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ORANGEPL RR

☐ - adjusted

POLISH FINANCIAL SUPERVISION AUTHORITY

Annual report RR for the year 2024

(year)

(according to par. 60 s. 1 pkt 3 of the Decree on current and periodic information)
for the issuers in sectors of production, construction, trade or services
(type of issuer)

for the year **2024**, i.e. from **1 January 2024 to 31 December 2024**
including, separate financial statements prepared under: **IAS**
in currency: **PLN**

date of issuance: **20 February 2025**

ORANGE POLSKA SA
(full name of issuer)

ORANGEPL	**Telecommunication (tel)**
(abbreviated name of the issuer)	(classification according to WSE/sector)
02-326	**Warsaw**
(post code)	(location)
Al. Jerozolimskie	**160**
(street)	(number)
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526-02-50-995	**012100784**
(NIP)	(REGON)
259400TOMPUOLS65II22	**0000010681**
(LEI)	(KRS)

KPMG Audyt Sp. z o.o. Sp. komandytowa
(auditor)

SELECTED FINANCIAL DATA	PLN '000		EUR '000	
	2024	2023	2024	2023
I. Revenue	11,259,000	11,153,000	2,615,817	2,462,901
II. Operating income	1,507,000	1,145,000	350,123	252,849
III. Profit before income tax	1,298,000	960,000	301,566	211,995
IV. Net income	1,077,000	782,000	250,221	172,688
V. Earnings per share (in PLN/EUR) (basic and diluted)	0.82	0.60	0.19	0.13
VI. Weighted average number of shares (in millions)	1,312	1,312	1,312	1,312
VII. Total comprehensive income	973,000	454,000	226,058	100,256
VIII. Net cash provided by operating activities	3,390,000	3,464,000	787,603	764,950
IX. Net cash used in investing activities	(2,188,000)	(2,045,000)	(508,341)	(451,594)
X. Net cash used in financing activities	(1,488,000)	(1,612,000)	(345,709)	(355,976)
XI. Net change in cash and cash equivalents	(286,000)	(193,000)	(66,447)	(42,620)
	Balance as at 31/12/2024	Balance as at 31/12/2023	Balance as at 31/12/2024	Balance as at 31/12/2023
XII. Total current assets	3,214,000	3,580,000	752,165	823,367
XIII. Total non-current assets	22,138,000	21,920,000	5,180,903	5,041,398
XIV. Total assets	25,352,000	25,500,000	5,933,068	5,864,765
XV. Total current liabilities	4,561,000	5,980,000	1,067,400	1,375,345
XVI. Total non-current liabilities	7,965,000	7,045,000	1,864,030	1,620,285
XVII. Total equity	12,826,000	12,475,000	3,001,638	2,869,135
XVIII. Share capital	3,937,000	3,937,000	921,367	905,474

The statement of financial position data as at 31 December 2024 and 2023 presented in the table "Selected financial data" was translated into EUR at the average exchange rates of the National Bank of Poland ("NBP") at the end of the reporting period. The income statement data, together with the statement of comprehensive income and statement of cash flows data for the years ended 31 December 2024 and 2023, were translated into EUR at an exchange rates which are the arithmetical average of the average NBP rates published by the NBP on the last day of each month of the years ended 31 December 2024 and 2023.

The exchange rates used in the translation of the statement of financial position, income statement, statement of comprehensive income and statement of cash flows data are presented below:

1 EUR	31 December 2024	31 December 2023
Statement of financial position	4.2730 PLN	4.3480 PLN
Income statement, statement of comprehensive income, statement of cash flows	4.3042 PLN	4.5284 PLN

Dear Shareholders

I have a pleasure to announce that we delivered on our 2024 objectives and completed our four-year .Grow strategy with a great success. We are well prepared to face challenges of the next strategic period.

Good demand for our telecom services and improved customer perception
We maintained robust commercial momentum in 2024, particularly in the consumer market. The customer base for our core telecom services continued to grow at a healthy pace. In convergence, which is the cornerstone of our commercial strategy for households, this growth was even faster than in the previous year, despite an increasing number of operators pursuing this strategy. In the mature mobile market, we added 250,000 customers, with contributions from all brands and markets. This demonstrates that customers value the quality of our multi-service offerings and connectivity experience.

In this context, I am particularly proud that our customer-centric approach has been recognized by our customers, as Net Promoter Score (NPS) improved across all segments - consumer and business - and achieved the top position in the market.

Importantly, volume growth was accompanied by an increase in ARPO across all key services. As a result, this has been translated into more than 5% revenue growth from core telecom services, a higher rate compared to 2023.

At the same time, we experienced a decline in market demand for IT & IS services. The revenue decline in this area in 2024 followed a strong performance in 2023, when we significantly outpaced market growth.

Enhancing connectivity in 5G and fibre
2024 marked the first year of 5G network rollout on the new C-band spectrum, which is now available to approximately 40% of the Polish population. We are pleased that the regulator has launched the long-overdue auction for the 700MHz spectrum. This spectrum will be crucial for enhancing coverage and improving the quality of our services in non-urban areas.

In 2024, Orange fibre reached almost 9 million households in Poland, being expanded to an additional 1 million homes, primarily thanks to rollout of Światłowód Inwestycje (FiberCo, which we co-own) and acquisitions of local fibre operators. We were particularly active in the latter area in 2024, closing five transactions that resulted in around 100,000 additional connectable households in various parts of Poland. Last year, we also initiated fibre rollout supported by EU subsidies through dedicated governmental programs. This investment will enhance the digital infrastructure of rural Poland, help to bridge the digital divide, and contribute to our ESG agenda targets.

In addition to expanding our footprint, we are also investing in the quality of our fibre services. On our own network, we launched XGS-PON technology, capable of delivering fibre speeds of up to 8GB/s, which is now accessible to more than 2.5 million households. Year by year we see growing popularity of higher speed options and this offer addresses the needs of the most demanding customers.

The quality of our networks has been validated by independent speed test benchmarks (SpeedTest.pl) where both our 5G and FTTH networks ranked #1 in 2024.

Leveraging digital tools for enhanced effectiveness and customer service
Digital transformation is a key enabler for our growth, allowing us to respond to customer needs more quickly and effectively while becoming leaner and more efficient. We have systematically increased the share of sales through digital channels, and I am pleased to report that in 2024, this share reached 25%, aligning with our strategic ambition. A key driver of this success is the My Orange application, which we continuously enhance to improve its utility for customers. Over the past four years, we have tripled the number of customers using the app.

We are also pleased that our marketing strategies are increasingly supported by the big-data-driven customer value management platform we developed in-house. This platform enables us to better and more quickly position and tailor offers for specific customer groups, resulting in increased sales, enhanced loyalty, and higher revenues.

.Grow strategy demonstrates strength of our core business

In 2024, we successfully completed the implementation of our four-year .Grow strategy, achieving its operational and financial goals despite significant challenges posed by the macroeconomic environment. The .Grow strategy primarily focused on monetizing our core business and has proven that all three commercial engines—mass, business, and carriers markets—consistently deliver value. In the consumer market, convergence, supported by steady growth in our fibre footprint, was key to value creation. In the business market, we provided companies with comprehensive solutions for digital transformation. Additionally, we expanded our approach to wholesale business opportunities as part of the .Grow strategy. Finally, as social responsibility was set as one of the main pillars of our strategy, we achieved a number of ambitious environmental and social goals.

Through the .Grow strategy, we have demonstrated our ability to steadily improve our financial results by leveraging our assets, market position, and increasing efficiency. The external environment was marked by exceptional headwinds, including the energy crisis, two years of high inflation, and the war in Ukraine, all of which significantly impacted our operating expenses. Despite these challenges, we increased our EBITDAaL by more than 500 million zloty, showcasing our ability to swiftly adapt to changes and achieve our objectives. I am pleased that we were able to return to sustainable dividend payments while maintaining a sound balance sheet.

Smooth transition into a new strategic perspective

In 2025, we will enter a new strategic period. We plan to present the details to the financial community during a dedicated event in March. This new strategy is expected to build upon the main pillars of the .Grow strategy while incorporating some new elements. We see further growth potential in the fibre market and intend to expand our fibre footprint to reach even more households with our services. In the business market, we will continue to develop our ICT services. At the same time, we recognise the need for further transformation and efficiency gains. We are confident that new strategy will lay a solid foundation for driving further value creation for our shareholders.

Liudmila Climoc
President of the Management Board and CEO
Orange Polska S.A.

This document is a free translation of the Polish original. Terminology current in Anglo-Saxon countries has been used where practicable for the purposes of this translation in order to aid understanding. The binding Polish original should be referred to in matters of interpretation.

Independent Auditor's Report

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

Report on the Audit of the Annual Separate Financial Statements

Opinion

We have audited the accompanying annual separate financial statements of Orange Polska S.A. (the "Entity"), which comprise:

- the statement of financial position as at 31 December 2024;

and, for the period from 1 January to 31 December 2024:

- the statement of profit or loss;
- the statement of comprehensive income;
- the statement of changes in equity;
- the statement of cash flows;

and

- notes comprising a summary of material accounting policies and other explanatory information;

(the "separate financial statements").

In our opinion, the accompanying separate financial statements of the Entity:

- give a true and fair view of the unconsolidated financial position of the Entity as at 31 December 2024 and of its unconsolidated financial performance and its unconsolidated cash flows for the financial year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union ("IFRS EU") and the adopted accounting policy;
- comply, in all material respects, with regard to form and content, with applicable laws and regulations and the provisions of the Entity's articles of association;
- have been prepared, in all material respects, on the basis of properly maintained accounting records in accordance with chapter 2 of the accounting act dated 29 September 1994 (the "Accounting Act").

Our audit opinion on the separate financial statements is consistent with our report to the Audit Committee dated 20 February 2025.

Basis for Opinion

We conducted our audit in accordance with:

- International Standards on Auditing as adopted by the National Council of Statutory Auditors and the Council of Polish Agency for Audit Oversight as National Standards on Auditing (the “NSA”);
- the Act on statutory auditors, audit firms and public oversight dated 11 May 2017 (the “Act on statutory auditors”);
- Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (the “EU Regulation”); and
- other applicable laws and regulations.

Our responsibilities under those standards and regulations are further described in the Auditor’s Responsibility for the Audit of the Separate Financial Statements section of our report.

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

Independence and Ethics

We are independent of the Entity in accordance with International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”) as adopted by the resolution of the National Council of Statutory Auditors, together with the ethical requirements that are relevant to our audit of the separate financial statements in Poland and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. During our audit the key statutory auditor and the audit firm remained independent of the Entity in accordance with requirements of the Act on statutory auditors and the EU Regulation.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate financial statements of the current period. They are the most significant assessed risks of material misstatements, including those due to fraud. Key audit matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon we have summarised our response to those risks. We do not provide a separate opinion on these matters. We have determined the following to be our key audit matters:

Revenue from contracts with customers

Revenue for the year ended 31 December 2024: PLN 11,259 million (including: Revenue from contracts with customers: PLN 11,167 million).

As at 31 December 2024, trade receivables: PLN 2,268 million; contract assets: PLN 183 million; contract costs: PLN 686 million; contract liabilities: PLN 1,482 million.

We refer to the separate financial statements: notes 5 and 34.9 “Revenue”, note 13 “Assets and liabilities relating to contracts with customers”, note 34.1 „Use of estimates and judgment”.

Key audit matter	Our response
In the year ended 31 December 2024, the Entity’s principal revenue streams included provision of fixed, mobile and convergent telecommunication services, as well as IT and integration services and sales of equipment.	Our audit procedures, performed, where applicable, with the assistance from our own information technology audit specialists, included, among other things:

Application of revenue recognition principles of the relevant financial reporting standard (IFRS 15 *Revenue from contracts with customers*) is complex and requires making significant judgments and complex assumptions. In the Entity's circumstances, these complexities are primarily associated with the fact that: • Different products and services within the above revenue streams can have different patterns of revenue recognition - these may include recognizing revenue at a point in time or over time (on a straight-line basis or using a revenue recognition pattern linked to subscriber numbers); • Various products and services are regularly contracted within a single arrangement (primarily as relates to (i) the sales of handsets accompanied by a subscription plan (ii) sales of IT services together with network services and equipment and (iii) sales of data transfer together with voice and text messaging services). Given the requirement of IFRS 15 to unbundle multiple elements within complex contractual arrangements for purposes of revenue recognition, significant judgment is required in determining separate performance obligations within such arrangements and allocating total arrangement consideration among them. • Complex billing systems are used to process and record high volume of individually low-value transactions. Due to that fact, and also in view of ever-changing pricing models and tariff structures, the existence, accuracy and completeness of revenue amounts recognized is an inherent industry risk. In view of the above-mentioned factors, satisfying ourselves as to the revenue amounts in the separate financial statements required our increased attention in the audit, and as such was considered by us to be a key audit matter.	• Updating our understanding of the Entity's revenue recognition process, and assessing the appropriateness of its revenue recognition policy for all material product and services revenue streams, against the requirements of the relevant financial reporting standards; • Testing selected internal controls within the revenue recognition process (including the billing systems); • For the revenue transactions (principal revenue streams) recognized in the current year, on a sample basis: – Tracing the revenue amounts to corresponding customer billings and underlying contracts; – Testing selected adjustments posted to the recognized revenue amounts to account for e.g. incentives (such as rebates and handset subsidies) and activation fees, by reference to underlying contracts and stand-alone selling prices of the promised goods and services; – For service transactions, assessing whether the revenue tested was recognized in the appropriate period by reference to the date of service; – Tracing customer billings to cash received from customers. • For a sample of equipment sales transactions recognized close to the end of the reporting period, assessing whether revenue was recognised in the correct period, by reference to the date of the goods control transfer (as per contractual trading terms and evidence such as proof of delivery or confirmation of receipt). • Inspecting high-risk journal entries posted to revenue accounts and tracing those to the underlying documentation, in order to assess the accuracy of the amounts recognized as well as the rationale for the transactions; • For a sample of invoices included within trade receivables from corporate customers, independently obtaining confirmations of the amounts due as at the reporting date and seeking explanations for any significant differences. For non-responses, performing alternative

	procedures, primarily by tracing the amounts outstanding to subsequent cash receipts, sales invoices and related contracts; • Examining whether the Entity's revenue recognition-related disclosures in the separate financial statements appropriately address the relevant quantitative and qualitative requirements of the applicable financial reporting framework.

Impairment of goodwill

As at 31 December 2024, carrying amount of goodwill: PLN 2,014 million; related impairment losses for the year then ended: nil.

We refer to the separate financial statements: note 8 "Impairment test", note 9 "Goodwill", note 34.1 „Use of estimates and judgment", note 34.12 "Goodwill".

Key audit matter	Our response
As discussed in Note 9 "Goodwill", the Entity carried goodwill at PLN 2,014 million as at 31 December 2024. Pursuant to the relevant provisions of the financial reporting standards, annual impairment testing is required for cash generating units (CGUs) to which goodwill has been allocated. As disclosed in Note 8, based on its current year's test, the Entity did not recognize any impairment in respect of its CGU containing goodwill. Management Board uses judgment in allocating goodwill and other non-current assets to CGUs for the annual impairment test purposes. A complex model is applied in the test, relying on adjusted historical performance, and a range of internal and external sources of inputs to the assumptions. Significant judgment is also required in making key forward-looking assumptions applied in the model, including: • forecast cash flows and growth rates – based on the assessment of future market developments and economic events. Particular estimation uncertainty is associated with forecasting future revenue, operating expenses and capital expenditure; • discount rate – judgment is required in building up a discount rate that appropriately reflects the risks associated with the cash flows of the CGU being tested for impairment.	Our audit procedures, performed, where applicable, with the assistance from our own valuation specialists, included, among other things: • Evaluating the appropriateness of the Entity's value-in-use model applied to perform the annual impairment test, against the relevant requirements of the financial reporting standards. As part of this procedure, we assessed whether the approach applied to projecting cash flows within the model is appropriate (the traditional approach vs. expected cash flow approach); • Testing selected internal controls within the impairment testing process, including those over the data used in the test and over the validation and approval of the test assumptions and outcomes; • Assessing asset grouping into CGUs, based on our understanding of the Entity's operations, product and service deliverables, and business units; • Evaluating the quality of the Entity's forecasting by comparing historical projections with actual outcomes; • Assessing, through inquiry of the Management Board members and evaluation of management's

Complex models using forward-looking assumptions tend to be prone to greater risk of management bias, error and inconsistent application. These conditions necessitate our additional attention in the audit, in particular to address the objectivity, relevance and reliability of sources used for assumptions, and their consistent application. In addition, the impairment model used by the Entity is sensitive to small changes in the assumptions, which drives additional audit effort, in particular in the current volatile economic environment. Due to the above factors, we considered this area to be a key audit matter.	internal financial reports and updated strategic plan, the effects of the current geopolitical instability, market volatility and economic uncertainty on the Entity's operations and the results thereof in the current year and prospectively; • Challenging significant impairment model assumptions. As part of the procedure we: – Challenged the discount rate used, by reference to publicly available market data, adjusted by risk factors specific to the Entity and its industry, and considering the composition of the forecast cash flows in the test; – Traced the forecast cash flows in the impairment model to Management Board-approved budgets; – Assessed the reasonableness of the assumptions relating to future revenue, operating expenses and capital expenditure, by reference to market analyses, as considered relevant, and the Entity's internal documents, such as the approved budgets and strategic plan; – Checked the assumed growth rate by reference to the Entity's past performance, its approved budget and strategy, and our experience regarding the feasibility of these in the economic environment in which it operates. • Considering the sensitivity of the impairment model to changes in key assumptions, such as forecast growth rates and discount rates, to identify the assumptions at higher risk of bias or inconsistency in application. • Assessing impairment-related disclosures in the separate financial statements against the requirements of the financial reporting standards.

Responsibility of the Management Board and Supervisory Board of the Entity for the Separate Financial Statements

The Management Board of the Entity is responsible for the preparation, on the basis of properly maintained accounting records, of the separate financial statements that give a true and fair view in accordance with IFRS EU, the adopted accounting policy, the applicable laws and regulations and the provisions of the Entity's articles of association and for such internal control as the Management Board of the Entity determines is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

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

According to the Accounting Act, the Management Board and members of the Supervisory Board of the Entity are required to ensure that the separate financial statements are in compliance with the requirements set forth in the Accounting Act. Members of the Supervisory Board of the Entity are responsible for overseeing the Entity’s financial reporting process.

Auditor’s Responsibility for the Audit of the Separate Financial Statements

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

The scope of audit does not include assurance on the future viability of the Entity or on the efficiency or effectiveness with which the Management Board of the Entity has conducted or will conduct the affairs of the Entity.

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

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

to the date of our auditors' report on the audit of the separate financial statements. However, future events or conditions may cause the Entity to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Other Information

The other information comprises:

- the letter of the President of the Management Board;
- the selected financial data;
- the report on the activity of the Orange Polska Group, including Orange Polska S.A. for the year ended 31 December 2024 (the "report on activity"), including:
  - the corporate governance statement;
  - the sustainability reporting;
  - the statement of the Management Board regarding the preparation of the separate financial statements and report on activity;
  - the Management Board's information regarding the appointment of the audit firm for the audit of the separate financial statements;

  which are separate parts of the report on activity;
- the statement of the Supervisory Board regarding the Audit Committee;
- the Supervisory Board's assessment of the separate financial statements of Orange Polska S.A., the consolidated financial statements of Orange Polska Group and the report on activity; and
- the assurance report on the sustainability reporting of the Group;

(together the "other information").

The Management Board of the Entity is responsible for the other information.

The Management Board and members of the Supervisory Board of the Entity are required to ensure that the report on activity, including its separate parts, is in compliance with the requirements set forth in the Accounting Act.

Our opinion on the separate financial statements does not cover the other information. With regard to the sustainability reporting, which constitutes a separate part of the report on activity, another auditor on behalf of our audit firm performed an assurance engagement, the results of which were presented in a separate assurance report with an unmodified opinion, which is included as part of the other information.

In connection with our audit of the separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement in the other information, we are required to report that fact. We have nothing to report in this regard.

Additional Matters to be Reported under the Act on Statutory Auditors

In accordance with the Act on statutory auditors our responsibility is to opine on whether the report on activity, excluding the sustainability reporting, was prepared in accordance with applicable laws and regulations and the information given in the report on activity is consistent with the separate financial statements.

Moreover, in accordance with the requirements of the Act on statutory auditors our responsibility is to opine on whether the Entity included in the statement on corporate governance the information required by the applicable laws and regulations, and in relation to specific information indicated in those laws or regulations, to determine whether it complies with the applicable laws and regulations and is consistent with the separate financial statements.

The letter of the President of the Management Board, the selected financial data and report on activity were made available for us before the date of this auditor's report and the statement of the Supervisory Board regarding the Audit Committee and Supervisory Board's assessment of the separate financial statements of Orange Polska S.A., the consolidated financial statements of Orange Polska Group and the report on activity are expected to be made available for us after this date. If we conclude that there is a material misstatement therein, we are required to communicate this matter to the Supervisory Board of the Entity.

Opinion on the Report on Activity

Based on the work undertaken in the course of our audit of the separate financial statements, in our opinion, the accompanying report on activity, excluding the sustainability reporting, in all material respects:

- has been prepared in accordance with applicable laws, and
- is consistent with the separate financial statements.

Opinion on the Statement on Corporate Governance

In our opinion, the corporate governance statement, which is a separate part of the report on activity, includes the information required by paragraph 70 subparagraph 6 point 5 of the Decree of the Ministry of Finance dated 29 March 2018 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent of information required by the laws and regulations of a non-member state (the "decree").

Furthermore, in our opinion, the information identified in paragraph 70 subparagraph 6 point 5 letter c-f, h and letter i of the decree, included in the corporate governance statement, in all material respects:

- has been prepared in accordance with applicable laws and regulations; and
- is consistent with the separate financial statements.

Statement on Report on Activity

Furthermore, based on our knowledge about the Entity and its environment obtained in the audit of the separate financial statements, we have not identified material misstatements in the report on activity. This statement does not cover the sustainability reporting.

KPMG

Report on Other Legal and Regulatory Requirements

Statement on Services Other than Audit of the Financial Statements

To the best of our knowledge and belief, we did not provide prohibited non-audit services referred to in Art. 5 paragraph 1 second subparagraph of the EU Regulation and Art. 136 of the act on statutory auditors.

Services other than audit of the financial statements, which were provided to the Entity in the audited period are listed in in point 8.2 of the report on activity.

Appointment of the Audit Firm

We have been appointed for the first time to audit the annual separate financial statements of the Entity by resolution of the Supervisory Board dated 19 March 2020. Our period of total uninterrupted engagement is 4 years, covering the periods ended 31 December 2021 to 31 December 2024.

On behalf of audit firm
KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
Registration No. 3546

Signed on the Polish original

Marek Gajdziński

Key Statutory Auditor
Registration No. 90061
Member of the Management Board of KPMG Audyt Sp. z o.o., entity which is the General Partner of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.

Warsaw, 20 February 2025

Independent Auditor's Limited Assurance Report on the Sustainability Statement

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

Opinion

We have performed a limited assurance engagement on whether the sustainability reporting of the Orange Polska S.A. Group (the "Group"), of which Orange Polska S.A. (the "Parent Company") is the parent entity, included in the separate section of the Group's Management Report titled " *Chapter VI Sustainability Statement of Orange Polska Group*" (the "Sustainability statement") as of and for the year ended 31 December 2024, has been prepared in accordance with the applicable laws and regulations.

Based on the procedures performed and evidence obtained, nothing has come to our attention to cause us to believe that the Group's Sustainability statement as of and for the year ended 31 December 2024 is not prepared, in all material respects, in accordance with the applicable laws and regulations, including:

- compliance with the sustainability reporting standards within the meaning of Article 63p (2) of the Accounting Act of 29 September 1994, being the European Sustainability Reporting Standards adopted by Commission delegated regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards ("ESRS"),
- compliance with the ESRS of the materiality assessment process carried out by the Group to identify the information reported in the Sustainability statement, and
- compliance of the Sustainability statement with the reporting requirements of Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 establishing a framework to facilitate sustainable investment, amending Regulation (EU) 2019/2088 (the "Taxonomy Regulation").

KPMG Audyt spółka z ograniczoną odpowiedzialnością sp.k.

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Our opinion on the Sustainability statement does not extend to any other information that accompanies or contains the Sustainability statement and our limited assurance report thereon nor to any information within the Sustainability statement not in scope of our assurance engagement. The other information comprises the elements of the Parent Company's annual report and the Group's consolidated annual report, but does not include the Sustainability statement, our assurance report thereon and the auditor's reports on the audits of the Parent Company's annual separate financial statements and the Group's annual consolidated financial statements ("other information").

As part of this engagement we have not performed any assurance procedures with respect to such other information. However, another auditor on behalf of our audit firm audited the Parent Company's annual separate financial statements and the Group's annual consolidated financial statements, forming part of the other information.

Basis for opinion

We conducted our limited assurance engagement in accordance with, respectively, National Standard on Sustainability Assurance 3002PL - *"Limited Assurance on Sustainability Reporting"*, adopted by the National Council of Statutory Auditors, and the International Standard on Assurance Engagements 3000 (Revised) *"Assurance Engagements Other Than Audits or Reviews of Historical Financial Information"*, adopted by the National Council of Statutory Auditors („NCSA") as the National Standard on Assurance Engagements other than Audit and Review 3000 (R). Our responsibilities under those standards are further described in the "Our Responsibilities" section of our report.

We are independent of the Group in accordance with the "*Handbook of the International Code of Ethics for Professional Accountants (including International Independence Standards)*" ("Code of ethics") as adopted by the resolution of the NCSA, together with requirements of the Act on statutory auditors, audit firms and public oversight dated 11 May 2017 and Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC, that are relevant to our assurance engagements on sustainability reporting in Poland. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the Code of ethics.

The firm applies International Standard on Quality Management (PL) 1 *"Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements"* as adopted by the Council of Polish Agency for Audit Oversight as National Standard on Quality Control 1, which requires us to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to form the basis of our opinion.

Other matter - Comparative information

Our assurance engagement does not extend to information in respect of earlier periods. Our opinion is not modified in respect of this matter.

Responsibilities of the Parent Company’s Management Board and Supervisory Board for the Sustainability statement

The Management Board of the Parent Company is responsible for designing, implementing and maintaining a process to identify the information reported in the Sustainability statement, including the materiality assessment process, in accordance with the ESRS (the "Process") and for disclosing this Process in the Sustainability statement. This responsibility includes:

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

The Management Board of the Parent Company is further responsible for the preparation of the Sustainability statement, in accordance with applicable laws and regulations, including:

- compliance with the ESRS;
- preparing the disclosures in note 5 in the environmental section and note 8.1 of the Sustainability statement, in compliance with Article 8 of the Taxonomy Regulation;
- designing, implementing and maintaining such internal controls that the Management Board of the Parent Company determines are necessary to enable the preparation of the Sustainability statement such that it is free from material misstatement, whether due to fraud or error; and
- selecting and applying appropriate sustainability reporting methods and making assumptions and estimates about individual sustainability disclosures that are reasonable in the circumstances.

The members of the Parent Company’s Supervisory Board are responsible for overseeing the reporting process for the Group’s Sustainability statement.

Inherent limitations in the preparation of the Sustainability statement

There are inherent limitations regarding the measurement or evaluation of the Sustainability statement subject to limited assurance, which have been set out below:

- When applicable, as indicated in the Group’s disclosures within BP-2 Disclosures in relation to specific circumstances and ESRS E1 Climate change, greenhouse gas (“GHG”) emissions quantification is subject to significant inherent measurement uncertainty as a result of both scientific and estimation uncertainty.
- In reporting forward-looking information in accordance with the ESRS, the Management Board of the Parent Company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions of the Group. The actual outcome is likely to be different since anticipated events frequently do not occur as expected.
- In determining the disclosures in the Sustainability statement, the Management Board of the Parent Company interprets undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the legal conformity of their interpretation and, accordingly, are subject to uncertainties.

Our responsibilities

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability statement is free from material misstatement, whether due to fraud or error, and reporting our limited assurance opinion to the General Shareholders' Meeting and the Supervisory Board. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability statement as a whole.

Our responsibilities in relation to the Process for reporting the Sustainability statement, include:

- Obtaining an understanding of the Process but not for the purpose of providing an opinion on the effectiveness of the Process, including the outcome of the Process; and
- Designing and performing procedures to evaluate whether the Process is consistent with the Group's description of its Process, as disclosed in note 4.1.

Our other responsibilities in respect of the Sustainability statement include:

- Obtaining an understanding of the Group's control environment, processes and information systems relevant to the preparation of the Sustainability statement but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures focused on disclosures in the Sustainability statement where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work we performed as the basis for our opinion

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability statement. We designed and performed our procedures to obtain evidence about the Sustainability statement that is sufficient and appropriate to provide a basis for our opinion. The nature, timing and extent of our procedures depended on our understanding of the Sustainability statement and other engagement circumstances, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Sustainability statement. We exercised professional judgment and maintained professional skepticism throughout the engagement.

In conducting our limited assurance engagement, with respect to the Process, our procedures included the following:

- we obtained an understanding of the Process by:
  - performing inquiries to understand the sources of the information used by the Management Board of the Parent Company (e.g. stakeholder engagement, business plans and strategy documents); and
  - inspecting the Group's internal documentation of its Process; and
- we evaluated whether the evidence obtained from our procedures about the Process was consistent with the description of the Process set out in note 4.1.

In conducting our limited assurance engagement with respect to the Sustainability statement, our procedures included the following:

- we obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability statement by understanding the Group's control environment, processes and information systems, but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- we evaluated whether material information identified by the Process is included in the Sustainability statement;
- we evaluated whether the structure and the presentation of the Sustainability statement is in accordance with the ESRS;
- we performed inquiries of relevant personnel and analytical procedures on selected disclosures in the Sustainability statement;
- we performed substantive assurance procedures on a sample basis for selected disclosures in the Sustainability statement;
- we obtained evidence on the methods, assumptions and data for developing material estimates and forward-looking information and on how these methods were applied;
- we obtained an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability statement;
- we evaluated whether the standardised reporting templates required by the Taxonomy Regulation were appropriately used to present the key performance indicators;
- we assessed whether the taxonomy disclosures reconcile where relevant, with the Group's annual consolidated financial statements, including the notes;
- we obtained evidence on the methods and assumptions applied to assess minimum safeguards compliance.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

On behalf of the audit firm
KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
Registration No. 3546

Signed on the Polish original

Jarosław Fąfara

Key statutory auditor
Registration No. 12061
Proxy

Warsaw, 20 February 2025

ORANGE POLSKA S.A.

IFRS SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

20 February 2025

Contents

Financial instruments excluding trade receivables and payables

Income tax

Equity and management of capital

Other explanatory notes

INCOME STATEMENT

(in PLN millions, except for earnings per share)	Note	12 months ended 31 December 2024	12 months ended 31 December 2023
Revenue	5	11,259	11,153
External purchases	6.1	(6,211)	(6,246)
Labour expense	6.2	(1,347)	(1,337)
Other operating expense	6.3	(445)	(495)
Other operating income	6.3	826	631
Impairment of receivables and contract assets	18	(130)	(84)
Gains on disposal of fixed assets	7	113	140
Employment termination expense	15	-	(77)
Depreciation and impairment of right-of-use assets	12.1	(558)	(567)
Depreciation, amortisation and impairment of property, plant and equipment and intangible assets	10,11	(2,000)	(1,973)
Operating income		1,507	1,145
Dividend income	18	84	35
Interest income	18	84	89
Interest expense on lease liabilities	18	(147)	(137)
Other interest expense and financial charges	18	(169)	(154)
Discounting expense	18	(70)	(54)
Foreign exchange gains	18	9	36
Finance costs, net		**(209)**	**(185)**
Income tax	27.1	(221)	(178)
Net income		1,077	782
Earnings per share (in PLN) (basic and diluted)	34.5	0.82	0.60
Weighted average number of shares (in millions)	28.1	1,312	1,312

STATEMENT OF COMPREHENSIVE INCOME

(in PLN millions)	Note	12 months ended 31 December 2024	12 months ended 31 December 2023
Net income		1,077	782
Items that will not be reclassified to profit or loss			
Actuarial losses on post-employment benefits	17.1	(2)	(8)
Income tax relating to items not to be reclassified		-	2
Items that may be reclassified subsequently to profit or loss			
Losses on cash flow hedges	24	(123)	(397)
Losses on receivables at fair value through other comprehensive income		(3)	(1)
Income tax relating to items that may be reclassified		24	76
Other comprehensive loss, net of tax		(104)	(328)
Total comprehensive income		973	454

STATEMENT OF FINANCIAL POSITION

(in PLN millions)	Note	At 31 December 2024	At 31 December 2023
ASSETS			
Goodwill	9	2,014	2,014
Other intangible assets	10	4,168	4,340
Property, plant and equipment	11	9,947	9,831
Right-of-use assets	12.1	2,877	2,818
Investments in subsidiaries	21	563	448
Investment in joint venture	22	824	655
Trade receivables	13.1	634	603
Contract assets	13.2	112	85
Contract costs	13.3	224	153
Derivatives	24	239	337
Other assets	14.2	208	205
Deferred tax asset	27.2	328	431
Total non-current assets		**22,138**	**21,920**
Inventories	14.1	250	245
Trade receivables	13.1	1,634	1,704
Contract assets	13.2	71	67
Contract costs	13.3	462	421
Derivatives	24	7	23
Income tax receivables		-	5
Other assets	14.2	297	336
Prepaid expenses		61	58
Cash and cash equivalents	23	432	721
Total current assets		**3,214**	**3,580**
TOTAL ASSETS		**25,352**	**25,500**
EQUITY AND LIABILITIES			
Share capital	28.1	3,937	3,937
Share premium		832	832
Other reserves		117	216
Retained earnings		7,940	7,490
Total equity		**12,826**	**12,475**
Trade payables	16.1	99	120
Lease liabilities	20, 26.6	2,338	2,288
Loans from related parties	19	4,067	2,694
Other financial liabilities at amortised cost		28	34
Derivatives	24	2	3
Provisions	15	645	750
Contract liabilities	13.4	705	1,070
Employee benefits	17	52	64
Other liabilities	16.2	29	22
Total non-current liabilities		**7,965**	**7,045**
Trade payables	16.1	2,141	2,346
Lease liabilities	20, 26.6	635	634
Loans from related parties	20	178	1,670
Other financial liabilities at amortised cost		6	6
Derivatives	24	13	11
Provisions	15	201	211
Contract liabilities	13.4	777	613
Employee benefits	17	173	171
Income tax liabilities		50	47
Other liabilities	16.2	387	271
Total current liabilities		**4,561**	**5,980**
TOTAL EQUITY AND LIABILITIES		**25,352**	**25,500**

STATEMENT OF CHANGES IN EQUITY

(in PLN millions)

	Share capital	Share premium	Other reserves				Retained earnings	Total equity
			Cash flow hedge reserve	Actuarial losses on post-employment benefits	Losses on receivables at fair value through other comprehensive income	Deferred tax		
Balance at 1 January 2024	**3,937**	**832**	**334**	**(58)**	**(10)**	**(50)**	**7,490**	**12,475**
Net income	-	-	-	-	-	-	1,077	1,077
Other comprehensive loss	-	-	(123)	(2)	(3)	24	-	(104)
Total comprehensive income for the 12 months ended 31 December 2024	**-**	**-**	**(123)**	**(2)**	**(3)**	**24**	**1,077**	**973**
Dividend (transactions with the owners, see Note 28.2)	-	-	-	-	-	-	(630)	(630)
Share-based payments (transactions with the owner, see Note 28.3)	-	-	-	-	-	-	3	3
Transfer to inventories	-	-	6	-	-	(1)	-	5
Balance at 31 December 2024	**3,937**	**832**	**217**	**(60)**	**(13)**	**(27)**	**7,940**	**12,826**
Balance at 1 January 2023	**3,937**	**832**	**712**	**(50)**	**(9)**	**(124)**	**7,165**	**12,463**
Net income				-	-	-	782	782
Other comprehensive loss	-	-	(397)	(8)	(1)	78	-	(328)
Total comprehensive income for the 12 months ended 31 December 2023	**-**	**-**	**(397)**	**(8)**	**(1)**	**78**	**782**	**454**
Dividend (transactions with the owners, see Note 28.2)	-	-	-	-	-	-	(459)	(459)
Share-based payments (transactions with the owner, see Note 28.3)	-	-	-	-	-	-	2	2
Transfer to inventories	-	-	19	-	-	(4)	-	15
Balance at 31 December 2023	**3,937**	**832**	**334**	**(58)**	**(10)**	**(50)**	**7,490**	**12,475**

STATEMENT OF CASH FLOWS

(in PLN millions)	Note	12 months ended 31 December 2024	12 months ended 31 December 2023
OPERATING ACTIVITIES			
Net income		1,077	782
Adjustments to reconcile net income to cash from operating activities			
Gains on disposal of fixed assets	7	(113)	(140)
Depreciation, amortisation and impairment of property, plant and equipment, intangible assets and right-of-use assets	10,11,12.1	2,558	2,540
Finance costs, net	18	209	185
Income tax	27.1	221	178
Change in provisions and allowances	13, 14.1, 15, 17.1	(99)	(92)
Operating foreign exchange and derivatives (gains)/losses, net		(8)	15
Change in working capital			
Increase in inventories, gross	14.1	(10)	(2)
Increase in trade receivables, gross	13.1	(1)	(100)
(Increase)/decrease in contract assets, gross	13.2	(31)	33
Increase in contract costs	13.3	(118)	(27)
Increase/(decrease) in trade payables		(4)	131
Increase/(decrease) in contract liabilities	13.4	(24)	159
Decrease in prepaid expenses and other receivables		11	39
Increase/(decrease) in other payables		(46)	98
Dividends received		84	35
Interest received		84	91
Interest paid and interest rate effect paid on derivatives, net		(337)	(341)
Exchange rate and other effect received/(paid) on derivatives, net		3	(14)
Income tax paid		(66)	(106)
Net cash provided by operating activities		**3,390**	**3,464**
INVESTING ACTIVITIES			
Payments for purchases of property, plant and equipment and intangible assets	10,11	(2,349)	(2,242)
Investment grants received, net	16.2	278	39
Investment grants paid to property, plant and equipment and intangible assets suppliers	16.2	(53)	(51)
Exchange rate effect paid on derivatives economically hedging capital expenditures, net		(1)	(16)
Proceeds from sale of fixed assets		197	275
Proceeds from sale of investment in Światłowód Inwestycje	14.2	124	133
Income tax paid in relation to sale of investment in Światłowód Inwestycje		(24)	(19)
Cash paid for investment in joint venture	22	(169)	(100)
Cash paid for investments in subsidiaries		(117)	(68)
Receipts from/(payments on) loans and other financial instruments, net		(74)	4
Net cash used in investing activities		**(2,188)**	**(2,045)**
FINANCING ACTIVITIES			
Repayment of long-term debt	20	(306)	(756)
Repayment of lease liabilities	20	(557)	(497)
Proceeds from revolving credit line and other debt, net	20	5	100
Dividend paid		(630)	(459)
Net cash used in financing activities		**(1,488)**	**(1,612)**
Net change in cash and cash equivalents		**(286)**	**(193)**
Effect of exchange rate changes and other impacts on cash and cash equivalents		(3)	(3)
Cash and cash equivalents at the beginning of the period	23	721	917
Cash and cash equivalents at the end of the period	23	**432**	**721**

1. Orange Polska S.A.

Orange Polska S.A. ("Orange Polska" or "the Company" or "OPL S.A."), a joint stock company, was incorporated and commenced its operations on 4 December 1991. Orange Polska shares are listed on the Warsaw Stock Exchange.

