.

The target water reuse rate at LW Bogdanka S.A., set at a minimum of 30% for the reporting period, was specified in internal documentation outlining environmental management processes. Łęczyńska Energetyka has not set ultimate target levels for its objectives, and no baseline values were established during the process of defining them.

In setting the voluntary water resources target, LW Bogdanka S.A. was guided by compliance with standards, legal requirements and principles of rational water and wastewater management. Łęczyńska Energetyka does not have the data to report a description of the methodology and significant assumptions made in setting the targets. Neither company relied on irrefutable scientific evidence in this process.

When identifying environmental goals, the requirements of various stakeholders (including suppliers, contractors, employees and others) were taken into account, and their perspectives were incorporated through dialogue during consultation meetings.

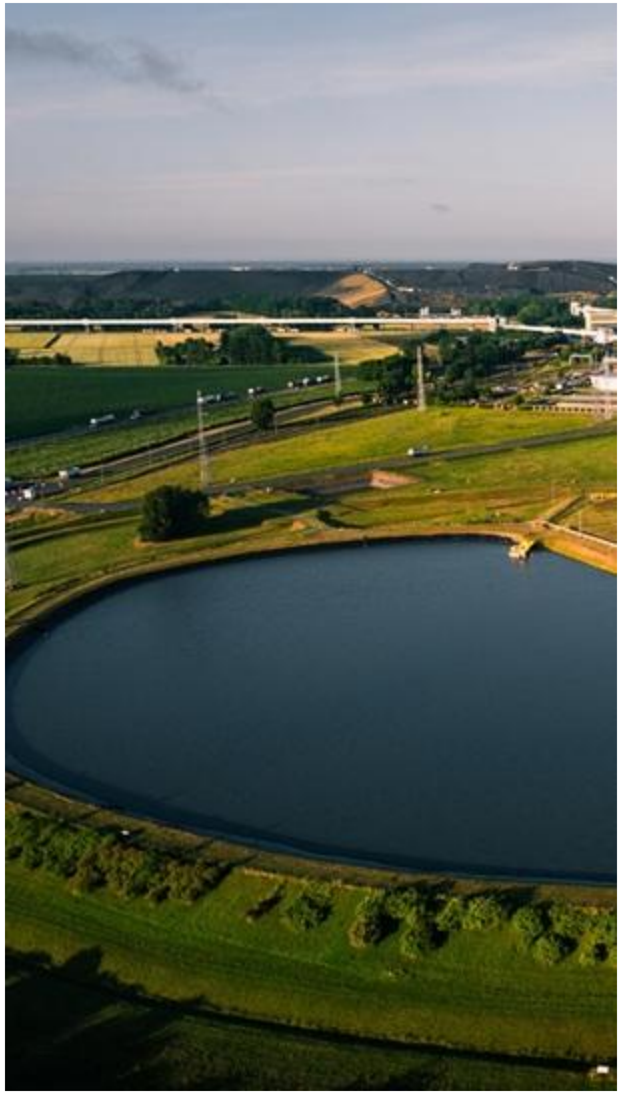
The targets adopted by both companies remained unchanged during the reporting period, as did the associated indicators, measurement methods, significant assumptions, limitations, and data sources and collection processes.

Targets relating to water consumption management

Details			Progress towards the 2024 and 2025 targets	
LW Bogdanka	Mitigating environmental impact	Qualitative target**	Not applicable	
LW Bogdanka	Maintaining water reuse at a minimum level of 30% y/y	Quantitative target	41.25%	39.20%
Łęczyńska Energetyka	Minimising transmission losses	Qualitative target**	Not applicable	

Targets relating to water discharge management

LW Bogdanka	Mitigating environmental impact Limiting water discharge Mine water management	Qualitative target**	Not applicable
LW Bogdanka	Pursuing activities in accordance with the water law permit	Qualitative target**	Not applicable
LW Bogdanka	Reducing mine water discharge by 22% compared to 2023	Quantitative target	Reducing mine water discharge by 21% compared to 2023
Łęczyńska Energetyka	Ensuring that a closed water circulation is maintained by treating treated wastewater at the SUW to the quality level of process water	Qualitative target**	Not applicable



* The LWB Group's area of operation is situated in regions exposed to drought; all the objectives set relate indirectly to areas at risk of water-related issues.
** The target related to mitigating the environmental impact is qualitative in nature; the parent company monitors progress towards this objective by testing water samples before and after discharge and by monitoring the characteristics of the groundwater reservoir.

ESRS E3 – Water

E3-4 Water consumption

At LW Bogdanka S.A., water consumption is limited to its use for domestic and industrial purposes only. The water used for process purposes originates from the water stream generated during the dewatering process at the mining plant. The remaining water from the dewatering of the mine, after being pre-treated from suspended solids, is discharged into a surface watercourse and feeds into surface water bodies. This process takes place under the constant supervision of quantitative and qualitative monitoring systems, which enable the parameters of the discharged effluent to be tracked in real time. The volume of water discharged is monitored using flow meters and measuring wells, and the water quality is subject to regular physicochemical analysis. Water intended for domestic use within the LW Bogdanka premises, following preliminary treatment, membrane filtration and disinfection, is supplied by Łęczyńska Energetyka. The data for Łęczyńska Energetyka is derived from water meter readings.

Quantitative data

	LW Bogdanka S.A		Łęczyńska Energetyka	
	2024	2025	2024	2025
Total water consumption (m^3)	274,372	267,900	3,622,655	3,240,004
Total amount of water recycled and reused in m^3	3,784,010	3,427,360	148,233	158,367
Total volume of stored water (m^3)	0	0	9,400	10,000
Change in stock levels (in m^3)	0	0	0	0

Water absorption: Total water consumption from own operations for every EUR 1 million of net revenue:*

LW Bogdanka S.A. Group	5,194.6

*The calculations are based on net sales revenue disclosed in the Consolidated Financial Statements, using an exchange rate of 1 EUR = 4.2267 PLN and 1 PLN = 0.2366 EUR

Chapter Two: Environment
ESRS E4 - Biodiversity and ecosystems

ESRS topic	Materiality
Land use change as a direct cause of biodiversity loss	Materiality of the impact: Actual negative impact
Impact on the range and condition of the ecosystems caused by land degradation	Materiality of the impact: Actual negative impact
Impact on ecosystem services and dependence on them	Materiality of the impact: Actual negative impact

Place of impact **Own operations** → BOGDANKA

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

As part of a double materiality analysis covering the entire Group and all its sites, significant impacts on biodiversity were identified solely in relation to the operations carried out by the parent company. Lubelski Węgiel Bogdanka S.A. is located in the Central Coal District situated in the north-eastern, best-recognised part of the Lublin Coal Basin. Geographically, the Central Coal District is situated within the boundaries of Polesie Lubelskie, with only small of its parts passing into the Lublin Uplands. In administrative terms, the Bogdanka mine is located in the Lublin Voivodship, within the following municipalities: Puchaczów, Ludwin, Cyców.

The Company operates in the following Mining Areas:

- The Puchaczów V area, covering approximately 73.36 km^2,
- Stręczyn, covering an area of approximately 9.38 km^2,
- Ludwin, covering an area of approximately 78.67 km^2,
- Cyców*, covering an area of approximately 40.73 km^2.

The mining areas of the mine are divided into three mining fields - the Bogdanka field, the Stefanów field and the Nadrybie field.

LW Bogdanka's operations relate to the extraction of hard coal. As a result, the Company identifies the occurrence of mining damage as a factor that may have a negative impact on areas that are sensitive in terms of biodiversity. LW Bogdanka carries out mining operations under a mining licence, which precisely defines and delimits the area of operations, whilst maintaining buffer zones in relation to the Polesie National Park. The identified impacts do not affect species classified as endangered.

In the case of areas sensitive in terms of biodiversity that may be affected by the Company, the competent authority responsible for supervising these areas and receiving reports of environmental damage is the Regional Directorate for Environmental Protection in Lublin. The Company's impact on land degradation is caused by the nature of its mining operations. The 'landfill' method results in adverse changes to the land – subsidence – which alters soil properties, potentially changes land use, and reduces the availability of provisioning ecosystem services. The lowering of the terrain also results in the formation of new ecosystems as part of the succession processes in sedimentation basins, which may lead to the emergence of new, valuable species, as confirmed by the findings of a scientific monograph.

To this end, each research article in the monograph concludes with a list of recommendations for LW Bogdanka aimed at mitigating the impact of its operations on the relevant environmental aspect. The monograph was produced on the initiative of LW Bogdanka, which supported the research and the process of gathering materials. The publication has over 200 pages and provides a substantive summary of the academic seminar held on 18 December 2024, organised by CeReClimEn at UMCS in collaboration with the Scientific Council for Environmental Protection at LW Bogdanka S.A.

The publication contains: thirteen interdisciplinary papers grouped into five thematic areas: analyses of changes in water conditions, assessments of biodiversity and the impact of mining activities on valuable habitats in the Lublin Polesie region,
the issue of mining waste and the potential of biomass as a secondary raw material, the relationship between LW Bogdanka and its socio-economic environment, and a comprehensive, systemic view of the mine's operations.
The monograph, "The challenges and opportunities of sustainable development at LW Bogdanka S.A. in the context of environmental and socio-economic conditions", edited by Professor Grzegorz Grzywaczewski, Director of the Centre for Climate Change and Environmental Research at UMCS (CeReClimEn), is the centre's latest academic publication, published by UMCS Press. The premiere of the monograph took place on 26 September 2025 during the 6th Polish Mining Congress. Its aim is to harness the scientific potential of the Lublin region in the implementation of LW Bogdanka's ESG Strategy, to develop best practices in environmental protection within the hard coal mining sector, and to analyse the impact of LW Bogdanka's operations on the natural environment and the socio-economic life of the region.

*In the Cyców Mining Area, roadworks are carried out to make the coal deposit accessible for future mining of the deposit.

ESRS E4 - Biodiversity and ecosystems

E4-1 - Biodiversity and ecosystem transition plan and integration of biodiversity and ecosystems in the strategy and business model

As part of its double materiality analysis, the LW Bogdanka Group identifies impacts associated with the effects arising from the Group's operations. At the same time, the extension of a coal mining licence is subject to the requirement to first obtain a decision on the environmental conditions of the project.

LW Bogdanka, as part of a study prepared by an interdisciplinary team of experts from the Institute of Mineral Resources and Energy Management of the Polish Academy of Sciences, the University of Silesia, the Maria Curie-Skłodowska University in Lublin and the AGH University of Science and Technology in Kraków, is investigating the impact of mining operations on local biodiversity, including soil and land surface, atmospheric air, surface and groundwater, and the biosphere. The analysis enables the identification of significant environmental impacts associated with the extension of the mining licence, as well as the environmental
and regulatory factors that may affect the company's operations. The assessment took into account factors relating to physical and systemic risks, excluding those that could pose a significant threat to the Company's operations. The assessment covered the timeframes used in the double materiality analysis process, and its scope and analytical assumptions were based on the environmental legislation in force in Poland and the licence documentation.

The results of the environmental impact assessments, together with information on the research methods, predictive models and analyses carried out, were presented to local stakeholders: representatives of mining municipalities, the voivodship government office and the Marshal Office, as well as representatives of environmental organisations, members of the Scientific Council for Environmental Protection and social partners.

E4-2 - Policies related to biodiversity and ecosystems

LW Bogdanka has not adopted a separate policy on managing significant impacts on biodiversity and ecosystems, as the Company operates an Integrated Management System that also covers environmental issues. The current Integrated Management System Policy represents the organisation's commitment to minimising its negative impact on the natural environment and improving the environmental performance of its operations, including through land reclamation. With regard to actual, material impacts, the Company has drawn up a set of procedures for addressing damage caused by mining operations, which includes the option to report damage using dedicated forms, an on-site inspection, and a subsequent resolution. With regard to damage causing adverse environmental impact, separate procedural rules apply to the investigation of damage arising from the operation of a mining facility. The process is described in detail in the chapter on the affected communities.

E4-3 - Activities and resources related to biodiversity and ecosystems

LW Bogdanka manages the identified negative impacts on biodiversity and ecosystems through initiatives and measures set out in its Integrated Management System Policy and ESG Strategy, which are scheduled for implementation between 2025 and 2035; these measures are ongoing. The activities carried out by the ESG Department in collaboration with external partners are reviewed by the Scientific Council for Environmental Protection, established in 2022 by the Company's Management Board. The Council is a permanent, independent advisory body comprising experts in the field of environmental protection. Its main task is to advise and provide expert opinions on the activities of LW Bogdanka in the field of environmental protection, including assessing the state of the natural environment within the area of its operations and the effectiveness of the projects being implemented.

The Council meets at least twice a year. The Company staff may request expert opinions, and Board members have access to data and information enabling them to formulate research questions and identify potential projects. In this way, the Council supports decision-making in the ESG field, ensuring that actions are consistent with best scientific practice
and environmental standards.

Mining damage repair and prevention

LW Bogdanka processes reports of mining damage on an ongoing basis. If the claim is upheld, the Company will take remedial action or pay compensation. Detailed information on mining-related damage, its impact on the community and the measures taken by the Company can be found in Chapter S3 – Affected Communities of this statement

Cooperation with the Polesie National Park

In January 2025, the first year of cooperation with Polesie National Park (PPN) for the sustainable development of Polesie was completed as part of which:

A grant scheme aimed at researchers studying the Lublin Polesia region has been implemented. In the framework of the funds, 6 scientists from the Lublin region (from various academic institutions) carried out scientific projects on, among other things, the protection of water and peat resources, biodiversity and active species protection. The main objectives of the Fund's implementation included:

- mitigating the level of impact of mining activities on PPN ecosystems, e.g., with particular regard to water relations, biodiversity, impact on climate change,
- support in the implementation of the conservation measures faced by the PPN,
- initiating new environmental protection activities in the Lubelskie Coal Basin, including in the area of the PPN.

Support was provided to the Polesie National Park in carrying out the tasks set out in the PPN Protection Plan, as well as environmental education and the promotion of the area's unique natural and landscape values. The activities were mainly related to:

- active protection of the European pond turtle,
- active protection of non-forest terrestrial ecosystems,
- protection of low and raised bogs and transitional bogs,
- protection of aquatic ecosystems (for the renovation and modernisation of existing water facilities) in order to optimise water relations,
- environmental education in the broadest sense,
- purchase of the most naturally valuable land.

At the same time, during the same period both

LW Bogdanka and PPN expressed their willingness to continue their cooperation and therefore on 23 January 2025 another year of its operation was initiated at the headquarters of the Poleski National Park. The tasks defined in the Protection Plan for Poleski National Park, established by the Regulation of the Minister of the Environment on the establishment of the Protection Plan for Poleski National Park of 16 September 2020, i.e.:

1. active protection of the European pond turtle,
2. active protection of non-forest terrestrial ecosystems,
3. protection of low, raised and transitional bogs,
4. protection of aquatic ecosystems (for the renovation and modernisation of existing water facilities) in order to optimise water relations,
5. environmental education in the broadest sense,

The termination of the collaboration is scheduled in January 2026.

ESRS E4 - Biodiversity and ecosystems

Cooperation with Foundations

In March 2025, as in previous years, Lubelski Węgiel Bogdanka began activities to protect and stimulate biodiversity, carried out in cooperation with the Foundation for Nature as part of two projects:
Rare and vanishing animal species of the Lublin Region whose main goal will be to monitor the breeding sites of the great gray owl and protect the species by creating additional breeding sites.

Wandering of Lublin Cranes - whose main goal will be the active protection of the population of cranes nesting in and around Polesie National Park by securing nests and monitoring nestlings. Detailed information on the project can be found at https://lubelskie-zurawie.pl/.

Three quarters of 2025 have also seen the launch of biodiversity conservation activities in cooperation with the Bird Horizons Foundation as part of a project entitled “Active protection of the osprey (Limosa limosa) and the curlew (Numenius arquata) in the Lubelskie Voivodship”. Activities will include searching for nests, securing hatchlings using incubators, temporarily placing dummy bird eggs, and aviary rearing of chicks. In order to ensure that the monitoring and care of the above-mentioned species is as accurate as possible, the project includes the purchase of a steam imaging drone, inventory work by qualified ornithologists, and aviary breeding.

In addition, activities that had been carried out in previous years and are of an open-ended nature continued, including:
monitoring of previously undertaken reclamation measures, care for green spaces,
natural inventory of mining areas,
a river and lake monitoring programme in mining areas; the development of biodiversity guidelines for investments, projects and other operational and development activities.

Compared with the previous year, some of the initiatives under way were formally incorporated into the ESG Strategy, which enabled them to be organised and a timeframe for their implementation to be established.

The Company involves local authorities and residents in the implementation of these measures, agreeing on the course of action to be taken in areas affected by mining damage. In addition, LW Bogdanka collaborates with research centres to develop solutions that have the greatest possible positive impact on the natural environment. In the reporting period, these activities did not involve significant operational or capital expenditure. Due to the specific nature of the objectives set, the Company does not report on measurable progress in the implementation of these measures.*

E4-4 - Targets related to biodiversity and ecosystems

LW Bogdanka has not adopted a separate strategic objective regarding the prevention of environmental impacts resulting from mining operations; LW Bogdanka’s priority remains the ongoing fulfilment of the obligations set out in the Geological and Mining Law. In accordance with the regulations, LW Bogdanka fulfils these obligations on an ongoing basis, taking remedial action and considering and addressing justified reports from residents regarding mining damage. Details regarding the rules and procedures for reporting and rectifying mining damage are set out in a dedicated section in Chapter S3 of the ESRS, ‘Affected Communities’: *S3-3 Processes to remedy negative impacts and channels for raising concerns by affected communities*

E4-5 - Impact measures related to changes in the scope of biodiversity and ecosystem

LW Bogdanka owns six meadows covering a total area of 6.39 hectares within the Natura 2000 site. The company bought them out as part of the removal of mining damage. In addition, the Nadrybie field of approximately 10 ha is located close to the Natura 2000 sites. In this area, LW Bogdanka, in collaboration with the Polish Society for the Protection of Birds, has created a nature trail and runs annual educational activities highlighting the area’s valuable natural features. As part of its ongoing activities, LW Bogdanka has not adopted any indicators relating to areas where there has potentially been a change in land use, nor has it adopted any indicators concerning the impact of land degradation on the extent and condition of ecosystems.

*LW Bogdanka S.A. did not take measures to compensate for biodiversity loss in 2025.

Chapter Two: Environment
ESRS E5 - Use of resources and circular economy

ESRS topic	Materiality
Resources introduced, including the use of resources	Materiality of the impact: Actual negative impact
Non-hazardous	Materiality of the impact: Actual negative impact

Place of impact **Own operations** → **GROUP**

ESRS topic	Materiality
Non-hazardous	Financial significance: Opportunity
Non-hazardous	Financial significance: Risk

Place of impact **Own operations** → BOGDANKA

E5-1 - Policies related to resource use and circular economy

With regard to resource management and waste management, LW Bogdanka S.A. has not adopted a separate, dedicated policy on resource management and waste management. Activities in this area are based on the Company-wide Integrated Management System Policy, which aims to mitigate the negative impact on the environment. The policy has been drawn up in accordance with the ISO 9001:2015, ISO 14001:2015 and ISO 45001:2024 standards. The Management Board of LW Bogdanka is responsible for its implementation, and the document is available on the Company's website.

No such regulations have been adopted in the other companies related to resource use and the circular economy, partly because these issues are not of key importance to the operations of the subsidiaries and there are no formal requirements.

E5-2 Activities and resources related to the use of resources and circular economy

The LW Bogdanka ESG Strategy, adopted in 2025, set out key actions relating to the circular economy for 2025–2035. These activities focus on the lower end of the value chain and on the company's own operations, primarily in the area of utilising products generated during the mechanical processing of coal.

Under the adopted Strategy, the activities carried out at LW Bogdanka fall into three categories:

- Relating to waste management other than landfilling

Recovery of extractive waste generated
In accordance with the waste management hierarchy, the Company aims to minimise the amount of waste sent to landfill and increase the amount of waste reused, including by transferring it to external entities. Currently, more than half of the waste generated during the washing and cleaning of minerals is reused. For example, mining waste is used to harden yards and open spaces, as well as for the construction of local roads and land reclamation. The project is scheduled to run from 2025 to 2035.

- Relating to waste management through landfilling

Projects oriented towards heap reclamation and dust reduction Expansion of the Mining Waste Disposal Facility
The remaining waste is deposited in a spoil heap at the Mining Waste Disposal Facility in Bogdanka. LW Bogdanka plans to expand the existing facility and carry out projects relating to the reclamation of the spoil tip and the reduction of dust emissions. The project is scheduled to run from 2025 to 2030.

- Not related to waste

Investigating the possibilities of heat recovery from mine water
The planned project aims to investigate the potential for recovering heat from groundwater, which will help reduce the reliance on external sources of steam energy.

The Group's other companies continued the initiatives launched in previous years, focusing on reducing waste volumes by transferring waste to external recipients and minimising waste generation within their own operations. The project is scheduled to run from 2025 to 2035.

During the period covered by this statement, the implementation of the activities reported under Chapter E5 did not require significant operating expenditure or capital expenditure.

ESRS E5 - Use of resources and circular economy

E5-3 Targets related to resource use and circular economy

In light of the significant impact identified in relation to waste generated during its own operations, LW Bogdanka is consistently striving to increase the proportion of recovered mining waste. As part of the ESG strategy, a target has been set regarding waste management,* including the preparation of waste for appropriate treatment: "maintaining at least 40% recovery rate for mining waste in the years 2025-2035.** Historical data indicates that the current recovery rate is approximately 50%. In addition, it continues to pursue the qualitative objective set in previous years under the Integrated Management System: 'Exploring new methods of managing mining waste in the years 2024–2026'.

When setting its objectives, LW Bogdanka did not use sources containing conclusive scientific evidence. The following factors were taken into account: current legislation, trends in sustainable development, historical data on waste generation, the Company's experts' many years of experience, and technologies that the company is able to implement. Stakeholders were not involved in the development of the goals. The targets adopted, in accordance with the waste management hierarchy, relate to other recovery methods and have been set voluntarily by the Company. The targets were adopted during the reporting year – the Company is monitoring progress towards these targets and will disclose information on progress in the next reporting year.

E5-4 Input resources

For the purposes of reporting on the material impact relating to inputs, LW Bogdanka defines inputs as products and materials consumed in the course of its mining operations. These are materials regularly incorporated into our own operations, the availability and current consumption of which are essential to the conduct of our mining activities.

The total weight of products used at LW Bogdanka S.A. in 2025 was 36,002 tons.

The key assets acquired by the companies of the LW Bogdanka Group in 2025 include:

Company	Resource inflows
LW Bogdanka S.A	Process materials required for the production of hard coal.
Łęczyńska Energetyka	Coal dust manufactured by LWB as part of its hard coal production process.
RG Bogdanka	Process materials required for conducting business activities in accordance with the Polish Classification of Economic Activities (PKD).
MR Bogdanka	Mainly steel products Average-duty machines designed for renovation work.

Total weight of products and biological materials	Mass in tons 2024	Mass in tons 2025
Oils	246	253
Fire-retardant hydraulic fluid	282	329
Pavement housing	21,080	19,148
Smelting products	692	726
Adhesives for rock reinforcement	85	126
Material for mine working insulation	137	133
Polyurethane adhesives	1,107	1,220
Dust-wetting agents	166	141
Mix for a mechanical insert	6,889	6,722
Diesel fuel	3,503	3,284
Basalt mesh	N/A	53

Total weight of products and biological materials	Y
Timber***	3,866

*The adopted target covers only waste management issues and does not include other aspects related to resource use or the circular economy, such as inputs or outputs, products or materials.
**This target relates to the lower tier of the value chain. The nature of the target does not require a base year to be set.
***The figure for timber will be published for the first time in 2025.

ESRS E5 - Use of resources and circular economy

As part of its mining operations, LW Bogdanka carries out the regeneration and reuse of steel mine support structures, which are used to support the roof, stabilise the rock mass and ensure the safety of workers. The process involves dismantling the casing and fittings in the abandoned workings, transporting them to the surface, and sorting them into components intended for refurbishment or scrapping. Materials selected for further use are sent to the Regeneration Hall, where they are straightened, profiled and, where necessary, cut to length, before being sorted into bundles with uniform specifications. As part of the refurbishment of the equipment, worn parts are replaced – in the stirrups, the bolts and nuts (occasionally the lower yokes), in the struts, the nuts and, occasionally, the shackles. The process restores the components to full working order and enables them to be safely reused.

Total weight of recovered materials	Mass (in tons)
Enclosures	11,905
Expanders	117
Stirrups	920
Total weight	12,943

The other companies in the Group do not maintain records that would enable them to report the total weight of products and technical and biological materials used during the reporting period.*

In the process of calculating data for reporting purposes, the Group used data from consolidated measurements in validated internal material accounting systems - Oracle BI. Where data was recorded in different units (m^3, m^2, litres), it was converted to tons for reporting purposes to ensure consistency in the disclosed data. The reporting was limited to the products and materials currently used and supplied by LW Bogdanka as part of its mining operations, in accordance with the scope defined for the significant influence associated with the resources supplied.

E5-5 Resources discharged

Within the LW Bogdanka Group, waste is generated as part of its own operations, and its generation is linked to coal mining and heat generation processes. The significant impact identified in the dual materiality analysis relating to waste management stems from the nature of the main waste streams and the way in which they are managed.

In the case of LW Bogdanka, the main waste streams consist of mining waste generated during the mechanical processing of hard coal, as well as industrial waste associated with work directly related to coal extraction and technical support operations. The physico-chemical composition of the mining waste includes small amounts of critical raw materials: feldspar, arsenic, antimony, magnesium, phosphorus and strategic critical raw materials: alumina, cobalt, manganese, nickel. The presence of these elements is due to their natural occurrence in the waste rock. In 2025, the Company generated 196.51 tons of hazardous waste.

Waste from Łęczyńska Energetyka is mainly generated from the combustion of fine coal and includes ash-slag mixtures from wet furnace waste disposal and waste from waste gas cleaning. The Company does not have any information regarding the composition of the main waste streams – slag and dust. Other waste consists mainly of plastics, textiles, metals and electronic components. In 2025, Łęczyńska Energetyka generated 0,743 tons of hazardous waste. MR does not have data on the composition and origin of the main waste stream. During the reporting period, MRB generated 1.24 tons of hazardous waste. The waste stream at RG contains waste from fleet maintenance - ferrous metals, plastics, paper and cardboard, oils and textiles. In 2025, the Company generated 1,118 tons of hazardous waste. None of the companies generated any radioactive waste during the reporting period.

	Total quantity of waste generated from own operations [in tons]		Total amount of non-recycled waste [in tons]		Percentage volume of waste not recycled	
	2024	2025	2024	2025	2024	2025
LW Bogdanka	4,872,438	4,858,818.22	4,872,438.00	4,858,818.22	100%	100
MR Bogdanka	214.707	131.59	0	112.58	0	85.55%
RG Bogdanka	13.94	13.183	0	2.873	0	21.79%
Łęczyńska Energetyka	4244.4866	4080.94	22,226	3,731.69	0.52%	91.44%
Total volume	4,876,911	4,863,043.93	4,872,460	4,862,665.36	99.99%	99.99%

*The Group does not have data enabling it to disclose the percentage of biological materials and biofuels used for non-energy purposes in the manufacture of products and sourced in a sustainable way.

ESRS E5 - Use of resources and circular economy

The total amount of waste for which disposal was avoided, by weight, broken down into hazardous and non-hazardous waste and by the following types of recovery process:

Consolidated figures for 2025

Type of waste	Prepared for re-use [t]	Recycling [t]	Other recovery processes [t]	Total [t]
Hazardous waste	1.74	0.48	192.61	194.82
Non-hazardous waste	3,844.52	378.09	2,410,684.72	2,414,907.33
Total	3,846.25	378.57	2,410,877.33	2,415,102.15

Consolidated figures for 2024

Type of waste	Prepared for re-use [t]	Recycling [t]	Other recovery processes [t]	Total [t]
Hazardous waste	0.255	2.778	255.03	258.07
Non-hazardous waste	0.00	4,107.20	2,477,333.89	2,481,441.08
Total	0.255	4,109.98	2,477,588.92	2,481,699.15

The volume of waste sent for disposal, by weight, by type of waste treatment, and the total quantity of waste as the sum of all three types of recovery process, broken down into hazardous and non-hazardous waste:

Consolidated figures for 2025

Type of waste	Combustion [t]	Landfilling [t]	Other disposal processes	Total [t]
Hazardous waste	0.00	0.00	4.80	4.80
Non-hazardous waste	0.00	2,445,848.82	2,088.16	2,447,936.98
Total	0.00	2,445,848.82	2,092.96	2,447,941.78

Consolidated figures for 2024

Type of waste	Combustion [t]	Landfilling [t]	Other disposal processes	Total [t]
Hazardous waste	0	0	3.1209	3.1209
Non-hazardous waste	0	2,394,847.40	236.71	2,395,084.11
Total	0	2,394,847.40	239.83	2,395,087.23

ESRS E5 - Use of resources and circular economy

The companies within the LW Bogdanka Group obtain data on waste volumes from records maintained in the BDO system (Database on products, packaging and waste management). This system enables entities that generate, transport or process waste to maintain electronic records and generate documentation broken down by site of operation.

Records are kept for each waste code, containing information on waste generated, received, processed and transferred. BDO also prepares and submits annual reports on waste generation and management.

Methods of data collection in companies:

- LW Bogdanka – waste weighing,
- Łęczyńska Energetyka – waste weighing and calculations based on laboratory analyses and fine coal consumption,
- MR Bogdanka – waste weighing,
- RG Bogdanka – waste weighing, annual reports in accordance with BDO.

Taxonomic Disclosure

Disclosure pursuant to Article 8 of Regulation 2020/852

Taxonomy - [E]

In accordance with Article 8 of EU Regulation 2020/852 (Taxonomy), information is presented below on how and to what extent the activities of the the LW Bogdanka Group are related to economic activities that qualify as environmentally sustainable (activities compliant with the taxonomy). The key performance indicators have been developed in accordance with the requirements set out in the EU Delegated Regulations listed below, with the utmost care and based on the best available knowledge:

- Regulation (EU) 2020/852 and Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 (Delegated Act laying down technical criteria for qualification, updated by Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023.
- Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 (Delegated Act to Article 8 of the Taxonomy),
- Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 (concerning activities related to nuclear energy and natural gas),
- Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023, supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council and amending Commission Delegated Regulation (EU) 2021/2178 *

As part of the analysis performed, an assessment was made of the compliance of the business with the taxonomy, under individual key performance indicators based on technical criteria for all the targets set out in the EU delegated acts.

EU delegated acts define taxonomy-eligible activities as economic activities that are included in the list of relevant delegated acts defining technical assessment criteria for environmentally friendly activities. As activities in line with the taxonomy, EU delegated acts define economic activities that:

1. Significantly contribute to one or more environmental goals
2. Do not cause serious harm to other environmental goals (the so-called DNSH principle)
3. Meet technical eligibility criteria
4. Comply with minimum social standards

Companies are required to disclose key performance indicators related to revenue (turnover), capital expenditure (CapEx) and operational expenditure (OpEx) for activities contributing to one of the six goals:

CCM - Climate change mitigation
CCA - Climate change adaptation
WTR - Sustainable use and protection of water and marine resources
CE - Transition to a circular economy
PPC - Pollution prevention and control
BIO - Protection and restoration of biodiversity and ecosystems

As part of the process implemented above, the following processes were carried out at the Lubelski Węgiel Bogdanka Group and the following results were obtained, which are the subject of this disclosure section:

Step 1: Identification of economic activities eligible for the EU Environmental Taxonomy

On the basis, in particular, of Commission Delegated Regulation (EU) 2021/2139 and Commission Delegated Regulation (EU) 2023/2486 establishing technical eligibility criteria, an analysis was carried out and activities eligible for the Taxonomy were selected, which in 2025 were present within the Lubelski Węgiel Bogdanka Group as part of its business operations.

With regard to the Turnover KPI, the following activities have been identified as taxonomy-eligible:

- CCM 4.15 Distribution in district heating/cooling systems
- CCM 5.1 Construction, extension and operation of water collection, treatment and supply systems
- CCM 5.3 Construction, extension and operation of waste water collection and treatment systems
- CCM 6.2 Rail freight transport
- CCM 7.2 Refurbishment of existing buildings

With regard to the Capex KPI, the following activities have been identified as taxonomy-eligible:

- CCM 4.1 Electricity generation using photovoltaic technology
- CCM 4.15 Distribution in district heating/cooling systems
- CCM 4.25 Generation of heating/cooling energy from waste heat
- CCM 7.3 Installation, maintenance and repair of energy efficiency equipment

With regard to the OpEx KPI, the following activities have been identified as taxonomy-eligible:

- CCM 6.2 Rail freight transport

Step 2: Verification of technical eligibility criteria (TEC) – criteria relating to significant contribution and the DNSH requirements

Conformity assessment sheets were prepared for the classified activities to verify the technical qualification criteria. The evaluation sheets also verified compliance with the requirements relating to the criteria for a significant contribution and the DNSH principles. The results of the analysis allowed for assigning the following activities:

In terms of KPI Turnover:

taxonomy-compliant activities were not demonstrated due to failure to meet the TEC and/or the requirements of the DNSH rule;

In terms of CapEx KPIs:

Capital expenditure under activity CCM 7.4 'Installation, maintenance and repair of electric vehicle charging points in buildings (and in car parks adjacent to buildings)' was deemed taxonomy-compliant;

In terms of OpEx KPIs:

taxonomy-compliant activities were not demonstrated due to failure to meet the TEC and/or the requirements of the DNSH rule;

* In its Taxonomy reporting, the LW Bogdanka Group did not make use of the simplifications provided for in Commission Delegated Regulation (EU) 2026/73. In accordance with the provisions of the Regulation concerning its entry into force and application (Article 4), undertakings may apply Delegated Regulation (EU) 2021/2178, EU 2021/2139 and EU 2023/2486 in the version in force on 31 December 2025, in respect of financial years beginning between 1 January and 31 December 2025.

Disclosure pursuant to Article 8 of Regulation 2020/852

Taxonomy - [E]

Step 3: Evaluation of minimum safeguards

The analysis of the minimum safeguards at GK LW Bogdanka was based on the guidelines set out in the 'OECD Guidelines on Corporate Conduct for Responsible Business Practices' and the 'UN Guiding Principles on Business and Human Rights'. The following premises may constitute grounds for failure to meet the minimum social safeguards:

- Inadequate or non-existent due diligence processes in relation to human rights, including labour rights, anti-corruption and taxation;
- Court rulings and other forms of established infringements confirming the organisation's liability for infringements in any of the above areas;

Below is a summary of the individual areas covered by the study on compliance with minimum social safeguards.

Human rights

The LW Bogdanka Group implemented a human rights due diligence process in line with the OECD Guidelines for Multinational Enterprises, during the period under review:
No incidents or indications of inadequate implementation of the due diligence process were recorded
The organisation has a Human Rights Policy and a whistleblowing process in place The Code of Conduct for Suppliers states that the Group expects its suppliers to respect human rights (in particular those set out in the Universal Declaration of Human Rights).

Anti-corruption and bribery

In the area of corruption, the LW Bogdanka Group has implemented a dedicated anti-corruption policy, provides training and educational activities. The Code of Conduct for Suppliers requires suppliers to comply with all applicable laws, in particular those relating to the prohibition of corruption and bribery.

Taxes

The LW Bogdanka Group has implemented appropriate procedures for corporate governance and tax risk management.
GK LW Bogdanka publishes its tax strategy on its website and, in accordance with the applicable legal provisions, publishes an annual report on the implementation of that strategy.

Fair competition

The LWB Group has implemented an extensive Compliance system under which Group employees are required to comply with anti-corruption procedures and policies, the code of ethics, the conflict of interest management policy. The Code of Ethics governs, amongst other things, matters relating to non-competition, rules of conduct and the ethical standards applicable within the Group. The system also includes the Company's whistleblowing procedures, which enable employees and stakeholders to report potential irregularities safely and confidentially.

In the period covered by the statement, in three of the four areas examined – the fight against corruption and bribery, taxation and fair competition – no infringements or final court judgments were identified. In the area of human rights and employment rights, one court case was finally concluded in 2025; it concerned employment matters relating to the infringement of the personal rights (the right to rest, respect and dignity) of two former employees. The matter was of an incidental nature, arising from the specific circumstances surrounding the organisation of work during the COVID-19 pandemic. The ruling concerned an isolated instance of a breach of labour and civil law, following which the parent company immediately assessed the risk of a recurrence of such misconduct in an emergency situation and, to prevent such breaches in the future, decided to give particular priority to respecting employees' personal rights, including their right to a daily rest period.

In the Company's opinion, the incident does not affect compliance with the minimum guarantees; however, it has been disclosed to ensure the completeness of the reporting.

Step 4: Calculation of indicators concerning activities eligible and compliant with the EU Taxonomy for 2025

The project has identified the required indicators and the values required for the analysis. Details of the approach and consistency with the relevant items in the consolidated financial statements are set out in the dedicated sections below.
In the light of the above information, the Lubelski Węgiel Bogdanka Group discloses:

- The percentage share of activities eligible for and compliant with the Taxonomy, broken down into three indicators: turnover, CapEx and OpEx;
- Results of the review of the criteria for minimum social safeguards
- Information regarding the accounting policies applied, including references to accounting standards and items in the consolidated financial statements.