Orange Polska is one of the biggest providers of telecommunications services in Poland. The Company provides mobile and fixed telecommunications services, including calls, messaging, content, access to the Internet and TV. In addition, Orange Polska provides IT and integration services, leased lines and other telecommunications value added services, sells telecommunications equipment, provides data transmission, constructs telecommunications infrastructure and sells electrical energy.

Orange Polska's registered office is located in Warsaw, Poland, at 160 Aleje Jerozolimskie St.

The Company's telecommunications operations are subject to the supervision of Office of Electronic Communication ("UKE"). Under the law regulating telecommunications sector, UKE can impose certain obligations on telecommunications companies that have a significant market power on a relevant market. Orange Polska S.A. is deemed to have a significant market power on certain relevant markets.

2. Statement of compliance and basis of preparation

These Separate Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. IFRSs comprise standards and interpretations approved by the International Accounting Standards Board ("IASB") and the IFRS Interpretations Committee.

These Separate Financial Statements have been prepared in millions of Polish złoty ("PLN"). Comparative amounts for the year ended 31 December 2023 have been compiled using the same basis of preparation.

The Separate Financial Statements have been prepared under the historical cost convention, except for the fair value applied to derivative financial instruments, trade receivables arising from sales of mobile handsets in instalments subject to the factoring agreement and contingent consideration receivable from the sale of 50% stake in Światłowód Inwestycje.

The Separate Financial Statements have been prepared on the going concern basis.

Orange Polska S.A. is the parent company of the Orange Polska Group ("the Group", "OPL Group") and prepares consolidated financial statements for the year ended 31 December 2024. The Group is a part of Orange Group, whose parent company is Orange S.A. based in France.

These Separate Financial Statements were authorised for issuance by the Management Board on 20 February 2025 and are subject to approval at the General Meeting of Orange Polska S.A.

The principles applied to prepare financial data relating to the year ended 31 December 2024 are described in Note 34 and are based on all standards and interpretations endorsed by the European Union and applicable to the reporting period beginning 1 January 2024.

<u>Adoption of standards and interpretations in 2024</u>

There were no new standards or interpretations adopted by the Company from the date when the IFRS Separate Financial Statements for the year ended 31 December 2023 were published. Changes to standards and interpretations in 2024 did not result in any changes to accounting policies applied by the Company.

3. Segment information

The Orange Polska Group reports a single operating segment as decisions about resources to be allocated and assessment of performance are made on a consolidated basis. Segment information is disclosed in Note 3 to Orange Polska Group IFRS Consolidated Financial Statements for the year ended 31 December 2024.

4. Impact of climate change and changes in the economic and political environment

Impact of climate change

The Company analysed the impact of climate change on the Separate Financial Statements and concluded that there was no impact on the carrying amounts of assets and liabilities as at 31 December 2024 and 2023. The Company specifically considered the impact of climate change on the estimates and judgments made, including impairment assessment of the telecom operator cash generating unit as well as useful lives of tangible and intangible assets.

While assessing the impact of the climate changes on the impairment assessment of the telecom operator cash generating unit, the Company identified risks related to the climate changes, specific for the Company's business and its geographical location, such as:
- infrastructural damage or malfunctioning due to climate change,
- impact of climate change on energy provision, usage and costs,
- disruption of supply chains due to climate change-related issues,
- regulatory and social-economic impacts linked with climate change.

The methodology regarding risk identification, valuation and mitigation measures, was based on the recommendations of the Task Force on Climate-related Financial Disclosures (TFCD), reports of the Intergovernmental Panel on Climate Change (IPCC) and taxonomy regulations of environmentally sustainable investments, related to the Regulation of the European Parliament and the Council of the European Union No. 2020/852. Temperature scenarios, used in the valuation, correspond to projections until 2100, presented at the Climate Summit in Paris in 2015. The assumed levels of factors impacting the risks, such as sea level increase, number of heatwaves, storms and heavy rains, river floods coverage and temperature increase, were based on prognosis publicly available such as information in the IPCC reports, at Klimada web portal or Hydroportal.

These risks, and assumed mitigations of the risks, were valued based on the future expected cash flows related to these risks. They were valued for the various temperature scenarios (increase of average temperature by between 1.5°C and 4°C from XIX century until 2100) and for the various periods.

The actions mitigating an impact of the climate changes grouped in the four types of risks listed above, include e.g. optimisation of the networks, application of the new technologies for networks and equipment, enhancement of networks protection against high temperatures, energy shortages, flood or increased sea level, usage of energy from renewable sources, diversification of supplies, regular monitoring of the risks and other mitigation actions.

The valuation of the climate impact on the Company's future cash flows is judgmental and its results depend on various factors therefore alternative scenarios were prepared for various temperature scenarios, various impacts of mitigation actions, various levels of cash flows impact, various levels of discounting factor, various levels of inflation. The valuation, with actual assumptions and available information, proved that neither the basic valuation nor the alternative scenarios result in an impairment of the telecom operator cash generating unit.

The Company assessed also the impact of the expected climate changes on the Company assets' economic useful life and concluded that the climate changes did not result in any adjustment of the assets expected life e.g. by shortening their life due to damages or need to exchange the assets in a period shorter than currently assumed.

The Company entered into transactions securing wind or solar energy supplies which are described in these Separate Financial Statements (see Note 26.5).

There is no significant impact of the climate change on the provisions or contingent liabilities of the Company.

Additionally, Section 5.1.10 of the Sustainability Statement of Orange Polska Group included in the Management Board's Report on the Activity of the Orange Polska Group and Orange Polska S.A. for the year ended 31 December 2024 presents more detailed information on the climate change and its impact on the Group, including the Company.

Impact of changes in the economic and political environment

The Management has analysed the impact of changes in the economic and political environment and concluded that it has been properly reflected in the results as well as valuation of the assets and liabilities of the Company presented in these Separate Financial Statements.

5. Revenue

Revenue is disaggregated as follows:

Mobile only services	Revenue from mobile offers (excluding consumer market convergent offers) and Machine to Machine connectivity. Mobile only services revenue does not include equipment sales, incoming and visitor roaming revenue.
Fixed only services	Revenue from fixed offers (excluding consumer market convergent offers) including mainly (i) fixed broadband (including wireless for fixed), (ii) fixed narrowband, and (iii) data infrastructure and networks for business customers. Revenue from fixed offers includes also content element (linear TV and OTT - over-the-top).
Convergent services (consumer market)	Revenue from consumer market convergent offers. A convergent offer is defined as an offer combining at least a broadband access and a mobile voice contract with a financial benefit (excluding MVNOs - mobile virtual network operators). Convergent services revenue does not include equipment sales, incoming and visitor roaming revenue. Revenue from convergent offers includes also content element (linear TV and OTT).
Equipment sales	Revenue from all retail mobile and fixed equipment sales, excluding equipment sales associated with the supply of IT and integration services.
IT and integration services	Revenue from ICT (Information and Communications Technology) services and Internet of Things services, including licences and equipment sales associated with the supply of these services.
Wholesale	Revenue from telecom operators for (i) mobile: incoming, visitor roaming, domestic mobile interconnection (i.e. domestic roaming agreement and network sharing), mobile infrastructure hosting and MVNO, (ii) fixed carriers services, and fixed infrastructure hosting, and (iii) other (mainly data transmission).
Other revenue	Includes other miscellaneous revenue e.g. revenue from property rentals, research and development activity.

(in PLN millions)	12 months ended 31 December 2024	12 months ended 31 December 2023
Mobile only services	**2,972**	**2,883**
Fixed only services	**1,756**	**1,842**
Narrowband	437	502
Broadband	871	879
Network solutions (business market)	448	461
Convergent services (consumer market)	**2,580**	**2,337**
Equipment sales	**1,816**	**1,859**
IT and integration services	**429**	**357**
Wholesale	**1,619**	**1,788**
Mobile wholesale	891	1,042
Fixed wholesale	568	594
Other	160	152
Other revenue	**87**	**87**
Total revenue	**11,259**	**11,153**

Starting from 2024, wholesale revenue from infrastructure hosting is included in mobile or fixed wholesale revenue to improve allocation of these services with respect to the type of infrastructure. Comparable data was adjusted accordingly: PLN 335 million of revenue from infrastructure hosting for the 12 months ended 31 December 2023 was reclassified from other wholesale revenue to mobile wholesale (PLN 45 million) and fixed wholesale (PLN 290 million).

IT and integration services, wholesale and other revenue for the 12 months ended 31 December 2024 and 2023 include, respectively, PLN 92 million and PLN 141 million of lease revenue that is outside the scope of IFRS 15 "Revenue from Contracts with Customers".

Revenue is generated mainly in the territory of Poland. Approximately 2.6% and 2.8% of the total revenue for the 12 months ended 31 December 2024 and 2023, respectively, was earned from entities which are not domiciled in Poland, mostly from interconnect services.

6. Operating expense and income

6.1. External purchases

(in PLN millions)	12 months ended 31 December 2024	12 months ended 31 December 2023
Commercial expenses	(2,538)	(2,565)
– cost of handsets and other equipment sold	(1,663)	(1,755)
– commissions, advertising, sponsoring costs and other	(875)	(810)
Interconnect expenses	(1,284)	(1,436)
Network and IT expenses	(1,022)	(962)
Other external purchases	(1,367)	(1,283)
Total external purchases	**(6,211)**	**(6,246)**

Other external purchases include mainly costs of content, costs of personal outsourcing, real estate operating and maintenance costs, customer support and management services, rental costs, subcontracting fees, storage costs and postage costs.

6.2. Labour expense

(in PLN millions)	12 months ended 31 December 2024	12 months ended 31 December 2023
Average number of active employees (full time equivalent)	8,196	8,635
Wages and salaries	(1,245)	(1,214)
Social security and other charges	(307)	(295)
Long-term employee benefits (see Note 17.1)	(2)	5
Capitalised personnel costs [a]	249	232
Other employee benefits	(42)	(65)
Total labour expense	**(1,347)**	**(1,337)**

[a] Costs capitalised as property, plant and equipment and other intangible assets.

6.3. Other operating expense and income

(in PLN millions)	12 months ended 31 December 2024	12 months ended 31 December 2023
Taxes other than income tax	(252)	(243)
Other expense and changes in provisions, net	(193)	(252)
Total other operating expense	**(445)**	**(495)**
Sale of goods and services to joint venture [a]	497	310
Sale of services to Orange Group and Orange Polska Group	141	120
Income from sale of energy through subsidiary (see Note 26.5)	7	53
Other	181	148
Total other operating income	**826**	**631**

[a] Related costs are recognised in external purchases, labour expense and other operating expense in the income statement.

6.4. Research and development

During the 12 months ended 31 December 2024 and 2023, research and development costs expensed in the income statement mainly in labour expense and depreciation, amortisation of property, plant and equipment and intangible assets, amounted to PLN 53 million and PLN 55 million, respectively.

7. Gains on disposal of fixed assets

During the 12 months ended 31 December 2024 and 2023, gains on disposal of fixed assets amounted to PLN 113 million and PLN 140 million, respectively, and included mainly gains on disposal of real estate.

8. Impairment test

8.1. Telecom operator Cash Generating Unit

Vast majority of the Company's individual assets, including investments in subsidiaries, do not generate cash inflows independently from other assets due to the nature of the Company's activities, therefore the Company identifies all telecom operations as a single telecom operator Cash Generating Unit ("CGU").

As at 31 December 2024 and 2023 the Company performed impairment tests of the CGU (including goodwill). No impairment loss was recognised in the years 2024 and 2023.

The following key assumptions were used to determine the value in use of the telecom operator CGU:
- value of the market, penetration rate, market share and the level of the competition, level of prices and decisions of the regulator in terms of pricing, customer base, the level of commercial expenses required to replace products and keep up with existing competitors or new market entrants, the impact of changes in revenue on direct costs;
- the level of capital expenditures which may be affected by the roll-out of necessary new technologies or regulatory decisions concerning telecommunications licences allocation;
- macroeconomic environment and its impact on the CGU performance;
- consequences of the war in Ukraine and its impact on the CGU performance;
- discount rate which is based on weighted average cost of capital and reflects current market assessment of the time value of money and the risks specific to activities of the CGU; and
- perpetuity growth rate which reflects Management's assessment of cash flows evolution after the last year covered by the cash flow projections.

The amounts assigned to each of these parameters reflect past experience adjusted for expected changes over the timeframe of the business plan, but may also be affected by unforeseeable changes in the political, economic or legal framework.

Telecom operator CGU	At 31 December 2024	At 31 December 2023
Basis of recoverable amount	Value in use	Value in use
Sources used	Business plan 5 years cash flow projections	Business plan 5 years cash flow projections
Perpetuity growth rate	2.0 %	2.0 %
Post-tax discount rate	6.87 %	7.60 %
Pre-tax discount rate [a]	8.17 %	8.96 %

[a] Pre-tax discount rate is calculated as a post-tax discount rate adjusted to reflect the specific amount and timing of the future tax cash flows.

Sensitivity of recoverable amount

The value in use of the telecom operator CGU as at 31 December 2024 exceeds its carrying value by PLN 8.1 billion. Any of the following changes in key assumptions:
- a 37% fall in projected cash flows after fifth year or
- a 2.2 p.p. decrease in growth rate to perpetuity or
- a 2.1 p.p. increase in post-tax discount rate

would bring the value in use of the telecom operator CGU to the level of its carrying value.

8.2. Investment in joint venture

The Company's investment in joint venture (see Note 22) is not included in the telecom operator CGU as it generates cash inflows that are largely independent of those from other Company's assets. Consequently, the investment in joint venture is analysed for impairment individually.

In 2024 and 2023, as a result of the analysis, the Company did not identify any impairment indicator for the investment in joint venture and impairment test was not performed as at 31 December 2024 and 2023.

9. Goodwill

(in PLN millions)	At 31 December 2024			At 31 December 2023		
CGU	Cost	Accumulated impairment	Net	Cost	Accumulated impairment	Net
Telecom operator	3,909	(1,895)	2,014	3,909	(1,895)	2,014
Total goodwill	**3,909**	**(1,895)**	**2,014**	**3,909**	**(1,895)**	**2,014**

The goodwill of PLN 3,909 million arose in 2005 on acquisition of the remaining 34% of non-controlling interest in the mobile business controlled by OPL S.A. through its subsidiary (PTK-Centertel Sp. z o.o.). Before 2013, when the legal merger with PTK-Centertel Sp. z o.o. was carried out, the goodwill was recognised only in consolidated financial statements of the Orange Polska Group.

10. Other intangible assets

(in PLN millions)	At 31 December 2024			
	Cost	Accumulated amortisation	Accumulated impairment	Net
Telecommunications licences	4,999	(2,734)	-	2,265
Software	6,824	(4,959)	-	1,865
Other intangibles	86	(48)	-	38
Total other intangible assets	**11,909**	**(7,741)**	**-**	**4,168**

(in PLN millions)	At 31 December 2023			
	Cost	Accumulated amortisation	Accumulated impairment	Net
Telecommunications licences	4,996	(2,419)	-	2,577
Software	6,562	(4,838)	-	1,724
Other intangibles	84	(45)	-	39
Total other intangible assets	**11,642**	**(7,302)**	**-**	**4,340**

Details of telecommunications licences are as follows:

(in PLN millions)	Acquisition date	Years to expiration [b]	Net book value At 31 December 2024	Net book value At 31 December 2023
800 MHz	2016	6.1	1,243	1,448
900 MHz	2014	4.6	109	132
1800 MHz	1997	2.7	-	-
1800 MHz [a]	2013	3.0	48	64
2100 MHz	2022	13.0	305	328
2600 MHz	2016	6.1	48	56
3600-3700 MHz	2023	13.9	512	549
Total telecommunications licences			**2,265**	**2,577**

[a] Licence held under agreement with T-Mobile Polska S.A.
[b] Remaining useful life in years as at 31 December 2024.

On 20 December 2023, as a result of the auction the Company received a decision from the President of UKE allocating a 100 MHz block of mobile spectrum in 3600-3700 MHz band. The fee of PLN 487 million (decreased by PLN 182 million of bid bond paid in 2023 in the course of the auction) was paid in January 2024. The telecommunications licence is valid for 15 years from the date of the receipt of the decision. The gross book value of the licence includes also PLN 62 million of a discounted value of annual periodic frequency fees related to the licence, which the Company is obliged to pay within the period of licence duration.

Movements in the net book value of other intangible assets for the 12 months ended 31 December 2024 were as follows:

(in PLN millions)	Telecommunications licences	Software	Other intangibles	Total other intangible assets
Opening balance net of accumulated amortisation and impairment	**2,577**	**1,724**	**39**	**4,340**
Acquisitions of intangible assets	-	545	16	561
Amortisation	(315)	(410)	(11)	(736)
Reclassifications and other, net	3	6	(6)	3
Closing balance	**2,265**	**1,865**	**38**	**4,168**

Movements in the net book value of other intangible assets for the 12 months ended 31 December 2023 were as follows:

(in PLN millions)	Telecommunications licences	Software	Other intangibles	Total other intangible assets
Opening balance net of accumulated amortisation and impairment	**2,303**	**1,628**	**41**	**3,972**
Acquisitions of intangible assets	549	473	16	1,038
Amortisation	(275)	(381)	(11)	(667)
Reclassifications and other, net	-	4	(7)	(3)
Closing balance	**2,577**	**1,724**	**39**	**4,340**

11. Property, plant and equipment

(in PLN millions)	At 31 December 2024			
	Cost	Accumulated depreciation	Accumulated impairment	Net
Land and buildings	1,833	(1,442)	(5)	386
Network	39,074	(30,050)	(97)	8,927
Terminals	1,713	(1,521)	-	192
Other IT equipment	1,249	(882)	-	367
Other	223	(148)	-	75
Total property, plant and equipment	**44,092**	**(34,043)**	**(102)**	**9,947**

(in PLN millions)	At 31 December 2023			
	Cost	Accumulated depreciation	Accumulated impairment	Net
Land and buildings	2,066	(1,621)	(15)	430
Network	40,262	(31,352)	(91)	8,819
Terminals	1,811	(1,615)	-	196
Other IT equipment	1,200	(891)	-	309
Other	251	(174)	-	77
Total property, plant and equipment	**45,590**	**(35,653)**	**(106)**	**9,831**

As at 31 December 2024 and 2023, the amount of expenditures recognised in the carrying amount of items of property, plant and equipment in the course of their construction amounted to PLN 1,498 million and PLN 1,478 million, respectively, and related mainly to network.

Movements in the net book value of property, plant and equipment for the 12 months ended 31 December 2024 were as follows:

(in PLN millions)	Land and buildings	Network	Terminals	Other IT equipment	Other	Total property, plant and equipment
Opening balance net of accumulated depreciation and impairment	**430**	**8,819**	**196**	**309**	**77**	**9,831**
Acquisitions of property, plant and equipment	55	1,180	87	127	23	1,472
Disposals and liquidations	(36)	(10)	-	-	-	(46)
Depreciation	(65)	(1,008)	(91)	(65)	(19)	(1,248)
Impairment, net	2	(8)	-	(7)	(3)	(16)
Dismantling costs, reclassifications and other, net	-	(46)	-	3	(3)	(46)
Closing balance	**386**	**8,927**	**192**	**367**	**75**	**9,947**

Movements in the net book value of property, plant and equipment for the 12 months ended 31 December 2023 were as follows:

(in PLN millions)	Land and buildings	Network	Terminals	Other IT equipment	Other	Total property, plant and equipment
Opening balance net of accumulated depreciation and impairment	**484**	**8,594**	**238**	**275**	**80**	**9,671**
Acquisitions of property, plant and equipment	51	1,101	68	95	16	1,331
Disposals and liquidations	(34)	(31)	-	-	-	(65)
Depreciation	(67)	(1,032)	(111)	(62)	(19)	(1,291)
Impairment, net	(4)	(11)	-	-	-	(15)
Dismantling costs, reclassifications and other, net	-	198	1	1	-	200
Closing balance	**430**	**8,819**	**196**	**309**	**77**	**9,831**

12. Leases

12.1. The Company as a lessee

The Company leases mainly land and buildings. Some of the agreements are denominated in foreign currencies and approximately half of them is indexed with price indices applicable for a given currency. Some of the agreements include extension and termination options.

(in PLN millions)	At 31 December 2024			
	Cost	Accumulated depreciation	Accumulated impairment	Net
Land and buildings	4,296	(1,924)	(5)	2,367
Terminals	772	(426)	-	346
Other	264	(100)	-	164
Total right-of-use assets	**5,332**	**(2,450)**	**(5)**	**2,877**

(in PLN millions)	At 31 December 2023			
	Cost	Accumulated depreciation	Accumulated impairment	Net
Land and buildings	3,907	(1,590)	(28)	2,289
Terminals	741	(329)	-	412
Other	212	(95)	-	117
Total right-of-use assets	**4,860**	**(2,014)**	**(28)**	**2,818**

Movements in the net book value of right-of-use assets for the 12 months ended 31 December 2024 were as follows:

(in PLN millions)	Land and buildings	Terminals	Other	Total right-of-use assets
Opening balance net of accumulated depreciation and impairment	**2,289**	**412**	**117**	**2,818**
Additions	126	71	49	246
Modifications, terminations and disposals	335	-	40	375
Depreciation	(385)	(137)	(35)	(557)
Impairment, net	(1)	-	-	(1)
Dismantling costs, reclassifications and other, net	3	-	(7)	(4)
Closing balance	**2,367**	**346**	**164**	**2,877**

Movements in the net book value of right-of-use assets for the 12 months ended 31 December 2023 were as follows:

(in PLN millions)	Land and buildings	Terminals	Other	Total right-of-use assets
Opening balance net of accumulated depreciation and impairment	**2,207**	**375**	**125**	**2,707**
Additions	162	170	17	349
Modifications, terminations and disposals	316	-	16	332
Depreciation	(364)	(132)	(40)	(536)
Impairment, net	(31)	-	-	(31)
Dismantling costs, reclassifications and other, net	(1)	(1)	(1)	(3)
Closing balance	**2,289**	**412**	**117**	**2,818**

Information on lease liabilities is disclosed in Notes 18, 20, 26.3 and 26.6.

12.2. The Company as a lessor

When considering the Company as a lessor, future minimum lease payments under non-cancellable operating leases as at 31 December 2024 and 2023 amounted to PLN 67 million and PLN 50 million, respectively, and related mainly to the lease of land and buildings. As at 31 December 2024 PLN 24 million was receivable during next 12 months.

13. Assets and liabilities relating to contracts with customers

13.1. Trade receivables

(in PLN millions)	At 31 December 2024	At 31 December 2023
Trade receivables measured at amortised cost	1,636	1,745
Trade receivables measured at fair value through other comprehensive income	632	562
Total trade receivables	**2,268**	**2,307**
Current	1,634	1,704
Non-current	634	603

Vast majority of trade receivables results from contracts with customers. Invoices are typically issued on a monthly basis, with subscription fee usually invoiced in advance and usage-based fees invoiced in arrears. The payment is due 14 days after the invoice date for most retail customers and up to 30 days for most wholesale customers. Non-current trade receivables relate mainly to sales of mobile handsets in monthly instalments.

OPL S.A. considers there is no concentration of credit risk with respect to trade receivables due to its large and diverse customer base consisting of individual and business customers. The Company's maximum exposure to credit risk at the reporting date is represented by the carrying amounts of receivables recognised in the statement of financial position.

The Company sells selected receivables arising from sales of mobile handsets in instalments on the basis of an agreement concluded with BNP Paribas S.A. Those selected trade receivables are measured at fair value through other comprehensive income as the business model is to collect contractual cash flows and sell them. In December 2023, the Company extended the scope of the contract. As a result, PLN 193 million of trade receivables were reclassified out of the measured at amortised cost into the measured at fair value through other comprehensive income category, as the business model for those receivables is to collect contractual cash flows and sell them. Sold receivables are derecognised from the statement of financial position because the Company neither retains nor transfers substantially all risks and rewards nor controls the receivables after the sale. Loss on derecognition recognised in other operating expense for the 12 months ended 31 December 2024 and 2023 amounted to PLN 38 million and PLN 32 million, respectively. Part of the price paid by BNP Paribas S.A. amounting to PLN 98 million and PLN 58 million, respectively, is deferred and presented as other assets as at 31 December 2024 and 2023.

The Company applies the present value valuation technique to measure trade receivables arising from sales of mobile handsets in instalments subject to the factoring agreement at fair value through other comprehensive income. The expected risk-adjusted cash flows related to the receivables are discounted using market risk-free interest rate. The nominal cash flows are decreased by the expected credit risk based on historical data. Such risk-adjusted discounted cash flows are adjusted by the margin expected to be received by the market participant buyer. The margin is determined based on the last instalment receivables sale transaction with BNP Paribas S.A.

Movements in the impairment of trade receivables during the 12 months ended 31 December 2024 and 2023 were as follows:

(in PLN millions)	12 months ended 31 December 2024	12 months ended 31 December 2023
Beginning of period	**163**	**225**
Impairment losses, net	118	81
Utilisation of impairment for receivables sold or written-off	(110)	(143)
End of period	**171**	**163**

Information about the credit risk exposure on the Company's trade receivables as at 31 December 2024 was as follows:

(in PLN millions)		Days past due			
	Not past due	< 180 days	180-360 days	> 360 days	Total
Expected credit loss rate	4.4 %	11.9 %	50.0 %	79.0 %	
Total trade receivables, gross	2,206	159	12	62	2,439
Accumulated impairment loss	(97)	(19)	(6)	(49)	(171)
Total trade receivables, net	**2,109**	**140**	**6**	**13**	**2,268**

Information about the credit risk exposure on the Company's trade receivables as at 31 December 2023 was as follows:

(in PLN millions)		Days past due			
	Not past due	< 180 days	180-360 days	> 360 days	Total
Expected credit loss rate	3.7 %	11.9 %	40.0 %	77.1 %	
Total trade receivables, gross	2,217	168	15	70	2,470
Accumulated impairment loss	(83)	(20)	(6)	(54)	(163)
Total trade receivables, net	**2,134**	**148**	**9**	**16**	**2,307**

13.2. Contract assets

(in PLN millions)	At 31 December 2024	At 31 December 2023
Non-current contract assets	112	85
Current contract assets	71	67
Total contract assets	**183**	**152**

OPL S.A. considers there is no concentration of credit risk with respect to contract assets due to its large and diverse customer base consisting of individual and business customers. The Company's maximum exposure to credit risk at the reporting date is represented by the carrying amounts of contract assets recognised in the statement of financial position.

Movements in the contract assets balance for the 12 months ended 31 December 2024 and 2023 were as follows:

(in PLN millions)	12 months ended 31 December 2024	12 months ended 31 December 2023
Beginning of period	**152**	**185**
Additions	178	131
Invoiced amounts transferred to trade receivables	(147)	(164)
Impairment, net	-	-
End of period	**183**	**152**

Expected credit loss rate for contract assets as at 31 December 2024 and 2023 amounted to 0.9% and 1.0%, respectively.

13.3. Contract costs

(in PLN millions)	At 31 December 2024	At 31 December 2023
Non-current contract costs	224	153
Current contract costs	462	421
Total contract costs	**686**	**574**

Contract costs comprise mainly incremental customer acquisition and retention costs (e.g. commissions paid to retailers for acquisition or retention of contracts).

Movements in the contract costs balance for the 12 months ended 31 December 2024 and 2023 were as follows:

(in PLN millions)	12 months ended 31 December 2024	12 months ended 31 December 2023
Beginning of period	**574**	**547**
Contract costs recognised as assets	724	616
Contract costs amortised	(613)	(589)
Impairment, net	1	-
End of period	**686**	**574**

13.4. Contract liabilities

(in PLN millions)	At 31 December 2024	At 31 December 2023
Prepayment from joint venture for the lease and services (see below)	680	875
Upfront fee for wholesale access to fibre network (see below)	165	183
Subscription (including unused post-paid balances)	217	205
Unused pre-paid balances	193	182
Connection fees	97	96
Prepayment for national roaming	19	43
Other	111	99
Total contract liabilities	**1,482**	**1,683**
Current	777	613
Non-current	705	1,070

Approximately PLN 613 million of the contract liabilities balance as at 1 January 2024 was recognised as revenue in the 12 months ended 31 December 2024. Approximately PLN 595 million of the contract liabilities balance as at 1 January 2023 was recognised as revenue in the 12 months ended 31 December 2023.

In 2021, Orange Polska and Światłowód Inwestycje concluded agreements for the lease and services to be rendered by the Company in the future, for which Światłowód Inwestycje paid upfront.

In 2018, the Company and T-Mobile Polska signed a long term contract on telecommunications access to Orange Polska's fibre network in the form of Bitstream Access. OPL S.A. started providing services in December 2018. The fees under the contract comprise mainly a fixed upfront fee of PLN 275 million, a fixed fee for infrastructure set-up, IT systems integration and monthly fees for each customer. The revenue from the contract is recognised during 15 years which currently is the estimated term of the contract. The Company applies input method to measure revenue for the period with the application of constraint in respect to recognition of revenue to the level that is highly probable not to be reversed in the future. As a result, the fixed fee elements are evenly accounted as revenue over 15 years, while the variable fees dependent on the number of end-customers are recognised as revenue based on the actual number of customers in the period.

13.5. Performance obligations

As at 31 December 2024 and 2023, the transaction price allocated to unsatisfied performance obligations resulting from contracts with customers amounted to PLN 4,946 million and PLN 5,192 million, respectively. The following table presents the time bands in which the Company expects to satisfy those performance obligations and recognise revenue. More information on the nature of typical contracts with customers and related performance obligations can be found in Note 34.9.

(in PLN millions)	At 31 December 2024	At 31 December 2023
Within one year	3,357	3,096
Between one and two years	707	963
Between two and three years	190	192
Between three and four years	83	182
Between four and five years	83	89
More than five years	526	670
Total unsatisfied performance obligations	**4,946**	**5,192**

14. Inventories and other assets

14.1. Inventories

(in PLN millions)	At 31 December 2024	At 31 December 2023
Inventories gross	264	255
Accumulated impairment loss	(14)	(10)
Total inventories, net	**250**	**245**

As at 31 December 2024 and 2023 inventories included mainly handsets.

14.2. Other assets

(in PLN millions)	At 31 December 2024	At 31 December 2023
Contingent consideration receivable from sale of 50% stake in Światłowód Inwestycje (see below)	177	278
Deferred purchase price receivables from BNP Paribas (see Note 13.1)	98	58
Loans to subsidiaries	66	-
Tax receivables	35	21
Receivables from sale of goods and services to Światłowód Inwestycje	33	59
Receivables from sale of fixed assets	5	29
Other	91	96
Total other assets	**505**	**541**
Current	297	336
Non-current	208	205

Contingent consideration receivable relates to the share sale agreement concluded in August 2021 by Orange Polska and the APG Group (APG's subsidiary Acari Investments Holding B.V.), under which the Company disposed of its 50% stake in Światłowód Inwestycje Sp. z o.o. Total fair value of the consideration amounted to PLN 1,323 million and consisted of PLN 897 million received in cash in 2021 and PLN 426 million to be received in years 2022-2026 conditional on the Company delivering on the agreed network rollout schedule (maximum contractual amount of PLN 487 million before discounting). The Company applied the expected present value technique to measure the fair value of the contingent consideration receivable. More details on the assumptions and valuation methodology are described in the Note 25.2.

15. Provisions

Movements of provisions for the 12 months ended 31 December 2024 were as follows:

(in PLN millions)	Provisions for claims and litigation, risks and other charges	Provisions for employment termination expense	Dismantling provisions	Total provisions
At 1 January 2024	**170**	**99**	**692**	**961**
Increases	33	-	-	33
Reversals (utilisations)	(15)	(56)	(35)	(106)
Reversals (releases)	(36)	-	(51)	(87)
Discounting effect	2	4	39	45
At 31 December 2024	**154**	**47**	**645**	**846**
Current	101	47	53	201
Non-current	53	-	592	645

Movements of provisions for the 12 months ended 31 December 2023 were as follows:

(in PLN millions)	Provisions for claims and litigation, risks and other charges	Provisions for employment termination expense	Dismantling provisions	Total provisions
At 1 January 2023	**195**	**67**	**499**	**761**
Increases	30	99	193	322
Reversals (utilisations)	(33)	(45)	(24)	(102)
Reversals (releases)	(28)	(22)	-	(50)
Discounting effect	6	-	24	30
At 31 December 2023	**170**	**99**	**692**	**961**
Current	136	54	21	211
Non-current	34	45	671	750

Provisions for claims and litigation, risks and other charges

These provisions relate mainly to claims and litigation described in Note 31. Provisions are not disclosed on a case-by-case basis, when, in the opinion of the Management Board, such disclosure could prejudice the outcome of the pending cases.

Provisions for employment termination expense

On 14 December 2023, OPL S.A. concluded with Trade Unions the Social Agreement under which up to 1,100 employees are entitled to take advantage of the voluntary departure package in years 2024 - 2025. The value of voluntary departure package varies depending on individual salary, employment duration, age and year of resignation. The basis for calculation of the provision for employment termination expense is the estimated number, remuneration and service period of employees who will accept the voluntary termination until the end of 2025.

Increases of provisions for employment termination expense during 12 months ended 31 December 2023 included PLN 99 million of the estimated amount of termination benefits for employees scheduled to terminate employment in OPL S.A. under the 2024 – 2025 Social Agreement. Other movements of these provisions during the 12 months ended 31 December 2023 relate to termination benefits for employees scheduled to terminate employment under the 2022 - 2023 Social Agreement.

Additionally, as a part of the Social Agreement, the Company committed to make additional contributions in the fixed amount of PLN 26 million to the employee social programmes carried out by the Company recognised as other employee-related payables as at 31 December 2023 and labour expense in the 12 months ended 31 December 2023 (see Note 17).

The discount rate used to calculate the present value of provisions for employment termination expense amounted to 5.02% as at 31 December 2024 and 5.39% as at 31 December 2023.

Dismantling provisions

The dismantling provisions relate to dismantling or removal of items of property, plant and equipment (mainly telecommunications poles and items of mobile access network) and restoring the site on which they are located.

Based on environmental regulations in Poland, items of property, plant and equipment which may contain hazardous materials should be dismantled and utilised by the end of their useful lives by entities licensed by the State for this purpose.

The amount of dismantling provisions is based on the estimated number of items that should be utilised/sites to be restored, time to their liquidation/restoration, current utilisation/restoration cost and inflation. The discount rate used to calculate the present value of provisions for dismantling amounted to 5.83% as at 31 December 2024 and 5.16% as at 31 December 2023.

16. Trade payables and other liabilities

16.1. Trade payables

(in PLN millions)	At 31 December 2024	At 31 December 2023
Trade payables	1,402	1,406
Fixed assets payables	712	608
Telecommunications licence payables	126	452
Total trade payables	**2,240**	**2,466**
Current	2,141	2,346
Non-current [(a)]	99	120

[(a)] Includes telecommunications licence payables.

Suppliers finance arrangement

The Company participates in a supplier finance arrangement under which the Company's suppliers may receive early payments of their invoices from a bank. Under the arrangement, the bank agrees to pay amounts due to participating suppliers in respect of invoices owed by the Company and the Company repays the bank at a later date. The principal purpose of this agreement is to facilitate payment processing and provide the participating suppliers early payment terms, compared with the related invoices payment due dates.