The financial information presented in this disclosure has been prepared on the basis of the Consolidated Annual Report of the LW Bogdanka Group for the period from 1 January 2025 to 31 December 2025. The report has been prepared in accordance with International Financial Reporting Standards (IFRS-EU).

Indicators of the Lubelski Węgiel Bogdanka Group
The financial indicators for the Lubelski Węgiel Bogdanka Group are presented in the tables below, which were prepared in accordance with the formats and symbols set out in Annex II to EU Delegated Regulation 2021/2178.

Y - Yes, taxonomy-eligible activity and taxonomy-compliant activity for the corresponding environmental goal

N - No, taxonomy-eligible activity but non-compliant with the taxonomy for the corresponding environmental goal

EL - taxonomy-eligible activity for the corresponding environmental goal

N/EL - Non-eligible, Taxonomy-non-eligible activity in the case of the corresponding environmental goal

All data for the needs of calculation of the key indicators in the taxonomy disclosures, were derived directly from the financial systems of the LW Bogdanka Group companies, and therefore no estimates were necessary.

Disclosure pursuant to Article 8 of Regulation 2020/852

Taxonomy - [E]

KPI Turnover
Accounting principles
With regard to the Turnover KPI, the denominator of the indicator was the total sales revenue as specified in the consolidated income statement in the consolidated financial statements of the Lubelski Węgiel "Bogdanka" Group for the year ended 31 December 2025. The statements were prepared in accordance with the Accounting Act. The value of net sales revenue reported in the consolidated accounts served as the denominator for the key performance indicator (note 18).
Qualification of activities for the EU Taxonomy taxonomy
Individual revenue categories of the LW Bogdanka Group were analysed in terms of taxonomy eligibility. This process included an analysis of activities eligible for taxonomy as defined in EU Regulation 2021/2139 and EU Regulation 2022/1214, taking into account EU Regulation 2023/2485 and EU Regulation 2023/2486. Based on the analysis performed, five activities were identified as taxonomy-eligible relating to: the supply of heating and hot water by Łęczyńska Energetyka Sp. z o.o. (CCM 4.15) works carried out by Łęczyńska Energetyka Sp. z o.o. relating to the installation of water and sewerage connections (CCM 5.1 and CCM 5.3), the transport of coal by rail (CCM 6.2), and the renovation of existing buildings (CCM 7.2).
Assessment of compliance of activities with the EU Taxonomy
Individual activities were analysed with reference to the technical eligibility criteria defined for each activity in EU Regulation 2021/2139. The requirements for each technical criterion were discussed and confirmed with individuals possessing the necessary expertise to verify whether the relevant technical criterion had been met. The analysis did not identify revenues from activities compliant with the taxonomy.

Disaggregation of key performance indicators and contextual information.
Not applicable. Within the Group's revenue for Bogdanka for 2025, no revenue was identified from taxonomy-compliant activities. When determining the denominator for the 'Turnover' KPI, intra-group revenue was excluded through the application of consolidation adjustments.
In the 'Turnover' KPI metric, the revenue identified has been allocated to a single business activity only, in order to avoid double counting.

	Part of turnover / Total turnover	
	Compliance with Taxonomy by goals	Eligibility for Taxonomy by goals
CCM	0%	1.73%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Percentage share of turnover in products or services related to taxonomy-eligible economic activity in 2025

Financial year 2025		2025	Substantial contribution criteria							Criteria relating to the DNSH principle									
Economic activity (1)	Code or codes (2)	Turnover (3)	Part of capital expenditure (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Share of taxonomy-compliant activities (A.1) or taxonomy-eligible activities (A.2) Turnover, 2024 (18)	Category Supporting activity (19)	Category: activities for Transition (20)
		million	%	Y;N; N/EL	Y/N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITY																			
A.1 Types of environmentally sustainable activities (Taxonomy-compliant)																			
Turnover due to environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.00%	0.00%	–	-	-	-	-	-	-	-	-	-	-	-	0.00%		
Including enabling activity		-	-																
Including transition activity		-	-																
A.2 Taxonomy-eligible but not environmentally sustainable activity (taxonomy-non-compliant activity)																			
		million	%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Distribution in heating in heating/cooling systems	CCM *[National Business Registry No.]*4.15	26,696,457.62	0.94%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.77%		
Construction, extension and operation of water collection, treatment and supply systems	CCM *[National Business Registry No.]*5.1	30,567.76	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00%		
Construction, extension and operation of waste water collection and treatment	CCM *[National Business Registry No.]*5.3	10,605.12	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00%		
Freight rail transport	CCM *[National Business Registry No.]*6.2	22,589,309.26	0.79%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.82%		
Renovation of existing buildings	CCM *[National Business Registry No.]*7.2	33,269.00	0.00%	EL	N/EL	N/EL	N/EL	N/EL	Y/EL								0.00%		
Turnover of Taxonomy-eligible but not environmentally sustainable activity (not Taxonomy-aligned activity) (A.2)		49,360,208.76	1.73%	1.73%	0.00%	0.00%	0.00%	0.00%	0.00%								1.60%		
A. Turnover from Taxonomy-eligible activity (A.1+A.2)		49,360,208.76	1.73%	1.73%	0.00%	0.00%	0.00%	0.00%	0.00%								1.60%		
B. TAXONOMY NON-ELIGIBLE ACTIVITY																			
Turnover of Taxonomy non-eligible activity		2,804,903,824.44	98.27%																
TOTAL		2,854,264,033.20	100%																

Disclosure pursuant to Article 8 of Regulation 2020/852

Taxonomy - [E]

KPI Capex
Accounting principles

The key performance indicator related to capital expenditure was calculated by dividing the total capital expenditures meeting the conditions indicated in Annex I, point 1.1.2.2. to Regulation 2021/2178 by the sum of the capital expenditure set out in the consolidated financial statements of the Lubelski Węgiel Bogdanka Group for 2025, which included:

- acquisition of fixed assets (the "increases" item in Note 4 "Property, plant and equipment" of the consolidated financial statements of the Lubelski Węgiel Bogdanka Group for 2025),
- acquisition of intangible assets (the "increases" item in Note 5 "Intangible assets" of the consolidated financial statements of the Lubelski Węgiel Bogdanka Group for 2025),
- an increase in the value of the right-of-use assets (the "increases" item in Note 6.1 "Right to use an asset" in the 2025 consolidated financial statements of the Lubelski Węgiel Bogdanka Group).
- Acquisitions of investment property (the ‘Acquisitions’ item in Note 7 ‘Investment Property’ in the consolidated financial statements of the Lubelski Węgiel Bogdanka Group for 2025).

Qualification of activities into the EU Taxonomy and assessment of compliance of the activities

As a result of the assessment carried out, capital expenditure eligible for classification and capital expenditure that complies with the classification system were identified. The LW Bogdanka Group has not carried out activities for which compliance would be demonstrated on the basis of the the capital expenditure plan referred to in section 1.1.2.2 of Annex I to EU Regulation 2021/2178.
The analyses carried out identified the costs associated with the installation, maintenance and repair of infrastructure comprising electric vehicle charging points installed in and around buildings (CCM 7.4). The project involves the installation of four dual-bay charging stations: three with a capacity of 2 × 7.4 kW and one with a capacity of 2 × 22 kW, located at the Bogdanka, Stefanów and Nadrybie sites, as well as next to the Management Board building.

The activity under which the investment is being carried out has been analysed for compliance with the criteria for a significant contribution and the requirements of the ‘do no significant harm’ (DNSH) principle, as set out in EU Regulation 2021/2139.

Consequently, the project meets the technical criteria for activity CCM 7.4 and complies with the requirements of the EU Taxonomy, which allows this activity to be recognised as environmentally sustainable.

The analysis of expenditure under CCM 7.4 relating to the installation of electric vehicle charging points in buildings (and in car parks adjacent to buildings) in terms of meeting environmental goals has been allocated in full to the objective of ‘Climate change mitigation’. Therefore, it does not contribute to several environmental goals.

Capital expenditure for taxonomy-eligible activities but taxonomy non-compliant activities, included expenditure on:

- investments relating to the construction of the EPV 2 solar farm and the installation of solar panels by Łęczyńska Energetyka (CCM 4.1)
- the modernisation of the hot water distribution network by a Group company (CCM 4.15)
- the construction of an energy recovery system for the compressor station (CCM 4.25)
- upgrading of the lighting (CCM 7.3)

Disaggregation of key performance indicators and contextual information

The analysis showed that there was no need for a detailed disaggregation of key performance indicators between individual operational units as set out in paragraph 1.2.2.3. of Annex I of Commission Delegated Regulation (EU) 2021/2178. GK LW Bogdanka applied consolidation exclusions when calculating the denominator for the CapEx KPI. In the case of the CapEx key performance indicator, the identified capital expenditure amounts have been allocated to a single business unit only, in order to avoid double counting.

	Part of CapEx / Total CapEx*	
	Compliance with Taxonomy by goals	Eligibility for Taxonomy by goals
CCM	0.04%	0.73%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Percentage share of capital expenditure on products or services related to business-compliant activities – the disclosure relates to 2025																			
Financial year 2025	2025				Material contribution criteria						Criteria relating to the DNSH principle								
Economic activity (1)	Code or codes (2)	Capital expenditure, Capex (3)	Part of capital expenditure (4)		Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum guarantees (17)	Share of Taxonomy-aligned activities (A.1) or Taxonomy-eligible activity (A.2) Capex, 2024 (18)	Category: Enabling activity (19)	Category: Transition activity (20)
		million	%		Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y;N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITY																				
A.1 Types of environmentally sustainable activities (Taxonomy-compliant)																				
Installation, maintenance and repair of electric vehicle charging stations in buildings (and in car parks at buildings)	CCM *[National Business Registry No.]*7.4	223,642	0.04%		Y	N	N	N	N	N	Y	Y	Y	Y	Y	Y	Y	0.00%	E	-
Capital expenditure relating to environmentally-sustainable activities (taxonomy-compliant) (A.1)		223,642	0.04%		0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	Y	Y	Y	Y	Y	Y	Y	0.00%		
Including supporting activity		223,642	0.04%		0.04%	0.00%	0.00%	0.00%	0.00%	0.00%	Y	Y	Y	Y	Y	Y	Y	0.00%		
Including transition activity		-	-																	
A.2 Taxonomy-eligible activities but not environmentally sustainable (taxonomy-noncompliant activities)																				
		million	%		N/EL	N/EL	EL; N/EL	N/EL	N/EL	N/EL										
Electricity generation using photovoltaic technology	CCM 4.1	340,544.59	0.05%		EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00%		
Distribution in heating/cooling systems	CCM 4.15	1,988,313.62	0.32%		EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00%		
Generation of heating/cooling energy from waste heat	CCM 4.25	756,070.60	0.12%		EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00%		
Installation, maintenance and repair of equipment increasing energy efficiency	CCM 7.3	1,323,730.00	0.21%		EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.25%		
Capital expenditure relating to taxonomy-eligible activities but not environmentally sustainable (taxonomy-noncompliant activities) (A.2)		4,408,658.81	0.70%		0.70%	0.00%	0.00%	0.00%	0.00%	0.00%								0.25%		
A. Capital expenditure from Taxonomy-eligible activity (A.1+A.2)		4,632,300.89	0.73%		0.73%	0.00%	0.00%	0.00%	0.00%	0.00%								2.31%		
TAXONOMY INELIGIBLE ACTIVITY																				
Capital expenditure relating to taxonomy ineligible activities		625,957,699.11	99.27%																	
TOTAL		630,590,000.00	100%																	

Disclosure pursuant to Article 8 of Regulation 2020/852

Taxonomy - [E]

KPI OPEX
Accounting principles
In accordance with the definition set out in Delegated Regulation (EU) 2021/2178, the operating expenses included in the denominator of the Opex KPI for GK LW Bogdanka, which form the basis for calculating the key performance indicator, comprise operating expenses relating to:

- research and development work,
- building renovation works,
- short-term leasing,
- maintenance and repairs, and
- any other direct expenses relating to the day-to-day maintenance of tangible fixed assets by the company or by a third party to whom the company has outsourced the activities necessary to ensure the continuous and efficient operation of those assets.

The percentage share of taxonomy-eligible business activities in total operating expenditure was calculated by dividing the operating expenditure related to taxonomy-eligible business activities by the total operating expenditure within the operating expenditure categories indicated above in the consolidated financial statements of the Lubelski Węgiel Bogdanka Group for the year ended 31 December 2025.

Qualification of activities into the EU Taxonomy and assessment of compliance of the activities

With regard to taxonomy-eligible operating expenditure, the basis were the costs of activities related to:

- repair and maintenance of rolling stock (CCM 6.2)

The taxonomy-eligible activities were assessed for compliance with the technical eligibility criteria and the DNSH requirements set out in the Regulation. The analysis shows that the LW Bogdanka Group's expenditure does not meet the criteria for the identified activities and therefore the compliance with the taxonomy cannot be demonstrated.

Contribution to the implementation of multiple objectives, disaggregation of key performance indicators and contextual information

Not applicable. No operating expenditure has been identified from activities contributing to the achievement of more than one environmental goal. The key performance indicator has not been disaggregated.

The LW Bogdanka Group applied mechanisms to avoid double counting when assigning OpEx values by reviewing the accounts in the financial and accounting system. The identified items that met the OpEx taxonomic definition were then assigned to a particular type of the EU taxonomy-eligible activity.

	Proportion of OpEx / Total OpEx	
	Compliance with Taxonomy by goals	Eligibility for Taxonomy by goals
CCM	0%	0.25%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Percentage share of capital expenditure from products or services related to taxonomy-compliant economic activity - the disclosure refers to 2025																			
Financial year 2025	2025			Material contribution criteria						Criteria relating to the DNSH principle									
Economic activity (1)	Code or codes (2)	Operating expenses, Opex (3)	Part of operating expenses (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Share of taxonomy-compliant activities (A.1) or taxonomy-eligible activities (A.2) Opex, 2024 (18)	Category: Enabling activity (19)	Category: Transition activity (20)
		million	%	Y;N; N/EL	Y;N; N/EL	Y/N; N/EL	Y/N; N/EL	Y;N; N/EL	Y/N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITY																			
A.1 Types of environmentally-sustainable activities (taxonomy-compliant)																			
Operating expenses due to environmentally sustainable activities (taxonomy-compliant) (A.1)		0	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	–	-	-	-	-	-	-	0.00%		
Including supporting activity		-	-																
Including transition activity		-	-																
A.2 Taxonomy-eligible activities but not environmentally sustainable (taxonomy-noncompliant activities)																			
		million	%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Rail freight transport	CCM 6.2	336,268.06	0.25%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.32%		
Capital expenditure relating to taxonomy-eligible activities but not environmentally sustainable (taxonomy-non-compliant activities) (A.2)		336,268.06	0.25%	0.25%	0.00%	0.00%	0.00%	0.00%	0.00%								0.32%		
A. Operating expenditure from Taxonomy-eligible activity (A.1+A.2)		336,268.06	0.25%	0.25%	0.00%	0.00%	0.00%	0.00%	0.00%								0.89%		
B. TAXONOMY INELIGIBLE ACTIVITIES																			
Operating expenditure due to taxonomy ineligible activities		134,944,430	99.75%																
TOTAL		135,280,697.92	100%																

Disclosure pursuant to Article 8 of Regulation 2020/852

Taxonomy - [E]

Nuclear energy and natural gas related activities
The Group does not carry out, finance or report exposure to the activities referred to in Sections 4.26 to 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, as shown in the tables below.

Line	Nuclear energy related activities	KPI Turnover	KPI Capex	KPI Opex
1	The company conducts research, development, demonstration and deployment of innovative power generation facilities that produce energy through nuclear processes with minimal volume of waste from the fuel cycle, finances this activity or has exposure to it.	NO	NO	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO	NO	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO	NO	NO
	Natural gas related activities			
1	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO	NO	NO
2	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO	NO	NO
3	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO	NO	NO

Chapter three: Social issues
ESRS S1 - Own workforce

ESRS topic	Materiality
Employment security	Materiality of the impact: Actual positive impact
Adequate wages	Materiality of the impact: Actual positive impact
Social dialogue	Materiality of the impact: Actual positive impact
Occupational health and safety (OHS)	Materiality of the impact: Actual negative impact

Place of impact **Own operations** → **GROUP**

ESRS topic	Materiality
Topic specific to the entity: Availability of employees	Financial significance: Risk

Place of impact **Own operations** → BOGDANKA

SBM-2 Interests and views of stakeholders

At the LW Bogdanka Group, the interests, rights and views of employees are taken into account in both the business model and the business strategy of the LW Bogdanka Group. The opinions of stakeholders are taken into account during the review and update of the business strategy, which precedes consultations with key stakeholders. They are also involved in the process of identifying material impacts, risks and opportunities as part of the dual materiality analysis.

At the same time, the parent company, whenever working conditions and salaries are negotiated, conducts them in a spirit of mutual understanding between the parties to the dialogue. The parent company's management board expresses its readiness to discuss with the social party, as evidenced by the cyclical meetings held to discuss the situation of employed workers on an ongoing basis.
At the LW Bogdanka Group, the dialogue securing the interests of employees is conducted directly with their representatives in the trade unions operating at the plant. Furthermore, the ability to request amendments to or interpretations of the Company Collective Agreement gives every employee a real say in shaping the Group's strategy and business model. For more information on this topic in this statement, please refer to indicator S1-3 - Remediation processes for negative impacts and channels for raising concerns through own staff resources.

Employees are calling for dialogue on pay, changes to the Collective Agreement, an increase in the daily rates for meal vouchers (recovery allowances), and on health and safety conditions and job security.

Strategic decisions taken by the Management Board, particularly those relating to employment matters, including the diversification of the parent company's and subsidiaries' operations, are made on the basis of discussions with employees and employee representatives. One of such decisions taken in 2025 by the senior management of LW Bogdanka was to submit a request to the government to include the company in the public support scheme. This proposal was reflected in the amendment to the Act on the restructuring of the hard coal mining industry, which extended the list of companies eligible for public support to include Lubelski Węgiel Bogdanka S.A.

The rights of employees who are members of trade unions and those who engage individually in dialogue with the management of the LW Bogdanka Group are protected both by law and through internal compliance procedures.
Within the parent company, responsibility for coordinating effective dialogue is assigned at operational level to the Representative for Relations with Trade Unions. He ensures that the Management Board takes into account and safeguards key employee rights in its decision-making processes. Furthermore, the work of the Compliance Policy Department, including the whistleblowing system and the Human Rights Policy at the LW Bogdanka Group, are mechanisms that effectively protect these rights. This effectiveness is demonstrated by the absence of collective disputes during the year and the fact that 100% of cases reported to the Compliance Policy Department have been resolved. For such cases, a Conciliation Committee is appointed, comprising representatives of the parties: the employer and the trade unions.

At the end of 2025, four trade unions operated within the LW Bogdanka Group:

- "Solidarność" Independent Self-Governing Trade Union - 1,144 persons
- Trade Union of Miners in Poland - 1,679 persons
- Kadra Trade Union - 447 persons
- Przeróbka Trade Union - 658 persons

*The group does not identify any social groups that are particularly vulnerable to negative impacts.
**The text of this Policy applies to our own operations. The body responsible for implementing the Policy is the Management Board of LW Bogdanka.

ESRS S1 - Own workforce

S1-2 - Procedures of cooperation with own staff resources and staff representatives on issues of impacts

Key issues concerning employees and the organisation are discussed both directly with employees and indirectly through their formal representatives. The LW Bogdanka Group conducts satisfaction surveys every few years, and key issues are a regular item on the agenda of meetings with trade unions, which take place at least once a month. In addition, discussions are held between employees and the management boards of the Group's companies, and frequent consultations take place with senior management.

When it comes to managing staff training and skills development, the LW Bogdanka Group takes staff views into account, primarily through cooperation with trade unions. In addition, employees' needs are identified individually, taking into account employees' development and training needs. In the area of health and safety, consultations are held regarding procedures, risk assessments and the Health and Safety Policy, and a Health and Safety Committee is in place, comprising representatives of the workforce and the employer, which enables measures to be implemented to enhance safety and minimise risks.

Within the Group, cooperation is facilitated by a Trade Union Commissioner appointed by the Management Board. Meetings between trade union representatives and the organisation's plenipotentiary and Management Board are aimed at discussing the current Company Collective Agreement (ZUZP) which was concluded on the basis of the provisions of Section XI of the Labour Code. The ZUZP provides for the regulation of working conditions, wages and other benefits related to work
at LWB.

The agreements entered into with trade unions on an ongoing basis reflect the nature of the Group's cooperation with its own employees.
In the reporting period, 4 additional protocols to the Social Agreement were concluded. Processes for cooperation with employees in force in the LWB Group are open to all employees. In parallel, all employees have an access to the compliance system managed at the parent company level, but dedicated to the wider employee group, through which they can report their concerns and/or irregularities. At the same time, the subsidiaries have implemented their own internal whistleblowing procedures.

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

The impacts on employees of the Lubelski Węgiel Bogdanka Group, identified in the double materiality analysis, stem from the specific nature of the hard coal mining sector and the activities carried out by the Lubelski Węgiel Bogdanka Group. Issues relating to health and safety at work are directly linked to the nature of the mining industry, which involves carrying out hazardous work in difficult conditions. In the area of employment security and employee relations management, the key factors relate primarily to strategic dialogue and good relations between the employer and the workforce, as well as with employee representatives, who, as key stakeholders, help shape the organisation.

Occupational Health and Safety, job security and employee dialogue are identified areas of influence for the LW Bogdanka Group, which are directly reflected in the parent company's business strategy; this means that they are among the Group's priorities and are systematically monitored as part of strategy reviews by the highest management bodies. The developments on the European coal market and the changes taking place in the energy sector force LW Bogdanka to update its strategy and focus on local initiatives to secure the future of the mine and its employees.
The strategic measures designed to address these needs include:

- Maintaining the Company's production capacity at an optimum level (in the long term)
- Building the Company's flexibility through scheduling changes and expansion of the coal storage facility
- Cost optimisation in production planning and scheduling
- Maintaining the position of efficiency leader
- Extension of the mining licence for the Puchaczów V mining area until 2049.

Update to the business strategy was preceded by a micro- and macroeconomic analysis, taking into account, amongst other things, the trend towards decarbonisation of the economy, which enabled the development of a strategy aimed at maximising job security. In addition, the Group's senior management played an active role in negotiations regarding the inclusion of employees of the LW Bogdanka Group in the social protection measures set out in the amendment to the Act on the Functioning of Hard Coal Mining, resulting in the introduction of provisions that also cover LWB employees. On the other hand, under the adopted ESG Strategy, Programme 6, 'Safe Workplace', encompasses a range of strategic initiatives that the Group plans to implement in the coming years in order to reduce the negative impact in the area of health and safety.

The scope of the information disclosed in this Sustainability Statement includes all persons who make up the Lubelski Węgiel Bogdanka Group's own workforce and over whom the company can exercise significant influence.
These are individuals employed under employment contracts, contracts for specific tasks and, in the case of management board members, executive contracts. The workforce is divided into blue-collar workers (both surface and underground) and white-collar workers (administrative, engineering and technical staff, and supervisors). The Group also works with staff from external companies carrying out work on the organisation's premises, as well as with contractors employed in specific roles.

The LWB Group has identified a negative impact on its own employees in the area of occupational health and safety, which is widespread and stems directly from the nature of its business activities. Working underground carries the risk of accidents and occupational diseases, such as pneumoconiosis. The positive impacts identified are linked to the measures and practices implemented by the LW Bogdanka Group in the area of working conditions: job security and stability, fair pay and social dialogue.
These activities in 2025 include, among others, pay negotiations, the implementation of the Workplace Safety Improvement Plan, and the delivery of projects aimed at improving efficiency and workplace safety (including the rebranding of helmets for underground workers).

ESRS S1 - Own workforce

List of significant impacts relating to the organisation's own workforce

ESRS topic	Nature of impact	Location of occurrence	Description of impact
Employment security	Actual and positive	Organisation	The LW Bogdanka Group ensures stable and secure employment conditions by offering indefinite-term employment contracts.
Adequate wages	Actual and positive	Organisation	LW Bogdanka offers its employees high salaries, significantly higher than the national average gross salary, including bonuses such as a 13th and 14th monthly salary and other benefits.
Social dialogue	Actual and positive	Organisation	The LW Bogdanka Group continues regular dialogue with its employees and their representatives in order to resolve issues and improve working conditions.
Occupational health and safety	Actual and negative	Organisation	Due to the nature of the work, employees in certain roles within the mining sector are exposed to the risk of accidents and occupational diseases.

The Group has not identified any significant impacts that could result from the transformation plans. Upon publication of the sustainability statement, the entity had not carried out transition plans to reduce its negative environmental impact and increase the green and climate-neutral nature of its operations.

The financial materiality analysis performed identified one significant risk related to the training and skills development of employees' own resources*

ESRS topic	Risk / opportunity	Location of occurrence	Description of impact
Topic specific to the entity: Availability of employees	Risk	Organisation	A shortage of skilled staff may result in the need to reduce the volume of coal extracted.

* As part of the dual materiality analysis process, the Group did not identify risks related to child labour and forced labour.

ESRS S1 - Own workforce

S1-6 - Characteristics of the entity's employees*

Our staff in figures**
Number of employees in the LWB Group

Gender	Consolidated data	
	2024	**2025**
Man	5,755	5,646
Female	427	412
Other	0	0
Total headcount	**6,182**	**6,058**

Staff turnover at the LWB Group

	Consolidated data	
	2024	**2025**
Total number of employees who left during the reporting period	367	405
Staff turnover rate	0.059.	0.067

The indicator takes into account the number of employees who have left or have been dismissed and the total number of employees covered by the report.

Employees by type of employment	Consolidated data 2024			2025		
	Female	Male	Overall	Female	Men	Overall
Number of employees	427	5,755	6182	412	5,646	6,058
Number of employees on fixed-term contracts	168	1,064	1,232	121	902	1,023
Number of employees employed under definite-term contracts	259	4,691	4,950	291	4,744	5,035
Number of employees who are not guaranteed working hours	0	0	0	0	0	0
Number of full-time employees	423	5,751	6,174	408	5,642	6,050
Number of part-time employees	4	4	8	4	4	8

*All quantitative data are presented as the number of employees at the end of the reporting year.
**The data presented in the tables has been calculated on the basis of information and data relating to employment and other staff matters, obtained from HR systems monitored by the relevant organisational units responsible for HR matters, as at 31 December 2025, unless otherwise stated. Gender was self-reported by the employees, and the 'Other' option was not selected.
***Data expressed as integer

ESRS S1 - Own workforce

[S1-7] - Characteristics of non-employees forming the entity's own staff resources*

	Consolidated data	
	2024	**2025**
Number of non-employees in own workforce	81	70

In the reporting period, the members of the LWB Group's management board were employed from within the Group's own workforce under management contracts, whilst the members of the supervisory board served in their roles by appointment.

Occupational health and safety (OHS)

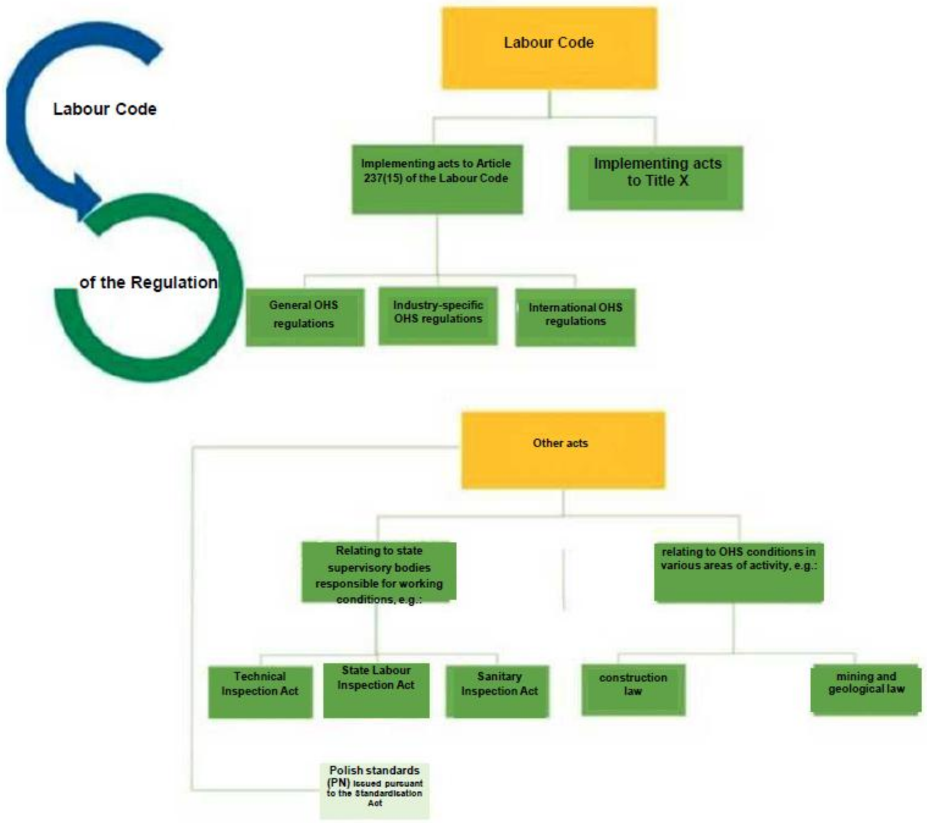
S1-1 – Policies relating to own workforce in the area of occupational health and safety

LW Bogdanka is aware of the OHS risks associated with the coal mining process, which are mitigated by ensuring that all employees are covered by a comprehensive management system. The foundations of this system are based on a series of documents, the overarching being *the OHS Policy*, which forms part *of the Safety Document and is consistent with the Integrated Quality, Health and Safety, and Environmental Management System Policy*. It establishes uniform rules for the management of health and safety at work on the premises of the mining plant. In accordance with the Labour Code, LW Bogdanka is required to establish health and safety policies, which apply to all companies carrying out work on the mine site and to visitors to the mine's premises. The IMS has been developed and implemented in accordance with recognised international standards: ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018, and is subject to compliance audits (certification audits).

In order to prevent accidents and foster a safety-first culture, LW Bogdanka has implemented processes and procedures to maintain an integrated quality, environmental and safety management system, as well as documentation relating to mine safety, and processes for identifying and monitoring legal regulations and standards in the area of OHS.

In the parent company, the President of the Management Board exercises direct oversight of health and safety matters, whilst the Mining Operations Manager is responsible for the ongoing assessment of safety conditions and the implementation of preventive measures. Health and safety coordinators have been appointed at the subsidiaries RG Bogdanka, MR Bogdanka and Łęczyńska Energetyka. The Organisational Regulations of LW Bogdanka S.A. also define responsibility for safety in the mine and its individual departments, assigning it to managers and supervisors. At the same time, the development of a safety culture as an ESG strategy objective is also implemented across the entire workforce, regardless of position.

Sources of governing OHS law



*Quantitative data are presented as the number of employees at the end of the reporting year.

ESRS S1 - Own workforce

Safety-related policies are made available to stakeholders through publication in the internal BPM system. Direct communication activities - including training, meetings and information material - are targeted at employees in this regard.

OHS policies in place at the LW Bogdanka Group

A significant ESRS topic	Policy	Scope of the policy	Background information
Occupational health and safety (OHS)	Integrated OHS, Quality and Environmental Management System Policy	The Group	The policy sets out the overarching framework and principles aimed at improving processes.
Occupational health and safety (OHS)	Security Document	LW Bogdanka S.A RG Bogdanka Sp. z o.o.	A document setting out the rules governing health and safety operations and management on the premises.
Occupational health and safety (OHS)	BHP Policy	LW Bogdanka S.A	The policy sets out the key processes, responsibilities and objectives relating to health and safety at work.
Occupational health and safety (OHS)	Organisational Regulations	The Group	The regulations specify the responsibilities of each role within the health and safety management and supervision system.

S1-4 - Addressing the material impacts on own staff resources and applying approaches to manage material risks and using material opportunities related to own staff resources and the effectiveness of these actions in the OHS area

Activities related to OHS at LW Bogdanka S.A. undertaken in 2025 include:

- internal inspections and audits within the Group and amongst subcontractors,
- consultations with employees or their representatives,
- OHS training,
- organisation of safety days, OHS competition and other activities to promote occupational health and safety knowledge.

Similar measures are scheduled for implementation in 2026 – managers were required to submit proposals for the 2026 Health and Safety Improvement Plan via the electronic document workflow system in ZSZ-BPM by 15 February 2026. Their aim is to improve the safety of employees and the mining facility, and they will run throughout 2026. In addition, occupational safety training, safety days and investments in personal protective equipment are planned.

In 2025, there were 77 accidents at the Lubelski Węgiel Bogdanka Group; in 2024, there were 89 accidents, indicating a downward trend.
At the parent company, the number of workplace accidents remained at the same level as in the previous year (52, despite a reduction in headcount). In 2025, RG Bogdanka recorded a decrease in the number of workplace accidents compared to 2024 (from 28 to 20, despite an increase in the number of employees). The measures taken by the parent company to reduce the accident rate include: regular training, implementation of the Health and Safety Improvement Plan, regular meetings of the Health and Safety Committee, detailed discussions of accidents that have occurred in the mining industry during briefings, and proactive communication initiatives, including campaigns promoting safe behaviour on health and safety screens and internal communication channels. The implementation of health and safety measures is based on established policies and aims to improve the safety culture and reduce accident rates among employees. In 2025, 331 periodic health and safety training sessions were held, attended by 4,191 employees of Lubelski Węgiel Bogdanka S.A., as well as 19 induction health and safety training sessions, during which 59 LWB employees and 49 trainees were trained. In addition, periodic training sessions were organised for employees of external companies, involving a total of 739 people.

Training data

	2024	2025
Number of periodic training courses	250	331
Number of participants	4,320	4,191
Number of inception training courses	40	19
Number of participants	217	108

The OHS Department carried out 792 inspections of jobs and workplaces in the branches in 2025, including 114 inspections in third parties.

Inspection data

	2024	2025
Number of inspections of workstations and workplaces in the branches	1,004	792
Number of audits at external entities	121	114

ESRS S1 - Own workforce

Preventive and corrective measures were also implemented, including: discussing all incidents and accidents in the mining sector at staff briefings, producing videos reconstructing accidents and health and safety guidelines, and reviewing working conditions in selected departments with the involvement of the Social Labour Inspectorate. In the next reporting year, the LWB Group plans to continue the activities described above.

To avoid negative impacts on its own employee resources in the area of OHS, LW Bogdanka S.A. has introduced continuous monitoring of risks, implemented appropriate procedures and is working closely with suppliers and partners in building a safety culture at the mine.

The procedures constituting the OHS Management process:

- PZ/S/05/01 Accidents at work and other OHS incidents
- PZ/S/05/02 Accidents on the way to or from work
- PZ/S/05/03 Occupational Risk Management
- PZ/S/05/04 OHS monitoring
- PZ/S/05/05 Monitoring of legislation and standards in the area of OHS
- PZ/S/05/06 Particularly hazardous work
- PZ/S/05/07 Procedure in the event of a suspected occupational disease
- PZ/S/05/08 OHS improvement plans
- PZ/S/05/09 Security Document Management

The identification of occupational health and safety risks is carried out as part of a systematic occupational risk assessment process. Assessments are carried out by appointed occupational risk assessment committees, comprising individuals with the relevant expertise and experience regarding the specific nature of the job concerned. This process involves analysing the hazards present in the workplace, assessing the likelihood of their occurrence and their potential impact on the health and safety of employees, as well as identifying appropriate preventive and risk-mitigation measures. The results of the occupational risk assessment are discussed with employees or their representatives (SIP), thereby ensuring that employees or their representatives are involved in the process of identifying hazards and developing preventive measures. In addition, employees can report risks and irregularities through the communication channels established within the Company, including directly to their line managers, the health and safety department, and SIP representatives. The OHS Department is responsible for preparing periodic safety assessments, together with proposals for measures to mitigate and prevent risks to life and health, which are submitted to the President of the Management Board. In 2025, the Company allocated budgetary funds* to safety-related matters, including natural hazard prevention, training and audits, and the development of modern technologies for monitoring and improving safety. The Group monitors the progress and effectiveness of the processes implemented by analysing the results of annual safety improvement plans, OHS reports and accident rates.

Every accident, as well as near-miss incidents, is subject to a formal investigation, which includes an analysis of both the immediate causes and the root causes. The results of the analysis form the basis for identifying and implementing appropriate corrective measures (to address the root cause of the incident) and preventive measures (to reduce the risk of similar incidents occurring again).

The scope of the corrective measures taken includes, in particular:

- technical measures – the modernisation or replacement of machinery and equipment, the installation of additional technical safeguards (guards, interlocks, sensors, mesh), the modification of workstations and – in mining environments – the reinforcement of safeguards for workings and technical infrastructure,
- organisational measures – updating job descriptions and OHS procedures, reviewing the occupational risk assessment, changes to the organisation of work or the scope of supervision,
- training and communication measures – additional briefings, supplementary training and the dissemination of findings from incident analyses during debriefings,
- control and monitoring activities by the parent company.

The implementation of these measures is documented, assigned to the relevant personnel, and monitored in terms of timeliness and effectiveness. The effectiveness of the measures implemented is assessed as part of periodic reviews of the OHS management system.

The findings from accident investigations are used in the process of continuously improving the occupational health and safety management system, including updating risk assessments and preventive action plans across the entire Group. The parent company's OHS department supports its subsidiaries in standardising their approach to incident analysis and in implementing corrective and preventive measures.