As at 31 December 2024 and 2023, trade payables subject to reverse factoring amounted to PLN 136 million and PLN 96 million, respectively. These payables are presented together with the remaining trade payables in the statement of financial position and the statement of cash flows, as analysis conducted by the Company indicates they have retained their trade nature. From the Company's perspective, payment terms are not extended beyond the normal terms agreed with other suppliers that are not participating in the reverse factoring. Payment terms for trade payables that are not part of the suppliers financing arrangement are up to 90 days, while the range of due days for payables under the reverse factoring is from 30 to 90 days. Payment terms are established with respect to applicable laws and taking into account the status of contractors, in particular payment terms for micro, small and medium entrepreneurs do not exceed 60 days.

16.2. Other liabilities

(in PLN millions)	At 31 December 2024	At 31 December 2023
Investment grants received	156	14
VAT payable	62	81
Other taxes payables	22	20
Contingent consideration related to acquisition of subsidiaries	1	3
Other	175	175
Total other liabilities	**416**	**293**
Current	387	271
Non-current	29	22

Investment grants from the European Union funds

In December 2023 and in 2024 Orange Polska concluded agreements with the “Digital Poland” Project Centre for co-financing of investment projects under the programmes Recovery and Resilience Plan (“RRP”) for Poland and European Funds for Digital Development (“EFDD”) (“the Programmes”). The RRP programme aims to help Poland to become more sustainable, resilient and better prepared for the challenges and opportunities of the green and digital transition. The EFDD programme is the continuation of the Operational Programme “Digital Poland” and aims to strengthen digital foundations for the national development including common access to high-speed Internet, effective and user-friendly public e-services and a continuously rising level of digital competences of the society.

The Company was granted c. PLN 0.7 billion from the Programmes funds and the Company’s own aggregated contribution to the Programmes is expected to amount to c. PLN 0.3 billion. Within the framework of these Programmes the Company is expected to build a FTTH network for approximately 155,000 households in 2024-2027. The funds shall be used in accordance with the rules applicable to the European Union funded projects and specific conditions resulting from the state aid regulations, such as costs eligibility.

In the 12 months ended 31 December 2024, Orange Polska received PLN 265 million of advances for investment grants under the Programmes. Additionally, in the 12 months ended 31 December 2024 and 2023, Orange Polska received PLN 13 million and PLN 39 million of investment grants, respectively, mainly under the Operational Programme “Digital Poland”.

In the 12 months ended 31 December 2024 and 2023, PLN 142 million and PLN 44 million of investment grants was deducted from the cost of related assets and PLN 53 million and PLN 51 million, respectively, was paid to fixed assets suppliers.

Investment grants are presented separately within investing activities in the statement of cash flows. Received advances for investment grants are presented as cash and cash equivalents and other liabilities in the statement of financial position.

Grants might not be paid by the financing institution or once obtained might become repayable under certain circumstances resulting from not complying with conditions of the financing. The Company assesses that it is reasonably assured that grants corresponding to the scope of investments completed will be received and they will not become repayable.

17. Employee benefits

(in PLN millions)	At 31 December 2024	At 31 December 2023
Retirement bonuses	47	42
Salaries and other employee-related payables	178	193
Total employee benefits	**225**	**235**
Current	173	171
Non-current	52	64

On 14 December 2023, OPL S.A. concluded with Trade Unions the Social Agreement for years 2024 - 2025 (see Note 15) in which the Company, as a part of the negotiated employment optimisation programme, committed to make additional contributions in the fixed amount totalling PLN 26 million to the employee social programmes carried out by the Company. As a result, this amount was recognised as other employee-related payables as at 31 December 2023 and labour expense in the 12 months ended 31 December 2023. As at 31 December 2024, the liability amounted to PLN 18 million.

17.1. Retirement bonuses

Certain employees of the Company are entitled to long-term employee benefits in accordance with the Company's remuneration policy (see Note 34.22). These benefits are not funded. Changes in the present and carrying value of obligations related to long-term employee benefits for the 12 months ended 31 December 2024 and 2023 are detailed below:

(in PLN millions)	12 months ended 31 December 2024	12 months ended 31 December 2023
Present/carrying value of obligation at the beginning of the period	**42**	**37**
Current service cost [(a)]	2	2
Past service cost [(a) (d)]	-	(7)
Interest cost [(b)]	2	3
Benefits paid	(1)	(1)
Actuarial losses for the period [(c)]	2	8
Present/carrying value of obligation at the end of the period	**47**	**42**
Weighted average duration (in years)	12	14

[(a)] Recognised under labour expense in the income statement.
[(b)] Recognised under discounting expense in the income statement.
[(c)] Recognised under actuarial gains/(losses) on post-employment benefits in the statement of comprehensive income.
[(d)] Includes mainly impact of curtailment resulting from the Social Agreement concluded on 14 December 2023 (see Note 15).

The valuation of obligations as at 31 December 2024 and 2023 was performed using the following assumptions:

	At 31 December 2024	At 31 December 2023
Discount rate	5.8 %	5.0 %
Long-term wage increase rate	5.0 %	5.0 %

A change of the discount rate by 0.5 p.p. would increase or decrease the present/carrying value of obligations related to long-term employee benefits by PLN 2 million as at 31 December 2024.

17.2. Cash-settled share-based payment plan

In 2021, the Supervisory Board of OPL S.A. adopted Long Term Incentive programme ("the programme") for the key managers of the Orange Polska Group ("the participants"), which is based on derivative instruments ("phantom shares"), whose underlying assets are the Orange Polska S.A. shares listed on the Warsaw Stock Exchange.

The purpose of the programme is to provide additional incentives to motivate senior managers to achieve mid-term commercial and financial objectives, resulting from Orange Polska's strategy and to lead to the increase of the value of the Company's shares.

The programme is based on three-year cycles. The phantom shares are acquired by the programme participants at the beginning of each cycle of the programme and shall be bought back by the Company, at Orange Polska's average share price in the first quarter after the end of each cycle of the programme, only when it is not lower than the average Orange Polska's share price in the first six months of the cycle. The number of phantom shares bought back depends on the independent achievement of the business objectives regarding EBITDAaL, organic cash flows, reduction in CO2 emission and average price of Orange Polska' shares.

As a result of the programme, PLN 5 million and PLN 12 million, respectively, were recognised as an increase in labour expense in the 12 months ended 31 December 2024 and 2023. The carrying amount of liabilities recognised as employee benefits as at 31 December 2024 and 2023 amounted to PLN 12 million and PLN 18 million, respectively.

18. Finance income and expense

(in PLN millions)	12 months ended 31 December 2024								
		Financial assets				Derivatives			
	Investments in subsidiaries	At amortised cost	At fair value	Lease liabilities	Financial liabilities at amortised cost	Hedging	Held for trading [a]	Non-financial items [b]	Total
Dividend income	84	-	-	-	-	-	-	-	84
Interest income	-	45	39 [c]	-	-	-	-	-	84
Interest expense on lease liabilities	-	-	-	(147)	-	-	-	-	(147)
Other interest expense and financial charges, including:	-	-	22 [d]	-	(305)	122	(8)	-	(169)
- interest expense	-	-	-	-	(305) [e]	122	(8)	-	(191)
Discounting expense	-	-	-	-	(23)	-	-	(47)	(70)
Foreign exchange gains/(losses)	-	-	-	10	-	-	(1)	-	9
Total finance costs, net	**84**	**45**	**61**	**(137)**	**(328)**	**122**	**(9)**	**(47)**	**(209)**
Interest income/(expense)	-	11 [f]	-	-	(4)	-	-	-	7
Impairment losses	-	(81)	(49) [g]	-	-	-	-	-	(130)
Foreign exchange gains	-	-	-	-	-	-	3	-	3
Other operating expense	-	-	-	-	-	6	(2)	-	4
Items recognised under operating income	**-**	**(70)**	**(49)**	**-**	**(4)**	**6**	**1**	**-**	**(116)**

[a] Derivatives economically hedging commercial or financial transactions.
[b] Includes mainly provisions.
[c] Interest income on financial assets at fair value through other comprehensive income (trade receivables arising from sales of mobile handsets in instalments subject to the factoring agreement, see Note 13.1).
[d] Change in valuation of financial assets at fair value through profit or loss (contingent consideration receivable from sale of 50% stake in Światłowód Inwestycje, see Note 25).
[e] Includes mainly interest expense on loans from related parties.
[f] Late payment interest on trade receivables.
[g] Impairment losses on financial assets at fair value through other comprehensive income.

(in PLN millions)	12 months ended 31 December 2023								
		Financial assets				Derivatives			
	Investments in subsidiaries	At amortised cost	At fair value	Lease liabilities	Financial liabilities at amortised cost	Hedging	Held for trading [(a)]	Non-financial items [(b)]	Total
Dividend income	35	-	-	-	-	-	-	-	35
Interest income	-	68	21 [(c)]	-	-	-	-	-	89
Interest expense on lease liabilities	-	-	-	(137)	-	-	-	-	(137)
Other interest expense and financial charges, including:	-	-	26 [(d)]	-	(348)	180	(12)	-	(154)
- interest expense	-	-	-	-	(348) [(e)]	180	(12)	-	(180)
Discounting expense	-	-	-	-	(22)	-	-	(32)	(54)
Foreign exchange gains/(losses)	-	-	-	47	-	-	(11)	-	36
Total finance costs, net	**35**	**68**	**47**	**(90)**	**(370)**	**180**	**(23)**	**(32)**	**(185)**
Interest income/(expense)	-	12 [(f)]	-	-	(6)	-	-	-	6
Impairment losses	-	(46)	(38) [(g)]	-	-	-	-	-	(84)
Foreign exchange gains/(losses)	-	(6)	-	-	10	(4)	(6)	-	(6)
Other operating expense	-	-	-	-	-	(7)	-	-	(7)
Items recognised under operating income	**-**	**(40)**	**(38)**	**-**	**4**	**(11)**	**(6)**	**-**	**(91)**

[(a)] Derivatives economically hedging commercial or financial transactions.
[(b)] Includes mainly provisions.
[(c)] Interest income on financial assets at fair value through other comprehensive income (trade receivables arising from sales of mobile handsets in instalments subject to the factoring agreement, see Note 13.1).
[(d)] Change in valuation of financial assets at fair value through profit or loss (contingent consideration receivable from sale of 50% stake in Światłowód Inwestycje, see Note 25).
[(e)] Includes mainly interest expense on loans from related party.
[(f)] Late payment interest on trade receivables.
[(g)] Impairment losses on financial assets at fair value through other comprehensive income.

19. Loans from related parties

(in millions of currency)		Amount outstanding at [(a)]	
		31 December 2024	31 December 2023
Creditor	Repayment date	PLN	PLN
Floating rate			
Atlas Services Belgium S.A. (PLN)	20 May 2024	-	1,503
Atlas Services Belgium S.A. (PLN)	20 June 2026	2,703	2,700
Atlas Services Belgium S.A. (PLN) [(b)]	20 November 2024	-	(1)
Atlas Services Belgium S.A. (PLN) [(b)]	19 November 2027	(3)	-
Cash pool deposits from subsidiaries (PLN)	2 January 2025	166	162
Fixed rate			
Atlas Services Belgium S.A. (PLN)	21 May 2029	1,205	-
Światłowód Inwestycje Sp. z o.o. (PLN)	31 August 2031	174	-
Total loans from related parties		**4,245**	**4,364**
Current		178	1,670
Non-current		4,067	2,694

[(a)] Includes accrued interest and arrangement fees.
[(b)] Revolving credit line.

On 30 April 2024, the Company and Atlas Services Belgium S.A., a subsidiary of Orange S.A., concluded a Loan Agreement for PLN 1.2 billion with a repayment date in May 2029. The new Loan Agreement provided non-cash-refinancing of PLN 1.2 billion out of PLN 1.5 billion loan granted by Atlas Services Belgium S.A., which expired in May 2024. The remaining PLN 300 million was repaid in May 2024. Additionally, on 20 November 2024, the

Company and Atlas Services Belgium S.A., terminated the existing Revolving Credit Facility with original repayment date in July 2025 and concluded a new Revolving Credit Facility Agreement for PLN 1,000 million with repayment date in November 2027.

The weighted average effective interest rate on loans from related parties, before and after swaps (see Note 24), amounted respectively to 6,74% and 4.15% as at 31 December 2024 (7.03% and 3.21% as at 31 December 2023). Loans from related parties are not secured.

20. Liabilities arising from financing activities

Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the statement of cash flows as cash flows from financing activities.

The tables below present the reconciliation of the Company's liabilities arising from financing activities and derivatives (liabilities less assets) hedging these liabilities:

(in PLN millions)	Lease liabilities	Loans from related parties Note 19	Other financial liabilities at amortised cost	Derivatives hedging liabilities from financing activities [a] Note 24	Dividend payable Note 28.2	Total liabilities from financing activities
Amount outstanding as at 1 January 2024	**2,922**	**4,364**	**40**	**(212)**	**-**	**7,114**
Net cash flows provided by:	(707)	(590)	(7)	133	(630)	(1,801)
– financing activities	(557)	(295)	(6)	-	(630)	(1,488)
– operating activities [b]	(150)	(295)	(1)	133	-	(313)
Non-cash changes:	758	471	1	(58)	630	1,802
– foreign exchange gains	(10)	-	-	-	-	(10)
– fair value change, excluding foreign exchange gains	-	-	-	(58)	-	(58)
– other changes	768 [c]	471 [d]	1 [d]	-	630	1,870
Amount outstanding as at 31 December 2024	**2,973**	**4,245**	**34**	**(137)**	**-**	**7,115**

[a] Includes derivatives economically hedging liabilities from financing activities.
[b] Includes interest paid.
[c] Includes mainly recognition of new contracts and modification of existing contracts.
[d] Includes mainly accrued interest and arrangement fees.

(in PLN millions)	Lease liabilities	Loans from related parties Note 19	Other financial liabilities at amortised cost	Derivatives hedging liabilities from financing activities [a] Note 24	Dividend payable Note 28.2	Total liabilities from financing activities
Amount outstanding as at 1 January 2023	**2,739**	**5,030**	**45**	**(450)**	**-**	**7,364**
Net cash flows provided by:	(627)	(1,013)	(8)	194	(459)	(1,913)
– financing activities	(497)	(650)	(6)	-	(459)	(1,612)
– operating activities [b]	(130)	(363)	(2)	194	-	(301)
Non-cash changes:	810	347	3	44	459	1,663
– foreign exchange gains	(47)	-	-	-	-	(47)
– fair value change, excluding foreign exchange gains	-	-	-	44	-	44
– other changes	857 [c]	347 [d]	3 [d]	-	459	1,666
Amount outstanding as at 31 December 2023	**2,922**	**4,364**	**40**	**(212)**	**-**	**7,114**

[a] Includes derivatives economically hedging liabilities from financing activities.
[b] Includes interest paid.
[c] Includes mainly recognition of new contracts and modification of existing contracts.
[d] Includes mainly accrued interest and arrangement fees.

21. Investments in subsidiaries

(in PLN millions)	At 31 December 2024			At 31 December 2023		
	Cost	Impairment	Net	Cost	Impairment	Net
BlueSoft Sp. z o.o.	213	-	213	213	-	213
Interkam Sp. z o.o.	225	-	225	110	-	110
Integrated Solutions Sp. z o.o.	20	-	20	20	-	20
Orange Energia Sp. z o.o.	44	-	44	44	-	44
Orange Szkolenia Sp. z o.o.	15	-	15	15	-	15
Telefony Podlaskie S.A.	20	-	20	20	-	20
Orange Retail S.A.	25	-	25	25	-	25
Other subsidiaries	1	-	1	1	-	1
Total investments in subsidiaries	**563**	**-**	**563**	**448**	**-**	**448**

In December 2024 and November 2023, the Company increased respectively by PLN 115 million and PLN 67 million the capital of Interkam Sp. z o.o., a fully owned subsidiary. The full amount was paid in December 2024 and November 2023, respectively.

As at 31 December 2024 and 2023 the Company owned directly the following shares in its subsidiaries:

Entity	Location	Scope of activities	Share capital owned by OPL S.A. directly		Share capital owned by OPL S.A. directly and indirectly	
			31 December 2024	31 December 2023	31 December 2024	31 December 2023
Integrated Solutions Sp. z o.o.	Warsaw, Poland	Provision of integrated IT and network services.	100 %	100 %	100 %	100 %
BlueSoft Sp. z o.o.	Warsaw, Poland	Provision of IT services and solutions.	100 %	100 %	100 %	100 %
Orange Energia Sp. z o.o.	Warsaw, Poland	Sale of electrical energy.	100 %	100 %	100 %	100 %
Interkam Sp. z o.o.	Sochaczew, Poland	Local operator of services on the basis of fibre infrastructure	100 %	100 %	100 %	100 %
Telefony Podlaskie S.A.	Sokołów Podlaski, Poland	Local provider of fixed-line, internet and cable TV services.	89.3 %	89.3 %	89.3 %	89.3 %
Orange Szkolenia Sp. z o.o.	Warsaw, Poland	Training services, insurance agent.	100 %	100 %	100 %	100 %
Orange Retail S.A.	Warsaw, Poland	Points of sale rental.	100 %	100 %	100 %	100 %
Pracownicze Towarzystwo Emerytalne Orange Polska S.A.	Warsaw, Poland	Management of employee pension fund.	98.4 %	98.4 %	100 %	100 %
Fundacja Orange	Warsaw, Poland	Charity foundation.	100 %	100 %	100 %	100 %
Telekomunikacja Polska Sp. z o.o.	Warsaw, Poland	No operational activity.	100 %	100 %	100 %	100 %

As at 31 December 2024 and 2023, the voting power held by the Company was equal to the Company's interest in the share capital of its subsidiaries.

Additionally, OPL S.A. and T-Mobile Polska S.A. hold a 50% interest each in NetWorks Sp. z o.o., located in Warsaw. This company was classified as a joint operation as its scope of activities comprises management, development and maintenance of networks owned by OPL S.A. and T-Mobile Polska S.A. NetWorks Sp. z o.o. was incorporated following the agreement on reciprocal use of mobile access networks between both operators. This agreement was signed in 2011 for 15 years with an option to extend it and is also classified as a joint operation for accounting purpose.

22. Investment in joint venture

The Company has a 50% interest in Światłowód Inwestycje Sp. z o.o. whose scope of activities comprises building fibre infrastructure and offering wholesale access services to other operators in Poland. Światłowód Inwestycje is a jointly controlled entity presented in the statement of financial position as an investment accounted for at cost. Światłowód Inwestycje Sp. z o.o. is structured through a separate entity and there are no contractual terms or other relevant facts and circumstances which indicate that the parties retain rights to the assets and obligations for the liabilities of the joint arrangement. As a result, the Company considers that the parties which jointly control the arrangement have rights to the net assets and the Company classifies the joint arrangement as a joint venture.

In June 2024 and 2023, the Ordinary Shareholders' Meeting of Światłowód Inwestycje Sp. z o.o. adopted the resolutions on the capital increase by PLN 338 million and PLN 200 million, respectively, of which 50% was paid by the Company. Consequently, in 2024 and 2023 the investment in joint venture increased by PLN 169 million and PLN 100 million, respectively.

Orange Polska has an option to buy c.1% of additional stake in Światłowód Inwestycje and obtain control in years 2027 - 2029.

23. Cash and cash equivalents

(in PLN millions)	At 31 December 2024	At 31 December 2023
Current bank accounts, overnight deposits and cash on hand	64	72
Bank accounts dedicated for investment grants (see Note 16.2)	218	-
Deposits with Orange S.A.	150	649
Total cash and cash equivalents	**432**	**721**

As part of the cash management process, the Company's cash surplus is invested into overnight bank deposits and overnight deposits with Orange S.A. under the Centralized Treasury Management Agreement. The instruments earn interest which depends on the current money market rates.

The Company's maximum exposure to credit risk at the reporting date is represented by carrying amounts of cash and cash equivalents. The Company deposits its cash and cash equivalents with Orange S.A. and leading financial institutions with investment grade. Limits are applied to monitor the level of exposure to credit risk on the counterparties. In case the counterparty's financial soundness is deteriorating, the Company applies the appropriate measures mitigating the default risk.

24. Derivatives

As at 31 December 2024 and 2023, the Company's derivatives portfolio constituted financial instruments for which there was no active market (over-the-counter derivatives), mainly interest rate swaps, non-deliverable currency forwards and commodity swaps, including derivatives in virtual power purchase agreements. To price these instruments the Company applies standard valuation techniques. The fair value of swap/forward transaction represents discounted future cash flows, where the applicable market interest rate curves constitute the base for calculation of discounting factors and amounts in foreign currencies are converted into PLN at the National Bank of Poland period-end average exchange rate. Future cash flows of commodity swaps are based on commodity prices on commodity exchange and on forecasted prices calculated by an external advisor. More details related to valuation of derivatives hedging energy price risk are described in Note 25.2.

Valuation of derivatives is also adjusted by counterparty (credit valuation adjustment - "CVA") or own (debit valuation adjustment - "DVA") credit risk. CVA and DVA estimates were not material compared to the total fair value of the related derivatives.

The derivative financial instruments used by the Company are presented below:

(in PLN millions)

Type of instrument [a]	Hedged item	Nominal amount	Maturity	Weighted average price or rate per unit	Fair value Financial asset	Fair value Financial liability
		At 31 December 2024				
Derivative instruments - cash flow hedge						
Interest rate risk						
IRS	Loans from related party	2,300 m PLN	2026	WIBOR 3M -> 1.10 %	138	-
Currency risk						
NDF	Purchase of inventories	126 m EUR	2025	4.35	-	(5)
NDF	Purchase of inventories	12 m USD	2025	3.91	2	-
Commodity risk						
Commodity swap	Purchase of electrical energy	1.2 TWh	2025-2035	Not disclosed	84	-
Total cash flow hedges					224	(5)
Derivative instruments - held for trading [b]						
Currency risk						
NDF	Commercial transactions	104 m EUR	2025-2026	4.36	-	(4)
NDF	Lease liabilities	11 m EUR	2025	4.36	-	(1)
NDF	Commercial transactions	14 m USD	2025	3.89	3	-
NDF	Energy contract	12 m EUR	2025-2026	4.83	-	(5)
Derivative embedded in energy contract		53 m EUR	2025-2034		19	-
Total derivatives held for trading					22	(10)
Total derivative instruments					**246**	**(15)**
Current					7	(13)
Non–current					239	(2)

[a] IRS – interest rate swap, NDF – non-deliverable forward.
[b] Derivatives economically hedging commercial or financial transactions.

(in PLN millions)

Type of instrument [a]	Hedged item	Nominal amount	Maturity	Weighted average price or rate	Fair value Financial asset	Fair value Financial liability
		At 31 December 2023				
Derivative instruments - cash flow hedge						
Interest rate risk						
IRS	Loans from related party	3,800 m PLN	2024-2026	WIBOR 3M -> 1.48 %	212	-
Currency risk						
NDF	Purchase of inventories	55 m EUR	2024	4.49	-	(7)
NDF	Purchase of inventories	6 m USD	2024	4.04	-	(1)
Commodity risk						
Commodity swap	Purchase of electrical energy	1.3 TWh	2024-2035	Not disclosed	133	-
Total cash flow hedges					345	(8)
Derivative instruments - held for trading [b]						
Currency risk						
NDF	Commercial transactions	14 m EUR	2024-2025	4.48	-	(2)
NDF	Commercial transactions	6 m USD	2024	4.05	-	(1)
NDF	Energy contract	15 m EUR	2024-2026	4.80	-	(3)
Derivative embedded in energy contract		56 m EUR	2024-2034		15	-
Total derivatives held for trading					15	(6)
Total derivative instruments					**360**	**(14)**
Current					23	(11)
Non–current					337	(3)

[a] IRS – interest rate swap, NDF – non-deliverable forward.
[b] Derivatives economically hedging commercial or financial transactions.

The Company's maximum exposure to credit risk is represented by the carrying amounts of derivatives. The Company enters into derivatives contracts with Orange S.A., leading financial institutions and companies with stable financial situation. Limits are applied to monitor the level of exposure to credit risk on the counterparties. Some transactions are additionally secured. In case the counterparty's financial soundness is deteriorating, the Company applies the appropriate measures mitigating the default risk.

The change in cash flow hedge reserve is presented below:

(in PLN millions)	12 months ended 31 December 2024			12 months ended 31 December 2023		
	Before tax	Tax	After tax	Before tax	Tax	After tax
Total cash flow hedge reserve – beginning of period	**334**	**(64)**	**270**	**712**	**(135)**	**577**
- interest rate risk	207	(40)	167	445	(85)	360
- currency risk	(6)	1	(5)	(8)	2	(6)
- energy price risk	133	(25)	108	275	(52)	223
Effective part of gains/(losses) on hedging instrument: [a]	15	(2)	13	(211)	40	(171)
- interest rate risk	59	(11)	48	(42)	8	(34)
- currency risk	1	-	1	(21)	4	(17)
- energy price risk	(45)	9	(36)	(148)	28	(120)
Reclassification to the income statement, adjusting: [a]	(138)	26	(112)	(186)	35	(151)
- interest expense presented in finance costs, net	(132)	25	(107)	(196)	37	(159)
- foreign exchange losses presented in operating income	-	-	-	4	(1)	3
- other operating expense	(6)	1	(5)	6	(1)	5
Foreign exchange losses transferred to inventories	6	(1)	5	19	(4)	15
Total cash flow hedge reserve – end of period	**217**	**(41)**	**176**	**334**	**(64)**	**270**
- interest rate risk	134	(26)	108	207	(40)	167
- currency risk	1	-	1	(6)	1	(5)
- energy price risk	82	(15)	67	133	(25)	108

[a] Recognised under gains/losses on cash flow hedges in the statement of comprehensive income.

Gains on cash flow hedges cumulated in cash flow hedge reserve in the amount of PLN 217 million as at 31 December 2024 are expected to mature and affect the income statement in years 2025 – 2035, of which about PLN 100 million in 2025.

25. Fair value of financial instruments

25.1. Fair value measurements

For the financial instruments measured subsequent to their initial recognition at fair value, the Company classifies fair value measurements using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities,
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices),
- Level 3: inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The fair value of the financial instruments measured subsequent to their initial recognition at fair value is presented below:

(in PLN millions)	Note	At 31 December 2024	At 31 December 2023	Fair value hierarchy
Contingent consideration receivable arising from the sale of 50% stake in Światłowód Inwestycje [a]	14.2	177	278	Level 3
Commodity swaps hedging energy prices – net (assets less liabilities) [b]	24	84	133	Level 3
Other derivatives – net (assets less liabilities)	24	147	213	Level 2
Trade receivables subject to the factoring agreement	13.1	632	562	Level 2

[a] The Company received PLN 124 million in 2024.

[b] Change in the fair value in 2024 results mainly from the decrease of expected future energy prices. The impact is recognised mainly as losses on cash flow hedges in other comprehensive income.

The Company's financial assets and liabilities classified to Level 2 fair value measurements comprise derivatives (except for commodity swaps hedging energy prices) and trade receivables arising from sales of mobile handsets in instalments subject to the factoring agreement.

25.2. Methods and inputs used for Level 3 fair value measurements

The Company's financial assets and liabilities classified to Level 3 fair value measurements comprise the contingent consideration receivable arising from the sale of 50% stake in Światłowód Inwestycje (see Note 14.2) and commodity swaps hedging energy prices (see Notes 24 and 26.5).

The Company applies the expected present value technique to measure the fair value of the contingent consideration receivable from the sale of 50% stake in Światłowód Inwestycje. The expected cash flows have been calculated as the probability-weighted average of possible future cash inflows from the contingent consideration. The discount rates used in the calculation of the present value of the expected cash flows range from 8.2% in 2025 to 7.2% in 2026 as at 31 December 2024 (from 8.3% in 2024 to 6.1% in 2026 as at 31 December 2023) and are based on the market risk-free interest rates increased by the credit risk margin estimated for the APG Group. Significant inputs to the valuation technique used by the Company to measure the fair value of the contingent consideration receivable are unobservable and include the credit risk margin estimated for the APG Group and probabilities assigned to possible future cash inflows used to calculate the expected value. The Company has performed sensitivity analysis for the impact of changes in unobservable inputs and concluded that reasonably possible change in any unobservable input would not materially change the fair value of the contingent consideration receivable.

The fair value of commodity swaps hedging energy price risk represents the valuation of probability-weighted future benefits from a difference between the fixed price agreed with the supplier of energy and expected future energy prices, calculated for the expected volume of energy to be generated by the wind farms. The fair value depends on the Company's assessment of the moment of the commencement of commercial operations under the agreements signed, which is included in the valuation of the contracts as probabilities assigned to future benefits. Estimated future energy prices (according to wind production profile) are based on observable market energy prices for years 2025 – 2026 and on forecasted prices calculated by an external advisor for years 2027 – 2035. The average of these forecasted energy prices for years 2027 – 2035 used for the valuation of derivatives as at 31 December 2024 amounted to PLN 456 per 1MWh. The sensitivity analysis prepared by the Company for the unobservable prices indicated that every 10% increase/decrease in the forecasted energy prices for years 2027 – 2035 would change the fair value of derivatives and affect other reserves respectively by PLN 29/(29) million as at 31 December 2024.

25.3. Comparison of fair values and carrying amounts of financial instruments

As at 31 December 2024 and 2023, the carrying amount of the Company's financial instruments excluding lease liabilities approximated their fair value due to relatively short term maturity of those instruments, cash nature, variable interest rates or immaterial difference between the original effective interest rates and current market rates.

26. Objectives and policies of financial risk management

26.1. Principles of financial risk management

The Company is exposed to financial risks arising mainly from financial instruments that are issued or held as part of its operating and financing activities. That exposure can be principally classified as market risk (encompassing mainly currency risk, interest rate risk and energy price risk), liquidity risk and credit risk. The Company manages the financial risks with the objective to limit its exposure to adverse changes mainly in foreign exchange rates, interest rates and energy prices, to stabilise cash flows and to ensure an adequate level of financial liquidity and flexibility.

The principles of the Company Financial Risk Management Policy have been approved by the Management Board. Financial risk management is conducted according to strategies developed by the Treasury Committee under the direct control of the Board Member in charge of Finance.

Financial Risk Management Policy defines principles and responsibilities within the context of an overall financial risk management and covers the following areas:

- risk measures used to identify and evaluate the exposure to financial risks,
- selection of appropriate instruments to hedge against identified risks,
- valuation methodology used to determine the fair value of financial instruments,
- transaction limits for and credit ratings of counterparties with which the Company concludes hedging transactios.

26.2. Hedge accounting

The Company has entered into numerous derivative transactions to hedge exposure to currency risk, interest rate risk and energy price risk. The derivatives used by the Company include: interest rate swaps, cross currency interest rate swaps, cross currency swaps, non-deliverable forwards, currency options, currency forwards and commodity swaps, including derivatives in virtual power purchase agreements.

Certain derivative instruments are classified as cash flow hedges and the Company applies hedge accounting principles as stated in IFRS 9 (see Note 34.18). The cash flow hedges are used to hedge the variability of future cash flows that is attributable to a particular risk and could affect the income statement. The terms of the hedging instruments match the terms of the hedged items. The Company has established hedge ratios at the level of 1:1 (except for cash flow hedges related to energy price risk described in Note 26.5), as the underlying risks of the hedging instruments are identical to the hedged risks. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective assessment to ensure that hedge effectiveness requirements are met.

Derivatives are used for hedging activities and it is the Company's policy that derivative financial instruments are not used for trading (speculative) purposes. However, certain derivatives held by the Company are not designated as hedging instruments as set out in IFRS 9 and hedge accounting principles are not applied to those instruments. The Company considers those derivatives as economic hedges because they, in substance, protect the Company against currency risk, interest rate risk and energy price risk.

Detailed information on derivative financial instruments, including hedging relationship, that are used by the Company is presented in Note 24.

26.3. Currency risk

The Company is exposed to foreign exchange risk arising from financial assets and liabilities denominated in foreign currencies, mainly lease liabilities and energy contract.

The Company's hedging strategy, minimising the impact of fluctuations in exchange rates, is reviewed on a regular basis. The acceptable exposure to a selected currency is a result of the risk analysis in relation to an open position in that currency, given the financial markets' expectations of foreign exchange rates movements during a specific time horizon.

Within the scope of the hedging policy, the Company hedges its currency exposure entering mainly into forward currency contracts, cross currency interest rate swaps and cross currency swaps, under which the Company agrees to exchange a notional amount denominated in a foreign currency into PLN or to settle in cash the difference between the contracted price and the prevailing spot price. As a result, the gains/losses generated by derivative instruments compensate the foreign exchange losses/gains on the hedged items. Therefore, the variability of the foreign exchange rates has a reduced impact on the income statement.

Hedge ineffectiveness may arise from currency basis spread included in the hedging instrument that does not occur in the hedged instrument, a difference between the counterparty credit risk and the own credit risk and changes to the forecasted amount of cash flows of hedged items.

The Company is also actively hedging the exposure to foreign exchange risk generated by forecast future operating and capital expenditures.

The Company uses the sensitivity analysis described below to measure currency risk.

The Company's major exposures to foreign exchange risk (net of hedging activities) and potential foreign exchange gains/losses on these exposures resulting from a hypothetical appreciation/depreciation of the PLN against other currencies are presented in the following table:

(in millions of currency)	Effective exposure after hedging				Sensitivity to a change of the PLN against other currencies impacting income statement			
	At 31 December 2024		At 31 December 2023		At 31 December 2024		At 31 December 2023	
					+10%	-10%	+10%	-10%
Currency exposure	Currency	PLN	Currency	PLN	PLN	PLN	PLN	PLN
Lease liabilities (EUR)	99	424	117	509	42	(42)	51	(51)
Lease liabilities (USD)	5	19	6	23	2	(2)	2	(2)
Derivative embedded in energy contract (EUR)	41	175	41	177	17	(17)	18	(18)
Total		**618**		**709**	**61**	**(61)**	**71**	**(71)**

The sensitivity analysis presented above is based on the following principles:

- unhedged portion of the discounted amount of liabilities and nominal amount of embedded derivative is exposed to foreign exchange risk (effective exposure),
- derivatives designated as hedging instruments and those classified as economic hedges are treated as risk-mitigation transactions,
- cash and cash equivalents are excluded from the analysis.

The changes in fair value of derivatives classified as cash flow hedges of forecast transactions affect other reserves. The sensitivity analysis prepared by the Company indicated that the potential gains/(losses) impacting cash flow hedge reserve resulting from a hypothetical 10% depreciation/appreciation of the PLN against other currencies would amount to PLN 59/(59) million and PLN 26/(26) million as at 31 December 2024 and 2023, respectively.

26.4. Interest rate risk

The interest rate risk is a risk that future cash flows of the financial instrument will change due to interest rates changes. The Company has interest bearing financial liabilities and assets consisting mainly of loans from and to related parties (see Notes 14.2 and 19) and bank borrowing.

The Company's interest rate hedging strategy, limiting exposure to unfavourable movements of interest rates, is reviewed on a regular basis. The preferable split between fixed and floating rate debt is the result of the analysis indicating the impact of the potential interest rates evolution on the financial costs.

According to the hedging strategy, the Company uses interest rate swaps and cross currency interest rate swaps to hedge its interest rate risk. As a result of the hedge, the structure of the liabilities changes to the desired one, as liabilities based on the floating/fixed interest rates are effectively converted into fixed/floating obligations.

As at 31 December 2024 and 2023, the Company's proportion between fixed/floating rate debt (after hedging activities) was 87/13%.

Hedge ineffectiveness may arise from designation of non-zero fair value derivatives in hedge relationships and a difference between the counterparty credit risk and the own credit risk.

The Company uses the sensitivity analysis described below to measure interest rate risk.

The table below provides the Company's sensitivity analysis for interest rate risk (net of hedging activities) assuming a hypothetical increase/decrease in the interest rates by 1 p.p.:

(in PLN millions)	Sensitivity to 1 p.p. change of interest rates			
	At 31 December 2024		At 31 December 2023	
	WIBOR		WIBOR	
	+1 p.p.	-1 p.p.	+1 p.p.	-1 p.p.
Income statement	(2)	2	(5)	5
Other reserves	22	(22)	43	(44)

The sensitivity analysis presented above is based on the following principles:

- income statement includes the following items exposed to interest rate risk: a) interest cost on financial debt based on floating rate (after hedging), b) the change in the fair value of derivatives not designated as hedging instruments and classified as held for trading (see Note 24),
- other reserves include the change in the fair value of derivatives that is determined as effective cash flow hedge (see Note 24),
- as at 31 December 2024, the gross financial debt based on floating rate (after hedging) amounted to PLN 573 million (as at 31 December 2023, PLN 569 million).

26.5. Energy price risk

The Company is also exposed to energy price risk related to future purchases of electrical energy. The Company hedges its exposure entering into forward contracts on the Polish Power Exchange and physical/virtual power purchase agreements ("PPAs"/"vPPAs"). The contracts cover the period until the end of 2035.

Under PPAs the Company purchases energy at the fixed price agreed with the supplier of energy at the moment of entering into the contract. The energy is physically delivered to the Company and is used mainly for its own usage requirements. Additionally, in 2024 and 2023 the energy from PPA contracts was also used for the Company's own sale requirements: the energy was sold and delivered to the retail customers through Orange Energia Sp. z o.o., a subsidiary of Orange Polska, on the basis of the agreement signed between the Company and Orange Energia. Sale of energy from PPAs to Orange Energia took place at the fixed price determined in the agreement. Orange Polska does not sell and does not intend to sell the energy from PPAs on the open market. Consequently, PPAs meet the conditions for own use exemption and are not recognised in the financial statements until date of energy delivery to Orange Polska.