During the reporting period, all subsidiaries implemented measures relating to significant changes in the workforce. The companies focused on developing a culture of health and safety at work, implementing projects based on their OHS improvement plans for 2025. These activities were carried out on a regular basis
and involved all employees of the companies. Companies carry out activities aimed at raising staff awareness of risks and applicable OHS regulations, as well as conducting investigations and implementing corrective measures following accidents (whether technical or organisational), which contributes to the continuous improvement of safety standards and minimises the risk of similar incidents
occurring in the future. In addition, all companies monitor accident data for the purposes of sustainability reporting, and the parent company's OHS department supports them
in implementing safety policies – including through joint initiatives.

S1-5 – Targets relating to the management of significant adverse impacts, the enhancement of positive impacts, and the management of significant risks and opportunities in the field of occupational health and safety

In the area of OHS, LW Bogdanka S.A. has not set any measurable, time-bound targets aimed at mitigating the negative impact on its own workforce. Activities in this area are based on the OHS Policy, which is implemented through the OHS Improvement Plan for 2025. The tagets adopted are of qualitative nature. The Company does not plan to set measurable targets in the future, unless analyses and dialogue with stakeholders indicate that this is necessary. The current qualitative targets are as follows:

- to eliminate hazards and reduce occupational health and safety risks,
- to improve the occupational health and safety status on a continuous basis to prevent work-related injuries and health problems,

*The budgetary funds were not regarded by the LW Bogdanka Group as significant operating expenses or capital expenditure.

ESRS S1 - Own workforce

In addition, the provisions of the current ESG Strategy supplement the above objectives, although they are not subject to disclosure requirements under the MDR-T. As part of the implementation of the ESG Strategy, the following targets were adopted in 2025, with the implementation period of 2026–2035:

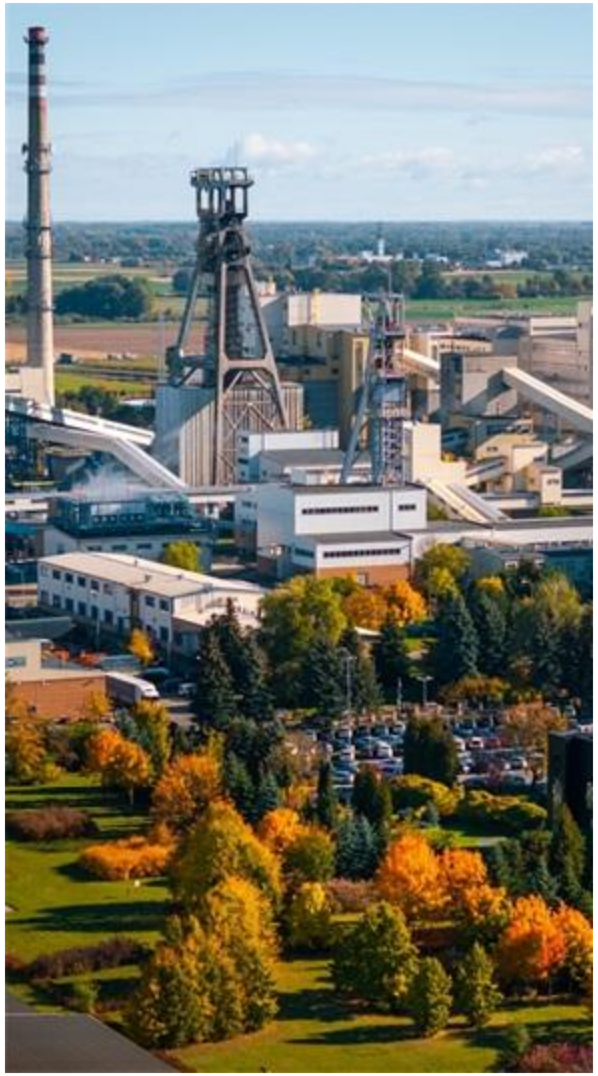
- reducing the risk of accidents and environmental incidents, improving safety culture, ensuring compliance with ESG principles and the EU taxonomy, and developing and implementing innovative technologies that enhance workplace safety, environmental protection and infrastructure safety,
- increasing knowledge and raising awareness of risks through modern educational, information and communication initiatives, such as films, training sessions, campaigns and visualisation. The aim is to foster a culture of safety and responsibility among the staff and the management,
- developing the safety culture based on day-to-day responsibility, cooperation and mutual trust among employees. The initiative supports the development of positive attitudes and promotes active involvement in creating a safe working environment,
- implementation of technologies that support workplace safety and hazard prediction.

Historical data such as the analysis of accidents at work, incidents, results of inspections and audits are used to set OHS targets. This allows for identification of key risks and defining areas for improvement. An important part of the process involves engaging employees or their representatives, Community Labour Inspectors and trade unions, which enables measures to be better tailored to actual needs and enhances the effectiveness of the implementation. Following the assessment of progress against the assumed targets, conclusions regarding the effectiveness of the measures are drawn up in consultation with staff representatives. Where it is found that the intended effects are not being achieved, corrective actions are implemented, such as additional training, modification of procedures, improvement of protective measures or adjustment of work processes to eliminate hazards. The improvement plan is adopted by the parent company's Management Board and the tasks contained therein are proposed by the business unit managers themselves as part of the improvement process.

The subsidiaries, MRB, ŁE, RGB and EkoTrans have not determined measurable, result-oriented targets and do not plan to set any targets in the area of OHS in the future.

S1-14 - Occupational health and safety metrics

	2024	2025
Percentage of the entity's own workforce that is covered by the entity's health and safety management system based on legal requirements or recognised standards or guidelines	100%	100%
Number of fatalities due to work-related injuries	0	0
Number of fatalities due to work-related ill health (occupational diseases)	0	0
Number of fatalities due to work-related injuries and work-related ill health related to work of other employees working on the company's premises	0	0
Number of fatalities due to work-related injuries of other employees working on the company's premises	0	0
Number of fatalities due to work-related ill health (occupational diseases) of other employees working on the company's premises	0	0
Number of reportable work-related accidents	89	77
Indicator of reportable work-related accidents	8.59.	8.19
Number of cases of reportable work-related ill health (subject to legal restrictions on data collection)	4	2
Number of days lost due to work-related injuries and fatalities as a result of work-related accidents, due to work-related ill-health and fatalities due to ill-health	7,156	6,713



ESRS S1 - Own workforce

Policies governing the terms and conditions of employment of own workforce in force in the LW Bogdanka Group

A significant ESRS topic	Policy	Scope of the policy	Background information
Adequate wage, Employment security	Company Collective Bargaining Agreement	LW Bogdanka S.A	A document addressing working conditions, pay and benefits.
Employment security	Work regulations	LW Bogdanka S.A	Regulations setting out the terms and conditions of employment at the parent company.
Employment security	Work regulations	RG Bogdanka	Regulations setting out the terms and conditions of employment at the parent company.
Adequate wages	Company Regulations on Staff Remuneration	RG Bogdanka	A document setting out the criteria for remuneration and bonuses.
Adequate wages	Regulations of the Company Social Benefits Fund (ZFŚS)	LW Bogdanka S.A	A document setting out the rules for the award of social benefits.
Employment security	HR policy of Lubelski Węgiel “Bogdanka” S.A.	LW Bogdanka S.A	The purpose of this document is to set out the procedures governing the recruitment of staff, amendments to the terms of employment contracts, the continuation of employment under employment contracts, the termination of employment, and succession arrangements.

Terms and conditions of employment of our employees (job security, fair pay, social dialogue)

S1-1 – Policies related to own workforce in the area of terms and conditions of employment

The LW Bogdanka Group continuously strives for improving working conditions for its employees – to this end, it has introduced a range of documents addressing employee-related issues. These documents support the management of significant impacts, risks and opportunities and apply to all employees of the Group. The documents are made available to staff via the internal BPM system. The Management Board or directors of the relevant departments are responsible for their implementation. Individual companies of the Group have adopted documents addressing key impacts, risks and opportunities presented in the table below.

S1-4 - Addressing the material impacts on own staff resources and applying approaches to manage material risks and using material opportunities related to own staff resources and the effectiveness of these actions in the area of employment conditions

The LW Bogdanka Group monitors on an ongoing basis market conditions and business challenges arising from both legislative developments and the competitive environment, which may affect employment conditions within the organisation. As part of the social dialogue during meetings between the Management Board and the trade unions, a pay agreement for 2025 was reached, setting the maximum level of the average monthly salary for LWB employees. The effectiveness of the Group’s activities is assessed on the basis of employee satisfaction surveys conducted every few years and regular meetings between the management and the social party. Such a survey was carried out in 2025; the report on the results indicates that 76% of the parent company’s employees agreed with the statement that ‘our company attaches great importance to employee safety at a workplace’. The activities carried out are continuous and have no timeframe set. In 2025, 18 meetings were held between representatives of the Management Board and trade unions at LW Bogdanka (18 meetings were also held in the previous year).

S1-5 – Targets relating to the management of significant adverse impacts, the enhancement of positive impacts, and the management of significant risks and opportunities in the field of employment conditions

The LW Bogdanka Group has not adopted any specific targets regarding employment conditions, but remains in constant contact with the trade unions. Should there be any expectations regarding the setting of such targets, the Group will undertake an analysis to identify them and assess their validity.

S1-8 - Scope of collective bargaining and social dialogue

Percentage of employees covered by collective agreements (consolidated data)

2024	2025
85%	82.6%

ESRS S1 - Own workforce

S1-9 - Diversity metrics

Gender distribution among senior managers by number and percentage (consolidated data)

	2024		2025	
Women	4	20%	3	16.66%
Men	16	80%	15	83.33%
Other	N/A	0%	N/A	0%

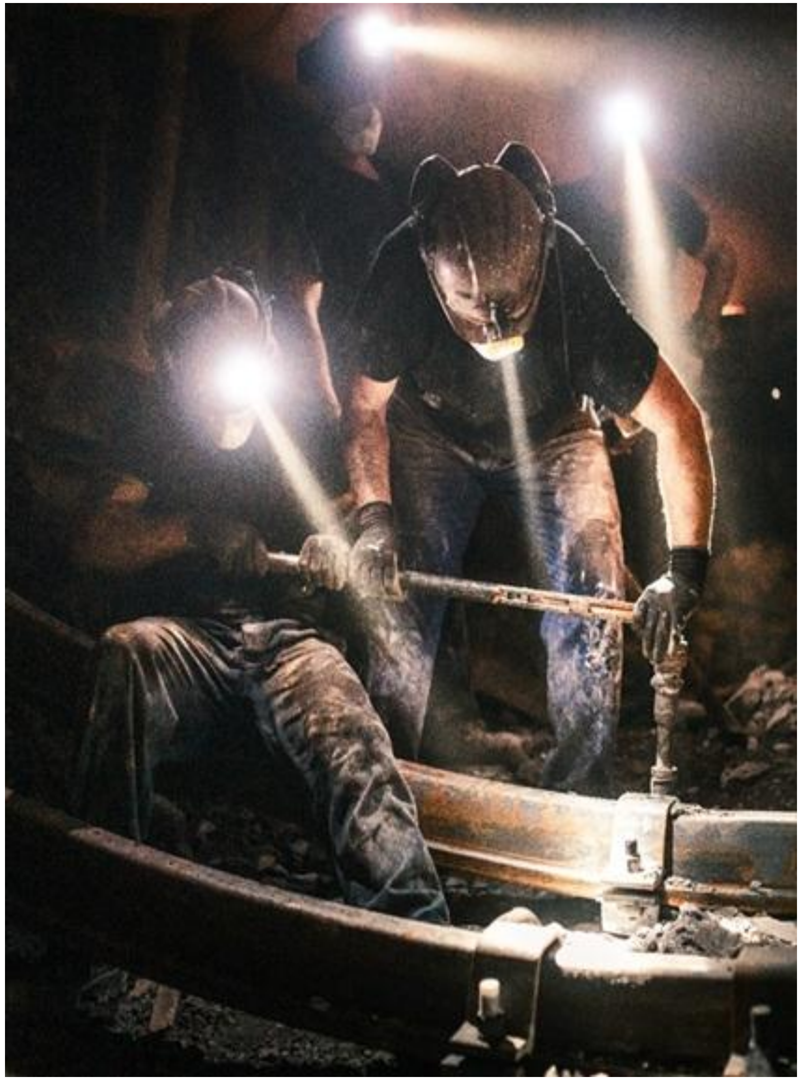
The organisation's governing bodies have been adopted as the top management.

Age structure of employees (consolidated data)

	2024		2025	
Under 30 years	779	12.6%	660	10.89%
30 to 50 years	4,643	75.1%	4,528	74.74%
Over 50 years	760	12.3%	870	14.36%

S1-10 - Adequate wage

LW Bogdanka attaches great importance to ensuring that its employees receive a decent wage. All employees receive a fair wage – staff in the lowest pay grade have a basic salary that exceeds the statutory minimum and, in addition, everyone benefits from a bonus scheme and additional benefits, such as the Miners' Day bonus, a fourteenth month's salary, long-service awards, holiday pay, contributions towards children's nursery and kindergarten fees, and holiday schemes for children and young people.



Detailed information regarding the average remuneration at the parent company and its subsidiaries is provided on page 46 of this Statement.

S1-11 - Social protection

All Group employees are covered by full social security benefits as provided for by law; they are therefore protected against loss of income resulting from life events such as illness, unemployment, accidents at work, disability, parental leave or retirement. In addition, each of the companies (with the exception of RG Bogdanka) pays for group accident insurance for their employees.

Social security coverage rate for employees

	2024	2025
Sickness	100%	100%
unemployment starting while own employee is working for the company	100%	100
accident at work and acquired disability	100%	100
parental leave	100%	100
retirement	100%	100

An additional element of the Group's employee welfare scheme is the Solidarni Górnicy Foundation, which was established by the LWB Management Board. The charitable organisation was set up to help LWB employees who are facing difficult personal or health-related circumstances.

ESRS S1 - Own workforce

Availability of employees

Policies related to the material entity-specific topic

The Lubelski Węgiel Bogdanka Group manages the issue of employee availability, bearing in mind the challenges of employment in the mining sector. The policies and procedures implemented are designed to ensure staff retention and skills development.

Accessibility policies for employees in place at the LW Bogdanka Group

A significant ESRS topic	Policy	Scope of the policy
Availability of employees	LWB Group's educational policy*	Group
Availability of employees	LW Bogdanka S.A.'s employee qualification upgrading and development policy.	LW Bogdanka S.A
Availability of employees	Procedure to be followed in the recruitment and selection of employees for managerial and specialist positions	LW Bogdanka S.A
Availability of employees	Procedure to be followed in the recruitment and selection of employees for production positions	LW Bogdanka S.A

One of the cornerstones of the Group's approach in this area is its focus on supporting the training of future employees at LW Bogdanka. The *education policy* of the LW Bogdanka Group isaimed at ensuring the succession of personnel and ensuring that the education provided at mining and technical schools meets the company's needs. Another key element is *LW Bogdanka S.A.'s staff training and development policy*, which aims to continuously improve the skills of its workforce. The Company consistently invests in training tailored to the industry's requirements, enabling employees to gain new qualifications and progress to senior roles. Also of key importance in ensuring adequate human resources is the *Procedure of conduct in the process of recruitment and selection of employees for managerial and specialist positions and the Procedure for the recruitment and selection of employees for production positions.* These processes ensure that we recruit qualified candidates who meet the technical requirements and safety standards. Transparent recruitment policies and clear selection criteria enable us to hire the candidates best suited to the specific nature of the work at LW Bogdanka, which in turn ensures the high quality of the work carried out.

The Human Resources Director of the Group's parent company is responsible for implementing the provisions of these regulations. Policies are made available to employees through internally developed systems.

Activities and resources related to the material entity-specific topic

As part of its own operations, the parent company also conducted annual employee development-oriented activities. In 2025, the Employee Development Department at Lubelski Węgiel "Bogdanka" S.A. was responsible for the implementation of various forms of employee qualification development, including in-house courses, occupational health and safety training, training courses and conferences organised by external companies, as well as bachelor's, master's and postgraduate studies. Two key programmes were launched as part of the development effort: "My Development", which aims to train future supervisory staff and develop employees in both manual and white-collar roles, and the Leadership Development Programme, which aims to prepare and develop senior management to fulfil key strategic roles within the Company and the LW Bogdanka Group, particularly in the context of transformation processes and business diversification, thereby strengthening the organisation's long-term stability and responsible management.

Through these activities, the Employee Development Department has helped to improve the Company's processes and support the professional development of employees. In the area of employment security**, in 2024 the Lubelski Węgiel Bogdanka Group signed a letter of intent with RG Bogdanka, the Mining School Complex in Łęczna and the School Complex in Ostrów Lubelski. The agreement was designed to support students at both institutions, particularly those training in the following trades: underground mining technician, mechanical technician, electrical technician and solid minerals processing technician. In 2025, the project is underway – it provides opportunities for professional development and gaining practical experience in the labour market. Pursuant to the agreement, LW Bogdanka offers students not only scholarships but also work permits, opening up real opportunities for employment and career development in the mining industry. For Bogdanka, this also means ensuring succession in underground positions, which is crucial for the future of the company. Among the activities focused on securing a sufficient workforce, the Group includes activities oriented towards supporting local education with scholarships, promoting the mining profession and taking on the best students for employment.
In the long term, the measures are aimed at securing qualified staff and managing the turnover rate.

In 2025, the Lubelski Węgiel Bogdanka Group will continue its activities aimed at increasing the availability of qualified employees by developing the competences of the current staff and creating attractive career paths. One of the key programmes in this area is the "My Development" programme, addressed to blue-collar workers. This initiative enables the systematic enhancement of professional qualifications and the development of skills, thereby increasing opportunities for internal promotion and contributing to the optimisation and stabilisation of the workforce. Due to the programme, LW Bogdanka S.A. provides employees with better career prospects and builds team commitment and loyalty, which in the long term translates into greater availability of experienced staff at the company.

As part of its activities aimed at educating future leaders of the mining sector, the LW Bogdanka Group has also launched a postgraduate programme, Academy of Mining Leaders, conducted in cooperation with the AGH University of Science and Technology in Kraków. This programme was established by a resolution of the Management Board and aims to prepare managers to manage effectively in a rapidly changing market environment. The Mining Leaders Academy programme, which began in 2024, was completed in 2025. As a result, 27 employees from LW Bogdanka and 3 employees from RG Bogdanka completed the programme. In addition, the organisation supports the scientific development of its employees through the Regulations for the enhancement of professional qualifications in doctoral studies, enabling them to acquire specialist knowledge and carry out research that is useful to the mining sector.

Targets related to the material entity-specific topic

The LW Bogdanka Group has not adopted measurable targets directly related to employee availability. However, the Group focuses its efforts on achieving the social objectives set out in the ESG Strategy, which are indirectly related to the employee accessibility. In addition, the 'Future of Lubelszczyzna' pillar presented in the Group's business strategy clearly declares that the organisation objective is to launch programmes aimed at attracting and retaining the best employees.