Under vPPAs the energy is not physically delivered and the Company receives/pays a difference between the fixed price agreed with the supplier of energy and market energy prices. Consequently, vPPAs do not meet the conditions for own use exemption and are recognised in the financial statements as hedging derivatives from the moment of entering into the contracts. The gains/losses generated by these instruments compensate the fluctuations of energy costs incurred by the Company.

The main sources of ineffectiveness of vPPA hedges can arise from:

- changes in differences in the hourly market energy prices to be used for settlement of vPPAs (wind production profile) and settlement of energy purchases by the Company (the Company usage profile) since designation of the hedging relationship,
- changes to the forecasted amount of cash flows from vPPAs (due to changes in the expected volume of energy to be generated by the wind farms),
- the effect of the counterparty's credit risk.

As a result, the Company has established hedge ratios at the average level of 0.86 (100 units of energy generated by wind farms hedge 86 units of energy used by the Company) in order to designate effective hedging relationships.

The sensitivity analysis prepared by the Company indicated that a hypothetical 10% increase/decrease in the energy prices used in the valuation of derivatives hedging energy price risk would change the fair value of these instruments and affect other reserves respectively by PLN 36/(36) and PLN 51/(51) million (including respectively PLN 29/(29) and PLN 37/(37) million for unobservable prices) as at 31 December 2024 and 2023.

26.6. Liquidity risk

The liquidity risk is a risk of encountering difficulties in meeting obligations associated with financial liabilities. The Company's liquidity risk management involves forecasting future cash flows, analysing the level of liquid assets in relation to cash flows, monitoring liquidity ratios and maintaining a diverse range of funding sources including back-up credit facilities.

In order to increase efficiency, the liquidity management process is optimised through a centralised treasury function of the Company, as liquid asset surpluses generated by the Company and its subsidiaries are invested and managed by the central treasury. The Centralized Treasury Management Agreement with Orange S.A. enables the Company to deposit its cash surpluses with Orange S.A. The Company's cash surplus is also invested into short-term highly-liquid financial instruments – bank deposits.

The Company also manages liquidity risk by maintaining committed, unused credit facilities, which create a liquidity reserve to secure solvency and financial flexibility. The above-mentioned Centralized Treasury Management Agreement with Orange S.A. gives the Company access to back-up liquidity funding to 30 June 2025 with headroom of up to PLN 500 million. No drawdown was made on this facility as at 31 December 2024. The Company also has a revolving credit line from the Orange Group for up to PLN 1,000 million and other credit lines for up to PLN 130 million. No drawdown was made on these facilities as at 31 December 2024. Therefore, as at 31 December 2024 and 31 December 2023, the Company had unused credit facilities amounting to PLN 1,630 million.

Liquidity risk is measured by applying following ratios calculated and monitored by the Company regularly:

- liquidity ratios,
- maturity analysis of undiscounted contractual cash flows resulting from the Company's financial liabilities,
- average debt duration.

The liquidity ratio (representing the relation between available financing sources, i.e. cash and cash equivalents and credit facilities, and debt repayments during next 12 and 18 months) and current liquidity ratio (representing the relation between unused credit facilities, current assets and current liabilities) are presented in the following table:

(in PLN millions)	Liquidity ratios	
	At 31 December 2024	At 31 December 2023
Liquidity ratio (incl. derivatives) - next 12 months [(a)]	431 %	97 %
Unused credit facilities (excluding short term)	1,000	1,000
Cash and cash equivalents	432	721
Debt repayments [(b)]	433	1,894
Derivatives payments [(c)]	(101)	(126)
Liquidity ratio (incl. derivatives) - next 18 months [(a)]	46 %	97 %
Unused credit facilities (excluding short term)	1,000	1,000
Cash and cash equivalents	432	721
Debt repayments [(b)]	3,257	1,972
Derivatives payments [(c)]	(150)	(190)
Current liquidity ratio (incl. unused credit facilities)	92 %	77 %
Unused credit facilities (excluding short term)	1,000	1,000
Total current assets	3,214	3,580
Total current liabilities	4,561	5,980

[(a)] The ratio does not include future cash flows from operating or investing activities, nor debt refinancing.
[(b)] Undiscounted contractual cash flows on loans from related party, cash pool deposits from subsidiaries and bank borrowing.
[(c)] Undiscounted contractual cash flows on derivatives.

The maturity analysis for the contractual undiscounted cash flows resulting from the Company's financial liabilities as at 31 December 2024 and 2023 is presented below.

As at 31 December 2024 and 2023, amounts in foreign currency were translated at the National Bank of Poland period-end average exchange rates. The variable interest payments arising from the financial instruments were calculated using the interest rates applicable as at 31 December 2024 and 2023, respectively.

(in PLN millions)	At 31 December 2024									
			Undiscounted contractual cash flows [(a)]							
				Non-current						
	Note	Carrying amount	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years	Total non-current	Total
Loans from related parties	19	4,245	427	2,858	75	76	1,237	190	4,436	4,863
Other financial liabilities at amortised cost		34	6	6	6	6	6	6	30	36
Derivative assets	24	(246)	(123)	(57)	(19)	(22)	(25)	(145)	(268)	(391)
Derivative liabilities	24	15	22	5	-	-	-	-	5	27
Gross financial debt after derivatives		**4,048**	**332**	**2,812**	**62**	**60**	**1,218**	**51**	**4,203**	**4,535**
Trade payables	16.1	2,240	2,142	32	30	8	6	56	132	2,274
Lease liabilities	20	2,973	664	541	449	364	302	1,709	3,365	4,029
Financial guarantees	30.2	-	27	-	-	-	-	-	-	27
Total financial liabilities (including derivative assets)		**9,261**	**3,165**	**3,385**	**541**	**432**	**1,526**	**1,816**	**7,700**	**10,865**

[(a)] Includes both nominal and interest payments.

(in PLN millions)		At 31 December 2023									
			Undiscounted contractual cash flows [a]								
				Non-current							
	Note	Carrying amount	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years		Total non-current	Total
Loans from related parties	19	4,364	1,887	147	2,769	-	-	-		2,916	4,803
Other financial liabilities at amortised cost		40	7	6	6	6	6	12		36	43
Derivative assets	24	(360)	(138)	(126)	(78)	(30)	(31)	(187)		(452)	(590)
Derivative liabilities	24	14	12	3	3	-	-	-		6	18
Gross financial debt after derivatives		**4,058**	**1,768**	**30**	**2,700**	**(24)**	**(25)**	**(175)**		**2,506**	**4,274**
Trade payables	16.1	2,466	2,347	32	30	30	8	61		161	2,508
Lease liabilities	20	2,922	666	532	453	368	292	1,715		3,360	4,026
Financial guarantees	30.2	-	29	-	-	-	-	-		-	29
Total financial liabilities (including derivative assets)		**9,446**	**4,810**	**594**	**3,183**	**374**	**275**	**1,601**		**6,027**	**10,837**

[a] Includes both nominal and interest payments.

The average duration for the existing debt portfolio as at 31 December 2024 was 2.5 years (1.7 years as at 31 December 2023).

26.7. Credit risk

The Company's credit risk management objective is defined as supporting business growth while minimising financial risks by ensuring that customers and partners are always in a position to pay amounts due to the Company.

The main function of the Credit Committee under the control of the Board Member in charge of Finance is to coordinate and consolidate credit risk management activities across the Group, which involve:
– clients' risk assessment,
– monitoring clients' business and financial standing,
– managing accounts receivable and bad debts.

The policies and rules regarding consolidated credit risk management for the Group were approved by the Credit Committee.

There is no significant concentration of credit risk within the Company. Further information on credit risk is discussed in Notes 13.1, 13.2, 23 and 24.

27. Income tax

27.1. Income tax

(in PLN millions)	12 months ended 31 December 2024	12 months ended 31 December 2023
Current income tax	(95)	(141)
Deferred tax	(126)	(37)
Total income tax	**(221)**	**(178)**

The reconciliation between the income tax expense and the theoretical tax calculated based on the Polish statutory tax rate was as follows:

(in PLN millions)	12 months ended 31 December 2024	12 months ended 31 December 2023
Income before tax	**1,298**	**960**
Statutory tax rate	19 %	19 %
Theoretical tax	**(247)**	**(182)**
Tax relief on research and development	18	16
Dividend income	16	7
Other expenses not deductible for tax purposes	(8)	(19)
Total income tax	**(221)**	**(178)**

Expenses not deductible for tax purposes consist of cost items, which, under Polish tax law, are specifically determined as non-deductible.

27.2. Deferred tax

(in PLN millions)	Statement of financial position		Income statement	
	At 31 December 2024	At 31 December 2023	12 months ended 31 December 2024	12 months ended 31 December 2023
Property, plant and equipment, intangible assets and right-of-use assets	(428)	(399)	(29)	(244)
Lease liabilities	487	461	26	25
Receivables	(47)	(68)	20	10
Payables	165	266	(101)	107
Contract assets and contract costs	(162)	(135)	(27)	4
Contract liabilities	149	154	(5)	28
Employee benefits	49	48	1	7
Provisions	147	169	(22)	37
Net financial debt	(36)	(65)	7	(7)
Other	4	-	4	(4)
Deferred tax asset, net [(a)]	**328**	**431**		
Total deferred tax			**(126)**	**(37)**

[(a)] During the 12 months ended 31 December 2024 and 2023, PLN 24 million and PLN 78 million of change in deferred tax asset was recognised in the statement of comprehensive income, respectively. During the 12 months ended 31 December 2024 and 2023, PLN (1) million and PLN (4) million of change in deferred tax asset was recognised directly in equity, respectively.

Deferred tax asset is recognised in the amount which is expected to be utilised using future taxable profits estimated on the basis of the business plan approved by the Management Board of Orange Polska and used to determine the value in use of the telecom operator CGU (key assumptions are described in Note 8), which are considered as a positive evidence supporting the recognition of deferred tax asset.

27.3. International tax reform – Pillar Two

The Company is within the scope of the OECD Pillar Two model rules, which impose on large multinational groups an obligation to pay a top-up tax if the group's effective tax rate is lower than 15% in a given country. Pillar Two legislation was enacted in Poland in November 2024 and came into effect from 1 January 2025. However, the relevant regulations have already been in force since the beginning of 2024 in France, where the ultimate parent entity is based. Consequently, the Company has performed calculations as described below for the purpose of Pillar Two reporting in France.

Pillar Two rules introduced a transitional simplification for years 2024-2026 that, if for a particular year a group passes in a given country at least one of three tests (called Safe Harbours), the top up tax is deemed to be zero and only reduced reporting must be filed by the group. Orange Polska calculated the Safe Harbour tests for 2024 based on the country-by-country reporting and financial data for all entities from the Orange Group located in Poland. Two out of three tests were passed.

The Company has applied the obligatory exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

28. Equity

28.1. Share capital

As at 31 December 2024 and 2023, the share capital of the Company amounted to PLN 3,937 million and was divided into 1,312 million fully paid ordinary bearer shares of nominal value of PLN 3 each.

The ownership structure of the share capital as at 31 December 2024 and 2023 was as follows:

(in PLN millions)	At 31 December 2024			At 31 December 2023		
	% of votes	% of shares	Nominal value	% of votes	% of shares	Nominal value
Orange S.A.	50.67	50.67	1,995	50.67	50.67	1,995
Allianz Polska OFE, Allianz Polska DFE pension funds	8.12 [a]	8.12 [a]	320	7.96 [b]	7.96 [b]	313
Nationale-Nederlanden OFE pension fund	5.77 [a]	5.77 [a]	227	5.63 [b]	5.63 [b]	222
Other shareholders	35.44	35.44	1,395	35.74	35.74	1,407
Total	**100.00**	**100.00**	**3,937**	**100.00**	**100.00**	**3,937**

[a] To the best of the Company's knowledge as at 31 December 2024, i.e. according to the annual asset structure published by pension funds as at 31 December 2024.

[b] To the best of the Company's knowledge as at 31 December 2023, i.e. according to the annual asset structure published by pension funds as at 29 December 2023. Between 29 December 2023 and 31 December 2023, Allianz Polska OFE, Allianz Polska DFE and Nationale-Nederlanden OFE did not notify the Company of any changes in its ownership of Orange Polska shares.

28.2. Dividend

On 19 April 2024, the General Meeting of Orange Polska S.A. adopted a resolution on the payment of an ordinary dividend of PLN 0.48 per share from the 2023 profit. The total dividend, paid on 10 July 2024, amounted to PLN 630 million.

Retained earnings available for dividend payments amounted to PLN 6.2 billion as at 31 December 2024. The remaining balance of the Company's retained earnings is unavailable for dividend payments due to restrictions of the Polish commercial law, such as the unavailability of assets revaluation reserve until the revalued assets are sold or liquidated or the requirement of a minimum spare capital to be maintained at the level of one third of the share capital.

28.3. Equity-settled share-based payment plans

Orange S.A. operates a long term incentive plan, under which key managers of Orange Polska are awarded a defined number of free shares of Orange S.A., subject to performance conditions and continuous service in the Orange Group. The value of services rendered by managers for granting equity instruments of Orange S.A. recognised in labour expense in 2024 and 2023 amounted to PLN 3 million and PLN 2 million, respectively.

29. Management of capital

Capital management strategy is developed at the Group level. Capital management policy is described in Note 30 to Orange Polska Group IFRS Consolidated Financial Statements for the year ended 31 December 2024.

30. Unrecognised contractual obligations

30.1. Investment commitments

Investment commitments contracted for at the end of the reporting period but not recognised in the financial statements were as follows:

(in PLN millions)	At 31 December 2024	At 31 December 2023
Property, plant and equipment	737	228
Intangibles	78	119
Total investment commitments	**815**	**347**
Amounts contracted to be payable within 12 months after the end of the reporting period	622	334

Investment commitments relate mainly to development of telecommunications network, purchases of telecommunications network equipment, IT systems and other software.

As at 31 December 2024, the Company's commitments for the purchase of property, plant and equipment and intangible assets under the RRP and EFDD programmes (see Note 16.2), contracted for at the end of the reporting period but not recognised in the financial statements amounted to PLN 412 million.

30.2. Guarantees

As at 31 December 2024 and 2023, OPL S.A. granted to its subsidiaries guarantees in the amount of PLN 102 million and PLN 110 million, respectively, of which PLN 27 million and PLN 29 million constituted financial guarantee contracts.

31. Litigation, claims and contingent liabilities

As at 31 December 2024, the Company recognised provisions for known and quantifiable risks related to various current or potential claims and proceedings, which represent the Company's best estimate of the amounts, which are more likely than not to be paid. Provisions are not disclosed on a case-by-case basis, when, in the opinion of the Management Board, such disclosure could prejudice the outcome of the pending cases.

a. Proceedings by UOKiK and UKE and claims connected with them

According to the Act on Competition and Consumer Protection, in case of non-compliance with its regulations, the President of the Office of Competition and Consumer Protection ("UOKiK") is empowered to impose on an entity penalties of up to a maximum amount of EUR 50 million for refusal to provide requested information or up to a maximum amount of 10% of an entity's revenue for the year prior to the year of fine imposition for a breach of the law. The President of UKE may impose on a telecommunications operator a penalty of up to a maximum amount of 3% of the operator's prior year's tax revenue, if the operator does not fulfil certain requirements of the law regulating telecommunications sector.

Competition proceedings by UOKiK related to retail prices of calls to Play
In 2013, UOKiK commenced competition proceedings against Orange Polska, Polkomtel Sp. z o.o. and T-Mobile Polska S.A. UOKiK alleged that they abused collective dominant position and the abuse consisted in the fact that the retail prices of calls made by individual users from the network of each of the three operators to the network of P4 Sp. z o.o. ("P4"), operator Play, were relatively higher than the prices for such calls to the networks of the three operators. On 2 January 2018, UOKiK discontinued the competition proceedings. UOKiK stated that there was no basis to determine that Orange Polska, Polkomtel Sp. z o.o. and T-Mobile Polska S.A. acted in breach of the competition law.

In September 2015, Orange Polska received a lawsuit filed by P4 with the Court under which P4 claims for damages, in the amount of PLN 316 million (PLN 231 million and PLN 85 million of interest) relating to the retail mobile prices for a period between July 2009 and March 2012. P4 originally claimed jointly and severally towards Orange Polska, Polkomtel Sp. z o.o. and T-Mobile Polska S.A. but subsequently the proceedings against T-Mobile was discontinued due to a settlement concluded by the latter with P4.

On 2 July 2018, P4 extended its claim by the amount of PLN 314 million (PLN 258 million and PLN 56 million of capitalised interest). The factual basis for both claims is the same (retail price difference) but as regards the claim extension the period for which damages are calculated is different i.e. from April 2012 to December 2014.

On 29 November 2018 the court excluded P4's claim for PLN 314 million to separate court proceedings.

On 27 December 2018 the court of first instance dismissed P4's claim for PLN 316 million in its entirety as time barred. P4 appealed that verdict to the Appeal Court and, on 28 December 2020, the Appeal Court repealed the verdict and remanded the case back to the court of first instance on the basis that the court did not sufficiently explain the reasons for the claim being time barred. No other arguments were assessed by the Court of Appeal.

On 4 May 2023, the court of first instance decided to join the claims for PLN 316 million and PLN 314 million for joint consideration.

In 2024, T-Mobile Polska S.A. joined the court proceedings as an intervener on the side of Orange Polska and Polkomtel Sp. z o.o. Polkomtel was the applicant for the court to summon T-Mobile to take part in the proceedings. Orange Polska supported this application.

Consumer proceedings by UOKiK
On 14 May and 23 July 2021, UOKiK instituted proceedings regarding practices violating collective interests of consumers in the provision of certain additional services by Orange Polska alleging, among others, insufficient information for consumers in activating the service, lack of information on a durable medium and insufficient replies to customer complaints. On 14 December 2021 and 8 March 2022, UOKiK issued commitment decisions (both without imposing fines) concluding the proceedings instituted on 14 May and 23 July 2021 respectively. Orange Polska fulfilled the obligations imposed by UOKiK on 14 December 2021 and 8 March 2022. Orange Polska sent reports on their fulfilment to UOKiK on 13 September 2022 and 9 January 2023, respectively. UOKiK investigates whether Orange Polska properly executes the commitment decision of 14 December 2021.

On 7 June 2022, UOKiK initiated proceedings concerning practices violating the collective interests of consumers, alleging that Orange Polska unjustifiably charges fees for calls to the hotline numbers made by consumers using offers with unlimited calls and for the technical assistance in the course of the complaint procedure. On 31 August 2023, UOKiK issued a commitment decision (without imposing a fine) concluding these proceedings. Orange Polska fulfilled the obligations imposed by this decision. Orange Polska sent report on the fulfilment of obligations to UOKiK on 16 September 2024.

On 9 August 2022, UOKiK instituted two proceedings concerning a fee for maintaining inactive numbers in mobile network for pre-paid services. UOKiK alleges that Orange Polska infringed the collective interests of consumers by introducing such a fee and examines whether Orange Polska applied abusive clauses in this practice. The proceedings are ongoing.

Other proceedings by UOKiK and UKE
The Company is subject to a number of other proceedings carried out by UOKiK - concerning relations with consumers that include, among others, inflation clauses in customer contracts – and by UKE - including proceedings for providing erroneous data to the Broadband Infrastructure Information System (SIIS) run by UKE.

As at 31 December 2024, the Company recognised provisions for known and quantifiable risks related to proceedings against OPL S.A. initiated by UOKiK and UKE, which represent the Company's best estimate of the amounts, which are more likely than not to be paid. The actual amounts of penalties, if any, are dependent on future events the outcome of which is uncertain, and, as a consequence, the amount of the provision may change at a future date.

b. Tax settlements

Tax settlements are subject to review and investigation by a number of authorities, which are entitled to impose fines, penalties and interest charges. Value added tax, corporate income tax, personal income tax, real estate tax, other taxes and the general anti-avoidance rules or social security regulations are subject to frequent changes. These changes contribute to the lack of system stability and tax disputes. Frequent contradictions and inconsistencies in legal interpretations both within government bodies and between companies and government bodies create uncertainties and conflicts. These uncertainties result in higher risk in the area of tax settlements, which may require recognition of liabilities for uncertain tax positions and provisions resulting from differences of interpretation of the tax law.

Tax authorities may examine accounting records up to five years following the end of the year in which the tax becomes due. Consequently, the Company may be subject to additional tax liabilities, which may arise as a result of additional tax audits.

The Company is involved in tax audits, proceedings and litigations in respect to various taxes, such as income taxes, VAT, real estate tax, including the area of general anti-avoidance rules with regard to infrastructure. Some of the proceedings and litigations may cause significant future cash outflows. The possible outcomes of these proceedings and litigations are assessed by OPL on a regular basis and quantifiable risks related to them that are probable to result in future cash outflows are adequately reflected as provisions or income tax liabilities in the statement of financial position.

c. Issues related to the incorporation of Orange Polska

Orange Polska was established as a result of the transformation of the state-owned organisation Poczta Polska Telegraf i Telefon ("PPTiT") into two entities – the Polish Post Office and Orange Polska S.A. The share premium in the equity of Orange Polska includes an amount of PLN 713 million which, in accordance with the Notary Deed dated 4 December 1991, relates to the contribution of the telecommunication business of PPTiT to the Company. During the transformation process and transfer of ownership rights to the new entities, certain properties and other assets that are currently under Orange Polska's control were omitted from the documentation recording the transfer and the documentation relating to the transformation process is incomplete in this respect. This means that Orange Polska's rights to certain properties and other non-current assets may be questioned and, as a result, the share premium balance may be subject to changes.

d. Other contingent liabilities and provisions

Operational activities of the Company are subject to legal, social and administrative regulations a breach of which, even unintentional, may result in sanctions imposed on the Company. In addition to fines which may be imposed by UOKiK and UKE described in Note 31.a also the President of Energy Regulatory Office may impose a penalty of up to a maximum amount of 15% of the revenues gained in the previous tax year among others for an infringement of certain provisions of Energy Law, a failure in fulfilment of obligations determined by the concession, a refusal to provide information.

Operational activities of the Company are subject to regulatory requirements. Some regulatory decisions can be detrimental to the Company and court verdicts within appeal proceedings against such decisions can have negative consequences for the Company. Also, there are claims, some of them settled in court proceedings, including for damages, contractual penalties, remuneration or return of benefits from the Company raised by counterparties or other entities which may result in significant cash outflows.

Furthermore, the Company uses fixed assets of other parties in order to provide telecommunications services. Terms of use of these assets are not always formalised and as such, the Company is subject to claims and might be subject to future claims in this respect, which will probably result in a cash outflows in the future. The amount of the potential obligations or future commitments cannot yet be measured with sufficient reliability due to legal complexities involved.

Some of the above determined matters may be complex in nature and there are many scenarios for final settlement and potential financial impact for the Company. The Company monitors the risks on a regular basis and the Management Board believes that adequate provisions have been recorded for known and quantifiable risks. Information regarding the range of potential outcomes has not been separately disclosed as, in the opinion of the Company's Management, such disclosure could prejudice the outcome of the pending cases.

32. Related party transactions

32.1. Management Board and Supervisory Board compensation

Compensation (remuneration, bonuses, post-employment and other long-term benefits, termination indemnities and share-based payment plans - cash and non-monetary benefits) of OPL S.A.'s Management Board and Supervisory Board Members is presented below. Additionally, persons in the position of the President of OPL S.A.'s Management Board have been employed by Orange Global International Mobility S.A., a subsidiary of Orange S.A., and posted to Orange Polska. The amount incurred by Orange Polska S.A. for the reimbursement of key management personnel costs from the Orange Group is presented separately in the table below.

(in PLN thousands)	12 months ended 31 December 2024	12 months ended 31 December 2023
Short-term benefits excluding employer social security payments	17,320	15,483
Post-employment benefits	1,112	971
Share-based payment plans	1,538	2,464
Total compensation	**19,970**	**18,918**
Reimbursement of the key management personnel costs	5,745	5,961
Total	**25,715**	**24,879**

Additionally, Section 9.3 of the Management Board's Report on the Activity of the Orange Polska Group and Orange Polska S.A. for the year ended 31 December 2024 includes the information on the Remuneration Policy of Orange Polska, where more details on Management Board and Supervisory Board compensation can be found.

32.2. Related party transactions

As at 31 December 2024, Orange S.A. owned 50.67% of shares of the Company. Orange S.A. has majority of the total number of votes at the General Meeting of OPL S.A. which appoints OPL S.A.'s Supervisory Board Members. The Supervisory Board decides about the composition of the Management Board. According to the Company's

Articles of Association, at least 4 Members of the Supervisory Board must be independent. The majority of Members of the Audit Committee of the Supervisory Board are independent.

OPL S.A.'s income earned from its subsidiaries comprises mainly sales of telecommunications equipment. The purchases from the subsidiaries comprise mainly software intangible assets. Costs incurred by the Company in transactions with its subsidiaries also comprise donations to Fundacja Orange.

Income earned from the Orange Group comprises mainly wholesale telecommunications services and research and development income. The purchases from the Orange Group comprise mainly brand fees and wholesale telecommunications services.

Orange Polska S.A. operates under the Orange brand pursuant to a licence agreement concluded with Orange S.A. and Orange Brand Services Limited (hereinafter referred to as "OBSL"). The brand licence agreement provides that OBSL receives a fee of up to 1.6% of the Company's operating revenue earned under the Orange brand.

OPL S.A.'s financial income earned from its subsidiaries comprises dividends and interest on the loans granted to the subsidiaries. Financial receivables from the subsidiaries relate to the loans granted to the subsidiaries. Financial costs and financial liabilities concerning transactions with the subsidiaries relate to cash pool deposits from the subsidiaries.

Until 31 December 2024, the Company and Atlas Services Belgium S.A., a subsidiary of Orange S.A., concluded loan agreements for PLN 3,900 million and Revolving Credit Facility Agreement for up to PLN 1,000 million (see Note 19). Additionally, the Company concluded an agreement with Orange S.A. concerning derivative transactions to hedge exposure to interest rate risk related to the financing from Atlas Services Belgium S.A. The nominal amount of derivative transactions outstanding under the agreement as at 31 December 2024 was PLN 2,300 million with a total fair value of PLN 138 million (as at 31 December 2023, nominal amount of PLN 3,800 million with a total fair value of PLN 212 million).

Financial receivables, payables, financial expense, net and other comprehensive income/loss concerning transactions with the Orange Group relate mainly to the above-mentioned agreements. Financial income from Orange S.A. and cash and cash equivalents deposited with Orange S.A. relate to the Centralized Treasury Management Agreement (see Note 26.6).

The Company's transactions with joint venture relate to transactions with Światłowód Inwestycje Sp. z o.o. (see Note 22). OPL S.A.'s income and receivables from the joint venture relate mainly to investment process management services and sale of fibre network assets. The purchases from the joint venture comprise mainly network access connectivity fees. Liabilities, financial liabilities and financial expense, net concerning transactions with Światłowód Inwestycje relate mainly to agreements for the lease and services to be rendered in the future, for which the joint venture paid upfront. Additionally, in 2024 and 2023, the Company paid respectively PLN 169 million and PLN 100 million to Światłowód Inwestycje to increase the joint venture's capital.

(in PLN millions)	12 months ended 31 December 2024	12 months ended 31 December 2023
Sales of goods and services and other income:	**957**	**819**
Orange Polska Group (subsidiaries)	111	146
Orange Group	262	268
- Orange S.A. (parent)	195	205
- Orange Group (excluding parent)	67	63
Światłowód Inwestycje (joint venture)	584	405
Purchases of goods (including inventories, tangible and intangible assets) and services:	**(605)**	**(528)**
Orange Polska Group (subsidiaries)	(133)	(103)
Orange Group	(269)	(270)
- Orange S.A. (parent)	(72)	(81)
- Orange Group (excluding parent)	(197)	(189)
Światłowód Inwestycje (joint venture)	(203)	(155)
Financial income:	**102**	**66**
Orange Polska Group (subsidiaries)	85	36
Orange S.A. (parent)	17	30
Financial expense, net:	**(174)**	**(154)**
Orange Polska Group (subsidiaries)	(6)	(5)
Orange Group	(163)	(149)
- Orange S.A. (parent)	129	193
- Orange Group (excluding parent)	(292)	(342)
Światłowód Inwestycje (joint venture)	(5)	-
Other comprehensive income/(loss):	**(71)**	**(238)**
Orange S.A. (parent)	(71)	(238)
Dividend paid:	**319**	**233**
Orange S.A. (parent)	319	233

Additionally, during the 12 months ended 31 December 2024 and 2023, the Company transferred about PLN 55 million to Orange S.A. to settle selected liabilities related to roaming on behalf of the Company.

(in PLN millions)	At 31 December 2024	At 31 December 2023
Receivables and contract costs:	**267**	**306**
Orange Polska Group (subsidiaries)	54	79
Orange Group	111	107
- Orange S.A. (parent)	70	74
- Orange Group (excluding parent)	41	33
Światłowód Inwestycje (joint venture)	102	120
Liabilities:	**897**	**1,044**
Orange Polska Group (subsidiaries)	65	40
Orange Group	121	115
- Orange S.A. (parent)	58	53
- Orange Group (excluding parent)	63	62
Światłowód Inwestycje (joint venture)	711	889
Financial receivables:	**204**	**212**
Orange Polska Group (subsidiaries)	66	-
Orange S.A. (parent)	138	212
Cash and cash equivalents deposited with:	**150**	**649**
Orange S.A. (parent)	150	649
Financial liabilities:	**4,250**	**4,367**
Orange Polska Group (subsidiaries) (see Note 19)	166	162
Orange Group	3,910	4,205
- Orange S.A. (parent)	5	3
Orange Group (excluding parent) (see Note 19)	3,905	4,202
Światłowód Inwestycje (joint venture) (see Note 19)	174	-

Additionally, as at 31 December 2024 and 2023, OPL S.A. granted to its subsidiaries guarantees in the amount of PLN 102 million and PLN 110 million, respectively.

33. Subsequent events

On 12 February 2025, the Management Board of Orange Polska S.A. adopted a resolution to recommend to the General Meeting of Shareholders a payment of a dividend of PLN 0.53 per share in 2025 from 2024 profit.

On 24 January 2025, with relation to the planned participation in the auction for 700 MHz and 800 MHz frequency licences, the Company paid a bid bond to the bank account of the Office of Electronic Communications, according to the requirements of the auction documentation. The auction covers six blocks of spectrum in 700 MHz and one block in 800 MHz band. According to the auction rules, a bid bond of PLN 150 million should be paid for each block that an auction participant applies for.

In January 2025, the Company utilised PLN 320 million of the Revolving Credit Facility from Atlas Services Belgium S.A., a subsidiary of Orange S.A.

On the basis of an annual review of useful lives of fixed assets, the Company decided to extend useful lives for certain items of software and towers from 2025. As a result, depreciation and amortisation expense in 2025 relating to these assets is expected to be lower by approximately PLN 35 million than in 2024.

34. Material accounting policies

In addition to the statement of compliance included in Note 2, this note describes the accounting principles applied to prepare the Separate Financial Statements for the year ended 31 December 2024.

34.1. Use of estimates and judgement

In preparing the Company's accounts, the Company's Management Board is required to make estimates. Management Board reviews these estimates if the circumstances on which they were based evolve or in the light of new information or experience. Consequently, estimates made as at 31 December 2024 may be subsequently changed. The main estimates and judgements made are described in the following notes:

Note		Estimates and judgements
5, 34.9	Revenue, other operating income	Allocation of transaction price to each performance obligation based on stand-alone selling price. Estimating stand-alone selling prices of performance obligations. Straight-line recognition of revenue relating to service connection fees. Reporting revenue on a net versus gross basis (analysis of Company's involvement acting as principal versus agent). Estimation of early termination fees charged to customers. Measurement of progress in long-term contracts.
8, 34.17	Impairment of cash generating unit, investment in joint venture and individual tangible and intangible assets	Key assumptions used to determine CGU and recoverable amounts: impairment indicators, models, discount rates, growth rates.
12, 34.15	Leases	Key assumptions used to measure the lease liability and the right of use assets: lease term, discount rate and usage of options. Application of portfolio approach to certain leases.
10, 11, 34.13, 34.14	Useful lives of tangible and intangible assets (excluding goodwill)	The useful lives and the method of depreciation and amortisation.
11, 16.2, 34.14	Property, plant and equipment - investment grants	The assumptions underlying the measurement and recognition of investment grants obtained, i.e. when meeting grant criteria is considered reasonably assured.
13.1, 13.2, 34.18	Impairment of financial assets	Key assumptions used to determine impairment of financial assets: expected credit loss rate (including incorporation of forward looking information), grouping of financial assets.
15, 31, 34.21	Provisions	The assumptions underlying the measurement of provisions for claims and litigation. Provisions for employment termination expense: discount rates, number of employees, employment duration, individual salary and other assumptions.
15	Dismantling costs	The assumptions underlying the measurement of provision for the estimated costs for dismantling and removing the asset and restoring the site on which it is located.
16.1	Reverse factoring	Reverse factoring: distinguishing operating debt and financial debt.
17, 34.22, 34.23	Employee benefits	Discount rates, salary increases, retirement age, staff turnover rates and other. Model and assumptions underlying the measurement of fair values of share-based payment plan.
22	Co-control	Judgment with respect to the existence or not of the co-control.
24, 25, 34.18	Fair value of derivatives and other financial instruments	Model and assumptions underlying the measurement of fair values.
24, 25, 26.5	Power purchase agreements	Judgment with respect to application of own use exemption. Model and assumptions underlying the measurement of fair values.
27, 34.20	Income tax	Assumptions used for recognition of deferred tax assets. Assumptions used to determine taxable results and tax bases for uncertain tax treatments.
14.1, 34.19	Allowance for slow moving and obsolete inventories	Methodology used to determine net realisable value of inventories.

The Company considers that the most significant adjustments to the carrying amounts of assets and liabilities could result from changes in estimates and judgements relating to impairment (see Note 8), provisions for claims, litigation and risks (see Notes 15 and 31), leases (see Note 12), useful lives of tangible and intangible assets (see Notes 10, 11, 34.13 and 34.14), co-control over Światłowód Inwestycje (see Note 22) and impact of climate change (see Note 4).

Where a specific transaction is not dealt with in any standard or interpretation, Management Board uses its judgment in developing and applying an accounting policy that results in information that is relevant and reliable, in that the financial statements:
- represent faithfully the Company's financial position, financial performance and cash flows,
- reflect the economic substance of transactions,
- are neutral and
- are complete in all material respects.

34.2. Standards and interpretations issued but not yet adopted

IFRS 18 "Presentation and Disclosure in Financial Statements" was issued on 9 April 2024 and will be effective for annual periods beginning on or after 1 January 2027. This standard has not yet been endorsed by the European Union. IFRS 18 sets out requirements for the presentation and disclosure of information in financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. The standard will replace IAS 1 "Presentation of Financial Statements". The impact of the implementation of IFRS 18 is being analysed.

IFRS 19 "Subsidiaries without Public Accountability: Disclosures" was issued on 9 May 2024 and will be effective for annual periods beginning on or after 1 January 2027. This standard has not yet been endorsed by the European Union. IFRS 19 introduces reduced disclosure requirements in the financial statements of subsidiaries, that are not public interest companies and whose parent company prepares consolidated financial statements available for public use that comply with IFRS. This standard has no impact on the Company's financial statements.

34.3. Accounting positions adopted by the Company in accordance with paragraphs 10 to 12 of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"

The accounting position described below is not specifically (or is only partially) dealt with by any IFRS standards or interpretations endorsed by the European Union. The Company has adopted accounting policies which it believes best reflect the substance of the transactions concerned.

<u>Business Combination under Common Control</u>

When accounting for merger of the parent with its subsidiary (i.e. business combination under common control) the Company has adopted in 2013 the provisions of the Generally Accepted Accounting Principles in the United States, Accounting Standards Codifications 805-50 "Business Combinations – Related Issues" (see Note 34.7 "Legal merger of the parent with its subsidiary").

34.4. Options available under IFRSs and used by the Company

Certain IFRSs offer alternative methods of measuring and recognising assets and liabilities. In this respect, the Company has chosen:

Standards		Option used
IAS 2	Inventories	The cost of inventories is determined by the weighted average unit cost method.
IAS 16	Property, plant and equipment	Property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.
IAS 20	Government grants and disclosure of government assistance	Non-repayable government grants related to assets decrease the carrying amount of the assets. Government grants related to income are deducted from the related expenses.
IAS 27	Separate financial statements	Investments in subsidiaries, associates and joint venture are accounted at cost.
IFRS 9	Financial instruments	Recognition of the loss allowance at an amount equal to lifetime expected credit losses for trade receivables and contract assets that contain a significant financing component.
IFRS 16	Leases	Right of use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability. Right of use assets are presented separately from other assets in the statement of financial position. The Company elected to apply the short term exemption and the exemption for low value leases, as described in IFRS 16. The Company does not apply IFRS 16 to leases of intangible assets.

34.5. Presentation of the financial statements

Presentation of the statement of financial position

In accordance with IAS 1 “Presentation of financial statements”, assets and liabilities are presented in the statement of financial position as current and non-current.

Presentation of the income statement

As allowed by IAS 1 “Presentation of financial statements” expenses are presented by nature in the income statement.

Earnings/loss per share

The net income/loss per share for each period is calculated by dividing the net income/loss for the period by the weighted average number of shares outstanding during that period. The weighted average number of shares outstanding is after taking account of treasury shares, if any.

34.6. Investments in joint arrangements

A joint arrangement is either a joint venture or a joint operation. The Company is involved in both a joint operation (NetWorks Sp. z o.o., see Note 21) and a joint venture (Światłowód Inwestycje Sp. z o.o., see Note 22).

The Company recognises in relation to its interests in a joint operation its assets, liabilities, revenue and expenses, including its respective shares in the above.

The Company recognises its interest in a joint venture at cost.

34.7. Legal merger of the parent with its subsidiary

The legal merger of the parent with its subsidiary is accounted for using the subsidiary's values from the consolidated financial statements of the parent entity ('predecessor value method'); these amounts include any goodwill recognised in the consolidated financial statements of the parent on acquisition of the subsidiary.

The subsidiary's results and statement of financial position are incorporated prospectively from the date on which the legal merger occurred.

34.8. Effect of changes in foreign exchange rates

The functional currency of Orange Polska is the Polish złoty.

Transactions in foreign currencies

Transactions in foreign currencies are translated into Polish złoty at the spot exchange rate prevailing as at the transaction date. Monetary assets and liabilities which are denominated in foreign currencies are translated at the end of the reporting period using the period-end exchange rate quoted by National Bank of Poland and the resulting translation differences are recorded in the income statement:

- in other operating income and expense for commercial transactions,
- in financial income or finance costs for financial transactions and lease contracts.

34.9. Revenue

Separable components of bundled offers

For the sale of multiple products or services (e.g. offers including a handset and a telecommunications service contract), the Company evaluates all promises in the arrangement to determine whether they represent distinct performance obligations i.e. obligations not dependent on each other. Sale of mobile handsets and sale of services in bundled offers are distinct goods or services.

The consideration for the bundled package (i.e. transaction price) is allocated to the distinct performance obligations (e.g. sale of a handset and sale of a service) and recognised as revenue when the performance obligation is satisfied (i.e. when the control over good or service is transferred to a customer).

In general, the transaction price is the amount of consideration (usually the cash) to which the Company expects to be entitled during the contract term, including up-front fees. The contract term is the period that is made enforceable through contractual terms or business practices i.e. the enforceable period length is impacted by practices e.g. when the Company creates or accepts a valid expectation to free the customer from certain commitments before the end of the contract by allowing commencement of a new contract. The transaction price does not include the effect of time value of money (except payments by instalments models which, by nature, meet the definition of a financial receivable) unless the effect of financing component, in comparison to the transaction price, is significant at a contract level.

The allocation of the transaction price between various performance obligations is made to estimate the amount to which the Company is expected to be entitled in exchange for transferring a promised good or service to the customer.

The Company is a service company and achieves the vast majority of its margin by selling telecommunication services. The sale of subsidised handsets (i.e. when an invoice amount for a handset is lower than the cost of a handset) is a tool to promote the Company's services and to attract customers. Therefore, in case of services sold with subsidised handsets, the Company allocates the subsidy to the service revenues. The Company estimates the amount of revenue that it expects to earn while pricing the service offer. Based on rationale described above, the stand-alone selling price (i.e. the price at which the Company would sell a promised good or service separately to the customer) of subsidised handsets is estimated by their cost plus margin to cover additional costs connected with the sale of handsets, such as e.g. transport costs or logistic costs. The estimated margin is insignificant. Therefore, it is disregarded from the cost plus margin formula for the sake of the practicality.

If the Company is able to sell a handset with a profit (i.e. when an invoice amount for a handset is higher than the cost of a handset in bundled offer), it allocates the handset profit to the handset revenue.

While defining the stand-alone selling price of any performance obligation, firstly, the Company's observable price should be identified i.e. the price of good or service when the Company sells that good or service separately in similar circumstances and to similar customers. In case of the lack of an entity's observable price, other methods of valuation of an obligation should be used. The stand-alone selling prices of a service are defined per different categories of customers, they are dependent on the service content, commitment period and consumption profile. Therefore, the SIMO price (the price of a service sold stand-alone i.e. not in a bundle with a handset) is not treated as a good proxy of the stand-alone selling price of a specific service sold in a bundled offer. Consequently, the stand-alone selling price of the telecommunication service sold in a bundled offer is determined by using an adjusted-market assessment approach and corresponds to the service price in the bundle adjusted by the handset subsidy recovered over the enforceable period.

The Company accounts for contract balances if the right to a payment differs from timing when performance obligation is satisfied. A contract asset corresponds to OPL S.A.'s right to a payment in exchange for goods or services that have been transferred to OPL S.A.'s customers. A contract asset, if any, is usually recognised when subsidised handsets are passed to customers at inception of the contract. It is typically measured as the sum of the monthly subsidy recovery over the remaining enforceable period of the contract. Contract liabilities represent amounts billed to customers by OPL S.A. before receiving the goods and/or services promised in the contract. This is typically the case for advances received from customers or amounts invoiced for goods or services not yet transferred, such as contracts payable in advance or prepaid packages.

Equipment sales

Revenue from an equipment sales is recognised when the control over the equipment is transferred to the buyer (see also paragraph "Separable components of bundled offers").

Equipment/dark fibres' leases

Equipment/dark fibres' lease revenue is recognised on a straight-line basis over the life of the lease agreement in case of an operating lease. In case of a finance lease revenue/income from sale of equipment/dark fibres is considered as a sale on credit.

Revenues from the sale or supply of content and third party licences

Depending on the substance of a transaction and the Company's role in the transaction, the Company can act as a principal and recognise revenue at the gross amount, separately from costs, or as an agent and recognise revenue in the amount net of costs. The assessment of the role of the Company is based on the notion of the control and the indicators of the control. The Company is treated as a principal if it controls a good or a service before the good or service is transferred to a customer.

The Company is considered as an agent if the Company's performance obligation is to arrange for the provision of a good or a service to the client by another party, i.e. when it does not control the specified good or service provided by another party before that good or service is transferred to the customer.

Service revenue

Telephone service and Internet access subscription fees are recognised in revenue on a straight-line basis over the service period because of the continuous transfer of control over the service to the customer. Charges for incoming and outgoing telephone calls are recognised in revenue when the service is rendered. Revenue from the sale of phone cards in mobile telephony systems is recognised when they are used or expire.

Installation fees are recognised when the service is rendered.

Promotional offers

For certain commercial offers where customers do not pay for services over a certain period in exchange for signing up for a fixed period (time-based incentives), the total revenue generated under the contract is spread over the enforceable period.

Material rights

Material right is an option to purchase additional goods or services with a discount that is incremental to discounts typically given for those goods or services. The Company has not identified any material rights in the contracts with customers which would need to be treated as separate performance obligations.

34.10. Subscriber acquisition costs, costs to fulfil a contract, advertising and related costs

Incremental acquisition and retention costs (e.g. commissions paid to retailers for acquisition or retention of contracts), as well as costs that are directly incurred for the purpose to fulfil a certain contract are expensed as costs over the enforceable period of contracts on a straight-line basis as these costs are directly associated with the contracts with customers and are expected to be recoverable. Advertising, promotion, sponsoring, communication and brand marketing costs are expensed as incurred.

34.11. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. In the Company's assessment, the network roll-out does not generally require a substantial period of time.

34.12. Goodwill

Goodwill equals to the difference between the cost of acquisition of the non-controlling interest in the mobile business in 2005 and the non-controlling interest in the net book value of the underlying net assets.

Goodwill represents a payment made in anticipation of future economic benefits from assets that are not capable of being individually identified and separately recognised.

34.13. Intangible assets (excluding goodwill)

Intangible assets, consisting mainly of telecommunications licences, software and development costs, are initially stated at acquisition or production cost comprising its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable costs of preparing the assets for their intended use and, if applicable, attributable borrowing costs.

Internally developed trademarks and subscriber bases are not recognised as intangible assets.

Telecommunications licences

Expenditures regarding telecommunications licences are amortised on a straight-line basis over the reservation period from the date when the network is technically ready and the service can be marketed.

Research and development costs

Development costs are recognised as an intangible asset if and only if the following can be demonstrated:
- the technical feasibility of completing the intangible asset so that it will be available for use,
- the intention to complete the intangible asset and use or sell it and the availability of adequate technical, financial and other resources for this purpose,
- the ability to use or sell the intangible asset,
- how the intangible asset will generate probable future economic benefits for the Company,
- the Company's ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development costs not fulfilling the above criteria and research costs are expensed as incurred. The Company's research and development projects mainly concern:
- upgrading the network architecture or functionality;
- developing service platforms aimed at offering new services to the Company's customers.

Development costs recognised as an intangible asset are amortised on a straight-line basis over their estimated useful life, generally not exceeding three years.

Software

Software is amortised on a straight-line basis over the expected useful life (approx. 9 years).

Useful lives of intangible assets are reviewed annually and are adjusted if current estimated useful lives are different from previous estimates. These changes in accounting estimates are recognised prospectively.

34.14. Property, plant and equipment

The cost of tangible assets corresponds to their purchase or production cost or price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, as well as including costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including labour costs, and, if applicable, attributable borrowing costs.

The cost includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, representing the obligation incurred by the Company.

The cost of network includes design and construction costs, as well as capacity improvement costs. The total cost of an asset is allocated among its different components and each component is accounted for separately when the components have different useful lives or when the pattern in which their future economic benefits are expected to be consumed by the entity varies. Depreciation is established for each component accordingly.

Maintenance and repair costs (day to day costs of servicing) are expensed as incurred.

Investment grants

The Company may receive grants from the government or the European Union for funding of capital projects. These grants are deducted from the cost of the related assets and recognised in the income statement, as a reduction of depreciation, based on the pattern in which the related asset's expected future economic benefits are consumed. Grants are not recognised until there is a reasonable assurance that the Company will comply with the conditions attached to them and that the grant will be received. Grants received before the conditions are met are presented as other liabilities.

Derecognition

An item of property, plant and equipment is derecognised on its disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is recognised in operating income/loss and equals the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Depreciation

Items of property, plant and equipment are depreciated to write-off their cost, less any estimated residual value on a basis that reflects the pattern in which their future economic benefits are expected to be consumed. Therefore, the straight-line basis is usually applied over the following estimated useful lives:

Buildings	10 to 30 years
Network	3 to 40 years
Terminals	2 to 7 years
Other IT equipment	3 to 5 years
Other	2 to 10 years

Land is not depreciated.
These useful lives are reviewed annually and are adjusted if current estimated useful lives are different from previous estimates. These changes in accounting estimates are recognised prospectively.

34.15. Leases

IFRS 16 “Leases” establishes the principles for recognition, measurement, presentation and disclosure of lease contracts. A single lease accounting model was adopted if the Company acts as a lessee. If the Company acts as a lessor then it continues to classify its leases as operating leases or finance leases, and accounts for those two types of leases differently.

The Company qualifies a contract as a lease as long as it gives the lessee the right to control the use of a particular asset. In order to qualify a contract as a lease, three main conditions shall be met:
- the contract shall convey the right to use an identified asset;
- the lessee shall obtain the economic benefits from use of this asset;
- the lessee obtains the right to direct the use of this asset throughout the period of the contract.

The Company has defined four major categories of lease contracts:
- real estate: points of sale, offices, perpetual usufruct of land;
- mobile network: land, technical premises, space on towers, chimneys, rooftops;
- fixed network: technical premises, limited property rights, access to the local loop, collocation, dark fibre contracts, subsurface rights, ground easements;
- other rentals: vehicles, technical equipment, data centre.

The accounting presentation of lease contracts in the statement of financial position depends mainly on:
- the scope of contracts qualified as leases,
- the duration adopted for certain types of contracts,

which require significant judgment from the Company’s Management Board. The Management Board reviews these estimates if the circumstances on which they were based evolve or in the light of new information or established market practice.

Company as a lessee

On the lessee's side the Company uses a single accounting model, in which the lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

The Company has chosen to apply two exemptions proposed by the standard and expense as external purchases the following contracts:
- all contracts, except for contracts for vehicles, whose lease term is less than 12 months;
- contracts where the value of the underlying asset is less than USD 5,000.

The lease duration corresponds to the non-cancellable period of the lease, periods covered by extension options that the Company is reasonably certain to exercise and termination options that the Company is reasonably certain not to exercise. In case of indefinite period leases the Company estimates the reasonably certain lease term to determine the lease term. The Company assessed the reasonably certain lease terms of cancellable lease contracts to be equal to 5 years for all lease contracts, except for 18 years for road occupancy leases where fixed network infrastructure is placed. For easements in buildings, where the Company located its telecommunication infrastructure, a lease duration is assessed as an average useful life of buildings in the Company. Subsurface contracts and land easements are measured basing on the portfolio approach due to significant number of homogenous contracts.

At the lease commencement date, the Company recognises a right-of-use asset and a lease liability.

The right-of-use asset is measured at cost which comprises:
- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the lessee; and
- an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

After the commencement date, the Company measures the right-of-use asset applying a cost model, less any accumulated depreciation and any accumulated impairment losses, as well as any adjustments resulting from remeasurement of the lease liability.

The lease liability is measured at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the incremental borrowing rates if the rates implicit in the lease are not easily determinable. Discount rates adopted are based on Polish state bond yield, adjusted by credit spread observable for entities with similar credit rating. Discount rates are differentiated by duration and by currency, and not by class of assets.

The lease liability comprises the following payments:
- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option;
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the lease liability is increased to reflect interest on the lease liability and reduced to reflect the lease payments made, as well remeasured to reflect any reassessment or lease modification. Only the lease component is taken into account in the measurement of the right-of-use asset and of the lease liability.

Other non-lease components, like payments for utilities, are accounted for separately in accordance with other applicable accounting standards.

Company as a lessor

The Company continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

Examples of situations that individually or in combination would lead to a lease being classified as a finance lease are as follows:

- the lease transfers ownership of the underlying asset to the lessee by the end of the lease term;
- the lessee has the option to purchase the underlying asset at a price significantly lower than the fair value;
- the lease term is for the major part of the economic life of the underlying asset;
- at the inception date, the present value of the lease payments amounts to at least substantially all of the fair value of the underlying asset; and
- the underlying asset is of such a specialised nature that only the lessee can use it without major modifications.

34.16. Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than continuing use. Those assets are available for immediate sale in their present condition subject only to terms that are usual and customary for sales of such assets and the sale is highly probable.

Non-current assets held for sale are measured at the lower of carrying amount and estimated fair value less costs to sell and are presented in a separate line in the statement of financial position if IFRS 5 requirements are met.

Those assets are no longer depreciated. If fair value less costs to sell is less than its carrying amount, an impairment loss is recognised in the amount of the difference. In subsequent periods, if fair value less costs to sell increases the impairment loss is reversed up to the amount of losses previously recognised.

34.17. Impairment tests of non-financial assets and Cash Generating Units

Given the nature of Company's assets and operations, most of its individual assets do not generate cash inflows independently from other assets. The Company identifies a single major CGU (see Note 8). For the purpose of impairment testing the Company allocates the whole goodwill to this CGU.

In accordance with IFRS 3 "Business Combinations", goodwill is not amortised but is tested for impairment at least once a year or more frequently when there is an indication that it may be impaired. IAS 36 "Impairment of Assets" requires these tests to be performed at the level of the cash generating unit (CGU).

Recoverable amount

To determine whether an impairment loss should be recognised, the carrying value of the assets and liabilities of the CGU, including allocated goodwill, is compared to its recoverable amount. The recoverable amount of a CGU is the higher of its fair value less costs to sell and its value in use.

Fair value less costs to sell is the best estimate of the amount realisable from the sale of a CGU in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. This estimate is determined on the basis of available market information taking into account specific circumstances.

Value in use is the present value of the future cash flows expected to be derived from the CGU, including goodwill. Cash flow projections are based on economic and regulatory assumptions, telecommunications licences renewal assumptions and forecast trading conditions drawn up by the Company management, as follows:

- cash flow projections are based on the business plan and its extrapolation to perpetuity by applying a growth rate reflecting the expected long-term trend in the market,
- the cash flows obtained are discounted using appropriate rates for the type of business concerned.

If the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised in the amount of the difference. The impairment loss is firstly allocated to reduce the carrying amount of goodwill and then to the other assets of CGUs.

Goodwill impairment losses are recorded in the income statement as a deduction from operating income/loss and are not reversed.

34.18. Financial assets and liabilities

Financial assets are classified in the following measurement categories – depending on the business model in which assets are managed and their cash flow characteristics:

- assets subsequently measured at amortised cost - if the financial assets are held within a business model whose objective is to collect contractual cash flows, and the contractual terms of these financial assets give rise to cash flows that are solely payments of principal and interest;
- assets subsequently measured at fair value through other comprehensive income - if the financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of these financial assets give rise to cash flows that are solely payments of principal and interest;
- hedging derivative instruments;
- assets at fair value through profit or loss - all other financial assets.

Financial liabilities are classified as financial liabilities at amortised cost, liabilities at fair value through profit or loss and hedging derivative instruments.

A regular way purchase or sale of financial assets is recognised using settlement date accounting.

Initial recognition of financial instruments

When financial assets are recognised initially, they are measured at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. Trade receivables that do not have a significant financial component are initially measured at their transaction price.

Financial liabilities are initially recognised at fair value.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price – this is the fair value of the consideration given or received. If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets that are significant for measurement, then the financial instrument is measured at fair value, adjusted to defer the difference between the fair value and the transaction price. After initial recognition, the difference is recognised in profit or loss on an individual basis over the life of the instrument.

Recognition and measurement of financial assets

- Assets subsequently measured at amortised cost

Assets subsequently measured at amortised cost include "Trade receivables" (excluding trade receivables measured at fair value through other comprehensive income), "Cash and cash equivalents" and "Loans to subsidiaries”. Interest income from these financial assets is calculated using the effective interest rate method and is presented within finance costs, net.

Cash and cash equivalents consist of cash in bank and on hand, cash deposits with Orange S.A. under the Centralized Treasury Management Agreement and other highly-liquid instruments that are readily convertible into known amounts of cash and are subject to insignificant changes in value.

- Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include derivative assets not designated as hedging instruments as set out in IFRS 9 and contingent consideration receivable related to sale of 50% stake in Światłowód Inwestycje.

- Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include receivables arising from sales of mobile handsets in instalments which are subject to the factoring agreement.

- Impairment

The Company measures the loss allowance at an amount equal to lifetime expected credit losses for trade receivables, lease receivables, other financial receivables, cash and cash equivalents and contract assets.

Trade receivables that are homogenous and share similar credit risk characteristics (e.g. separately for B2C and B2B) are tested for impairment collectively. When estimating the lifetime expected credit loss the Company uses historical data as a measure for expected credit losses.

In calculating the recoverable amount of receivables that are individually material and not homogenous, the Company assess expected credit losses on individual basis taking into account significant financial difficulties of the debtor or probability that the debtor will enter bankruptcy or financial reorganisation. This method is mainly used for carrier customers (national and international), administrations and public authorities.

As soon as information about deteriorating standing of the customer is available (e.g. clients in bankruptcy or subject to equivalent judicial proceedings), these receivables are excluded from the statistical impairment database and individually impaired.

IFRS 9 requires recognition of expected losses on receivables immediately upon recognition of the financial instruments. The Company applies a simplified approach of anticipated impairment at the time the asset is recognised. The approach establishes the rate of expected losses by comparing bad debt to revenue. The Company considers a financial asset to be credit-impaired when events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred, for example significant financial difficulty of the debtor or a breach of contract, such as a default or past due event.

The Company considers a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Recognition and measurement of financial liabilities

- Financial liabilities at amortised cost

Financial liabilities measured at amortised cost include borrowings, trade payables and fixed assets payables including the telecommunications licence payables and are presented in the statement of financial position as “Trade payables”, “Loans from related parties” and “Other financial liabilities at amortised cost”.

Trade payables include those that are subject to reverse factoring. OPL S.A. considers that these financial liabilities carry the characteristics of trade payables, in particular as the payment schedules are within the range of ordinary payment terms for a telecommunications operator and as no additional collateral was required.

Borrowings and other financial liabilities are subsequently measured at amortised cost using the effective interest method.

- Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include derivative liabilities not designated as hedging instruments as set out in IFRS 9.

<u>Recognition and measurement of derivative instruments</u>

Derivative instruments are measured at fair value and presented in the statement of financial position as current or non-current according to their maturity. Derivatives are classified as financial assets and liabilities at fair value through profit or loss or as hedging derivatives.

- Derivatives classified as financial assets and liabilities at fair value through profit or loss

Except for gains and losses on hedging instruments (as explained below), gains and losses arising from changes in fair value of derivatives are immediately recognised in the income statement. The change in fair value (excluding interest rate component and credit risk adjustment) of derivatives held for trading is presented in operating income/loss or finance costs, net, depending on the nature of the economically hedged transaction. The interest rate component and credit risk adjustment of derivatives held for trading are presented under other interest expense and financial charges within finance costs, net.

- Hedging derivatives

Derivative instruments may be designated as cash flow hedges. A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (such as a future purchase or sale) and could affect profit or loss.

The effects of applying hedge accounting are as follows: the portion of the gain or loss on the hedging instrument that is determined to be an effective cash flow hedge is recognised directly in other comprehensive income and the ineffective portion of the gain or loss on the hedging instrument is recognised in profit or loss. Amounts recognised in cash flow hedge reserve are subsequently recognised in profit or loss in the same period or periods during which the hedged item affects profit or loss. If a hedge of a forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses accumulated in equity are removed from the cash flow hedge reserve and included in the initial measurement of the cost of the asset or liability. This is not a reclassification adjustment and is not recognised in other comprehensive income.

34.19. Inventories

Inventories, mainly handsets, are stated at the lower of cost and net realisable value. The Company provides allowance for slow-moving or obsolete inventories based on inventory turnover ratios and current marketing plans. Change in allowance is presented in the income statement in “External purchases”.

Cost corresponds to purchase or production cost determined by the weighted average cost method. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses.

34.20. Income tax

The tax expense comprises current and deferred tax.

<u>Current tax</u>

The current income tax charge is determined in accordance with the relevant tax law regulations in respect of the taxable profit. Income tax liabilities/assets represent the amounts expected to be paid to/received from the tax authorities at the end of the reporting period.

Deferred taxes

Deferred taxes are recognised for temporary differences, as well as for unused tax losses. Deferred tax assets are recognised only when their recovery is considered probable. At the end of the reporting period unrecognised deferred tax assets are re-assessed. A previously unrecognised deferred tax asset is recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting nor taxable profit nor loss and does not give rise to equal taxable and deductible temporary differences.

Deferred tax assets and liabilities are not discounted. Deferred income tax is calculated using the enacted or substantially enacted tax rates at the end of the reporting period.

34.21. Provisions

A provision is recognised when the Company has a present obligation towards a third party, which amount can be reliably estimated and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. The obligation may be legal, regulatory or contractual or it may represent a constructive obligation deriving from the Company's actions.

The estimate of the amount of the provision corresponds to the expenditure likely to be incurred by the Company to settle its obligation. If a reliable estimate cannot be made of the amount of the obligation, no provision is recorded and the obligation is deemed to be a "contingent liability".

Contingent liabilities – corresponding to (i) possible obligations that arise from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the Company's control or (ii) to present obligations arising from past events that for which it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or because the amount of the obligation cannot be measured with sufficient reliability – are not recognised but disclosed where appropriate in the notes to the Separate Financial Statements.

Provisions for dismantling and restoring sites

The Company is required to dismantle equipment and restore sites. In accordance with paragraphs 36 and 37 of IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", the provision is based on the best estimate of the amount required to settle the obligation. It is discounted by applying a discount rate that reflects the passage of time and the risk specific to the liability. The amount of the provision is revised periodically and adjusted where appropriate, with a corresponding entry to the asset to which it relates.

34.22. Pensions and other employee benefits

Employees of the Company are entitled to retirement bonuses. Retirement bonuses represent one-off payments paid upon retirement in accordance with the Company's remuneration policies. Value of benefit depends on the employee's average remuneration and length of service. Retirement bonuses are not funded.

The cost of providing above benefit is determined using the projected unit credit actuarial valuation method. This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation which is then discounted. The calculation is based on demographic assumptions concerning retirement age, staff turnover rates and financial assumptions concerning rates of future salary increases, future interest rates (to determine the discount rate).

Actuarial gains and losses on post-employment benefits are recognised immediately in their total amount in the other comprehensive income. The present value of the defined benefit obligations is verified at least annually by an independent actuary. The demographic and attrition profiles are based on historical data.

Benefits falling due more than 12 months after the end of the reporting period are discounted using a discount rate determined by reference to market yields on Polish government bonds.

The Company recognises termination benefits, which are provided in exchange for the termination of an employee's employment as a result of either:

- the Company's decision to terminate an employee's employment before the normal retirement date; or
- an employee's decision to accept an offer of benefits in exchange for the voluntary termination of employment.

Termination benefits are provided for when the Company terminates the employment or when the Company has offered to its employees benefits in exchange for voluntary termination of employment. Based on the past practice such offers are considered as constructive obligations and accounted for if it is probable that benefits will be paid out and they might be reliably measured. The basis for calculation of the provision for voluntary employment termination is expected payment date and the estimated number, remuneration and service period of employees who will accept the voluntary termination. Provision for employment termination benefits is presented in the statement of financial position in "Provisions".

In addition to post-employment and other long-term employee benefits, the Company also provides to its current and retired employees certain non-monetary benefits, including subsidised telecommunication services. In absence of specific guidance under IFRS, the Company's policy is to value such employee benefits at their incremental cost net of related revenue generated from the service.

34.23. Share-based payments

OPL S.A. launched a cash-settled share-based payment plans under which employees render services to the Company in exchange for its obligation to transfer cash for amount that is based on the price of equity instruments of the Company. The value of the services rendered by employees (determined with reference to fair value of Orange Polska shares) for granting share appreciation rights is recognised as an expense with a corresponding entry to employee benefits liabilities over the vesting period. At the end of the reporting period the liability is re-measured until the date of settlement with any changes in value recognised in profit or loss for the period.

Orange S.A. launched equity-settled share-based payment plans under which employees render services to the Company in exchange for equity instruments of Orange S.A. The value of the services rendered by employees (determined with reference to fair value of Orange S.A. shares) for granting equity instruments of Orange S.A. is recognised as an expense with a corresponding increase in equity over the vesting period.

ORANGE POLSKA GROUP AND ORANGE POLSKA S.A.

MANAGEMENT BOARD'S REPORT ON THE ACTIVITY

FOR THE YEAR ENDED 31 DECEMBER 2024

This Report on the Activity of the Orange Polska Group ("the Group" or "Orange Polska"), including Orange Polska S.A. ("the Company" or "OPL"), in 2024 has been drawn up in compliance with Articles 70 and 71 of the Decree of the Minister of Finance of 29 March 2018 on current and periodic information disclosed by issuers of securities and conditions for recognising as equivalent information required by the laws of a non-member state (Journal of Laws of 2018, item 757).

Disclosures on performance measures are presented in the Note 3 to the IFRS Consolidated Financial Statements of the Orange Polska Group for the 12 months ended 31 December 2024.

In the most important aspects, this Report on the Activity of the Orange Polska Group contains also the data referring to the standalone financial statements of Orange Polska S.A. (sections 1.1, 1.2 and 1.4 below). However, owing to the fact that the differences between the basic/main standalone and consolidated data with respect to operating activities do not have any material impact on the assessment of the activity of both Orange Polska S.A. and the whole Orange Polska Group, the information presented in other sections will refer exclusively to the consolidated data.

20 February 2025

CHAPTER I
HIGHLIGHTS OF THE CONSOLIDATED FINANCIAL STATEMENTS

as of 31 December 2024 and for the twelve-month period ended thereon

1 SUMMARISED FINANCIAL STATEMENTS

SUMMARISED CONSOLIDATED FINANCIAL STATEMENTS

	For 12 months ended 31 December				
	2024 in PLN mn	2024 in EUR[1] mn	2023 in PLN mn	2023 in EUR[2] mn	Change (%)
Consolidated Income Statement					
Revenue	12,732	2,958	12,970	2,864	(1.8) %
EBITDAaL*	3,324	772	3,179	702	4.6 %
EBITDAaL margin	26.1 %		24.5 %		1.6 p.p.
Operating income	1,419	330	1,221	270	16.2 %
Operating margin	11.1 %		9.4 %		1.7 p.p.
Net income	913	212	818	181	11.6 %
Net income attributable to owners of Orange Polska S.A.	913	212	818	181	11.6 %
Weighted average number of shares (in millions)**	1,312	1,312	1,312	1,312	
Earnings per share (in PLN/EUR) (basic and diluted)	0.70	0.16	0.62	0.14	12.9 %
Consolidated Statement of Cash Flows					
Net cash provided by operating activities	3,411	793	3,453	763	(1.2) %
Net cash used in investing activities	(2,166)	(503)	(2,046)	(452)	5.9 %
Net cash used in financing activities	(1,492)	(347)	(1,634)	(361)	(8.7) %
Net change in cash and cash equivalents	(247)	(57)	(227)	(50)	8.8 %
eCapex*	1,822	423	1,555	343	17.2 %
Organic cash flow*	985	229	1,173	259	(16.0) %
	As of 31 December				
	2024 in PLN mn	2024 in EUR[3] mn	2023 in PLN mn	2023 in EUR[4] mn	Change (%)
Consolidated Statement of Financial Position					
Cash and cash equivalents	546	128	796	183	(31.4) %
Other intangible assets	4,253	995	4,398	1,011	(3.3) %
Property, plant and equipment	10,151	2,376	9,895	2,276	2.6 %
Total assets	26,598	6,225	26,826	6,170	(0.8) %
Financial liabilities at amortised cost, of which:	7,218	1,689	7,287	1,676	(0.9) %
Current	695	163	2,185	503	(68.2) %
Non-current	6,523	1,526	5,102	1,173	27.9 %
Other liabilities, current and non-current	5,739	1,344	6,093	1,402	(5.8) %
Total equity	13,641	3,192	13,446	3,092	1.5 %

Notes on data conversion:
1 – PLN/EUR fx rate of 4.3042 applied
2 – PLN/EUR fx rate of 4.5284 applied
3 – PLN/EUR fx rate of 4.273 applied
4 – PLN/EUR fx rate of 4.348 applied
* For definitions please see the Note 2 to the Condensed IFRS Interim Consolidated Financial Statements of the Orange Polska Group for the 12 months ended December 31, 2024.
** Weighted average number of shares in 12 months ended December 31, 2024 and December 31, 2023, respectively.

SUMMARISED STANDALONE FINANCIAL STATEMENTS

	For 12 months ended 31 December				
	2024 in PLN mn	2024 in EUR[1] mn	2023 in PLN mn	2023 in EUR[2] mn	Change (%)
Income Statement					
Revenue	11,259	2,616	11,153	2,463	1.0 %
Operating income	1,507	350	1,145	253	31.6 %
Operating margin	13.4 %		10.3 %		3.1 p.p.
Net income	1,077	250	782	173	37.7 %
Weighted average number of shares (in millions)*	1,312	1,312	1,312	1,312	
Earnings per share (in PLN/EUR) (basic and diluted)	0.82	0.19	0.60	0.13	36.7 %
Statement of Cash Flows					
Net cash provided by operating activities	3,390	788	3,464	765	(2.1) %
Net cash used in investing activities	(2,188)	(508)	(2,045)	(452)	7.0 %
Net cash used in financing activities	(1,488)	(346)	(1,612)	(356)	(7.7) %
Net change in cash and cash equivalents	(286)	(66)	(193)	(43)	48.2 %
	As of 31 December				
	2024 in PLN mn	2024 in EUR[3] mn	2023 in PLN mn	2023 in EUR[4] mn	Change (%)
Statement of Financial Position					
Cash and cash equivalents	432	101	721	166	(40.1) %
Other intangible assets	4,168	975	4,340	998	(4.0) %
Property, plant and equipment	9,947	2,328	9,831	2,261	1.2 %
Total assets	25,352	5,933	25,500	5,865	(0.6) %
Financial liabilities at amortised cost, of which:	7,252	1,697	7,326	1,685	(1.0) %
Current	819	192	2,310	531	(64.5) %
Non-current	6,433	1,505	5,016	1,154	28.2 %
Other liabilities, current and non-current	5,274	1,234	5,699	1,311	(7.5) %
Total equity	12,826	3,002	12,475	2,869	2.8 %

Notes on data conversion:
1 – PLN/EUR fx rate of 4.3042 applied
2 – PLN/EUR fx rate of 4.5284 applied
3 – PLN/EUR fx rate of 4.273 applied
4 – PLN/EUR fx rate of 4.348 applied

* For definitions please see the Note 2 to the Condensed IFRS Interim Consolidated Financial Statements of the Orange Polska Group for the 12 months ended December 31, 2024.
** Weighted average number of shares in 12 months ended December 31, 2024 and December 31, 2023, respectively.

1.1 Comments on the Consolidated and Standalone Income Statement

Comments on the Consolidated Income Statement of the Group

Revenues amounted to PLN 12,732 million in 2024 and were lower by PLN 238 million or 1.8% year-on-year. It was a trend reversal versus 2023, when revenues increased by 3.9%. This resulted from a decline in IT and integration services and energy resale business, while for revenues from our core telecom services, which are crucial for profit generation, growth rate improved.

In 2024, revenues from our core telecom services (combined revenues of convergence, mobile-only and fixed broadband-only) were up 5.4% year-on-year. The growth in this category has been fuelled by the combination of a steady increase in customer bases in all categories of post-paid services and growing average revenue per offer (ARPO), attributable to our value strategy and a growing share of fibre customers. Revenues from IT and integration services decreased by 7% year-on-year in 2024. Firstly, it reflected a cyclical slowdown in demand, resulting from the uncertain economic environment, high inflation in previous years and the unstable geopolitical situation. Secondly, 2024 was marked by a decrease in demand from the public sector in Poland, mainly due to changes in the wake of parliamentary elections (Q4 2023). A major factor affecting the revenue evolution in 2024 was a 30% decrease in other revenues, which cover mainly our energy resale business. This significant decline resulted from both much lower energy prices in the market and regulatory changes regarding retail tariff caps for households. Equipment sales in 2024 reported a 2% decline, resulting from lower average prices of handsets sold. Last year, top line was also affected by a continued structural decline in legacy fixed-voice revenues (down 13% yoy) and an 11% decrease in wholesale mobile revenues due to further regulatory cuts in mobile termination rates.

In 2024, EBITDAaL amounted to PLN 3,324 million and was higher by PLN 145 million or 4.6% year-on-year. The EBITDAaL growth was generated almost entirely by direct margin, which increased by almost 1.9% (or PLN 133 million). The lower growth rate (vs. 4.3% growth in 2023) resulted mainly from lower profits in the areas of IT and integration services and energy resale, which followed lower revenues. At the same time, margin from our core telecom services continued strong improvement, driven by simultaneous growth of customer bases and the successful implementation of our value strategy. Indirect costs fell slightly, by 0.3% only. On the one hand, like in 2023, they remained under pressure due to the inflationary impact on rental costs and various external service purchases. On the other hand, the evolution of indirect costs was very positively affected by benefits from efficiency initiatives (primarily generation of a higher margin on the network rollout for Światłowód Inwestycje, which was reflected in much higher other operating income) and a decrease in energy costs year-on-year.

Operating income (EBIT) stood at PLN 1,419 million, an increase of 16% year-on-year. This steep improvement was attributable not only to the EBITDAaL growth, but also a provision of PLN 125 million related to the new Social Agreement for 2024–2025, which affected EBIT in 2023.

Net finance costs amounted to PLN 291 million in 2024 and were up PLN 78 million year-on-year. Their evolution resulted mainly from two factors. Firstly, substantial foreign exchange gains were recognised in 2023, as the PLN strengthened against the EUR. Secondly, higher interest paid was reported in 2024 due to increase in both outstanding debt and the average debt cost.

As a result, consolidated net income amounted to PLN 913 million, an increase of 12% year-on-year.

For more information on the operational and financial performance please see section 2 below.

Comments on the Income Statement of Orange Polska S.A.

In 2024, net income of Orange Polska S.A. amounted to PLN 1,077 million and was PLN 164 million higher than the consolidated net income of the Group. Firstly, higher operating income reflected non-consolidation of the share in the loss of Światłowód Inwestycje joint venture. Secondly, the result below operating profit was supported by dividends from subsidiaries, which were approximately PLN 50 million higher year-on-year.

1.2 Comments on the Consolidated and Standalone Statement of Cash Flows

Comments on the Consolidated Statement of Cash Flows of the Group

Net cash provided by operating activities amounted to PLN 3,411 million in 2024 and was slightly lower than in the previous year (PLN 42 million). The decrease is attributable mainly to slightly higher working capital requirement following a significant reduction thereof in 2023.

Net cash used in investing activities amounted to PLN 2,166 million in 2024 compared to PLN 2,046 million in 2023. The increase resulted mainly from slightly higher cash outflows for investment activities, lower proceeds from sale of assets and higher expenditure on acquisitions of local fibre network operators. On the other hand, net cash used in investing activities was boosted by received advances of almost PLN 280 million for investment grants for co-financing of capital projects within the European Funds for Digital Development (EFDD) and the National Recovery and Resilience Plan (NRRP) frameworks. These advances will be used in subsequent years for the development of fibre networks in non-urban areas.

Net cash outflows from financing activities amounted to PLN 1,492 million compared to PLN 1,634 million in 2023. These were related mainly to payments for leased property, plant and equipment, partial repayment of a related party loan and dividend payment (higher than in 2023).

Comments on the Statement of Cash Flows of Orange Polska S.A.

Net cash outflow in Orange Polska S.A. in 2024 amounted to PLN 286 million and was at a comparable level to that of the Group.

1.3 Economic Capital Expenditures (eCAPEX)

In 2024, the Group's economic capital expenditures (which, since 2020, have included accrued proceeds from asset disposals) amounted to PLN 1,822 million and were higher by PLN 267 million (or 17%) versus very low eCAPEX in 2023.