*The educational policy applies to partner schools and universities.
**The Lubelski Węgiel Bogdanka Group has not identified that the Group's procurement-oriented, sales-oriented and data-use-oriented practices and activities have caused significant negative impacts on its own employee resources.

ESRS S1 - Own workforce

S1-13 - Training and skills development metrics

Average number of training hours (consolidated data)*

A significant ESRS topic	2024	2025
Man	13.43	15.55
Woman	15.04	18.04
Total	13.54	15.72

Measures relating to the identified material topics undertaken by subsidiaries within the Group

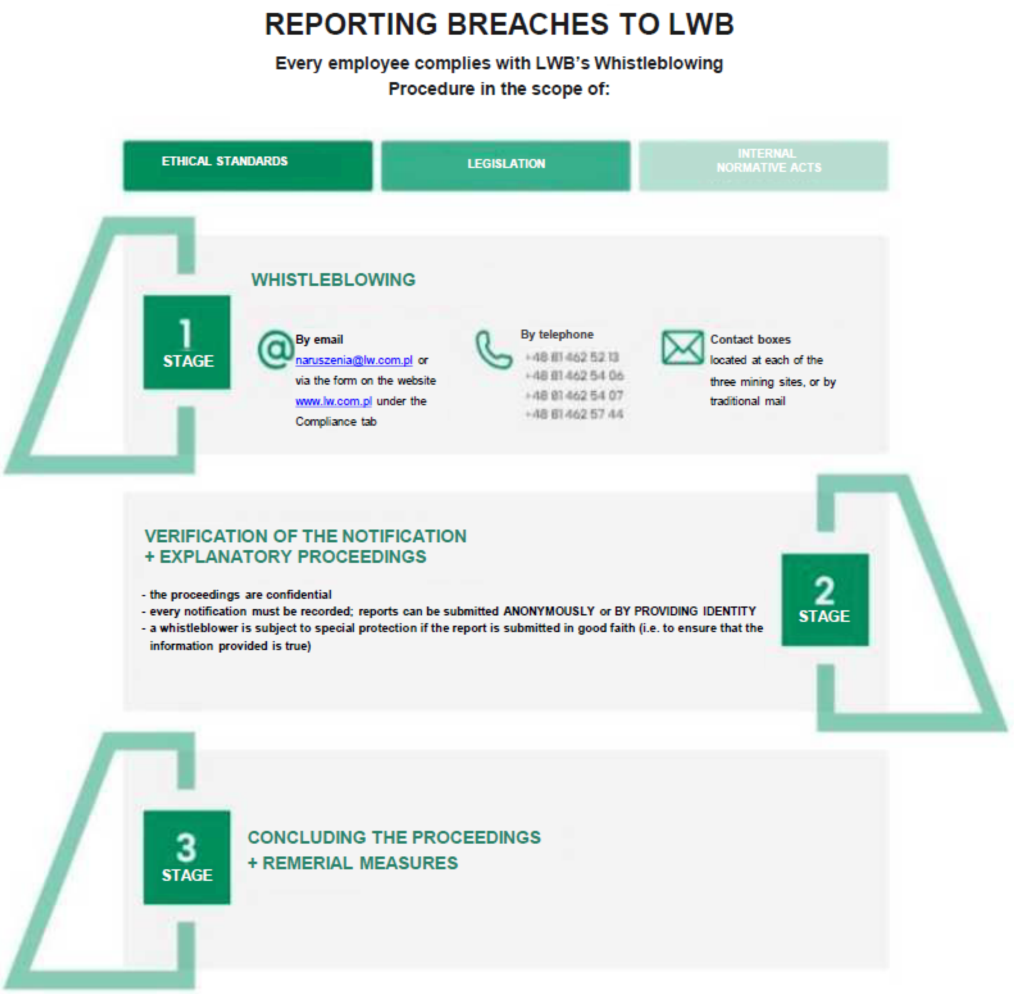
At MRB, RGB, EkoTrans and ŁE, during the reporting period, no significant measures directly related to
the management of key issues, namely, employment security, social dialogue and fair pay were taken, as no risks had been identified.

S1-3 - Processes for remedying the effects of negative impacts and channels for raising concerns through own staff resources

In the Lubelski Węgiel Bogdanka Group, each of the companies has a procedure in place to regulate the issues of reporting violations and taking action in response to them. The parent company has implemented an Internal Reporting and Follow-up Procedure at Lubelski Węgiel Bogdanka S.A., which enables employees of the company and its subsidiaries, as well as staff employed by subcontractors and business partners, to report breaches of the law and irregularities within the Company.
The Compliance Policy Department is responsible for receiving reports and conducting investigations. According to the whistleblowing Procedure, reports can be submitted:

- in an online form on the parent company's website,
- by sending an e-mail to the dedicated address,
- to contact boxes in the mining fields,
- by traditional mail,
- In verbal form.

The process for reporting irregularities is described in the Code of Ethics applicable across the Group and on the website, ensuring it is accessible to both employees and business partners. The subsidiaries have adopted complementary documents which also provide for the option of reporting breaches electronically, by post or by telephone.



*As part of its reporting, the LW Bogdanka Group took the opportunity to omit information on the percentage of employees who participated in regular performance reviews and career development.

ESRS S1 - Own workforce

LW Bogdanka promotes the availability of internal channels. The whistleblowing form is available on LW Bogdanka S.A.'s publicly accessible website, contact boxes are placed at each of the mining fields to allow for the placement of a written notification. The staff of the Compliance Policy Department informs employees about possibilities of reporting violations safely and anonymously at inception and periodic training courses and through information on the website and in the *Compliance Newsletter*.

The Compliance Policy Department maintains the Internal Reports Register, in which it records, amongst other things, the subject matter of the reports and the follow-up actions taken. In the opinion of the organisation, the effectiveness of the channels and the trust among stakeholders is evidenced by the very fact that employees submit the reports. Whistleblowers, those assisting in making a report, and persons associated with the whistleblower are protected against retaliatory measures, including, amongst other things, termination of contract, reduction in pay, withholding of promotion or demotion to a lower position. Information on the channels for reporting irregularities is available on the corporate website, the employee portal and via internal communication channels. During the reporting year, no assessment was carried out to verify employees' awareness in this regard. Details of the whistleblower protection scheme are set out in section ESRS G1-1 of this statement.

Investigations initiated by the Compliance Policy Department conclude with a report that, if necessary, identifies recommendations for corrective action. With regard to human rights, the responsibility for ensuring remedies and their enforcement throughout the Group, and even more broadly in the value chain, rests with the parent company. For example, with regard to respect for the human rights of LW Bogdanka SA. requires the entities
of the LW Bogdanka CG value chain to take action on two levels: (1) do not directly cause adverse human rights impacts through their operations and take prompt remedial action where such impacts occur, (2) took steps to prevent adverse impacts on human rights indirectly, that is, within their value chain, including in particular in relation to products or services procured through business relationships, or mitigated such impacts, even if they themselves did not contribute to them. In that case, action is understood both as taking action and not taking action. In the case of safety issues, the matter is discussed at the Health and Safety Committee and reported to the Management Board, similarly, in the context of compliance breaches - the Compliance Policy Department recommends corrective measures to the Management Board, which it implements by appropriate management decisions.

Respect for human rights

As part of *its Human Rights Policy*, the Lubelski Węgiel Bogdanka Group sets out principles regarding human rights, the prevention of forced labour and respect for workers' rights. The document also covers the use of tools designed to manage potential adverse impacts in the area of human rights – both in the company's own operations and throughout the value chain.
The Management Board is responsible for managing the policy, whilst its coordination is handled by the ESG Department and the Compliance Policy Department, with support from the HR Director and the Procurement Director. The document is consistent with procedures relating to remedial measures in the event of human rights violations, including the reporting of irregularities and the implementation of corrective action.
Reports can be delivered securely, in anonymised form, and whistleblowers are protected. No complaint or report of a violation shall remain unanswered and explanation, while the principle of the presumption of innocence is applied to those against whom proceedings are brought. These comments are taken into account when drawing up action plans in response to reported complaints, breaches or suggestions. The policy is consistent with the UN Guiding Principles on Business and Human Rights. It contains provisions relating to forced labour, child labour and the prevention of human trafficking.

The Group continuously engages with employees and employee representatives through formal social dialogue processes. Communication with employees takes place through regular meetings with trade unions, employee organisations and other stakeholder groups, enabling the Group to understand the needs and expectations of its employees. Feedback and comments from stakeholders are collected via suggestion boxes located throughout LW Bogdanka, through which employees can submit suggestions for changes, which are then reviewed by a dedicated team.

S1-17 Incidents, complaints and serious impacts on human rights

During the reporting period, the LW Bogdanka Group recorded 16 complaints submitted via its whistleblowing channels by employees; none of these concerned cases of discrimination, nor were any fines or penalties imposed in connection with such incidents. All reported incidents, recorded in the Internal Incident Register, have been classified, analysed and, where appropriate, investigated by the LWB Group's Compliance Policy Department. Furthermore, no serious incidents relating to human rights were identified in 2025.

Chapter three: Social issues
ESRS S3 - Affected communities

ESRS topic	Materiality
Suitable housing conditions (a topic specific to the organisation: Mining damage and land reclamation)	Materiality of the impact: Actual negative impact
Impact on land	Materiality of the impact: Actual negative impact

Place of impact **Own operations** → BOGDANKA

ESRS topic	Materiality
Additional topic: Community relations and maintaining operating licences (including community engagement, cooperation with local authorities and community organisations)	Materiality of the impact: Actual positive impact Financial significance: Risk

Place of impact **Own operations** → GROUP

ESRS 2 SBM-3 - Material impacts, risks and opportunities and their relationships with the strategy and business model and ESRS 2 SBM-2 Stakeholder interests and views

Following a double materiality analysis, the LW Bogdanka Group identified two significant adverse impacts arising from the operating activities of the parent company, LW Bogdanka: both of these impacts stem from the effect of mining operations on the living conditions of local communities and from land degradation associated with so-called mining damage.

At the same time, as part of the materiality analysis, a significant positive impact was identified resulting from the maintenance of long-term relationships with local communities and from the implementation of social and development projects carried out by the LW Bogdanka Group.

From a financial materiality perspective, significant risks have been identified in relation to maintaining stable relations with local communities living within LWB's area of influence - in particular, residents of subsidence zones and farmers and landowners in deformation zones - which is a key factor for the continuation of operations, especially in the context of retaining mining licences.

The information provided in this chapter applies to all those who have experienced the effects of mining activities in the form of ground subsidence – in the case of negative impacts – and to the entire local community – in the case of positive impacts. Land subsidence is a result of mining operations and occurs within the area of LW Bogdanka's operations – the municipalities of Puchaczów, Cyców and Ludwin. Mining damage is systemic in nature, as it results from the ongoing impact of underground mining on the surface. Consequently, those affected are residents whose buildings have subsided and been damaged, and farmers whose agricultural land has lost its original properties*. Detailed information regarding the measures taken to manage reported mining damage is set out in the relevant sections of the chapter below. Every report is recorded and analysed under the current mining damage management system, and the findings are taken into account in the company's operational decisions and in the provision for damage remediation and land restoration. In response to the challenges posed by the nature of mining operations, the Group places great emphasis on enhancing its positive impact on the local community and minimising the risks associated with its impact on the community. In operational work, the interests of the community are represented by, amongst others, non-profit organisations, foundations and local authorities. The significant impacts and risks identified in relation to local communities, addressed through dialogue with stakeholders, have a direct bearing on the strategy and business model of the LW Bogdanka Group. Maintaining stable and socially acceptable operating conditions is a key factor in ensuring operational continuity and retaining existing mining licences.

Relations with local communities are treated as part of operational and regulatory risk management, and activities in this area form an integral part of the Company's business model, aimed at maintaining its social licence to operate. Consequently, the Company takes social considerations into account in its strategic and operational planning processes, in particular through: the systematic management of mining damage, setting aside adequate financial provisions to cover claims, maintaining an ongoing dialogue with local authorities, and taking social factors into account in its operational and investment plans.

Effective dialogue with stakeholders is intended to ensure that the operating licence is retained, thereby safeguarding the continued operation of the facility. To ensure due diligence in safeguarding the rights of the local community, LW Bogdanka works with academic institutions, environmental organisations and local authorities, and engages in dialogue with local businesses, which make up a significant part of its supply chain. Such initiatives help to strengthen ties with the community. As part of these initiatives, in 2025 the parent company, in collaboration with researchers from the WSEI University of Lublin, carried out a research project entitled 'Analysis of LWB's socio-economic impact on the region' – the outcome of which will be the introduction of a 'Community Relations Policy' designed to address the needs of stakeholders. According to the plans, the policy will be adopted by 2027 at the latest.

S3-1 - Policies related to affected communities

The Group does not have a policy governing the impact of its mining operations on the living conditions of local communities – all measures relating to the remediation of mining damage or the prevention thereof are carried out in accordance with the applicable regulations. Fostering good relations with the local community has been a key objective in every one of Bogdanka's business strategies. This approach is reflected in the introduction of a dedicated *Social Engagement Policy*** in the parent company. This document describes how the company can carry out community initiatives in the fields of culture, education and health. It sets out in detail the principles governing cooperation with local stakeholders, including donations, socio-cultural sponsorship, CSR initiatives and other forms of community engagement.

*The group does not identify any social groups that are particularly vulnerable to negative impacts.
**The text of this Policy applies to our own operations. The body responsible for implementing the Policy is the Management Board of LW Bogdanka.

ESRS S3 - Affected communities

This document is intended for external stakeholders considering working with the parent company in these areas. Stakeholders were indirectly involved in the development of the Social Engagement Policy - the document stems from the ESG Strategy which was developed with the active participation of internal and external stakeholders - including dialogues based on the AA1000 standard. The policy is monitored by the Management Board and the Supervisory Board as part of quarterly reports.

In the context of managing the adverse effects associated with mining damage and land reclamation, LW Bogdanka S.A. adheres to the principles set out in *the Regulations on the procedure for remedying damage caused by mining operations**, which outlines the course of action to be taken should a property owner identify mining damage, as well as the procedures set out in the Integrated Management System concerning the prevention and repair of damage. The text of the Regulations is not publicly available; however, the Company's website sets out the rules and procedures for affected property owners. LW Bogdanka fulfils its responsibilities regarding the assessment and implementation of repairs for mining damage, treating every case with equal dedication and seeking the best solutions for both parties**. Details regarding the procedure for processing claims relating to mining damage are set out in subsection *S3-3 – Processes for remedying the adverse effects and channels for affected communities to raise concerns.*

The legal provisions in force since 1 January 2012 allow the injured party to choose the method of redress for the damage incurred. In addition to the existing rule that damage must be remedied by restoring the situation to its previous state (as it was before the damage occurred), they allow for the possibility of remedying the damage by paying an appropriate sum of money, in accordance with the provisions of Article 363§1 of the Civil Code.

The obligation to restore the property to its previous condition rests with the Company; however, the injured party may also fulfil this obligation themselves – with the consent of the party liable for the damage – in return for payment of a reasonable sum (corresponding to the reasonable costs incurred). Compensation for damage to agricultural and forest land is provided in accordance with the regulations governing the protection of such land. The provisions concerning the compensation for damage caused by mining operations shall also apply, mutatis mutandis, to the prevention of such damage.

Claims for compensation for damage caused by mining operations are pursued under the provisions of civil law; consequently, any disputes in this regard are settled by the competent ordinary courts. However, legal action can only be taken once the settlement proceedings have been exhausted. These proceedings are deemed to have been exhausted if the trader has refused to reach a settlement, or if 30 days have elapsed since the injured party submitted their claim against the trader, unless the injured party, when submitting their request for a settlement, specified a longer period. However, if, within that period, the business has taken concrete steps to settle the matter amicably, this condition is deemed not to have been met (even if 30 days have elapsed since the date of submission of the application). The Management Board monitors the number of cases settled amicably, viewing this figure as an indicator of the effectiveness of its activities in the area of cooperation with the local community and of its policy on the remediation of mining damage.

S3-2 – Cooperation processes in the scope of impacts with affected communities

LW Bogdanka engages with the local community through meetings with local councillors and residents themselves. One example of such dialogue sessions was the event organised in November 2025 at the Lachert Manor in Ciechanki (municipality of Puchaczów), a meeting entitled "Social dialogue – the future of LW Bogdanka and the region in the context of ongoing environmental work", during which both the senior management of LW Bogdanka SA and the invited speakers presented plans for the future and actions already undertaken in the social and environmental area, as well as discussing the anticipated challenges facing the Company and the region. The discussion was attended by representatives of local government bodies from mining municipalities, as well as from district and provincial levels, staff from environmental agencies and non-governmental organisations, and researchers studying the impact of Bogdanka on the surrounding area. In the second half of 2026, the Company plans to hold further meetings with community representatives and residents themselves. Responsibility for maintaining regular dialogue lies with the President of the Management Board of the parent company.

At the same time, where mining operations result in increased mining damage, LW Bogdanka organises face-to-face meetings with local residents. These measures are organised in response to requests from those directly affected by the damage caused or to requests from local authorities. The last meeting dedicated to this unit took place in 2022 at the Ludwin Municipal Council offices. The purpose of these meetings is to enable residents to report tremors, discuss the process for reporting mining-related damage, and ask questions to which the Company is obliged to provide answers.

Meetings of the consultation group concerning the operations of Lubelski Węgiel Bogdanka are held regularly (twice a year). These meetings form a key part of the systematic assessment of the impact of mining operations on the landscape in the municipalities of Puchaczów, Cyców, Ludwin, Uścimów and Ostrów Lubelski. As part of the monitoring process, local authority representatives submit a summary of recorded mining damage and information on remedial measures carried out by LW Bogdanka. The report also presents analyses of seismic phenomena associated with mining operations
using measuring equipment, as well as information on the assessment of the course of operations to date and the extent to which actual impacts correspond to forecasts. The meetings are attended by representatives of local communities: local government bodies, mining supervisory authorities and representatives of LW Bogdanka.

The Group has not specified how it assesses the effectiveness of its engagement with affected communities, including any agreements or outcomes resulting from such cooperation. The status of cooperation is determined on the basis of the number of conflicts, if any, with the local community or other stakeholder groups, including the number of legal cases concerning irregularities in dealings with local stakeholders. The number of final court judgments in this area (excluding mining damage) stood at 0 in 2025, and no such judgments were recorded in the previous year either.

S3-3 - Processes to remedy negative impacts and channels for raising concerns by affected communities

LW Bogdanka fulfils its obligations under the Geological and Mining Law and the Civil Code by implementing *the Regulations on the procedure for remedying damage caused by mining operations*, which set out in detail the rules and procedures for conducting proceedings relating to mining damage.