These included mainly the following:

- Increasing investments in the mobile network related to the 5G network rollout (following the acquisition of the dedicated spectrum in December 2023) and enhancement of the 4G network capacity (in a four-year access network modernisation project launched in 2022). Capital expenditures on the both projects totalled approximately PLN 340 million in 2024;
- Investments in the fibre network, which mainly involved further commercialisation of the constructed network (including customer premises equipment and service delivery) and fibre rollout to dedicated business customers. The increase in this area year-on-year resulted mainly from the commencement of fibre network deployment projects co-financed within the EFDD and the NRRP frameworks;
- Expansion of the mobile transport and core network in order to handle the growing volume of data transmission and ensure the service quality expected by customers;
- Implementation of transformation programmes;
- Investment projects related to the portfolio development, sales and customer service processes as well as the modernisation and enhancement of the IT technical infrastructure;
- Strong proceeds from sale of real estate that we no longer use due to the technology transformation from copper to fibre (though lower vs. exceptionally high proceeds in 2023).

1.4 Comments on the Consolidated and Standalone Statement of Financial Position

Comments on the Consolidated Statement of Financial Position of the Group

Total assets stood at PLN 26,598 million at the end of 2024 and were lower by PLN 228 million than on 31 December 2023. An increase in property, plant and equipment was offset mainly by a decrease in other intangible assets, trade receivables, cash and cash equivalents, and a deferred tax asset.

Total liabilities at the end of 2024 amounted to PLN 12,957 million and were lower by PLN 423 million than at 31 December 2023. It was attributable mainly to a decrease in trade payables, provisions and contract liabilities.

Comments on the Statement of Financial Position of Orange Polska S.A.

Total assets of Orange Polska S.A. amounted to PLN 25,352 million as at 31 December 2024 and were lower by PLN 1,246 million than total assets of the Group. This difference resulted mainly from goodwill, lower property, plant and equipment, and lower trade receivables.

Total liabilities of Orange Polska S.A. as at 31 December 2024 amounted to PLN 12,526 million and were lower by PLN 431 million than total liabilities of the Group, mainly owing to lower trade payables.

1.5 Scope of Consolidation within the Group and Related Parties Transactions

Please see Note 1.2 to the Consolidated Full-Year Financial Statements for information about the scope of consolidation within the Group.

Please see Note 33 to the Consolidated Full-Year Financial Statements about Group's transactions with related entities.

1.6 Description of Significant Agreements

Please see section 1.10 below for information on significant agreements concluded by the Group in 2024.

1.7 Unrecognised Contractual Obligations

Please see Note 31 to the Consolidated Full-Year Financial Statements for information about unrecognised contractual obligations.

1.8 Subsequent Events

Please see Note 34 to the Consolidated Full-Year Financial Statements for information on subsequent events.

1.9 Management of Financial Resources and Liquidity of the Group

Orange Polska Group's policy of management of financial resources and liquidity risk provides for ensuring that the Group has sufficient funds to meet its current financial obligations and implement its investment plans without the risk of incurring unnecessary costs, while preserving its reputation in order to maintain a satisfactory credit rating. The Group utilises a range of tools for the efficient liquidity management, while following a policy of diversification of the sources of financing.

In the reported period, the Group financed its operations both with cash from operating activities and with funds from external sources of debt financing described below.

Like in previous years, the dominating source of the Group's debt financing was funds provided by the Orange S.A. Group. Such financing is obtained, without exception, on market terms.

Group's liquidity ratios remained solid in the reported period. As of 31 December 2024, cash position amounted to PLN 546 million. In addition, the Group maintained committed, unused credit facilities totalling PLN 1,688 million, which could be immediately used in the case of occurrence of a potential liquidity gap.

The liquidity ratios for the Group at 31 December 2024 and 31 December 2023, respectively, are presented in the table below.

	31 December 2024	31 December 2023
Current ratio Current assets/ current liabilities*	0.99	0.76
Quick ratio Current assets – inventories/ current liabilities*	0.91	0.71
Super-quick ratio Current assets – inventories – receivables/ current liabilities*	0.41	0.33

*Current liabilities less provisions and contract liabilities were used to determine the ratio.

Group's net financial debt (after valuation of derivatives) increased to PLN 3,671 million at 31 December 2024 (from PLN 3,528 million at the end of 2023). Financial leverage (net financial debt to EBITDAaL) at the balance sheet date stood at 1.10 (vs. 1.11 at the end of 2023).

1.10 Loans and Borrowings

At the balance sheet date, the Group had both short- and long-term loans.

Long-term financing includes:

- Intragroup financing provided by Atlas Services Belgium S.A. (a subsidiary of Orange S.A.) of carrying amount of PLN 3.9 billion as of 31 December 2024. Intragroup long-term financing comprises PLN 3.9 billion loan and a revolving credit line of PLN 1 billion, not used as of year-end 2024. The average maturity of intragroup long-term financing is 30 months. On 30 April 2024, Orange Polska S.A. and Atlas Services Belgium S.A., a subsidiary of Orange S.A., concluded a loan agreement for PLN 1,200 million, maturing on 20 May 2029; its purpose was to refinance a portion of Orange Polska S.A.'s debt incurred under an expiring term loan agreement for PLN 1,500 million. Furthermore, on 20 November 2024, Orange Polska S.A. and Atlas Services Belgium S.A., a subsidiary of Orange S.A., concluded a revolving loan agreement for PLN 1,000 million, maturing on 19 November 2027; its purpose was to extend the available limit under revolving financing;
- An amortised investment loan granted by a commercial bank under the Digital Poland Operational Programme (POPC), maturing on 31 December 2030. As of the balance sheet date, its balance stood at PLN 33.8 million. In the reported period, a total of PLN 5.6 million was repaid from the loan.

For short-term financing the Group has secured the following:

- A backup liquidity financing with headroom of PLN 500 million provided to Orange Polska S.A. by Orange S.A.;
- Three current account overdraft facilities provided to Orange Polska S.A. by commercial banks, totalling PLN 130 million, which were not utilised as of the balance sheet date;
- Four current account overdraft facilities provided to Orange Polska's subsidiaries by commercial banks, totalling PLN 58 million, which were not utilised as of the balance sheet date either.

As of the balance sheet date, no loan agreements provided for any financial covenants to be abided by the Group.

1.10.1 Intragroup Loans

In the reported period, Orange Polska S.A. granted loans totalling PLN 36.5 million to its subsidiaries. As of the balance sheet date, the balance of these loans was PLN 34.5 million.

In addition, in the reported period, one of Orange Polska S.A.'s subsidiaries granted a loan of PLN 23 million to its own subsidiary. As of the balance sheet date, the balance of loans granted between subsidiaries was PLN 23 million.

The main purpose of intragroup loans is to finance investment plans, while cash-pooling discussed below is intended to secure current liquidity.

1.10.2 Cash-pooling

The Group companies optimise financial costs through a multilateral cash-pool agreement with a commercial bank acting as the pool leader. The limits set in the agreement ensure flexible cash management within the Group.

Furthermore, Orange Polska S.A. participates in a cash-pooling programme managed by Orange S.A, in which on the one hand it can benefit from the backup liquidity financing described in the short-term financing section above and on the other hand it can invest any financial surplus earned.

Either cash-pooling system is operated by a financial institution of a high credit rating, which ensures the security of cash and financial settlements.

1.10.3 Factoring

The Group uses accounts receivable factoring, considering this instrument as a major element of its working capital management. On 12 March 2024, the Group concluded an agreement with BNP Paribas S.A. as the buyer and Eurotitrisation as the settlement agent amending a programme to sell receivables arising from instalment sales of mobile handsets, that was set up in 2019 and amended by annexes in subsequent years. The amendment concerned some technical and calculation aspects thereof. As the programme was extended by adding new portfolios of receivables in December 2023, the receivables sold amounted to PLN 1,278 million on the balance sheet date of 31 December 2024, which was a significant increase versus PLN 954 million in 2023.

In addition, the Group uses reverse factoring provided by a factoring company associated with a renowned bank to finance a part of its trade payables portfolio. The purpose of the programme is to mitigate the liquidity risk is and support working capital management at both Orange Polska S.A. and its suppliers. The programme balance was PLN 136.2 million on the balance sheet date versus PLN 96.1 million on 31 December 2023.

1.10.4 Leases

As of 31 December 2024, the Group companies had active lease agreements that would be recognised as liabilities in financial statements even before the implementation of the IFRS 16 standard, in the total amount of PLN 396 million (vs. PLN 470 million on 31 December 2023). Leases are mainly used to finance IT hardware with related software. The additional impact of the IFRS 16 implementation, resulting from rental and lease agreements with entities other than financial institutions, is PLN 2.593 million. The Group's lease liabilities total PLN 2.989 million.

1.10.5 Guarantees and Collaterals

The Group has available ten bank guarantee facilities with the total limit of PLN 351.2 million. As of the balance sheet date, their utilisation amounted to PLN 207.9 million. The available facilities are used for issuing bank guarantees with respect to liabilities of both Orange Polska S.A. and its selected subsidiaries.

Furthermore, Orange Polska S.A. grants corporate guarantees to secure liabilities of other companies of the Group. On 31 December 2024, active corporate guarantees granted to electricity suppliers as collaterals for liabilities of Orange Energia sp. z o.o. under electricity sale contracts totalled PLN 74.6 million (vs. PLN 64.2 million on 31 December 2023).

1.10.6 Bonds

As part of the Group's liquidity management, in the reported period the parent company did not issue or redeem short-term bonds acquired by its subsidiaries. Furthermore, the Group did not issue or redeem any external long-term debt notes.

1.10.7 Hedging Transactions

In the reported period, the Group continued efforts aimed to mitigate the impact of foreign exchange risk and interest rate risk on its cash flow by concluding and maintaining forward contracts and other derivatives, thus hedging exposure to FX risk arising from operating and capital expenditures as well as interest rate risk arising from debt service.

In the currency risk management, the Group reviews its exposure on a regular basis (at least quarterly) and adjusts its hedging position on a current basis. As a result of the currency risk hedging strategy, the impact of fluctuations in exchange rates on the Group's cash flow in six consecutive months after the balance sheet date was reduced by 72%.

In the interest rate risk management, the Group utilises mainly, if beneficial, financing agreements based on a fixed interest rate. In many cases it also uses derivatives of satisfactory liquidity. As of 31 December 2024, the proportion between fixed/floating rate debt (after hedging) was 90/10% versus 91/9% on 31 December 2023. Within a time horizon of 12 months, 90% of exposure to interest rate risk in relation to the projected debt is hedged. In the opinion of the Management Board of Orange Polska S.A., owing to the implementation of the hedging strategy, fluctuations in interest rates in the market will have a limited impact on the Group's cost of debt in the one-year perspective.

The Group applies hedge accounting principles to certain derivative instruments that hedge the exposure portfolios relevant to the Group's income statement.

CHAPTER II
MANAGEMENT BOARD'S REPORT ON OPERATING AND FINANCIAL PERFORMANCE OF THE GROUP

in 2024

2 OPERATING AND FINANCIAL PERFORMANCE OF THE GROUP

The Group reports a single operating segment, as decisions about resources to be allocated and assessment of performance are made on a consolidated basis. The Group's performance is evaluated by the Management Board based on revenue, EBITDAaL, net income, eCapex (economic capital expenditures), organic cash flows, net financial debt and net financial debt to EBITDAaL ratio based on cumulative EBITDAaL for the last four quarters.

Financial data of the operating segment and calculation as well as definitions of performance measures of the operating segment are presented in the Note 2 to the Consolidated Full-Year Financial Statements of the Orange Polska Group for the 12 months ended 31 December 2024.

Key figures (PLN million)	2024*	2023*	Change
Revenues	12,732	12,970	-1.8%
EBITDAaL*	3,324	3,179	4.6%
EBITDAaL margin	*26.1%*	*24.5%*	*1.6 p.p.*
Operating income *	1,419	1,221	16.3%
Net income *	913	818	11.6%
eCapex*	1,822	1,555	17.2%
Organic Cash Flow*	985	1,173	-16.0%

* Disclosures on performance measures are presented in the Note 3 to the Consolidated Full-Year Financial Statements of the Orange Polska Group for the 12 months ended 31 December 2024.

Our revenue reporting reflects our commercial strategy, which is focused on convergent offer sales. Consequently, we report convergent revenues separately from revenues from mobile-only and fixed-only services (i.e. sales to non-convergent customers).

Revenues amounted to PLN 12,732 million in 2024 and were lower by PLN 238 million or 1.8% year-on-year. It was a trend reversal versus 2023, when revenues increased by 3.9%. This resulted from a decline in IT and integration services and energy resale business, while revenues from our core telecom services, which are crucial for profit generation, even improved the growth rate.

In 2024, revenues from our core telecom services (combined revenues of convergence, mobile-only and fixed broadband-only) were up 5.4% year-on-year (vs. 4.8% growth in 2023). The growth was fuelled by the combination of a steady increase in customer bases in all categories of post-paid services and growing average revenue per offer (ARPO), attributable to our value strategy and a growing share of fibre customers. Growth in customer bases remained strong. Growth in convergent and post-paid mobile customer bases accelerated versus 2023, while fibre customer base growth remained similar despite intensive competition in the market. Importantly, ARPO increased across all service lines. ARPO growth in convergent services reached 4.6% year-on-year, accelerating versus 2023 (with 3.6% growth). Also revenues from pre-paid services reported a slight improvement in the growth rate, especially in the second half of the year.

Revenues from IT and integration services decreased by 7% year-on-year in 2024. Firstly, it reflected a cyclical slowdown in demand, resulting from the uncertain economic environment, high inflation in previous years and the unstable geopolitical situation. Secondly, there was a decrease in demand from the public sector in Poland, mainly due to changes in the wake of parliamentary elections (Q4 2023). Notably, the decline followed very strong performance in 2023, when these revenues were up 14%, significantly outpacing the ICT market in Poland. This revenue line was strongly supported by an increase in demand for our wholesale SMS service last year.

A major factor affecting the revenue evolution in 2024 was a 30% decrease in other revenues, which cover mainly our energy resale business. This significant decline resulted from both much lower energy prices in the market and adverse regulatory changes regarding retail tariff caps for households.

Equipment sales in 2024 reported a 2% decline, resulting from lower average prices of handsets sold. In 2024, top line was also affected by a continued structural decline in legacy fixed-voice revenues (down 13% yoy), and a 14% decrease in wholesale mobile revenues due to further regulatory cuts in mobile termination rates.

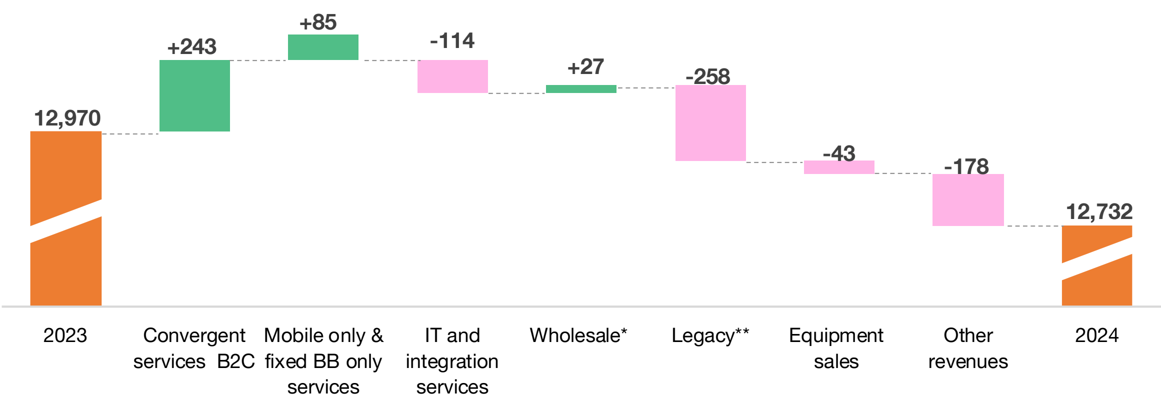
In 2024, EBITDAaL amounted to PLN 3,324 million and was higher by PLN 145 million or 4.6% year-on-year. The EBITDAaL growth was generated almost entirely by direct margin, which increased by almost 1.9% (or PLN 133 million). The lower growth rate (vs. 4.3% growth in 2023) resulted mainly from lower profits in the areas of IT and integration services and energy resale, which followed lower revenues. At the same time, margin from our core telecom services continued strong improvement, driven by simultaneous growth of customer bases and the successful implementation of our value strategy.

In 2024, indirect costs fell slightly, by 0.3% only. On the one hand, like in 2023, they remained under pressure due to the inflationary impact on rental costs and various external service purchases. On the other hand, the evolution of indirect costs was very positively affected by benefits from efficiency initiatives (primarily generation of a higher margin on the network rollout for Światłowód Inwestycje, which was reflected in much higher other operating income) and a decrease in energy costs year-on-year.

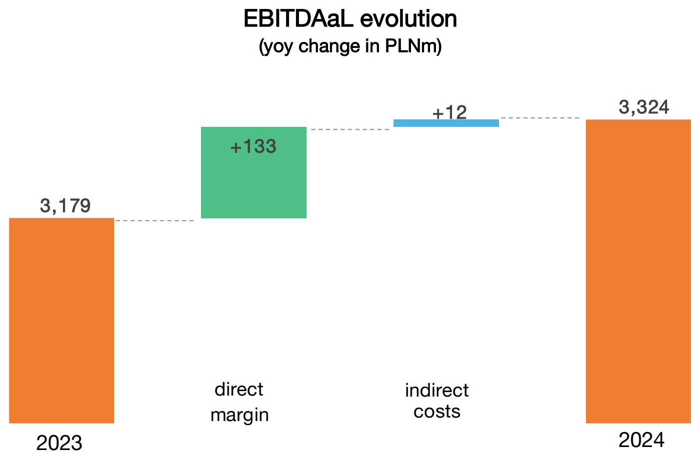
Cost evolution can be attributed mainly to the following factors:

- A decrease of 11% in interconnect expenses, resulting mainly from cuts in mobile termination rates and reflecting a decrease in wholesale mobile revenues;
- A decrease of 6% in commercial expenses, resulting mainly from lower ICT equipment sales;
- An increase of 7% in network and IT expenses, driven mainly by higher network maintenance costs related to the inflationary impact and the minimum wage growth;
- An increase of 8% in depreciation of right-of-use assets, resulting from the inflationary impact on rental agreements.

Revenue evolution
(yoy change in PLNm)



* Wholesale excluding legacy services
** Legacy services: broadband only, non-fibre fixed wholesale and interconnect revenues



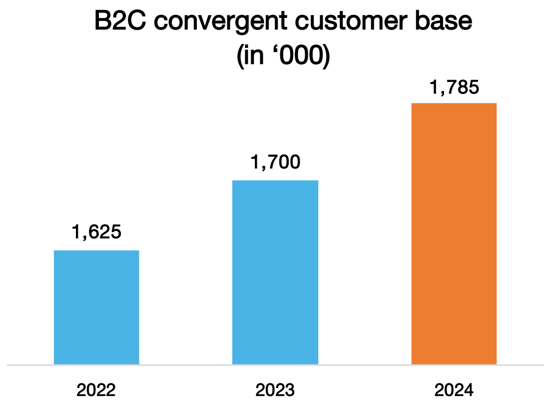
2.1 Convergent Services

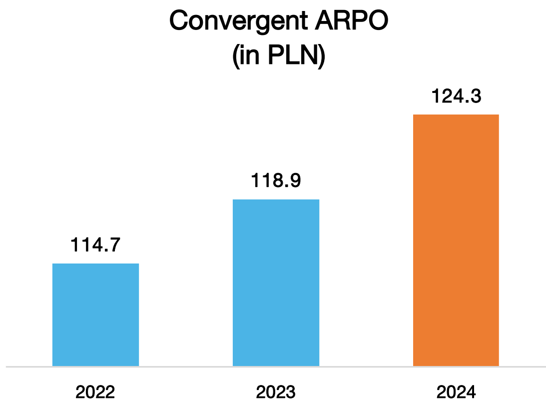
One of the key strategic objectives of Orange Polska is to be the leader in telecommunication services sales to households. Convergence, or sales of mobile and fixed-line service bundles, addresses household telecommunication needs in a comprehensive manner, increasing customer satisfaction and reducing churn. Through our convergent offer we are able to enter new households with our services as well as upsell additional services to households where we are already present, displacing competitors that cannot provide such a comprehensive offer.

In 2024, our B2C convergent customer base increased by 84 thousand (or almost 5%), reaching 1.78 million. The growth rate was slightly higher than a year earlier, even though saturation of our broadband customer base with convergent services has already reached a significant level of over 70% and the market for these services has become more competitive lately. All major mobile operators have been implementing a strategy of selling comprehensive services for home. This process has intensified as a result of wholesale partnerships that even out the differences among operators in their fibre service reach. The total number of services provided in the convergence scheme among B2C customers reached 6.9 million, which means that, on average, each convergent residential customer uses about four Orange services.

	For 12 months ended		Change
	31 Dec 2024	31 Dec 2023	
Convergence revenues (PLNm)	2,580	2,337	10.4%
Convergent customer base (000)	1,785	1,700	4.9%
Convergence ARPO (PLN)	124.3	118.9	4.6%

In 2024, revenues from convergent services totalled PLN 2,580 million and were up 10% year-on-year. The growth rate accelerated from 2023, when it was 8%. It resulted from both customer base expansion and growing ARPO. ARPO growth slightly accelerated to 4.6% year-on-year versus 2023, benefitting from our value strategy and a steadily growing share of fibre customers in the convergent base. Fibre customers generate higher ARPO owing to the higher penetration of TV services and high-speed options, which are more expensive. At the end of 2024, high-speed customers accounted for 40% of the aggregate fibre customer base (vs. 32% at the end of 2023).





2.2 Mobile-only Services

Revenues (*PLN million*)	For 12 months ended		Change
	31 Dec 2024	31 Dec 2023	
Mobile-only services	2,982	2,891	3.1%

Key performance indicators (number of services) ('000)	31 Dec 2024	31 Dec 2023	31 Dec 2022	Change 31.12.2024/ 31.12.2023	Change 31.12.2023/ 31.12.2022
Post-paid mobile services	14,297	13,143	12,566	8.8%	4.6%
Mobile Handset	9,195	8,941	8,723	2.8%	2.5%
Mobile Broadband	572	610	627	-6.1%	-2.7%
M2M	4,530	3,592	3,216	26.1%	11.7%
Pre-paid mobile services	4,311	4,485	5,064	-3.9%	-11.4%
Total mobile services	18,608	17,628	17,630	5.6%	0.0%

Key performance indicators (*PLN*)	2024	2023	2022	Change 2024/2023	Change 2023/2022
Monthly blended retail ARPO from mobile-only services	22.8	21.9	20.3	4.4%	7.7%
post-paid- mobile handset	29.9	29.4	28.5	1.6%	3.1%
pre-paid	14.7	13.8	12.4	6.7%	11.2%

As at the end of 2024, Orange Polska had a mobile services base of 18.6 million, which is an increase of more than 5% versus the end of 2023. This evolution resulted from a combination of strong growth in post-paid services and a decline in pre-paid services.

In the post-paid segment, there were no significant changes in SIM card trends:

- Volume growth in handset offers (which are of crucial business importance) in 2024 was almost 3% (or 254,000) year-on-year, as a result of the consistent implementation of our value-based commercial strategy, focus on the Orange Love convergent offer in customer acquisition, and stable growth in the Nju and Flex brands. In addition, customer base on the business market increased, though less than in the previous years due to slowdown in demand and intensive market competition;

- The number of mobile broadband services continued a structural decline, resulting from the substitution of this product with much-larger-than-before data packages for smartphones;
- Significant growth in the number of SIM cards related to M2M services (up 26%), mainly owing to the demand in the power generation industry, which has been gradually implementing remote electricity consumption metering systems.

The number of pre-paid services was down 4% in 2024, which was a much lower decrease than a year earlier. It was mainly a result of intensive competition in the pre-paid market. The decline slowed down in the second half of the year.

Blended ARPO (from mobile-only services) amounted to PLN 22.8 in 2024 and was up 4.4% year-on-year. Both post-paid and pre-paid services contributed to this growth.

Mobile handset-only ARPO growth was 1.6%, slowing down from 2023, when the growth rate was 3.1%. This was attributable to three main factors. Firstly, our focus on value and related price increases (in line with our 'more for more' strategy) in the consumer market. Secondly, slowdown in ARPO growth in the business market after the increases introduced over the customer base at the end of 2022 and due to intensive market competition. Finally, the reported mobile-only services ARPO has been diluted by systematic migration of customers from the main Orange brand to convergence and a growing share of Nju and Flex brands, which generate significantly lower revenues per customer.

Pre-paid ARPO grew by as much as 7%, mainly as a result of changes in our commercial offer and price increases. The growth accelerated in the second half of the year.

2.2.1 Market and Competition[1]

The estimated number of SIM cards (64 million) increased by 4% compared to the end of 2023, driving the mobile penetration rate (among population) to 172% at the end of 2024. Despite high saturation, mobile voice still maintained a positive growth rate. In the post-paid segment, sales of M2M cards also rapidly increased.

In 2024, Poland's economy entered the recovery phase, driven mainly by private consumption, which benefits from much lower inflation, real wage growth and increased social transfers. The telecommunication market, which is saturated and characterised by low elasticity of demand, is not best positioned to benefit from this recovery. On the other hand, no major decline in demand was observed in the last two years, which were marked by exceptionally high uncertainty in the macroeconomic environment. While the consumer market performed well, there was a slowdown in demand from business customers.

In 2024, the key players in the mobile market followed the convergence path (bundling mobile and fixed services), which had been pioneered by Orange for years. From the point of view of mobile operators who strive to expand their product portfolio to include fixed line services, it becomes crucial to increase their fixed line service reach through acquisitions, wholesale agreements or partnerships. Growing range of fixed line networks contributes to increasingly localised competition for customers.

The pre-paid segment has seen continued migration of customers to post-paid services. Due to differences among operators in reporting pre-paid SIM cards, their comparative analysis remains difficult.

According to Orange Polska's own estimates, the four leading operators' aggregated market share remained at 98% as of the end of 2024, with Orange Polska's estimated market share of 29%.

[1] Analysis of the mobile market, excluding wireless for fixed offers.

2.2.2 Mobile Voice and Data Services

We continue to focus on our convergent offer in customer acquisitions, as it enables upsales of additional services and contributes to higher loyalty of customers. Despite significant saturation of our customer base with convergent services, the majority of new mobile voice acquisitions are still effected in the convergent bundle formula. Our strategy is still focused on value, which involves maintaining a proper balance between customer base expansion and efforts to increase ARPO. ARPO improvement results from monetisation of the price increases introduced in the 'more for more' formula as well as incentives for customers to choose high-end tariff plans.

In 2024, we continued with our balanced value strategy, which enables us to simultaneously acquire new customers and increase ARPO. In January 2024, we implemented another price increase, raising all Orange tariffs for B2C customers by PLN 5. This was accompanied by larger data pools introduced slightly earlier. The price increase was aligned with the launch of the 5G network on the newly acquired spectrum, which largely expanded the capacity of our network and streamlined the management of the steadily growing data traffic, ensuring the top quality connectivity for our customers. In April, we introduced the forth, low-end tariff plan with a low data package, which is to increase the attractiveness of our service portfolio in the strongly competitive market environment. On the other hand, in the summer commercial season we introduced a promotional unlimited data package in the high-end tariff plan. In January 2025, another price increase was implemented in B2C tariff plans of the Orange brand. All tariffs, except for the lowest one, went up PLN 5 again.

In 2024, among other major operators, Play also raised its mobile tariffs in the 'more for more' formula and increased its pre-paid price lists. As at the end of 2024, there were no major differences in tariffs among operators. All of them had four tariff plans, offering access to the 5G technology. Some operators continued to be active with promotions, especially regarding multi-SIM offers, sales in digital channels or additional content (e.g. access to streaming platforms) to make their offers more attractive.

Strong competition in pre-paid services continued in 2024. In particular, it involved constant increases in data packages in the so called 'No Limit' offers. The market is dominated by subscription offers with large data packages broken down into months, conditional upon pre-defined top-up, which are aimed at loyalisation of pre-paid customers. Despite the competitive environment, we raised prices for calls, messages and data transfer for customers charged per price lists. We also significantly increased data packages in our unlimited service in response to strong market competition.

2.3 Fixed-only Services

Revenues (*PLN million*)	For 12 months ended		Change
	31 Dec 2024	31 Dec 2023	
Fixed-only services:	1,763	1,847	-4.5%
narrowband	437	502	-12.9%
broadband	885	891	-0.7%
network solutions	441	454	-2.9%

Key performance indicators (number of services) ('000)	31 Dec 2024	31 Dec 2023	31 Dec 20232	Change 31.12.2024/ 31.12.2023	Change 31.12.2023/ 31.12.2022
Fixed voice services'(retail: PSTN and VoIP) o/w:	2,316	2,428	2,572	-4.6%	-5.6%
convergent	992	970	940	2.3%	3.1%
fixed voice-only	1,323	1,458	1,632	-9.2%	-10.7%
Fixed broadband accesses (retail) o/w:	2,892	2,821	2,804	2.5%	0.6%
convergent	1,785	1,700	1,625	4.9%	4.7%
fixed broadband-only	1,108	1,121	1,179	-1.2%	-4.9%

Key performance indicators (*PLN*)	2024	2023	2022	Change 2024/2023	Change 2023/2022
ARPO from fixed narrowband-only (PSTN) services	35.5	36.0	36.3	-1.2%	-1.0%
ARPO from fixed broadband-only services	66.4	64.2	61.7	3.4%	4.0%

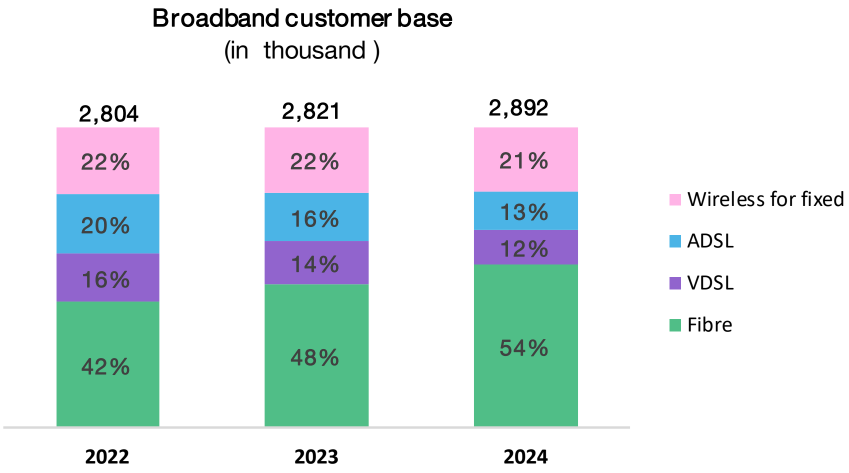
In 2024, our total fixed broadband customer base increased by 71 thousand, including 42 thousand customers added as a result of acquisitions of local fibre providers.

Our fibre customer base continued to grow rapidly owing to solid market demand, steadily growing fibre footprint and the aforementioned acquisitions. In 2024, it increased by 217 thousand, reaching 1,566 thousand.

The strong growth in fibre is driving the technological transformation of our broadband customer base. The share of fibre in the total broadband customer base increased to 54% at the end of 2024 from 48% a year earlier.

Fixed broadband-only services ARPO continued to improve. Its increase of 3.4% can be attributed mainly to the following two factors:

- Price increases introduced in previous years; and
- Growing share of fibre customers (who generate much higher average revenue per user owing to higher penetration of a TV service), growing share of customers from single-family houses (where the service price is higher), and growing share of customers using high-speed options (600 Mbps, 1 Gbps and 8 Gbps, the latter introduced in 2024 in the XGS-PON technology for the most demanding customers), which are more expensive.



Erosion of the fixed voice customer base (excluding VoIP) totalled 144 thousand in 2024 and was slightly lower than in 2023, when it stood at 186 thousand. The decline in these services can be attributed mainly to structural demographic factors and the popularity of mobile services with unlimited calls to all networks. It is also a result of our convergence strategy, which stimulates partial migration of customers to VoIP. Average revenue per user slightly decreased to PLN 35.5.

2.3.1 Market and Competition

Fixed Voice Market

The Group estimates that at the end of 2024 the fixed line service penetration rate was at 13% of Poland's population, a decline by 1 percentage point versus the end of 2023. The decline is still attributable mainly to growing popularity of mobile technologies as well as demographic factors. In countries like Poland, where the fixed line penetration was low at the time of introduction of mobile technology, mobile telephony is largely a substitute to fixed line telephony. The aforementioned downward trend has been also affecting regulated fixed wholesale products based on traditional infrastructure (WLR and LLU).

Fixed Broadband Market

According to Group's estimates, the total number of fixed broadband accesses, including wireless for fixed technology, increased by approximately 0.3 million versus the end of 2023. This can be attributed mainly to the intensive rollout of fibre infrastructure. We estimate that the number of households with internet access in the fibre technology corresponds to more than 70% of all households in Poland. This growth resulted mainly from investment projects financed by operators on their own. The latter include both major players investing on a large scale (e.g. Światłowód Inwestycje or Fiberhost) and numerous minor local operators. The Polish market for fibre services is very fragmented. According to the Office of Electronic Communications, there are over 1,000 internet providers operating in this technology, but only seven of them have a market share of over 1% (data for 2022). The fibre footprint expansion has taken place not only in urban areas, but also increasingly in the outskirts of big cities, smaller towns and rural areas. After the breakdown of the COVID-19 pandemic, access to high-speed broadband became even more necessary for both businesses, owing to the need to quickly shift a significant portion of operations from offline to online, and households. The growing digitisation level and increased data consumption validate the market need for investments in fixed broadband technologies.

A factor increasing the competitiveness of broadband is the expansion of service portfolio by mobile operators (Play, T-Mobile and Plus) pursuant to wholesale agreements with infrastructure-based operators. This commercial co-operation extends to both networks developed with EU funding and the own networks of fixed-line operators, such as Orange Polska, Fiberhost, Vectra, Nexera and Polski

Światłowód Otwarty, as well as the FTTH infrastructure of non-telecom companies, such as Tauron. A major player in the wholesale infrastructure-based broadband market is Światłowód Inwestycje, a joint venture of Orange Polska and APG (a Dutch pension fund), which aims to provide fibre to 2.4 million households by 2025.

Fibre network rollout financed by various EU funding streams (NRRP and EFDD) will be a strong driver for the market growth in subsequent periods. Based on the tender procedures decided so far (and taking into account that some operators withdrew from implementation at a later stage), the investments are to provide fibre broadband access for about 900,000 households. This includes investment projects to be implemented by Orange Polska, which will develop fibre networks for about 150,000 households.

According to our internal estimates, Orange Polska had the following share in the fixed broadband market:

Fixed broadband market – key performance indicators

	31 Dec 2024 (estimate)	31 Dec 2023
Market penetration rate – broadband lines (in total population)	64%	63%
Total number of broadband lines in Poland ('000)	11,567	11,251
Orange Polska's market share by volume	25%	25%

Orange Polska's fixed voice market share

	31 Dec 2024 (estimate)	31 Dec 2023
Retail local access*	46%	47%

*Without Wholesale Line Rental but with Orange WLR and VoIP services, which are the equivalents of subscriber lines.

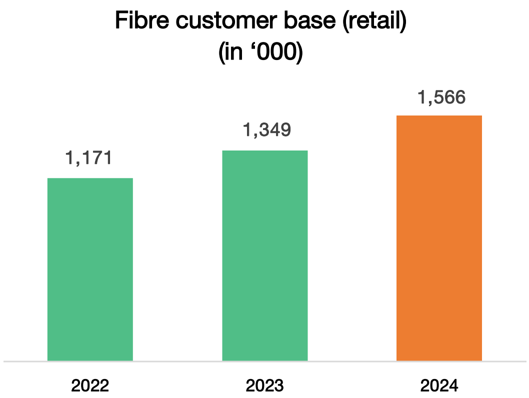
2.3.2 Fixed Line Data Services

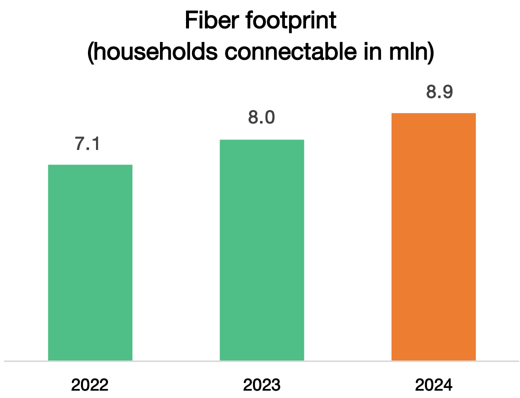
Since 2015, we have heavily invested in the rollout of access network in the fibre technology. It was instrumental to rebuilding our position in the fixed broadband market and the main driver for our convergence strategy of bundling mobile and fixed services. Until 2021, Orange Polska was expanding its fibre footprint mainly with its own investments. Since 2022, the increase in our fibre footprint has resulted mainly from wholesale partnerships with several operators, which is in line with our .Grow strategy. Following the sale of a 50% stake in Światłowód Inwestycje (FiberCo), the latter became our biggest wholesale partner with access to almost 1.7 million households at the end of 2023. On the one hand this shift involves an increase in costs due to third parties' network access fees, but on the other hand it provides room for investing in other areas (such as 5G network deployment). Fibre footprint expansion with Orange Polska's own resources is attributable mainly to investment projects co-financed with European funds and acquisitions of local fibre operators.

As at the end of 2024, almost 9 million households were within the reach of our fibre services, which is an increase of over 1 million compared to the end of 2023. It means that over a half of Polish households are connectable with Orange Polska's fibre services. Networks of other operators, including Światłowód Inwestycje, Nexera, Tauron and a number of others, accounted for ca 5 million of our fibre footprint.

Our retail fibre customer base reached 1,566 thousand at the end of 2024, growing by 217 thousand over the last twelve months. This growth included 42 thousand resulting from acquisitions of local fibre operators. Demand for fibre remained strong, but our commercial performance was affected by the increased competition, mainly due to other operators' investments in fibre network as well as the establishment of wholesale partnerships. As a result, the fibre service reach evens out among major players. The service adoption rate (including both our own retail customers and those of other operators selling their services on our fibre network) exceeded 19%. The basic speed of our fibre service is 300 Mbps. Our portfolio includes also higher speeds of 600 Mbps, 1 Gbps or 8 Gbps for an extra fee. Their share in new acquisitions has been steadily growing, which contributes to an increase in average revenue per user.

An important factor in competing for fixed broadband customers is the quality of the TV offer. Notably, the Polish market is characterised by very little exclusive content. Even expensive TV content (such as rights to broadcast sports events), which in Poland is acquired mainly by satellite platforms, is broadly distributed to cable televisions. Orange Polska continues to follow its strategy as a content distributor, co-operating with all major content providers.





3 OUTLOOK FOR THE DEVELOPMENT OF ORANGE POLSKA

3.1 Market Outlook

Orange Polska anticipates further growth of Poland's telecommunications market in the coming years. The past few years saw continued solid demand for telecommunications services despite particularly high uncertainty in the macroeconomic environment, resulting mainly from economic slowdown and high inflation. This means that, as essential goods, they are characterised by relatively high resistance to economic downturns. Considering the current environment, the telecommunications market growth may be analysed in the short- and long-term perspective.

In the short-term perspective, the telecommunications market will continue to be affected by macroeconomic and geopolitical uncertainties. In 2024, their effects were particularly noticeable in the business market, where limited willingness to invest coupled with saving initiatives reduced the demand for telecommunication and IT services. However, a positive factor will be significantly lower inflationary pressure as compared to the 2022–2023 period. Compared to other sectors, telecom operators are not well positioned to pass cost inflation onto their customers in the short term, as two-year loyalty agreements remain a standard in the industry.

The growth of the telecommunications market in Poland will be supported particularly by the following two factors: (i) rapid expansion of very high-speed broadband access, owing to fibre infrastructure investments and inflow of EU funds, and (ii) growing post-paid customer base with ARPU driven by the continued 'more for more' approach and growing data consumption by both residential and business customers in the mobile market. This is also seen on the demand side with the increased need for reliable connectivity, which the pandemic has highlighted. As data and voice connectivity has become more essential than ever to the needs of consumers and businesses, we anticipate demand for our services to remain strong in view of the economic growth expected to continue in 2025.

In the long run, the market growth will be stimulated by the development of 5G services with their high speed and low latency, that are required by autonomous services and the Internet of Things (IoT). Since the beginning of 2024, all mobile operators have focused on building 5G networks on the newly acquired frequencies dedicated to this technology. The auctions for 700 MHz and 800 MHz bands scheduled for completion in 2025 will increase 5G coverage in Poland, which will also positively influence the market growth in the long-run as a result of capital investments by operators. We also expect growing penetration of fixed broadband in the coming years, driven by the ongoing digitisation of the society and economy, including development of remote working and learning, e-commerce, IoT, e-administration, e-health, etc. Growing demand will be satisfied by increased supply of fixed broadband owing to investment projects co-financed by the EU, investments by other telecom operators and constant improvements in mobile connectivity. The independent activity of operators as well as agreements between them on using the deployed infrastructure will bring Poland closer to meeting the European Digital Agenda objectives.

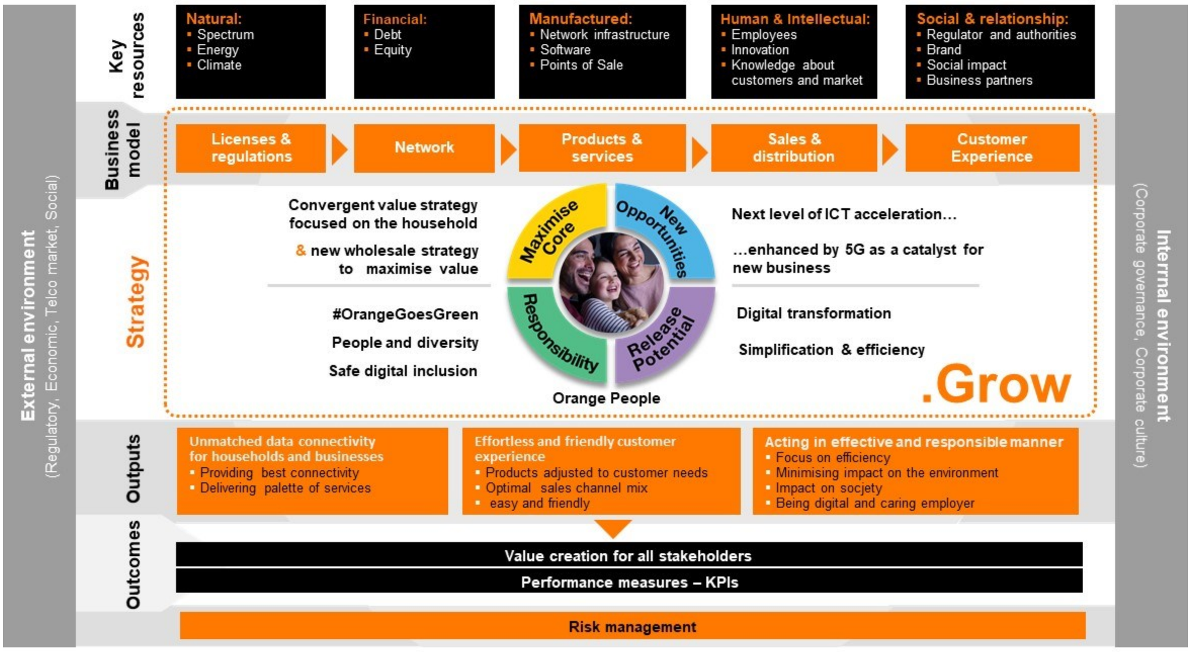
Financing from the European Funds for Digital Development (EFDD) programme and the National Recovery and Resilience Plan (NRRP) may be another particularly strong driver for the market growth in the long term. The main goal of the EFDD programme, worth approximately EUR 2.5 billion to be used by 2027, is to build a gigabit society in Poland, particularly to provide advanced public e-services, support increasingly important cybersecurity and develop data-based economy using modern digital technologies. Moreover, a substantial portion of funds in the programme will be committed to the development of fast internet in Poland. Based on the tender procedures decided so far (and taking into account that some operators withdrew from implementation at a later stage), the investments are to provide fibre broadband access for about 900,000 households.

In 2024, the B2B market was affected by a slowdown in demand, directly related to the increased costs of economic activity (particularly due to high inflation, growing energy costs and the rapid growth of minimum wage) as well as significantly reduced demand in the public sector. In the long run, we expect volume growth to continue in the B2B market, as a result of an increase in the number of companies, the development of the knowledge-based economy, the development of public services and the growing business digitisation driven by the influx of EU funds. With the market expansion, we anticipate growing popularity of telco services combined with an increasingly broad portfolio of ICT and IoT services.

3.2 Business Model

Below we present the diagram of our business model. Through its business mode the Orange Polska Group creates value for its customers by providing a friendly and effortless customer experience. We do this by supplying unmatched connectivity, and by selling a broad portfolio of innovative convergent, mobile and fixed products and services, supported by a proactive sales force, outstanding customer care, and highly motivated employees. Satisfied customers provide the revenues and profits we need to reinvest in the business, ensuring continued value creation for all our stakeholders. The main capitals used by the Orange Polska Group in the value creation process include: financial, manufactured, intellectual, human, social and relationship, and natural. Between 2021 and 2024, we followed a business model based on the .Grow strategy. The model accounted for the economic and social context of our operations, corporate governance, risk management system and environment al impact.

Orange Polska Group's Business Model



The Orange Polska Group's business model consists of the following components:

Licences and Regulations

To be able to render mobile telecom services the Group needs access to radio spectrum. The Company holds licences for 800 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2600 MHz and 3600 MHz frequencies. The amount of spectrum that is at our disposal influences the competitiveness and quality of the services we render.

Network

We have the largest network infrastructure in Poland. Network topology consists of fibre backbone and aggregation networks, and access network. This constitutes the basis for rendering fixed and mobile services. To increase the efficiency of our infrastructure, legacy technologies and solutions, which are mainly voice-oriented, are being replaced with a converged network capable of handling all types of traffic: voice, data and video.

Products and Services

We offer a broad portfolio of telecommunication products and services for residential, business and wholesale customers. We combine fixed line and mobile services, offering consistent connectivity based on different technologies.

Sales and Distribution

We ensure easy access to our products and services, using different channels to connect with customers, including traditional points of sale (our own or our agents'), independent distribution chain outlets (e.g. consumer electronics stores), on-line, telesales and door-to-door.

Customer Care

We deliver customer care across all channels of communication adjusted to customer needs, from traditional (points of sale, Contact Center, face to face, field technicians, delivery couriers) and automated (USSD, IVR, SMS) to modern digital channels (mobile apps, social media, chat, email).

3.3 2021–2024 .Grow Strategy Successfully Completed despite Unprecedented Challenges in the External Environment

In 2024, we successfully concluded our four-year .Grow strategy. We achieved its operating and financial ambitions despite particularly significant challenges resulting from a difficult macroeconomic environment, which we had not anticipated when this strategy was announced in 2021.

The .Grow strategy focused primarily on our core business and its monetisation. The foundation for this development had been laid by our previous strategy, when we carried massive investments in our fibre access network and focused on the sale of convergence packages as the main product in our marketing strategy in the B2C market, while in the B2B market we gradually expanded our portfolio of competences in the field of IT and integration services to support our customers in their digital transformation.

Consumer Market: Strong Growth of Both Customer Bases and ARPO in All Key Services

In the mass market, convergence, or sales of mobile and fixed-line service bundles, was the key to value creation, as it addresses household telecommunication needs in a comprehensive manner, increasing customer satisfaction and reducing churn. We reported simultaneous solid growth of customer bases and average revenue per offer (ARPO), achieving the ambitions announced in the strategy for both these elements.

	.Grow ambitions (2020–2024)*	Performance
Growth of convergent customer base	>20%	20.3% ✓
Growth of ARPO from convergence	>12%	17.6% ✓
Growth of revenues from convergence	>8% CAGR	10.3% CAGR ✓

* As presented in the .Grow strategy in June 2021.

The main success driver in convergence was the further expansion of our fibre reach. In the last four years we increased it by 3.9 million households (or almost 80%), that is significantly more than we had planned. As a result, at the end of 2024, Orange fibre was available to 8.9 million households or approximately 56% of all households in Poland. The bulk of that growth came from wholesale agreements with other operators. Our main wholesale partner was Światłowód Inwestycje, in which we hold a 50% stake. Fibre generates much higher average revenue per user compared to copper technologies. This can be attributed mainly to broader opportunities to sell content and to higher speed options, which are an increasingly popular choice among customers.

	.Grow ambitions (2020–2024)*	Performance
Households within the reach of our fibre services at the end of 2024	7–8 million	8.9 million ✓

* As presented in the .Grow strategy in June 2021.

It should be noted that we operated in the progressively competitive environment, in which alternative operators increasingly pursued a convergence strategy based on fibre. This required us to differentiate with a comprehensive service offer (e.g. by offering fibre services of higher and higher speeds) as well as quality customer care. We leverage on the great power of our brand and our excellent image among customers.

Business Market: Strategy of a Trusted Partner in the Digital Transformation of Our Customers

In the business market we successfully pursued a strategy to be a partner to our customers in their technological transformation. With the leadership position across all business segments of the telecom market (helped by investments in fibre) and competences in the ICT area (achieved through the organic development and acquisitions of BlueSoft and Craftware in 2018–2020), we are the sole company in Poland that is able to provide companies in any industry with comprehensive solutions for digital transformation. We met with huge demand from both various commercial sectors and the public sector. A major factor was the coronavirus pandemic, which accelerated digitisation by many years, often forcing companies to readjust their business models on the basis of new technologies. Our offer covered cloud solutions, infrastructure and cybersecurity in the integrated model, as well as software and applications.

In addition, we rapidly developed a portfolio of IoT solutions, especially for cities and towns. Our City Management Platform enjoyed growing demand among municipalities. Over 100 cities and towns use our smart metres and services for monitoring and management of street lighting, water supply, waste disposal and urban transport. Our services improve quality of life, deliver tangible savings and contribute to reduction of CO_2 emissions.

However, a factor that prevented us from making using of our full potential in the business market was later-than-expected implementation of 5G technology due to a considerable delay in the auction for the dedicated frequencies.

In the .Grow strategy we assumed that on average our ICT revenues would grow by 9–10% annually. We achieved this ambition despite a drop in revenues in 2024, when we experienced a decline in demand in the market. Overall, our revenue growth rates outpaced the ICT market growth.

	.Grow ambitions (2020–2024)*	Performance
IT&IS revenues	+9–10% CAGR	+12% CAGR ✓

* As presented in the .Grow strategy in June 2021.

Wholesale Market: New Opening in Wholesale to Maximise the Utilisation of Our Infrastructure

As part of the .Grow strategy, we expanded our approach to wholesale business opportunities. This was in part a natural consequence of our investments in mobile and fixed infrastructure and our ambition to better monetise these investments, as we have by far the largest telecommunications infrastructure among all the operators in Poland, including both transport and access fibre network, cable ducts and poles. We also saw potential in wholesale resulting from the development of the market for fast internet access (mainly in the fibre technology), entry of other market players into the convergence market and gradual deployment of 5G mobile networks.

We gradually increased the utilisation of our poles and cable ducts, mainly as a result of numerous investments of various operators in their fibre footprint. In addition, there was a substantial increase in the bandwidth used for data transmission services rendered to other mobile infrastructure operators interested in connecting their base stations to our fibre network.

We also strived to acquire a higher number of customers using our fibre network but serviced by other operators. The number increased 6.0x compared to 2020 (when that base stood at 26 thousand), which was in line with our ambition.

	.Grow ambitions (2020–2024)*	Performance
Number of wholesale fibre customers	>6 x (vs. 2020)	6.0x ✓

* As presented in the .Grow strategy in June 2021.

As a result of these initiatives, we achieved a marked increase in wholesale revenues, excluding legacy services (based on copper technologies) and interconnect settlements related to traffic termination. Revenues defined as above increased by 59% versus 2020.

Responsibility: Delivered Environmental and Social Targets

In the .Grow strategic plan, social responsibility, always very high on our agenda, became one of the main pillars of our strategy. We set ambitious ESG goals for ourselves in an attempt to reduce environmental footprint and prevent digital exclusion. We believe that the telecom sector has essential role to play in the transition to carbon neutrality.

Our primary goal is to be climate-neutral and achieve Net Zero Carbon by 2040, ten years ahead of the EU climate goals. Net Zero covers the entire emissions of Orange Polska: Scopes 1 and 2 (own direct and indirect emissions) and Scope 3 (emission in the entire value chain – suppliers, employees, customers). In the first period of action, by 2025, we wanted to reduce our CO_2 emissions in Scopes 1 and 2 by 65% versus 2015. We achieved this target already in 2023, that is two years ahead of the plan, by significantly increasing the share of renewable energy in our energy mix. This share exceeded 60% in the 2023–2024 period.

We prevent digital exclusion by disseminating high-speed internet access on the one hand, and raising digital competences through education on the other. In each year of the .Grow strategy, the Orange Foundation carried out digital education programmes in schools for over 5,000 children annually. Together with our social partners, we also trained teachers as part of the project called Lesson:Enter, co-financed by the European Union. This was the largest initiative of this type in Poland. In total, 82,000 teachers benefited from this programme between 2020 and 2023.

	.Grow ambitions (2020–2024)*	Performance
Reduction in CO_2 emissions by 2025 (vs. 2015)	~65%	78% ✓
Number of children in educational programmes (safety, coding)	>5,500 / year	9,500 / year ✓
Number of teachers in programmes increasing their digital competences in 2020–2023	>75,000	82,000 ✓
% of women in senior management positions	35%	36% ✓

* As presented in the .Grow strategy in June 2021.

Delivered Financial Targets and Return to the Regular Dividend Payments

While announcing the .Grow strategy, we set a number of financial ambitions. Revenue growth fuelled by our commercial activity and high operating leverage were to be the key drivers for EBITDAaL growth. It makes this growth fundamentally healthier. In our previous strategy, the turnaround was generated by huge savings on indirect costs, while direct margin continued to fall. Furthermore, by keeping capital expenditures at a steady level we intended to increase cash flow generation and improve return on capital employed (ROCE).

As presented in the table below, EBITDAaL growth rate over these four years was close to the top-end of the target, while eCapex was close to the bottom-end of the target. We increased ROCE five-fold, while preserving a solid balance sheet structure.

We achieved it despite enormous and unexpected headwinds related to the external environment, which included the outbreak of war in Ukraine, a huge rise in inflation rate and the minimum wage, and the energy crisis resulting in an immense increase in energy prices. The results achieved prove that our business is built on very strong foundations and that we are able to swiftly respond and adapt with agility to the changing environment. Our core telecommunication services, that is convergence, fibre and mobile, were the key growth engine. It was enabled by the constant growth of customer bases of these services as well as the persistent execution of our commercial value strategy (mainly price increases in the 'more for more' formula), which contributed to ARPO growth. In the period covered by the .Grow strategy, the growth rate for combined revenues of these three categories was 25%. It was crucial for the EBITDAaL growth of more than PLN 500 million.

Our investment strategy focused on growth and efficiency. In the .Grow strategy, the structure of capital expenditures evolved from dominated by fibre towards a greater share of our mobile network. Investments in mobile focused on two major projects. Firstly, modernisation of the radio access network. This project is critical to enable us to respond to the rapid growth in data traffic volume. Secondly, the construction of the 5G network, which due to delays in the distribution of dedicated frequencies started at full speed only in 2024. We continued to expand our fibre footprint, but it did not require significant direct expenditures on our part, as it was effected chiefly through wholesale partnerships, mostly with Światłowód Inwestycje, in which we hold a 50% stake.

	Medium-term financial guidance (2021–2024)*	2021–2024 Performance
Revenues	Low single-digit growth (CAGR)**	+2.6% CAGR
EBITDAaL	Low-to-mid single-digit growth (CAGR)**	+4.4% CAGR
eCapex (PLN bn)	1.7–1.9 yearly average for the period	1.71 bn PLN (average in 2021–2024)
ROCE ***	Increase 3–4x (from 1.6% in 2020)	7.9% in 2024 (5x increase)
Net debt / EBITDAaL	We aim to keep safe balance sheet with financial leverage in the range of 1.7–2.2x****	1.1x at the end of 2024

* As presented in the .Grow strategy in June 2021
** Compound Annual Growth Rate
*** Return On Capital Employed
**** Long-term prospects for net debt / EBITDAaL

As part of our .Grow strategy, we decided to resume sustainable shareholder remuneration and announced our dividend policy. In 2022, we paid dividend of PLN 0.25 per share from the Company's 2021 profits. It was the first dividend payment since 2016. In 2023, dividend, paid out of 2022 profits, was raised by 40% to PLN 0.35 per share. In 2024, dividend was further increased to PLN 0.48 per share, which, in line with our dividend policy, has become a new sustainable floor for 2025.

From .Grow to a Subsequent Strategy

With the .Grow strategy we have proven our ability to steadily improve our financial results through the utilisation of our assets, market position, and increasing our efficiency through internal transformation. We have three well-functioning commercial engines, namely the mass, business and carriers markets. Customers appreciate the advantages of our comprehensive portfolio. Furthermore, we are able to swiftly adapt to the changing external environment, which demonstrates our execution capabilities. At the same time, we are aware that we have not delivered on all our ambitions. In the B2B market, we wanted to establish a broader presence in the areas of new and emerging trends and technologies. This ambition was hindered partly by delays in the 5G deployment and partly by the different-than-expected evolution of the market. In March 2025, we intend to present our new mid-term strategy. We are certain that it will be a platform for us to further increase shareholder value.

3.4 Listing of Orange Polska S.A. Shares on the Warsaw Stock Exchange

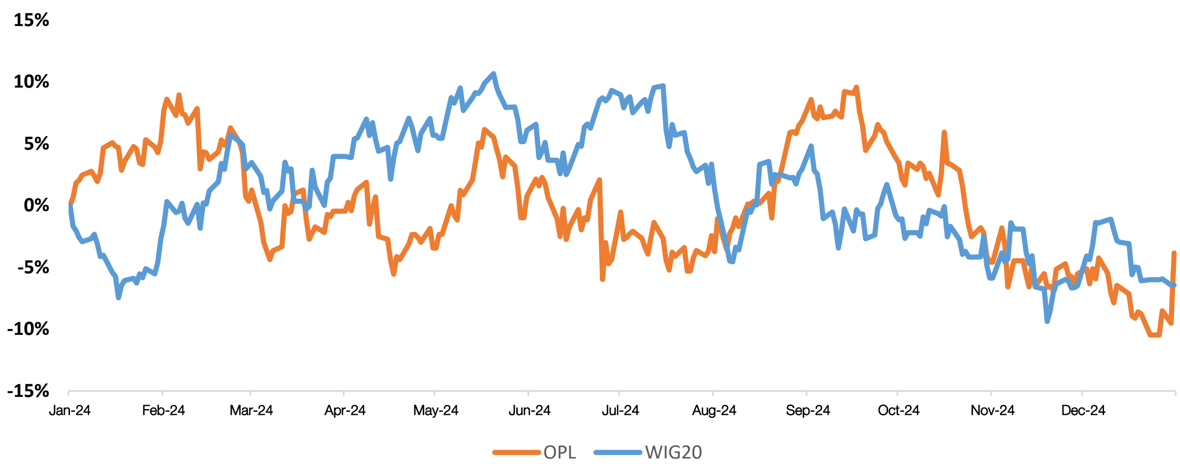
Since November 1998, shares of Orange Polska S.A. (formerly Telekomunikacja Polska S.A.) have been listed on the primary market of the Warsaw Stock Exchange (WSE) within the continuous listing system.

The Company's shares are included in the WIG20 large-cap indices, and in the WIG broad-market index.

2024 was marked by losses in the indices on the Warsaw Stock Exchange (WSE). The large-cap index, WIG20, lost 6% in the period, while the price of Orange Polska shares was down 10% in nominal terms (or 4% accounting for the dividend paid).

According to the Company's knowledge, as of the date of publication of this report, investment recommendations for Orange Polska S.A. shares are issued by 14 financial institutions, the list of which is available on the Company's investor relations website: www.orange-ir.pl.

Orange Polska S.A. share price in the period from 1 January 2024 to 31 December 2024



3.4.1 Orange Polska's Investor Relations

Orange Polska's activity in the area of investor relations focuses primarily on ensuring transparent and proactive communication with capital markets through active co-operation with investors and analysts, as well as performance of disclosure obligations under the existing legal framework. Orange Polska's Investor Relations together with Company's representatives regularly meet with investors and analysts, both Polish and international, and participate in investor conferences.

The Orange Polska Group's financial results are quarterly presented during conferences, which are available also via a live webcast. Orange Polska's activity and performance are monitored by analysts representing both Polish and international financial institutions on a current basis.

The key purpose of all efforts of the Investor Relations towards investors is to enable a reliable assessment of the Company's financial standing, its market position and the effectiveness of its business model, taking into account the strategic development priorities in the context of the telecom market and the Polish and international macroeconomic environment.

In 2024, Orange Polska published its next integrated annual report. It covers both financial and non-financial aspects of the Company's business. The report presents the Company's business model, value creation story, the economic and social context of its operations, strategy implementation, governance model, corporate governance, risk management and environmental impact. This report received the award for the best integrated report in the 18th edition of the Sustainable Development Reports competition. The competition is organized by the Responsible Business Forum, and the reports are assessed by an independent jury composed of ESG experts from scientific institutions, social organizations and industry chambers.

4 MATERIAL EVENTS THAT HAD OR MAY HAVE INFLUENCE ON ORANGE POLSKA'S OPERATIONS

Presented below are the key events that, in the Management Board's opinion, have influence on Orange Polska's operations now or may have such influence in the near future. Apart from this section, the threats and risks that may impact the Group's operational and financial performance are also reviewed in the Chapter IV below.

4.1 Completion of the .Grow Strategy and Announcement of a New Strategy

In 2024, we successfully completed the implementation of our four-year .Grow strategy. We achieved its operating and financial ambitions despite particularly significant challenges resulting from a difficult macroeconomic environment, which we had not anticipated when this strategy was announced in 2021. The .Grow strategy focused primarily on our core business and its monetisation. In the consumer market, convergence, or sales of mobile and fixed-line service bundles, driven by the steady growth in fibre footprint, was the key to value creation. In the business market, with the leadership position across all business segments of the telecom market and competences in the ICT area, we provided companies with comprehensive solutions for digital transformation. As part of the .Grow strategy, we expanded our approach to wholesale business opportunities. This was a natural consequence of our investments in mobile and fixed infrastructure and our ambition to its more efficient use. Finally, in the .Grow strategic plan, social responsibility, always very high on our agenda, became one of the main pillars of our strategy. We achieved a number of ambitious environmental and social goals.

With the .Grow strategy we have proven our ability to steadily improve our financial results through the utilisation of our assets, market position, and increasing our efficiency through internal transformation. We have three well-functioning commercial engines, namely the mass, business and carriers markets. Customers appreciate the advantages of our comprehensive portfolio. Our financial performance was driven by our commercial activity. The external environment was marked by exceptional headwinds: energy crisis, two years of high inflation and war in Ukraine. All these factors had a very significant negative impact on our operating expenses. Acting in such environment, we have demonstrated that we are able to swiftly adapt to changes and, despite them, achieve our objectives. This has proved that our business is built on very strong foundations.

In March 2025, we intend to present our new mid-term strategy. We expect it to continue the main pillars of the .Grow strategy and include some new elements. We see the further growth potential in the fibre market and we intend to increase our fibre footprint, reaching even more households with our services. In the business market, we plan to continue the development of ICT services. At the same time, we recognise the need for further transformation and efficiency gains. We are confident that the new strategy will be a solid foundation for us to further increase shareholder value.

4.2 Dividend Payments to Shareholders

With its strategic plan .Grow, which assumed stable growth of the Group's financial results, Orange Polska announced its dividend policy and resumed regular shareholder remuneration. In 2022, we paid dividend of PLN 0.25 per share from the profit for 2021, which was the first dividend payment since 2016. In 2023, dividend, paid from the profit for 2022, was raised by 40% to PLN 0.35 per share. In 2024, dividend was further increased to PLN 0.48 per share, which, in line with our dividend policy, became a new sustainable floor for 2025. Thus, dividend has increased by more than 90% over the last two years. In 2025, we intend to announce a new dividend policy, which will be a part of our new mid-term strategy.

4.3 Światłowód Inwestycje:50/50 Joint Venture with APG to Rollout Fibre Network in the Open Access Model

In April 2021, we signed an agreement to sell a 50% stake in a joint venture partnership operating under the name Światłowód Inwestycje, which has been building fibre infrastructure and offering wholesale access services.

Ultimately, with the 2.4 million households footprint, Światłowód Inwestycje will be Poland's leading independent open access FTTH wholesale operator. Out of this number, Orange Polska has contributed ca 0.7 million households of its current fibre footprint. The network reaching the remaining ca 1.7 million households will be built by Światłowód Inwestycje by 2025. By the end of 2024, lines for 1.4 million households had been built, which is in line with the adopted business plan. As a result, 2.1 million households were connectable with Światłowód Inwestycje's network at the end of 2024. These households are located mainly in low or mid competition areas, which makes the maximum use of the broadband market potential. The joint venture operates in the open access model, providing wholesale access to its fibre network to Orange Polska and other interested operators. Hitherto, in addition to Orange Polska, Światłowód Inwestycje has signed wholesale agreements with a number of other operators, including the other three major mobile operators: T-Mobile Polska, the Polsat Plus Group and Play. By the end 2024, the company had exceeded 600,000 customer lines on its network. Światłowód Inwestycje finances its investments mainly from its own debt facility with no recourse to Orange Polska.

The transaction valued Światłowód Inwestycje at PLN 2,748 million (on a debt-free, cash-free basis). Orange Polska sold a 50% stake in the joint venture to APG for a total consideration of PLN 1,374 million. Out of that amount, PLN 897 million was paid in August 2021, while the remaining PLN 487 million is payable in 2022–2026 and is conditional on Orange Polska delivering on agreed network rollout schedule. By the end of 2024, we had received PLN 298 million on that account. The transaction assumed that each partner would contribute new capital to the company in 2023–2026. Both partners have contributed PLN 269 million each hitherto. Orange Polska has an option to buy an additional stake of about 1% in Światłowód Inwestycje between 2027 and 2029. Exercising this option would result in the full consolidation of the company by Orange Polska.

In line with our strategic ambition to sustain strong commercial momentum through further focus on fibre and convergence, this partnership has made us more flexible in the further deployment of a fibre network and the allocation of capital expenditures to other projects, while also enabling immediate deleveraging and significant strengthening of our balance sheet.

As a consequence of this transaction, the Orange fibre service reach is in the vast majority expanded on networks of other operators. At the end of 2024, slightly more than half of 9 million households within the reach of our fibre service were connectable with other operators' networks (of which the largest number with that of Światłowód Inwestycje).

4.4 5G Deployment Based on New Frequency Bands

At the end of 2023, we acquired a 100 MHz frequency block in the 3.5 GHz band ("C-band"). The new bandwidth has almost doubled the spectrum that we use to provide mobile services in various technologies. Owing to its characteristics, it is a capacity band, which, above all, has enabled us to increase markedly the capacity of our network and manage more effectively the ever growing data transfer, ensuring the best connectivity to our customers. Due to delays in the C-band auction procedure, a few years ago we launched 5G services in the 2100 MHz band through Dynamic Spectrum Sharing (DSS), which allows dynamic allocation of spectrum resources to 4G or 5G as required. The C-band has opened new opportunities in this respect, enabling the provision of services of much higher speed and efficiency, thus supporting our value-based commercial strategy. At the end of 2024, over 3,000 base stations, covering approximately 37% of Poland's population, operated in this frequency band. In the long term, this band should gradually open new commercial opportunities, mainly for business customers. In particular, 5G will enable the creation of digital ecosystems for business transformation called campus networks. This potential will be gradually unlocked over many years to come.

Awaiting the distribution of new frequencies, for the last few years we have gradually invested in our network preparing it for the 5G rollout. Simultaneously, we have carried out comprehensive 4G radio network modernisation. The project involves replacement of active equipment on base stations with devices that meet enhanced technological standards and are highly energy-efficient. In the future, this will enable the provision of 5G services also on other bands we have. We have already spent around PLN 1 billion on both the projects and we estimate that we will spend approximately PLN 600 billion more within the next two years. This will include our investment commitments set out in the C-band licence terms.

In November 2024, the long awaited auction procedure for frequencies in the 700 MHz and 800 MHz bands was launched. Six blocks in the 700 MHz band and one block in the 800 MHz band, 5 MHz each, have been offered for allocation. The starting price for each block was set at PLN 356 million. Each operator can purchase up to two blocks. The closing date for submitting formal offers of participation in the auction was 27 January 2025. According to the time schedule set out by the regulator, the auction itself is expected to begin in March or April 2025. The 700 MHz frequencies are the coverage band. The allocation of this new low band will allow Orange to increase significantly its 5G coverage and service quality in semi-urban and rural areas. In the process of the distribution of this band it is crucial to investigate the existing and potential interference due to the different use thereof outside the European Union, mainly in Ukraine. While preparing this band for distribution, the Office of Electronic Communications initiated discussions with the Ukrainian side. As part of the talks between the Office of Electronic Communications and the Ministry of Digital Affairs and Ukraine, confirmation was obtained that actions are being taken to reduce interference in the 700 MHz band in the border area.

4.5 New Opening in Wholesale to Maximise the Utilisation of Our Infrastructure

In the .Grow strategy, we have expanded our approach to wholesale business opportunities. This is in part a natural consequence of our investments in mobile and fixed infrastructure and our ambition to better monetise these investments, as we have by far the largest telecommunications infrastructure among all the operators in Poland, including both transport and access fibre network, cable ducts and poles. Furthermore, the wholesale potential results from the development of the market for fast internet access (in the fibre technology), entry of other market players into the convergence market and gradual deployment of 5G mobile networks.

For several years we have seen considerable growth in the use of our poles and cable ducts, mainly as a result of numerous investments of various operators in their fibre footprint. In the period covered by the .Grow strategy, that is between 2020 and 2024, we doubled the bandwidth used for data transmission services rendered to other mobile infrastructure operators interested in connecting their base stations to our fibre network.

We have steadily increased the number of customers using our fibre network but serviced by other operators. This stood at 156 thousand at the end of 2024, a six-fold increase versus 2020, which had been our ambition set out in the .Grow strategy. Notably, in the second half of 2024, we changed the terms of wholesale access to our fibre network to more favourable. Now, our fibre infrastructure in deregulated areas, reaching approximately 2.5 million households, is accessible on financial terms similar to those offered to operators in regulated areas.

As part of development of wholesale, in 2021 we extended a national roaming contract with P4 (operator of the Play network). The co-operation is continued in the take-or-pay scheme, which guarantees Orange Polska additional minimum revenue of PLN 300 million in total for 2021–2025.

As a result of these initiatives, we have achieved a marked increase in wholesale revenues, excluding legacy services (based on copper technologies) and interconnect settlements related to traffic termination. Revenues defined as above amounted to PLN 787 million in 2024 and increased by almost 60% since 2020.

4.6 Development of ICT Services to Strengthen Operations to Business Customers

One of the key elements of our strategy for the business market is to become the long-term strategic partner for our customers in digital transformation. It means that on top of connectivity, telecommunication services and IT infrastructure, we also need to provide them with comprehensive solutions, particularly in the area of software engineering, cloud and cybersecurity. In our strategy we highlight our intention to expand the ICT business, which offers high growth potential and considerable synergies with our core operations owing to ongoing digitalisation processes in enterprises.

This strategy has proved greatly successful. The organic development is supplemented by acquisitions, which are carefully selected to add specific competences. In 2019–2020, we acquired BlueSoft and Craftware. These acquisitions have perfectly complemented our competences and significantly increased our competitive edge against both alternative telecom operators and pure ICT companies.

In 2021–2023, we reported very dynamic growth in the ICT area, with revenues increasing at a double-digit rate every year. This could be attributed mainly to strong performance of our software subsidiaries and a broad and well-diversified service portfolio, which enabled us to flexibly adapt to the changing demand and be less dependent on supply chain fluctuations.

After several years of consecutive growth, in 2024 our IT and integration services revenue decreased by 7% year-on-year. This was mainly due to two factors. Firstly, the IT sector experienced a cyclical slowdown primarily resulting from the economic downturn, high inflation in previous years, and the uncertain geopolitical situation. Secondly, there was a decrease in demand from the public sector in Poland, mainly due to changes in the wake of parliamentary elections (Q4 2023) and local elections (Q2 2024). Notably, the decline followed very strong performance in 2023, when these revenues were up 14%, significantly outpacing the market. We expect a gradual economic recovery in 2025. One of the drivers of improvement should be the utilisation of European funds (from the NRRP streams and the cohesion fund), a significant portion of which will be allocated to digital transformation.

4.7 Infrastructure Development

Fixed Line Network

Since 2015, we have focused on the intensive internet access network rollout in the FTTH technology. Fibre is one of the key drivers of our marketing strategy focused on convergent services and value creation. In 2024, we increased our fibre footprint by further over than 900 thousand households. At the end of 2024, 8.9 million households, or over 50% of all households in Poland, were within the reach of our fibre services.

Until the end of 2020, we increased our footprint mainly by expanding our own network, whereas since 2021, in line with our .Grow strategy, we have been more reliant on partnerships. One of our key partnerships is that with Światłowód Inwestycje (in which Orange Polska holds a 50% stake), which already operates a fibre network reaching over 2 million households, mainly in low or mid competition areas. At the end of December 2024, we used the infrastructure of more than 60 operators (including Światłowód Inwestycje) for over 5 million households.

Our own network construction is limited to projects involving the use of European funds. In previous years, under the Digital Poland Operational Programme (POPC), we built a fibre network reaching approximately 450,000 households. Meanwhile, between 2024 and 2026, under the framework of the European Funds for Digital Development (EFDD) programme and the National Recovery and Resilience

Plan (NRRP), we will extend coverage to around 150,000 households, of which 24,000 had already been completed by the end of 2024.

Our strategy for expanding fibre footprint includes also the acquisition of minor local players. Over the Grow strategy period we acquired nine such entities, reaching a total of over 200,000 households. Five of these acquisitions took place in 2024.

We are Poland's largest wholesale service provider. The demand for transmission bandwidth is growing, especially for *n*×10 Gbps, 40 Gbps, 100 Gbps and 400 Gbps lines. To meet these needs, Orange Polska has continued to expand nationwide OTN (Optical Transport Network) trunk lines and has offered service provision over 100 Gbps lines based on the optical network. We continued to increase the number of OTN transport nodes, thus expanding the aggregate network capacity from 19.9 Tbps at the end of 2023 to 24.7 Tbps at the end of 2024 (including the first 800 Gbps optical channel). For the 100 Gbps lines intended for wholesale, we have developed OTN infrastructure of the total capacity of 14.6 Tbps.