LW Bogdanka ensures a transparent and publicly accessible process for reporting mining damage to properties and agricultural land. Information regarding the procedure and contact details enabling direct contact with Company representatives has been made available on the Company's website. The Company also provides a set of standardised forms, including, amongst others, claims forms for damage to buildings, land and crops, as well as a document enabling applicants to claim a refund of EU subsidies lost as a result of confirmed mining damage.

*The content of the Policy relates to the downstream value chain. The body responsible for implementing the Policy is the Management Board of LW Bogdanka.
**The document was adopted on the basis of national legislation; consequently, no reference was made to other international standards.

ESRS S3 - Affected communities

Reports of mining damage are available to all stakeholders and allow claims to be submitted in writing – either in person or by mail. The goals of the CSR strategy from previous years included a commitment to simplifying procedures for residents as much as possible, which was implemented in the years 2016-2021. In addition, the Company's website provides direct contact details for representatives of the parent company's mining damage department, which interested parties may use to obtain support and information on the progress of the process.

The registration and analysis of reports are documented in the form of reports. Each application is subject to an analysis and an on-site inspection carried out by authorised staff in the presence of the applicant, and the results are recorded
in a report, which forms the basis for further proceedings. The proceedings are concluded either by a settlement or, if no agreement is reached, by a final judgment. The remediation of mining damage is carried out by LW Bogdanke through contractors selected via a tender process or by the affected party themselves – with the company's consent and at its expense, under the terms set out in the settlement agreement.

The process for reporting and handling mining damage at LW Bogdanka has been established in accordance with the regulations in force in Poland governing an operator's liability for damage and the procedure for remedying it. These provisions are of a civil nature (whether settled out of court or adjudicated in court) and do not contain specific clauses protecting whistleblowers from retaliation. Information on how to report mining damage is widely available and communicated by the company through public channels: on the websites of the company website and nearby local authorities*. In 2025, the number of settlements in cases relating to mining damage stood at 222, representing 100% of the cases reported by the local community; in the previous year, there were 331 settlements – also 100% – which confirms that the target level of effectiveness has been achieved.

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S3-4 - Addressing the significant impacts on affected communities and applying approaches to manage material risks and opportunities related to these communities and the effectiveness of these actions

Activities related to maintaining relations with local communities

LW Bogdanka is aware that its ability to produce coal is entirely dependent on retaining its mining licence. Accordingly, the Company undertakes a range of initiatives aimed at enhancing its positive impact and fostering a favourable perception of its activities within the local community. Each project, once completed, is evaluated by the LWB's organisational unit. Various sources of information are taken into account, such as post-course surveys, interviews with participants and personal observations.

"Active and fulfilled" project - 3rd edition

The third edition of the social project addressed to women wishing to empower themselves in their personal lives and - above all - in the labour market was conducted in 2025. The origins of the project lie in a report which analysed the potential social consequences of the phasing out of mining in the Lublin region; the report highlighted the issue of low labour force participation among women in the Łęczna district, which may stem from the family model adopted by miners, in which the man works whilst the woman looks after the home. As part of a project carried out in partnership with the Bona Fides Association for the Promotion of Active Living in Lublin and the Municipal Public Library in Puchaczów, a series of sessions on self-development, psychosocial counselling and tutoring was held, along with activities aimed at strengthening social integration.

Due to the great interest in the previous editions, the territorial scope of the project was extended to include, in addition to the county of Łęczna, the counties of Włodawa and Chełm. The project involves 60 recruited women from outside the Group and - on a pilot basis - 15 female employees of LW Bogdanka S.A.

The process for reporting and handling mining damage at LW Bogdanka

Stage	Procedure
Submission of an application	The mining company shall proceed to settle the case for repair of the damage upon a written request of the owner of the facility (a person authorised by him/her) or a person holding another title to the facility, submitted to LW "Bogdanka" S.A. in Bogdanka in person, or by letter. The application form is available on the website or at the company's branch.
Inspection of the damage	If a causal link is established between the damage and the operation of the mining plant, the inspection of the damage is carried out. The trader proposes a date for the inspection; on their behalf, the inspection is carried out (in the presence of the applicant or a person authorised by them) by a person with the appropriate qualifications. A report is drawn up following the inspection, in which all damage found is recorded. If the applicant refuses to sign the report, this fact shall be noted in the report, together with the reason for the refusal. The applicant is entitled to receive a copy of the report signed by them.
Repair of the damage	The basis for compensation for damage caused by the operation of a mining facility is a settlement agreement concluded between the injured party and the operator. The date of the settlement is the day on which it was signed by both parties. A final court judgement also serves as a basis for compensation. Compensation for damage, involving the restoration of the previous state, may be carried out by the trader or the injured party. In fulfilling this obligation, the operator shall commission the repair work to a contractor selected through a tender procedure or, with the operator's consent and at the operator's expense, the injured party may carry out the work themselves – on the terms set out in the settlement agreement. It is also possible to claim reimbursement for the cost of securing a newly constructed building.

*The Company's existing procedures for local communities to report mining damage have been in place for years and stem directly from the relevant Polish legislation. The Company does not have a dedicated process for assessing local communities' awareness of and confidence in the procedures established within the Company.

ESRS S3 - Affected communities

Analysis of the socio-economic impact of Bogdanka

In spring 2025, LW Bogdanka started a research collaboration with the WSEI Lublin Academy. The project aims to conduct a comprehensive analysis of the Company's economic and social impact on the region, also including an assessment of the risks and opportunities related to local stakeholders in the context of the challenges posed by sustainable transformation. The work commissioned included:

- analysis of the economic and social impact of the company,
- diagnosis of the needs and potential of the local community,
- drafting the guidelines for the Stakeholder Relations Policy.

The results of the research project will be presented in 2026.

Charitable activity

Donations are one way in which the companies within the LW Bogdanka Group contribute to the community. Donations in the form of in-kind or cash contributions made in 2025 by the Management Board of LW Bogdanka S.A. actively supported the achievement of socially useful goals by various entities from the social environment. 32 donation agreements have been concluded with community service providers. The beneficiaries included, among others, the Care and Education Centre in Witaniowo and the Parish of St. Barbara in Łęczna, the District Family Support Centre in Łęczna, and the Association for People with Intellectual Disabilities. The subsidiaries made a total of 17 donations worth PLN 62,700, including to the School and Nursery Complex in Nadrybie, the 'Amazonki' Women's Association and the 'Łęczna Biega' Association.

Sport and culture - activating and integrating residents

LW Bogdanka S.A. has been actively involved in the development of sport and culture in the region, sponsoring football, volleyball and speedway teams. Due to the company's support, Górnik Łęczna competed in the First Division, and the Górnik Łęczna Sports Academy was able to run training programmes for children and young people. Financial support was also provided to the Bogdanka LUK Lublin and Orlen Oil Motor Lublin teams, enabling them to compete at the highest level in their respective sports.

"Solidary Miners" Foundation

The organisation supports both the Capital Group's employees and their families, as well as the entire local community living within the Lublin Province. The most significant community initiatives carried out by the Solidarni Górnicy Foundation in 2025 include:

- Supporting access to professional psychological counselling for employees and other local stakeholders by continuing our collaboration with the District Family Support Centre in Łęczna in connection with the operation of the Consultation and Information Point for People with Addictions. The purpose of the Point is to diagnose problems related to addictions and violence in the family, to plan assistance and provide support in overcoming life difficulties, to reduce the scale of violence and aggression, and to counteract addictions. The assistance is targeted predominantly at residents of Łęczna District. The Point's primary activity consists of duty hours of specialists (physicians, psychologists), the preparation of articles, the distribution of leaflets and the maintenance of a dedicated tab on the County Family Support Center website. The Foundation's assistance primarily consists of financial support and initiatives aimed at reaching those in need, as well as communication activities in this area within the Company.
- Support for local care and educational facilities

The Foundation organises fundraisers and charitable campaigns, and since the start of the year has been involved in initiatives to support sick and disadvantaged children of the Company's employees and those in local care and educational institutions.

- Organisation of the blood donation campaign in Bogdanka and promotion of voluntary blood donation
- Supporting the activities of the Foundation of Mining Families
- Maintaining the cooperation with the "Maksymilian" Regional Sobriety Centre in Łęczna.

Measures to manage the adverse effects associated with mining damages

With regard to the adverse effects associated with the impact of mining operations on the structure and properties of local land, LW Bogdanka carries out work aimed at identifying the potential for mining-related damage. Analyses are carried out on seismic phenomena associated with mining operations, using data from measuring equipment to assess the causes, intensity and effects of local seismic activity. Measures to remedy the adverse effects of operations involve the ongoing processing of claims for the remediation of mining damage, as well as the carrying out of remedial works or the payment of compensation. LW Bogdanka maintains open communication regarding the pursuit of claims relating to mining damage. The Company publicly states on its website that disputes may be resolved by the competent civil courts in accordance with civil law, once the Company's settlement proceedings have been exhausted.

LW Bogdanka monitors national regulations concerning the remediation of mining damage and, should any changes occur, takes steps to bring its procedures into line with the new regulations. LW Bogdanka carries out mining operations under a licence, a key component of which is an environmental impact assessment that includes public consultation with representatives of local communities.

No incidents involving human rights violations within local communities were reported during the reporting year.

The Mining Damage Department is responsible for conducting proceedings relating to mining damage, whilst the ESG Department is responsible for relations
and fostering a positive impact on the local community.

S3-5 - Targets related to managing material negative impacts, enhancing positive impacts and managing material risks and opportunities

The LW Bogdanka Group has not adopted any measurable targets directly linked to the significant impacts and risks associated with the affected communities. The Group monitors the number and proportion of successfully processed claims relating to mining damage and, with a view to enhancing its positive social impact, evaluates each programme and summarises and draws conclusions from its ongoing dialogue with stakeholders.

Chapter Four: Corporate governance
ESRS G1 - Business conduct

ESRS topic	Materiality
Supplier relationship management, including payment practices	Materiality of the impact: Actual positive impact

Place of impact — **The entire value chain** → BOGDANKA

ESRS 2 GOV-1 The role of the administrative, management and supervisory bodies

Within the LW Bogdanka Group, key issues relating to corporate culture and compliance are overseen by the Management Board and Supervisory Board of the parent company. These bodies have adopted internal documents setting out rules of procedure: The LWB Group Code of Ethics and the Code of Conduct for Suppliers of LW "Bogdanka" S.A. The following documents also apply to the parent company: Compliance Policy, Anti-Corruption Policy and the Procedure for Internal Reporting and Follow-up Action at LW "Bogdanka" S.A., which ensures the protection of whistleblowers against retaliation.

Senior management is responsible for ensuring the compliance with the internal regulations. The Compliance Policy Department operates within the division of the President of the Management Board, whilst the Purchasing Director, together with the specialist units reporting to him, operates within the division of the Vice-President for Development, supported additionally by members of the Tender Committees. In situations requiring cross-functional collaboration, the Management Board may set up special teams that bring together staff from different departments to work on projects relating to responsible business practices and supplier relations.

Members of the Management Board, the Supervisory Board and senior management possess specialist knowledge in the areas of business ethics, anti-corruption and compliance, acquired, among others, through training courses and expert meetings. In 2025, anti-corruption training was organised for the Company's management. In addition, anti-corruption issues were presented to staff in an accessible manner in the Compliance Newsletter.

The LW Bogdanka Group promotes its organisational culture primarily by implementing and actively communicating the principles set out in its Code of Ethics. This document sets out standards of conduct for employees and guidelines for working with customers, business partners, shareholders and local communities. Employees receive the Compliance Newsletter on a regular basis. In 2026, the e-learning course on compliance will be delivered to the Company's employees, with the aim of familiarising them with the pillars of compliance and the Company's compliance management system.

G1-1 - Business conduct policies and corporate culture

The LWB Group Code of Ethics sets out the values and principles underpinning the LWB Group's operations and organisational culture. The values set out in it point the way forward, and adherence to them by employees and colleagues enables effective and ethical business conduct. Every employee of the Company is made aware of the LWB Group Code of Ethics upon joining the company and is also provided with a copy of the Code. Furthermore, the LWB Group Code of Ethics is available on the Company's website, amongst other things, to enable business partners to familiarise themselves with its contents; these partners also undertake to comply with it when entering into a business relationship with the Company.

The Company has implemented a number of internal policies aimed at shaping its corporate culture and governing business conduct. The relevant regulations are available in the regulatory database and on the staff portal, and some of them are also available on the Company's public website. They are subject to verification by the Company's legal department and periodic reviews, and the parent company's Compliance Policy Department and Procurement Department are responsible for monitoring them. The most important of them include:

- LWB Group's Code of Ethics
- LWB Compliance Policy,
- Procedure for internal reporting and follow-up at LWB,
- LWB's Anti-Corruption Policy,
- Policy on respect for human rights and diversity in the LWB Bogdanka Group
- Code of Conduct for LWB Suppliers,
- Conflict of Interest Management Policy at LWB,
- LWB Gift Policy,
- LWB contractor verification procedure.

The internal reporting and follow-up procedure at LW "Bogdanka" S.A., which operates within the parent company, sets out how employees and business partners can report any breaches of the law, dishonest practices or unethical behaviour they may observe. The text of the Procedure was discussed with the trade union organisations at the workplace.
The Company has established various channels for receiving reports, including: an online form on the company's website, a dedicated email address, contact boxes located at all production sites, post, and the option to make a verbal report to the Compliance Policy Department. Reports may be submitted anonymously or with personal details provided. The investigation is conducted while maintaining strict confidentiality by the Compliance Policy Department, and where breaches are confirmed, recommendations for corrective action are made. Reports are recorded in the Register of Internal Reports.

Whistleblowers, their supporters and associated persons are protected against retaliatory measures, including, among others, the dismissal from work, the reduction in pay, the withholding of promotion or demotion to a lower position; this protection is guaranteed by the Procedure for Internal Reporting and Follow-up Action at LW "Bogdanka" S.A.

Information on the available channels for reporting irregularities is made available to staff on the corporate website, the staff portal and via internal communication channels. New employees are introduced to the reporting system during induction training, and the Compliance Policy Department regularly develops internal expertise – for example, in 2025 it took part in the Approved Compliance Officer training course and in the 'Internal Auditor' training course.

ESRS G1 - Business conduct

The company also has an Anti-Corruption Policy of LW "Bogdanka" S.A.* in place, which sets out the rules of conduct in the event of misconduct and specifies measures to prevent corruption. Senior management and members of the Standing Tender Committee take part in regular anti-corruption training sessions. In 2025, the anti-corruption training was organised for the management staff. In the event of corruption or unethical conduct disclosed, the Compliance Policy Department conducts an investigation. The Management Board of the parent company is responsible for implementing the Anti-Corruption Policy.

The entity does not have a separate policy in place on business ethics training that specifies target groups, the frequency of training or the detailed scope of topics – only the general training policy described on page 177 of this statement applies. In the reporting period, no specific targets relating to supplier relations were adopted. Nor have the positions most at risk of corruption been formally defined; to date, anti-corruption training has been aimed primarily at management staff and members of the Standing Tender Committee.

G1-2 – Supplier relationship management and procurement practices

The LW Bogdanka Group has not introduced specific procurement policies, as procurement procedures within the Group's companies are conducted in accordance with the Act on Public Procurement Law. In accordance with statutory provisions and internal regulations, formalised procurement procedures have been implemented in the form of rules and regulations, which guarantee suppliers a fair, transparent and consistent process for the submission and evaluation of tenders. The Group applies separate regulations governing procedures subject to public procurement legislation and those conducted outside the scope of the Act.

The LW Bogdanka Group does not apply formal social and environmental criteria when selecting suppliers. Each tenderer undertakes to comply with the law, including human rights, labour law, health and safety regulations, and environmental protection regulations. Suppliers' employees who carry out work on the premises of Group companies or under their supervision must also comply with the Code of Ethics and confirm their knowledge of, amongst other things, the Integrated Management System Policy and the Site Access Guidelines.

G1-6 - Payment practices

Payment practices at the LW Bogdanka Group:

Payment time limits	2024	2025
Average time taken to settle an invoice	27 days	27 days
Standard payment terms	30 days	30 days
Percentage of payments made in accordance with standard terms and conditions**	99%	99%

**including payments made in accordance with Article 115 of the Civil Code

In the reporting period, the number of pending court proceedings due to late payments was: 0

In most cases, the standard payment term within the LW Bogdanka Group is 30 days. Shorter time limits – for example, 14 days – are applied to agreements of a lower value, whilst time limits of less than 14 days occur occasionally in the case of urgent purchases of services or goods and apply to low-value orders. The average time taken to settle an invoice was 27 days.

*This internal policy has been drawn up in accordance with Polish law and the Group's best practices; it does not take into account the United Nations Convention against Corruption. The scope of changes to policies is reported on an annual basis.

Topic specific to the entity: Conflict in Ukraine

ESRS topic	Materiality
Topic specific to the entity: Conflict in Ukraine	Materiality of the impact: Actual positive impact

Place of impact **Own operations** → BOGDANKA

Objectives related to the topic of the conflict in Ukraine

No measurable targets have been set in relation to the significant risks identified. Instead, the Group focuses on ongoing monitoring, ensuring operational readiness, and implementing adaptive measures in line with the Integrated Management System and the corporate risk management process.

Policies, initiatives and resources relating to the conflict in Ukraine

The Lubelski Węgiel Bogdanka Group manages the risks associated with the war in Ukraine, including cyber and sabotage risks, through its Integrated Management System Policy and dedicated internal documentation – guidelines and procedures for employees. The body responsible for implementing procedures within the scope of the parent company's own operations is the Security Department.

As part of its own operations, the Group, as part of its corporate risk management process, has identified and assessed the risks associated with the war in Ukraine as significant. This risk is monitored by the relevant organisational unit - SUFO - under the supervision of the head of the security department. In the reporting period, the security department was responsible for preparing the Company for potential incidents arising from this risk.
In order to manage risk effectively, enhanced monitoring of the security of ICT systems was carried out, along with a review and update of the relevant procedures and an analysis of the capabilities of the existing security system. At the same time, as part of its own operations, the company has implemented measures to ensure the security of its infrastructure and has drawn up specific guidelines for its staff.
The LW Bogdanka Group closely monitors the external situation and the potential impact of associated risks on the Group.

ESRS	Disclosure number	Party
ESRS2	BP-1 General basis for preparation of the sustainability statements	107
	BP-2 - Disclosure in relation to specific circumstances	107
	GOV-1 The role of the administrative, management and supervisory bodies	108–111
	GOV-2 Information provided to the entity's administrative, management and supervisory bodies and the sustainability issues they undertake	108–111
	GOV-3 Integration of sustainability-related performance in incentive schemes	112
	GOV-4 Statement on due diligence	112
	GOV-5 Risk management and internal controls over sustainability reporting	112–113
	SBM-1 Strategy, business model and value chain	114–117
	SBM-2 Interests and views of stakeholders	118
	SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model(s)	123–132
	IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities	119–122.132–136
	IRO-2 - Disclosure Requirements in ESRS covered by the undertaking’s sustainability statements	136

ESRS	Disclosure number	Party
	ESRS 2 GOV-3: Incorporating sustainability-related results into incentive schemes	137
	E1-1: Transition plan for climate change mitigation	**137**
	ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model	137
	E1-2: Policies related to climate change mitigation and adaptation	**137**
	E1-3: Actions and resources in relation to climate policy	138–139
	E1-4: Targets related to climate change mitigation and adaptation	**139**
	E1-5: Energy consumption and energy mix	**140**
	E1-6: Gross Scope 1, 2 and 3 greenhouse gas emissions and total greenhouse gas emissions	141–142
	E1-7: Greenhouse gas elimination and mitigation projects financed through carbon credits	**143**
	E1-8: Internal carbon pricing	**143**
	E1-9: Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Omitted
ESRS E2	E2-1: Policies related to pollution	**144**
	E2-2: Actions and resources related to pollution	**144**
	E2-3: Targets related to pollution	**144**
	E2-4: Air pollution	144
	E2-5: Potentially hazardous substances and substances of very high concern	Not applicable
	E2-6: Anticipated financial effects from pollution-related material risks and opportunities	Not applicable
ESRS E3	E3-1: Policies related to water and marine resources	145–146
	E3-2: Activities and resources related to water and marine resources	145–146
	E3-3: Targets related to water and marine resources	**147**
	E3-4: Water consumption	**148**
	E3-5: Anticipated financial effects resulting from material risks and opportunities related to water and marine resources	Not applicable

ESRS	Disclosure number	Party
	E4-1: Biodiversity and ecosystem transition plan and integration of biodiversity and ecosystems in the strategy and business model	**150**
	ESRS 2 SMB-3: Material impacts, risks and opportunities and their interaction with strategy and business model	149
	E4-2: Policies related to biodiversity and ecosystems	**150**
	E4-3: Activities and resources relating to biodiversity and ecosystems	150–151
	E4-4: Targets related to biodiversity and ecosystems	**151**
	E4-5: Impact measures related to changes in the scope of biodiversity and ecosystem	**151**
	E4-6: Anticipated financial effects arising from material risks and opportunities related to biodiversity and ecosystems	Not applicable
	E5-1: Policies related to resource use and circular economy	**152**
	E5-2: Actions and resources related to resource use and circular economy	**152**
	E5-3: Targets related to resource use and circular economy	**153**
	E5-4: Resource inflows	153–154
	E5-5: Resource outflows	154–156
	E5-6: Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	Omitted
ESRS S1	SBM-2: Interests and views of stakeholders	**167**
	SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model	168–169
	S1-1: Policies related to own workforce	171–172,175,177
	S1-2: Processes for engaging with own workers and workers' representatives about impacts	**168**
	S1-3: Processes to remediate negative impacts and channels for own workers to raise concerns	178–179
	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	172–173.175
	S1-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	173–175
	S1-6: Characteristics of the undertaking's employees	**170**
	S1-7: Characteristics of non-employee workers in the undertaking's own workforce	**171**
	S1-8: Scope of collective bargaining and social dialogue	**175**
	S1-9: Diversity metrics	**176**
	S1-10: Adequate wages	**176**

ESRS	Disclosure number	Party
ESRS S1	S1-11: Social protection	**176**
	S1-12: Persons with disabilities	Not applicable
	S1-13: Training and skills development metrics	**178**
	S1-14: Health and safety metrics	**174**
	S1-15: Work and life balance metrics	Not applicable
	S1-16: Compensation metrics (pay gap and total compensation)	Not applicable
	S1-17: Incidents, complaints and severe human rights impacts	**179**
ESRS S2	Not applicable	Not applicable
ESRS S3	ESRS 2 SBM-2: Interests and views of stakeholders	**180**
	ESRS 2 SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model	180
	S3-1: Policies related to affected communities	180–181
	S3-2: Cooperation processes in the scope of impacts with affected communities	**181**
	S3-3: Processes to remedy negative impacts and channels for raising concerns by affected communities	181–182
	S3-4: Addressing the significant impacts on affected communities and applying approaches to manage material risks and opportunities related to these communities and the effectiveness of these actions	182–183
	S3-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	**183**
ESRS G1	ESRS 2 GOV-1: The role of the administrative, management and supervisory bodies	184
	Not applicable	Not applicable
	G1-1: Corporate culture and business conduct policies and corporate culture	184–184
	G1-2: Management of relationships with suppliers	**185**
	G1-6: Payment practices	**185**

List of data points contained in horizontal and thematic standards arising from other EU legislation

Disclosure requirement	Data point	Disclosure	Reference to Regulation on disclosure of information related to sustainable development in the financial services sector (1)	Reference to the third pillar(2)	Reference to the Benchmarks Regulation(3)	Reference to the European Climate Law	Page
ESRS 2, GOV-1	21(d)	Gender diversity of the management board - data on percentage by gender	Indicator No 13 in Table 1 of Annex I		Annex II to Commission Delegated Regulation (EU) 2020/1816(5)		110
	21(e)	Data on the percentage of independent management board members			Annex II to Commission Delegated Regulation (EU) 2020/1816		110
GOV-4	32	Due diligence statement	Indicator No 10 in Table 3 of Annex I				112
ESRS 2, SBM-1	40(d)(i)	Participation in activities related to the fossil fuel sector	Indicator No 4 in Table 1 of Annex I	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453(6), Table 1: Qualitative information on environmental risks and Table 2: Qualitative information on social risk	Annex II to Commission Delegated Regulation (EU) 2020/1816		115
	40(d)(ii)	Participation in chemical production activities	Indicator No 9 in Table 2 of Annex I		Annex II to Commission Delegated Regulation (EU) 2020/1816		115
	40(d)(iii)	Participation in activities related to controversial types of weapons	Indicator No 14 in Table 1 of Annex I		Article 12(1) of Delegated Regulation (EU) 2020/1818(7), Annex II to Delegated Regulation (EU) 2020/1816		115
	40(d)(iv)	Participation in tobacco growing and production activities			Article 12(1) of Delegated Regulation (EU) 2020/1818, Annex II to Delegated Regulation (EU) 2020/1816		115
ESRS E1-1	14	Transition plan for climate change mitigation				Article 2(1) of Regulation (EU) 2021/1119	107
	16(g)	Units excluded from the scope of the reference indicators adapted to the Paris Agreement		Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, template 1: Bank portfolio – Transition risk associated with climate change: credit quality of exposures by sector, issue and residual maturity	Article 12(1)(d) to (g) and Article 12(2) of Delegated Regulation (EU) 2020/1818		133

Disclosure requirement	Data point	Disclosure	Reference to Regulation on disclosure of information related to sustainable development in the financial services sector (1)	Reference to the third pillar(2)	Reference to the Benchmarks Regulation(3)	Reference to the European Climate Law	Page
ESRS E1-4	34	Greenhouse gas emission reduction targets set by the company	Indicator No 4 in Table 2 of Annex I	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, template 3: Bank portfolio – Transition risk associated with climate change: adaptation metrics	Article 6 of Delegated Regulation (EU) 2020/1818		139
ESRS E1-5	38	A company operating in sectors with a material climate impact further disaggregates its total fossil energy consumption	Indicator No 5 in Table 1 and Indicator No 5 in Table 2 in Annex I				140
	37	Total energy consumption in MWh related to own operations	Indicator No 5 in Table 1 of Annex I				140
	40–43	Energy intensity linked to activities undertaken in sectors with material climate impacts	Indicator No 6 in Table 1 of Annex I				140
ESRS E1-6	44	Scope 1,2,3 greenhouse gas emissions and total greenhouse gas emissions	Indicator No 1 and 2 in Table 1 of Annex I	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, template 1: Bank portfolio – Transition risk associated with climate change: credit quality of exposures by sector, issue and residual maturity term	Article 5(1), Article 6 and Article 8(1) of Delegated Regulation (EU) 2020/1818		141
	53–55	Gross greenhouse gas intensity	Indicator No 3 in Table 1 of Annex I	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, template 3: Bank portfolio – Transition risk associated with climate change: adaptation metrics	Article 8(1) of Delegated Regulation (EU) 2020/1818		142
ESRS E1-7	56	Greenhouse gas removal and carbon credits				Article 2(1) of Regulation (EU) 2021/1119	143

Disclosure requirement	Data point	Disclosure	Reference to Regulation on disclosure of information related to sustainable development in the financial services sector (1)	Reference to the third pillar(2)	Reference to the Benchmarks Regulation(3)	Reference to the European Climate Law	Page
ESRS E1-9	66	Portfolio exposure to physical climate risks			Annex II to Delegated Regulation (EU) 2020/1818, Annex II to Delegated Regulation (EU) 2020/1816		Not applicable
	66 (a); 66(e)	Separation of monetary amounts by acute and chronic physical risk; location of significant assets in significant physical risk		Article 449a of Regulation (EU) No 575/2013; paragraph 46 and 47 of Commission Implementing Regulation (EU) 2022/2453, template 5: Bank portfolio – Physical risk associated with climate change: exposures subject to physical risk.			Not applicable
	67(e)	Breakdown of the carrying amount of property assets by energy efficiency class		Article 449a of Regulation (EU) No 575/2013; paragraph 34 of Commission Implementing Regulation (EU) 2022/2453, template 2: Bank portfolio – Transition risk associated with climate change: real estate-backed loans – energy efficiency of collaterals			Not applicable
	69.	Degree of exposure of the portfolio to climate-related opportunities			Annex II to Commission Delegated Regulation (EU) 2020/1818		Not applicable
ESRS E2-4	28	Amount of each pollutant listed in Annex II of E-PRTR Regulation emitted to air, water and soil	Indicator No 8 in Table 1 of Annex I, Indicator No 2 in Table 2 of Annex I, Indicator No 1 in Table 2 of Annex I and Indicator No 3 in Table 2 of Annex I				144

Disclosure requirement	Data point	Disclosure	Reference to Regulation on disclosure of information related to sustainable development in the financial services sector (1)	Reference to the third pillar(2)	Reference to the Benchmarks Regulation(3)	Reference to the European Climate Law	Page
ESRS E3-1	9	Water and marine resources	Indicator No 7 in Table 2 of Annex I				145
	13	Dedicated policy	Indicator No 8 in Table 2 of Annex I				145
	14	Sustainable practices in the field of oceans and seas	Indicator No 12 in Table 2 of Annex I				Not applicable
ESRS E3-4	28(e)	Total amount of water recycled and reused	Indicator No 6.2 in Table 2 of Annex I				148
	29	Total water consumption in m3 per net income from own activities	Indicator No 6.1 in Table 2 of Annex I				148
ESRS E4, SBM-3 (ESRS 2)	16 (a) (i)	Activities adversely affecting biodiversity sensitive areas	Indicator No 7 in Table 1 of Annex I				149
	16 (b)	Land degradation, desertification or soil sealing	Indicator No 10 in Table 2 of Annex I				149
ESRS E4-2	24 (b)	Sustainable land / agricultural practices or policies	Indicator No 14 in Table 2 of Annex I				150
	24(e)	Sustainable ocean / sea practices or policies	Indicator No 12 in Table 2 of Annex I				Not applicable
	24 (d)	Policies against deforestation	Indicator No 15 in Table 2 of Annex I				150
ESRS E5-5	37 (d)	Waste that has not been recycled	Indicator No 13 in Table 2 of Annex I				154
	39	Hazardous waste and radioactive waste	Indicator No 9 in Table 1 of Annex I				154
ESRS S1, SBM-3 (ESRS 2)	14 (f)	Risk of child labour incidents	Indicator No 13 in Table 3 of Annex I				169
	14(g)	Risk of incidents of child labour	Indicator No 12 in Table 3 of Annex I				169

Disclosure requirement	Data point	Disclosure	Reference to Regulation on disclosure of information related to sustainable development in the financial services sector (1)	Reference to the third pillar(2)	Reference to the Benchmarks Regulation(3)	Reference to the European Climate Law	Page
ESRS2 S1-2	21	Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1-8			Annex II to Commission Delegated Regulation (EU) 2020/1816		168
	22	Processes and measures for preventing trafficking in human beings	Indicator No 11 in Table 3 of Annex I				168
	23	Workplace accident prevention policy or management system	Indicator No 1 in Table 3 of Annex I				168
ESRS S1-3	32	Complaint handling mechanisms	Indicator No 5 in Table 3 of Annex I				178
ESRS S1-14	88 (b) and (c)	Number of work-related deaths and number and rate of work-related accidents	Indicator No 2 in Table 3 of Annex I		Annex II to Commission Delegated Regulation (EU) 2020/1816		174
	€ 88	Number of days lost due to injuries, accidents, fatalities or diseases	Indicator No 3 in Table 3 of Annex I				174
ESRS S1-16	97 (a)	Unadjusted gender pay gap	Indicator No 12 in Table 1 of Annex I		Annex II to Commission Delegated Regulation (EU) 2020/1816	Not applicable	Not applicable
	97 (b)	Excessive CEO pay ratio	Indicator No 8 in Table 3 of Annex I			Not applicable	Not applicable
ESRS S1-17	103 (a)	Cases of discrimination	Indicator No 7 in Table 3 of Annex I				179
	104 (a)	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	Indicator No 10 in Table 1 and Indicator No 14 in Table 3 in Annex I		Annex II to Delegated Regulation (EU) 2020/1816, Article 12(1) of Delegated Regulation (EU) 2020/1818		179
ESRS 2 SMB-3, S2	11(b)	Risk of child labour or forced labour occurring within the value chain					179

Disclosure requirement	Data point	Disclosure	Reference to Regulation on disclosure of information related to sustainable development in the financial services sector (1)	Reference to the third pillar(2)	Reference to the Benchmarks Regulation(3)	Reference to the European Climate Law	Page
S2-1	11 (b)	Risk of child labour or forced labour occurring within the value chain	Indicators No 12 and 13 in Table 3 of Annex I				Not applicable
	17.	Human rights policy commitments	Indicator No 9 in Table 3 and Indicator No 11 in Table 1 in Annex I				Not applicable
	18.	Policies related to workers in the value chain	Indicators No 11 and 4 in Table 3 of Annex I				Not applicable
	19.	Non-compliance with UN Guiding Principles on Business and Human Rights and the OECD guidelines	Indicator No 10 in Table 1 of Annex I		Annex II to Delegated Regulation (EU) 2020/1816, Article 12(1) of Delegated Regulation (EU) 2020/1818		Not applicable
	19	Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions no. 1-8			Annex II to Commission Delegated Regulation (EU) 2020/1816		Not applicable
S2-4	36	Human rights issues and incidents related to the upstream and downstream value chain	Indicator No 14 in Table 3 of Annex I				Not applicable
S3-1	16	Human rights policy commitments	Indicator No 9 in Table 3 of Annex I and Indicator No 11 in Table 1 of Annex I				180–181
	17	Non-compliance with UN Guiding Principles on Business and Human Rights, ILO principles or OECD guidelines	Indicator No 10 in Table 1 of Annex I		Annex II to Delegated Regulation (EU) 2020/1816, Article 12(1) of Delegated Regulation (EU) 2020/1818		180–181
	19	Non-compliance with UN Guiding Principles on Business and Human Rights and the OECD guidelines	Indicator No 10 in Table 1 of Annex I		Annex II to Delegated Regulation (EU) 2020/1816, Article 12(1) of Delegated Regulation (EU) 2020/1818		180–181

Disclosure requirement	Data point	Disclosure	Reference to Regulation on disclosure of information related to sustainable development in the financial services sector (1)	Reference to the third pillar(2)	Reference to the Benchmarks Regulation(3)	Reference to the European Climate Law	Page
S3-4	34	Human rights issues and incidents	Indicator No 14 in Table 3 of Annex I				182
S4-1	17	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	Indicator No 10 in Table 1 of Annex I		Annex II to Delegated Regulation (EU) 2020/1816, Article 12(1) of Delegated Regulation (EU) 2020/1818		Not applicable
S4-4	35	Human rights issues and incidents	Indicator No 14 in Table 3 of Annex I				Not applicable
G1-1	10 (b)	United Nations Convention against Corruption	Indicator No 15 in Table 3 of Annex I				184
	10 (d)	Protection of whistleblowers	Indicator No 6 in Table 3 of Annex I				184
G1-4	24 (a)	Fines for violation of anti-corruption and anti-bribery laws	Indicator No 17 in Table 3 of Annex I		Annex II to Commission Delegated Regulation (EU) 2020/1816		Not applicable
	24 (b)	Standards of anti- corruption and anti- bribery	Indicator No 16 in Table 3 of Annex I				Not applicable

Glossary

- **CSR -** Corporate Social Responsibility
- **Net debt/ EBITDA -** ratio of net debt (sum of interest-bearing short-term and long-term liabilities less cash and cash equivalents) to EBITDA
- **EBIT -** operating profit before interest and taxes
- **EBITDA -** EBIT plus depreciation and amortization and impairment losses
- **PTE -** Technical and Economic Plan
- **LWB -** Lubelski Węgiel Bogdanka S.A.
- **IFRS -** International Financial Reporting Standards endorsed for use in the EU
- **Gross sales margin -** the gross sales margin is calculated by dividing profit by the value of sales
- **EBITDA margin -** ratio of operating profit plus depreciation and amortisation to revenue
- **EBIT margin -** ratio of EBIT calculated for the period to sales revenues for the period
- **Gross margin -** ratio of gross profit (before tax) to net sales
- **Net margin -** ratio of net profit to net sales
- **Return on assets (ROA)** - ratio of a company's net profit to the value of its assets
- **Return on equity (ROE)** - ratio of net profit to equity
- **Total debt ratio -** total liabilities to total assets
- **Debt to equity ratio -** total liabilities to equity
- **Fixed assets to fixed assets ratio -** sum of equity, non-current liabilities and non-current accruals to non-current assets
- **Current debt ratio** - short-term debt to total assets
- **Non-current debt ratio -** non-current liabilities to equity
- **Current ratio -** current assets to current liabilities
- **APMs -** alternative performance measures
- **CSRD –** Corporate Sustainability Reporting Directive – Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 on corporate sustainability reporting
- **ESG –** an acronym for Environmental, Social and Governance, refers to key indicators relating to non-financial data
- **ESRS –** European Sustainability Reporting Standards
- **EU Taxonomy –** a classification system that determines the criteria that economic activities must meet in order to be considered sustainable, established by Regulation (EU) No 2020/852 of the European Parliament and of the Council of 18 June 2020.
- **PEP40 –** Poland’s Energy Policy to 2040

Signatures of all Management Board members

Zbigniew Stopa
President of the Management Board

....

Artur Wasilewski
Vice-President of the Management Board,
Economy and Finance

....

Bartosz Rożnawski
Vice-President of the Management Board,
Production

....

Slawomir Krenczyk
Vice-President of the Management Board,
Development

....

Bogdanka, 9 April 2026

LW Bogdanka S.A.
Bogdanka
21-013 Puchaczów

gielda@lw.com.pl