Orange Polska is Poland's sole operator of a network to which all the Emergency Communication Centres (ECCs) are connected, answering calls to the emergency numbers 112, 997, 998, 999 and e-Call. About 90% of all emergency numbers in Poland (over 500 locations) are connected to Orange Polska's network. This provides the Company with revenue from alternative operators for emergency call termination on the Orange network, as well as subscription revenues.

The Call Setup Success Rate on our fixed network stood at 99.15% at the end of 2024, which confirms very high quality of Orange Polska's fixed-line services.

Mobile Network

In response to rapid growth in data traffic volume, we have steadily increased the number of our base stations and enhanced their capacity. In 2024, our customers got access to almost 200 additional base stations, driving their total number to almost 12,520 by the end of December, of which approximately 11,850 enabled spectrum aggregation.

The development of our mobile network currently focuses on three major projects.

Firstly, the construction of the 5G network on the C-band (3400–3800 MHz), which we have been using since the beginning of 2024, following the auction held in the fourth quarter of 2023. In line with the auction commitments, Orange Polska should deploy at least 3,800 base stations within 48 months from the date of the Reservation Letter. In addition to quantitative obligations, the reservation decision also imposes a number of coverage and quality requirements related to providing data transmission with the required bandwidth for a specified percentage of Poland's area, households, roads (national and regional) and selected railway lines. The required bandwidth levels and coverage percentages have been differentiated for specific future time intervals (from 1 year to 7 years). Municipalities located in the immediate vicinity of the Russian, Belarusian and Ukrainian borders are exempt from these requirements due to more stringent international coordination requirements. As with other technologies, the 5G network is shared with T-Mobile, allowing for significant optimisation of network resource utilisation and enhancing its operational efficiency. By the end of 2024, there were already over 3,000 base stations operating on this frequency, covering approximately 37% of Poland's population.

Secondly, we have continued a comprehensive radio network modernisation project. The project involves replacement of active equipment on base stations with devices that meet the predefined technological standards and are highly energy-efficient. As a result, the modernised base stations will enable the provision of 5G services in the Dynamic Spectrum Sharing (DSS) mode on the 2100 MHz band, support 4x4 MIMO technology on the 1800 MHz/2100 MHz bands and enable the 4G activation on the 900 MHz band in selected locations. In the future they will also enable the provision of 5G services on other bands which are currently held by the Company.

Thirdly, we are gradually switching off the 3G technology on Orange Polska's network, allocating the freed frequencies to 4G. It enables us to increase the network capacity and enhance the quality of data services, particularly in non-urban areas. We started to switch off the old technology at the end of September 2023 and continued it in 2024. The whole process is to be completed by the end of 2025. In parallel to the 3G switch-off, we are constantly increasing the number of devices which can handle calls in the VoLTE and VoWiFi technologies and services based on the IMS platform. We are also gradually expanding our portfolio of 5G-enabled terminals in the 5G NSA (Non-Standalone) technology, while preparing for 5G SA (Standalone) tests.

4.8 Competition in the Telecommunications Market

Poland's telecommunications market is highly competitive. Although the price remains a major consideration, the strategies of all main players have recently become more value-oriented, while competition has increasingly shifted towards other elements as well, such as offer quality and width, connectivity or customer care. High inflation and very low prices of telecommunications services in Poland compared to other EU member states should further encourage this approach.

In addition, competitive struggle has been increasingly moving away from sales of mobile or fixed line only services towards convergence, that is offering bundles of mobile and fixed line services. This integrated approach to provision of telecommunications services had been pioneered by Orange Polska. Currently, all major mobile operators follow convergent strategies. Wholesale partnerships for fibre infrastructure have been a significant factor stimulating this process. A segment of fibre infrastructure operators has emerged in Poland over the last few years. They focus exclusively on offering their networks on a wholesale basis to all players that want to use them for offering retail services. Among these wholesale operators are Nexera, Fiberhost and Tauron, which have developed their networks mainly with EU funds in the Digital Poland Operational Programme (POPC), as well as Światłowód Inwestycje, a joint venture of Orange Polska and APG. In 2023, Polski Światłowód Otwarty, a joint venture of Iliad and the infrastructure fund InfraVia, joined this group of operators. The company operates the network previously owned by the cable operator UPC, and declares providing access to it to retail operators. Wholesale partnerships even out the differences among operators in their fibre service reach. It increases competition for retail customers, especially that some players attempt to win the market with aggressive marketing strategies. It also contributes to much more localised competition in the fixed line market (compared to the mobile market, where competition tends naturally to be nationwide), the intensity of which largely depends on the number of operators offering their services in the given location.

The market of Internet providers in Poland is still very fragmented, so further market consolidation as well as geographical expansion of major operators in smaller towns should be expected. In Poland, there are hundreds of small local fibre network operators, which may become subject of acquisitions by bigger players.

4.9 Evolution of the Group's Distribution Network

Our distribution network is constantly evolving, so that we can even better meet the changing needs of our customers, while simultaneously improving our business efficiency.

Physical points of sale remain our largest sales channel. The chain of sales outlets is subject to continuous modernisation and adaptation of their potential to the market environment. This involves on the one hand a reduction in the number of outlets (there were 601 of them at the end of December 2024, down from 604 at the end of 2023), but on the other hand the necessary transformation to better suit customers' needs. Our 'Best Retail Network' project is underway. Solutions that were previously only implemented in large Smart Stores, such as intuitive and functional interiors, are also being implemented in smaller outlets. By the end of December 2024, 477 of our outlets had been modernised in a new visualisation (vs. 461 at the end of 2023). In addition, we opened a total of four 'green outlets' in Warsaw and Cracow. These offer more refurbished handsets and eco-accessories, and promote services encouraging a common concern for the planet. Customers can also have their used phone bought back or leave it for recycling there. These initiatives are in line with one of the pillars of our strategy, which, *inter alia*, provides for a reduction in CO_2 emissions. The changes we introduce are appreciated by our customers: our outlets scored the highest and were ranked #1 in terms of NPS (i.e. people visiting our outlets declare that they would recommend them to others more frequently than customers of alternative operators do that with respect to their outlets).

The online channel has been steadily gaining importance in the distribution channel mix for years. The share of the My Orange application in online sales has been steadily growing. The application is our leading tool for contacting customers, gradually building their loyalty and commitment. The key to success has been the constant optimisation of sales processes and campaigns across all digital touchpoints. Content communication based on behavioural profiles enables us to reach customers with dedicated offers at the best moment of the customer life cycle. In the online channel we increasingly use artificial intelligence tools, intensively educating customers how to use self-service channels. Solutions such as 'virtual assistance' seem the future of digital channels. In addition, we have continued to position the online channel as a place where customers can find exclusive offers (and some of them are available in the My Orange app only). As a result, the share of online sales increased to 25% in 2025, which had been our strategic objective.

In the telesales channel, we focus on activities based on a range of evolving predictive models. This involves mainly the upsell of services and prevention of customer churn. We are increasing the use of AI tools in order to reach customers more effectively and optimise costs.

In addition to telesales, there is also a service hotline, which combines customer care with account management. Customers can settle any maters with Orange at a single phone number, from complex technical problems, queries, contract extension and new service activation to smartphone, accessory and IoT device purchases. In 2024, as much as 13.4% of customer service calls ended with sale or retention of services. Over 90% of our customers are satisfied with this solution. For many years, our customer service and sales have been supported by the AI-based bot Max with constantly expanding functionalities.

In the pre-paid market, in 2024 we focused on maintaining a stable SIM card distribution chain, including the online channel and dedicated POSs for Ukrainian customers. We are developing a remote online registration channel (photo-identification and registration via 'My ID' application), which currently accounts for 9% of all pre-paid card registrations. We reported new records of online top-up sales through online banking, but also our own channels (the Orange.pl website and My Orange application). Despite the constant expansion of online channels, we maintain a permanent base of approximately 80,000 top-up points, such as grocery stores, kiosks and petrol stations. We also use independent stores selling mobile services and handset accessories as a distribution channel for our nju brand (for both mobile and fibre services sold under this brand). There are now more than 400 stores in this chain.

4.10 Regulatory Environment

The telecommunications market in Poland is subject to sector-specific regulations, which are established on both the European Union and national level. The market is supervised by a local regulatory agency, the Office of Electronic Communications (UKE). According to a general rule, the telecom market is divided into relevant markets. UKE reviews the competitiveness of each of these markets and, based on the results of this review, decides on the necessary level of regulation. Orange Polska S.A. has been designated as an operator with significant market power (SMP) and has been imposed regulatory obligations in certain telecom market segments. This regulatory regime has a significant impact on some of the services we provide. In the mobile market, Orange Polska S.A. and other major operators are subject to the same regulations. Furthermore, Orange Polska abides by the regulatory obligations resulting from EU roaming regulations and the rules resulting from the recommendations for the implementation of the Open Internet Access Regulation.

As we provide services to millions of customers, our business activities are monitored by the Office for Competition and Consumer Protection (UOKiK), mainly for proper protection of consumer rights. In addition, our audiovisual media services are monitored by the National Broadcasting Council (KRRiT), while Orange Energia's activities are within the competence of the President of the Energy Regulatory Office.

Furthermore, as a company we have to comply with administrative decisions and general regulations.

4.10.1 Regulatory Obligations

Pursuant to the President of UKE's decisions, Orange Polska S.A. is deemed to have a significant market power (SMP) on the following relevant wholesale markets:

- market for call termination on Orange Polska S.A.'s fixed line network (FTR);
- market for provision of wholesale (physical) access to network infrastructure, including shared or fully unbundled access, in a fixed location (LLU), excluding 51 municipalities where the market was recognised as competitive in October 2019;
- market for wholesale broadband access (BSA) services, excluding 151 municipalities where the market was recognised as competitive in October 2019; and
- market for call termination on Orange Polska S.A.'s mobile network (MTR).

Each SMP decision of the President of UKE determines Orange Polska's specific obligations with respect to the given relevant market, particularly an obligation to prepare regulatory accounting statements and costing description (for LLU and BSA services), which are to be verified by independent auditors.

In 2024, Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp.k. and Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością Consulting sp.k. conducted an audit of Orange Polska S.A.'s annual regulatory accounting statements for 2023 and the results of service cost calculation for 2025 on the market for provision of wholesale (physical) access to network infrastructure, including shared or fully unbundled access, in a fixed location (LLU) and the market for wholesale broadband access (BSA) services. The audit was completed on 21 August 2024 by issuing a positive opinion.

Access to Orange Polska's Fixed Network

On 24 December 2019, the President of UKE issued a decision obliging Orange Polska to prepare an amendment to its reference offer in terms of network interconnection in the IP technology. On 30 March 2020, the Company submitted a draft amendment to its reference offer for the President of UKE's approval. On 15 September 2023, the President of UKE issued a decision amending the reference offer. Orange Polska, the Polish Chamber of Electronics and Telecommunications (KIGEiT) and the National Chamber of Ethernet Communications (KIKE) applied for the re-examination of the case. The relevant administrative procedure is pending.

In May 2021, UKE initiated a procedure to oblige Orange Polska to prepare a reference offer that would implement new FTRs and the changes resulting from the introduction of new BSA and LLU reference offers and would delete the deregulated services (WLR, call initiation). The procedure ended with a decision obliging Orange Polska to submit changes related to the call termination service; otherwise, the procedure was discontinued as pointless. Performing the obligation resulting from the decision, on 26 June 2023 Orange Polska submitted a draft offer for approval. Meanwhile, on 8 May 2023, the Polish Chamber of Electronics and Telecommunications applied for the re-examination of the case. The decision was upheld in its original form. In December 2024, UKE issued a decision amending the reference offer.

Call Termination on Fixed and Mobile Networks

The Delegated Regulation supplementing Directive (EU) 2018/1972 of the European Parliament and of the Council came into force on 1July 2021. In line with the Delegated Regulation, the termination rates have been set as follows:

- The single maximum rate for mobile voice termination (mobile termination rate – MTR) was reduced to 0.009 PLN/min (0.2 ec/min) from 1 January 2024. This was the last in a series of reductions initiated in July 2021. The rate expressed in PLN is updated annually in line with changes in the EUR exchange rate.
- The single maximum rate for fixed voice termination (fixed termination rate – FTR) was maintained at 0.0032 PLN/min. The rate expressed in PLN is updated annually in line with changes in the EUR exchange rate.

Access to POPC Networks

Currently, there are four ongoing administrative procedures by the President of UKE regarding amendments to the agreements between Orange Polska and Fiberhost that provide for access to Fiberhost's infrastructure and networks built in the Digital Poland Operational Programme (pursuant to Article 27(6) of the Act of 7 May 2010 on supporting the development of telecommunication services and networks). Three procedures concern the manner of amending the agreements, while one procedure concerns the amount of fees for the BSA service. Furthermore, there is an on-going procedure regarding an amendment to the agreement between Orange Polska and Zicom Infrastruktura sp. z o.o. to adjust it to Zicom's reference offer.

Regulatory and Legal Changes Related to the Telecommunications Activity

Regulations affecting Orange Polska S.A. are subject to periodical reviews in order to adjust them to the current market situation.

New Regulated Offers for Access to Orange Polska's Network

On 26 June 2022, the President of UKE issued two decisions on approval of reference offers for Bitstream Access (BSA) and LLU services in fibre and copper technologies. The approved offers include most of Orange Polska's proposals. Regarding other matters Orange Polska will apply for the re-examination of the case. On 12 August 2024, the President of UKE issued two decisions upon Orange Polska's application for will the re-examination of the aforementioned decisions. Consequently, the regulator updated fees in line with a more up-to-date audit of Orange Polska and accounted for some of Orange Polska's suggestions.

The proceedings are pending.

Compensation for Universal Service Costs

From 2006 to 2011, Orange Polska S.A. was the operator designated to provide the universal service, which included access to a fixed network, domestic and international calls (including dial-up and fax services), payphone service and directory inquiry service. Owing to unprofitability of the universal service, Orange Polska S.A. applied to UKE for compensation.

Between 2007 and 2012, the President of UKE granted compensation of PLN 137 million, which was lower than requested by Orange Polska S.A. Therefore, the Company exercised its right to appeal. As a consequence of court rulings, UKE has issued decisions granting Orange Polska S.A. additional compensation of PLN 194 million for the universal service net cost deficit in 2006–2010. This amount includes contribution payable by Orange Polska S.A. itself. The decisions have been challenged in court by the parties to the procedure. The procedures to determine the list of operators and their shares in the aforementioned compensation and the subsequent individual procedures have been completed.

Out of the total compensation granted for 2006–2011, PLN 1.1 million is still due to Orange Polska S.A.

4.10.2 Major Changes in Legislation

In 2024, national legislative developments of significant sectoral relevance for telecommunication operators included a comprehensive amendment to the Telecommunications Law, which was replaced by the new Electronic Communications Law of 12 July 2024 in connection with the implementation of the European Electronic Communications Code (EU directive) into the Polish legal system.

Furthermore, work was commenced on an amendment to the Act on the national cybersecurity system (implementing the Directive on measures for a high common level of cybersecurity across the Union – NIS 2), the Act on crisis management (implementing the Directive on the resilience of critical entities – CER), and a bill to harmonise Polish law with the Regulation (EU) on digital operational resilience for the financial sector (DORA). In addition, work continued in a number of other initiatives specified below.

On the European Union level, in the first half of 2024, an agreement was reached on a new regulatory framework for artificial intelligence systems (the Artificial Intelligence Act). The new regulation will gradually come into force in 2025 and 2026.

Frequent, wide-ranging and fast-paced legislative changes entail the need for constant and careful monitoring of the environment, especially as many of the changes underway involve the imposition of new obligations and consequently require complex and costly implementation and adaptation measures.

Selected Changes in Legislation in 2024 of Major Relevance to the Economic Activity in the Telecommunications Sector

National Legislation

- **Electronic Communications Law**

On 10 November 2024, the Electronic Communications Law came into force. It transposed into Poland's domestic law the European Electronic Communications Code (EECC), one of the most important legislative acts in the telecommunications sector. The Electronic Communications Law introduced a number of major solutions, including the obligation to return unused funds in prepaid services, direct billing regulations (adding payments for services purchased online, e.g. games or music, to the telecommunications bill), new pre-contractual information obligations and partial regulation of over-the-top services.

- **Combating Abuse in Electronic Communications**

In 2024, additional provisions of the Act of 28 July 2023 on combating abuse in electronic communications came into force. The regulation imposed on telecommunication operators the obligation to take proportionate technical and organisational measures to prevent abuse. In March 2024, the provisions on blocking text messages containing smishing content (in accordance with the message template provided by CSIRT NASK) and blocking voice calls initiated using a number from a list of numbers used only for answering calls (held by the President of UKE) became applicable. As from 25 September 2024, telecom operators had to prepare and implement the measures to block voice calls or hide the calling number identification to combat CLI spoofing (disguising as a different person or institution).

- **Higher Numbering Fees from 1 January 2025**

On 16 December 2024, the Regulation of the Minister of Digital Affairs on the amount, terms and manner of payment of fees for the use of numbering resources was promulgated in the Journal of Law. The new regulation was issued in the wake of coming into force of the Electronic Communications Law, which provided the basis for updating the numbering fees. In particular, the annual fee for a subscriber number of a mobile network has increased by 25%, the annual fee for the mobile network code (paid in combination with the subscriber number fee) has increased by 22.9%, while the annual fee for a subscriber number of a fixed network has increased by 9.4%. The Regulation came into force on 1 January 2025, while new fees for the codes used in M2M communications (for ten-digit numbers) shall become applicable on 1 January 2029.

- **PESEL Number Withholding**

The Act amending certain acts to mitigate the effects of identity theft came into force on 1 June 2024. It has imposed on telecommunication service providers the obligation to verify the personal identification number (PESEL) of a subscriber being a natural person in the newly created PESEL number withholding register prior to providing:

- a copy or a duplicate of a SIM (e-SIM) card;
- a copy or a duplicate of a device for the subscriber identification on a telecommunications network (a modem or a router).

If a PESEL number is withheld in the withholding register or during scheduled non-availability of the register, suppliers shall refuse to exchange a SIM card.

- **Mandatory Electronic Invoicing**

On 1 July 2024, an amendment to the Act on tax on goods and services (VAT) came into force. It postpones the obligation to use the National System of e-Invoices (KSeF) by taxpayers to 1 February 2026 (for the largest entities) or 1 April 2026 (for the other entities) due to some technical and functional irregularities detected therein. The Ministry of Finance presented an additional draft amendment to the bill in connection with the system adaptation, which is currently being processed on the government level.

- **Accessibility of Certain Products and Services**

The Act on ensuring meeting the requirements for availability of certain products and services by business entities was passed in 2024. It introduces comprehensive requirements for availability of certain products and services, imposing a number of obligations on businesses (i.e. manufacturers, authorised representatives, importers and distributors as well as service providers). The new provisions shall apply from 28 June 2025. The Act aims to facilitate access for persons with disabilities to technologies and services in line with the relevant EU directive, and covers, *inter alia*, computer hardware systems, payment terminals, telecommunications services and consumer banking services.

- **Labour Law**

On 25 September 2024, the Act on the protection of whistleblowers was came into force. In particular, it introduces the obligations related to providing channels for reporting potential breaches of law. The act is the long-delayed transposition of the Directive (EU) 2019/1937 on the protection of persons who report breaches of Union law, which should have been implemented by 17 December 2021.

On 13 September 2024, the Regulation of the Council of Ministers on the minimum remuneration for work and the minimum hourly rate in 2025 was promulgated in the Journal of Law. Between 1 January and 31 December 2025, new, higher amounts will apply:

- Minimum remuneration for work: PLN 4666 (up PLN 366 versus the amount valid from 1 July 2024, i.e. PLN 4300);
- Minimum hourly rate: PLN 30.50 (up PLN 2.40 versus the amount valid from 1 July 2024, i.e. PLN 29.10).

On 30 December 2024, the Act amending the act on public holidays and certain other acts was promulgated in the Journal of Law. It made 24 December (Christmas Eve) another public holiday. In addition, trading will be permitted on three consecutive Sundays preceding Christmas Eve (rather than two as before).

- **Civil Protection and Defence**

On 23 December 2024, the Act on civil protection and defence was promulgated in the Journal of Law. It comprehensively addresses all the issues related to the civil protection system, assigning specific tasks and duties to different agencies and entities, particularly with respect to hazard detection, warning and notification. In particular, the Act provides for the development of the Secure Government Communication System to ensure the continuity of the state administration and civil protection both at the time of peace and war. The scope of the system will include fixed communications (both non-classified and classified), videoconference infrastructure, secure mobile communications (including classified cellular communications), secure radio trunking communications and secure satellite communications (including classified). The Act also applies to the participation of telecom operators in the performance of tasks related to the public warning system.

- **Power Sector**

On 18 December 2024, the Act amending the act on extraordinary measures to reduce electricity prices and to support certain customers in 2023 and 2024 and certain other acts was promulgated, which introduced some mechanisms to mitigate energy price increases for selected groups of consumers, particularly price caps for households. The Act will impact the business activity of players in the energy market, including trading companies. The regulations shall remain in force until September 2025.

- **Taxes**

An amendment to the Act on local taxes and fees regarding real estate tax was passed on 1 January 2025 and came into force. The Act includes autonomous definitions of buildings and structures specific to tax law, without any direct reference to the Construction Law. The amendment has been based on the assumption of maintaining the status quo in taxation.

- **Climate and ESG**

On 17 December 2024, the Act amending the act on statutory auditors, audit firms and public supervision and certain other acts was promulgated in the Journal of Law. The new regulations introduce the obligation of ESG reporting according to unified reporting standards (European Sustainability Reporting Standards) by a selected group of entities and assurance thereof by statutory auditors. The Act implements the Corporate Sustainability Reporting Directive (CSRD). For the largest public interest entities, including Orange Polska, the new obligation shall apply to the financial year 2024.

EU Legislation

- **Gigabit Infrastructure Act**

A new regulation replacing the Directive 2014/61/EU on measures to reduce the cost of deploying high-speed electronic communications networks was promulgated in the Official Journal of the EU. The purpose of the new act is to facilitate investment processes in order to achieve the targets set out in the Digital Decade Policy Programme 2030 regarding the availability of modern telecommunication infrastructure in Europe. The regulation modifies the existing rules on access to physical infrastructure (e.g. ducts or telecommunication towers), streamlines administrative permit-granting procedures related to the deployment of telecommunication infrastructure, and provides for more attractive rules of coordination of civil works. A draft bill amending the so called Mega-Act is to be presented in 2025, which is to enable the application of the regulations in the Polish conditions as well as remove the still existing barriers to the investment process.

- **Data and Artificial Intelligence**

On 12 July 2024, the Artificial Intelligence Act (AI Act) was promulgated in the Official Journal of the EU. The AI Act provides a narrow list of artificial intelligence practices to be prohibited in the EU (the prohibitions shall become applicable on 2 February 2025), and imposes new obligations on providers of high-risk AI systems, particularly to assess the conformity of certain AI systems prior to placing them the market as well as establish quality and risk management systems throughout their lifecycle. The regulation also imposes obligations on AI model developers with regard to the development and use of generative AI systems, such as providing the detailed technical documentation and summary about the content used for training the model. Most provisions shall become applicable 24 months from the AI Act coming into force (i.e. 1 August 2024). In October 2024, public consultation on the draft national bill to implement the EU solutions and develop an AI market surveillance system, including the establishment of the AI Development and Security Commission, was held.

Regulation on harmonised rules on fair access to and use of data (Data Act) came into force on 11 January 2024. The Regulation sets a legal framework for contracts for sharing data generated and collected by internet-connected devices, particularly allowing users to gain access to such data. It also imposes transparency obligations related to the data generation service and determines the rules for cloud data portability, introducing new requirements for service providers, who shall assist customers in switching from one service to another. Most provisions shall become applicable from 12 September 2025.

- Adaptation of the eCall Legal Framework to New Technologies

In February 2024, the European Commission adopted two delegated acts regarding the New Generation (NG) eCall system for 112-based in-vehicle emergency calls. In the event of a serious road accident, the in-vehicle eCall system automatically dials the emergency number 112 and sends the vehicle location and other important data to emergency services. The eCall system currently works over 2G/3G networks. However, as these networks are to be phased out in the coming years, the Commission has updated legal standards for the eCall system transitioning to 4G/5G networks.

- Climate and ESG

On 17 May 2024, the Delegated regulation on the first phase of the establishment of a common Union rating scheme for data centres was promulgated in the Official Journal of the EU. The Regulation sets out the scope of energy efficiency indicators to be communicated by the operators of data centres with an installed information technology power demand of at least 500 kW.

- Repair of Goods

On 30 July 2024, the Directive 2024/1799 on common rules promoting the repair of goods (“the Right to Repair Directive”) came into force. Under the new Directive, manufacturers and service providers shall offer cost-effective or free repair services for certain equipment, including smartphones, and inform consumers about their right to repair regardless of the warranty period. The new regulation should be transposed into the Polish law within two years after publication, i.e. by 31 July 2026. Pre-consultation on the implementation of the Directive started in December 2024.

- Implementing Act of the NIS 2 Directive

On 18 October 2024, the Commission Implementing Regulation laying down rules for the application of Directive (EU) 2022/2555 as regards technical and methodological requirements of cybersecurity risk-management measures and further specification of the cases in which an incident is considered to be significant with regard to DNS (Domain Name System) service providers, TLD (Top Level Domain) name registries, cloud computing service providers, data centre service providers, content delivery network providers, managed service providers, managed security service providers, providers of online market places, of online search engines and of social networking services platforms, and trust service providers was promulgated in the Official Journal of the EU. The regulation is relevant to the services provided by Orange Polska S.A. It is to become applicable on the dates set out in the amendment to the Act on the national cybersecurity system, which is currently being processed.

- **New Cyber Resilience Regulations**

On 20 November 2024, the Regulation on horizontal cybersecurity requirements for products with digital elements (Cyber Resilience Act) was promulgated in the Official Journal of the EU. The main purpose of the new regulation is to introduce cybersecurity requirements for the design, development, production and making available on the market of hardware and software products, and to ensure that products with digital elements are made secure throughout the supply chain and throughout their lifecycle.

EU Funds

The implementation of the new EU funds, particularly cohesion policy programmes 2021–2027 and the National Recovery and Resilience Plan (NRRP), has entered the operational phase in Poland. Cohesion policy instruments, with a total budget of more than EUR 76 billion, consist of over 30 national programmes. In the context of our activity, the most interesting of them are EFDD – European Funds for Digital Development (EUR 2 billion) and EFME – European Funds for a Modern Economy (EUR 7.9 billion). The budget of the NRRP, as updated on 8 December 2023, totals almost EUR 60 billion, including EUR 25.3 in non-refundable grants and EUR 34.5 billion in preferential loans.

A significant proportion of these funds has been allocated to digitisation and green transformation objectives (e.g. in the NRRP: 21.4% of grants and 46.6% of loans, respectively). We monitor the implementation of these programmes and the related calls for proposals in terms of both the opportunities for potential support to Orange Polska's activities and the customer needs in the markets served by Orange Polska S.A. and its subsidiaries. Furthermore, this huge financial injection of EU funds into Poland's economy is of considerable significance, as it will stimulate demand for investments in both the public administration and enterprise sector. For example, on 17 December 2024, Poland received over PLN 40 billion for the NRRP implementation under the second and third payment requests, and submitted further requests totalling PLN 30 billion a few days before the end of the year.

As for instruments dedicated to the development of modern telecommunications infrastructure, three calls for proposals in the NRRP and one call in the EFDD have been completed. Orange Polska implements the largest number of broadband projects under the NRRP and EFDD frameworks, namely 28 projects for approximately 155,000 households. As a number of designated areas have not been covered by proposals, the fourth call for proposals is to be launched in the NRRP, which is scheduled for completion in the second quarter of 2025. The exact budget has not been specified yet, as consultation on the assumptions for the call for proposals is pending. The relevant projects are expected to minimise the number of locations without broadband access, which will impact the wholesale and retail market in the near future.

In addition to EU funds dedicated directly to Poland, there are also calls for proposals in EU funding programmes managed at Brussels level. From Orange Polska's perspective, the most interesting of them is the Connecting Europe Facility (CEF), which is to promote, inter alia, backbone network deployment and 5G connectivity in the Member States. In the second half of 2024, Orange Polska received a positive co-financing decision for its *Fiber optic highways across Poland for pan-European connectivity (Bridging Eastern Europe)* project. The Project aims to develop a backbone network connecting Poland with Germany, Czechia, Slovakia and Lithuania. In addition, another set of calls for proposals under CEF in the digital communications area was launched in October 2024.

Draft Legislation

A number of crucial bills which may affect Orange Polska are currently at various stages of the legislative process. Some of them result from the need to transpose EU regulations into the Polish law and should be effected within the time limits set out in the relevant acts.

- **Future of the European Electronic Communications Sector**

Between February and June 2024, the European Commission carried out consultation on the White Paper – How to master Europe's digital infrastructure needs? The documented presented the Commission's suggestions for increasing the competitiveness of the European electronic communications sector and completing the digital single market, and se out possible policies that may be proposed in the context of the review of the European Electronic Communications Code due in 2025. In December 2024, the Council of the European Union presented conclusions on the White Paper, underscoring the need to improve the competitiveness of European operators. In 2025, The European Commission is to publish a proposal for a new regulation, the Digital Networks Act.

- **Act on the National Cybersecurity System**

A draft bill amending the Act on the national cybersecurity system was presented in April 2024. It aims to implement the Directive (EU) 2022/2555 of 14 December 2022 on measures for a high common level of cybersecurity across the Union, amending Regulation (EU) No 910/2014 and Directive (EU) 2018/1972, and repealing Directive (EU) 2016/1148 (NIS 2 Directive). The new regulation will apply to Orange Polska S.A.'s activities in the area of security. It provides for a mechanism that will enable issuing an administrative decision recognising a supplier of ICT services, products or processes as a high-risk vendor. In 2024, the draft bill remained at the governmental stage of legislative work.

- **Draft Act on the National Cybersecurity Certification System**

The draft Act on the national cybersecurity certification system was presented in May 2024. It aims to adapt national law to the Regulation (EU) 2019/881 of the European Parliament and of the Council on ENISA (the European Union Agency for Cybersecurity) and on information and communications technology cybersecurity certification and repealing Regulation (EU) No 526/2013 (Cybersecurity Act). The draft bill provides institutional and procedural framework for cybersecurity certification on the national level and in relation to the activities on the EU level. There will be no obligation for companies to participate in the certification system.

- **Draft Act Amending the Act on Crisis Management and Certain Other Acts**

The draft Act amending the act on crisis management and certain other acts was released for public consultation in July 2024. It is to implement the Directive (EU) 2022/2557 of the European Parliament and of the Council of 14 December 2022 on the resilience of critical entities and repealing Council Directive 2008/114/EC. The new act may apply to Orange Polska S.A.'s activities in the area of critical infrastructure security if the Company is recognised as a critical entity. For the purpose of the identification of critical entities, the relevant classification criteria are to be adopted and the relevant list is to be launched by 17 January 2026. In 2024, the draft bill remained at the governmental stage of legislative work.

- **Provision of Services by Electronic Means**

Legislative work on the delayed transposition of the Digital Services Act (DSA) into the Polish legal system continued at the governmental stage. In July 2024, the draft Act amending the act on provision of services by electronic means and certain other acts was released for another public consultation. The draft bill includes provisions constituting the basis for blocking illegal content pursuant to an order of the President of the Office of Electronic Communications in an administrative procedure. It also provides for extending the competences of the President of UKE and granting him a new role of the Digital Services Coordinator, particularly supervising online platforms. Some of the new competences regarding consumer protection are to be assumed by the President of UOKIK.

- **Labour Law**

On 26 August 2024, the draft act on minimum wage, implementing the Directive (2022/2041), was released for public consultation. According to the draft bill, the new regulations shall apply to the minimum remuneration for work and the minimum hourly rate in 2026, which means that:

  - Minimum remuneration for work in 2025 shall be determined under the current provisions;
  - As from 2026, the minimum remuneration for work shall be determined annually based on the reference level equal of 55% of the projected average wage.

- **Gender Balance in the Boards of Listed Companies**

Legislative work on the transposition of the Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on improving the gender balance among directors of listed companies and related measures into the Polish legal system continued at the governmental stage. In particular, a draft amendment to the Act on public offering and the conditions for introducing financial instruments to the organised trading system and on public companies provides for the introduction of mandatory internal regulations under which members of the underrepresented sex should hold at least 33% of all positions on boards. The objectives set out in the Directive should be achieved by 30 June 2026.

4.11 Claims and Disputes, Fines and Proceedings

Please see Note 32 to the Consolidated Full-Year Financial Statements for 2024 for detailed information about material proceedings and claims against Group companies and fines imposed thereon, as well as issues related to the incorporation of Orange Polska S.A.

5 MAJOR ACHIEVEMENTS IN RESEARCH AND DEVELOPMENT

Orange Innovation Poland is a part of the international Orange R&D network. The network members determine and develop the architecture of fixed or mobile networks and IT systems, and increase competitiveness and resource efficiency. Another major element is a process of the development, testing and implementation of innovations together with business units through:

- Orange Innovation incubator, which enables using the knowledge and know-how gained within the Orange Group to address challenges in the Polish market;
- Orange Fab, which, *inter alia*, provides for the co-operation with external partners, including start-ups.

Research and development is to result in increasing the resources of our knowledge and using it to create new applications to our business that increase the quality of our services offered to our customers and improve our competitive position on the market. In addition, thanks to innovations, we are able to systematically increase the efficiency of the use of our resources.

Major Achievements of Orange Innovation Poland in 2024, Including Projects for the Orange Group:

Project for Energy Savings in Network Equipment

We carry out research on so called “Frugal AI" (FAI) in order to develop a set of best practices and solutions aimed to secure savings in energy consumption by network equipment through intelligent data engineering and automated learning. The project fits in the initiatives to reduce the Company’s carbon footprint.

AI-based Network Manager Assistant (5G GenAI Assistant)

A telecommunication assistant based on generative AI that supports network managers in the automation and management of services in a telecommunication cloud which is the 5G network core. This tool simplifies the use of various technologies commonly employed in telecommunication clouds, offering an intuitive chat interface, which transforms users’ instructions into specific actions.

System for Supporting Customer Satisfaction in Calls

Apart from effective and efficient solving of the problem raised by a calling customer, the manner of communication by a consultant and their responsiveness to the conversation are of paramount importance for the perceived quality of customer experience. Orange Innovation Poland is developing and AI module for monitoring the quality of call handling by our consultants. The tool analyses the voice and semantics in real time, prompting consultants how to effectively communicate with customers and avoid misunderstandings.

Chatbot Max Supporting Customers in Handset Selection and Purchase

Our chatbot Max, which we have used as a customer service assistant for years, has gained a new functionality. With the use of the GenAI technology, Max recommends smartphones based on customer’s preferences expressed in a conversation. It can discuss parameters and explain differences between models. The solution is currently being tested on a group of customers, and the scope of its use will be gradually expanded.

Cloud Ransomware Protection

An innovative cybersecurity solution for Linux cloud platforms that uses AI and machine learning to identify and block ransomware in real time. The implementation of a security service based on the proposed concept would support customers in protecting their data and applications, ensuring business continuity and avoiding financial losses. The concept was presented at the Orange OpenTech 2024 event.

Digital Assistant in Hotel Service

A digital assistant provided by Orange Innovation Poland was implemented in our partner hotel. The assistant leverages generative AI to handle voice and touch interactions. In particular, it offers customised recommendations and enables the staff to supplement knowledge easily. It is a GenAI-based pilot project, which enables us to experiment with innovative functionalities increasing the assistant's usefulness for customers and with modern digital interfaces facilitating natural man-machine interactions.

Project to Improve Worker Safety in Industrial Environments

The Worker Safety project is carried out by Orange Innovation Poland in co-operation with CEVA. The solution focuses on ensuring the safety of workers in industrial environments. It leverages video analysis to verify the proper use of personal protective equipment and generates real-time alerts in the case of non-compliance by employees with the corporate guidelines and regulations in this area. In addition, the system alerts the operator to unauthorised presence in restricted access zones.

Orange Fab: Start-up Accelerator

In line with the Open Innovation model, we carried out a number of initiatives, focused mainly on the expansion of Orange business potential, collecting the best start-up proposals in the market and collaborating with Orange Ventures, an Orange Group company, in order to support scouting of solutions in Poland and the region. In 2024, we reviewed over 200 solutions in the areas of AI, energy efficiency, 5G, IoT, customer experience or ESG. We completed seven projects together with start-ups.

CHAPTER III
ORGANISATION AND CORPORATE STRUCTURE

6 ORGANISATIONAL CHANGES IN 2024

6.1 Group's Structure as of 31 December 2024

Please refer to Note 1.2 to the IFRS Full Year Consolidated Financial Statements for 2024 for the description of the Group's organisation.

6.2 Changes in the Corporate Structure of Orange Polska S.A.

In 2024, there were only minor changes in the corporate structure of Orange Polska S.A., which aimed at adapting the Company to evolving business challenges and improving the efficiency of its processes.

6.2.1 Management Board of Orange Polska S.A.

As of 31 December 2024, the Management Board was composed of eight Members, who have been assigned the direct supervision over the following Company's matters:

- President of the Management Board;
- Vice President of the Management Board in charge of Business Market;
- Vice President of the Management Board in charge of Consumer Market;
- Management Board Member in charge of Network and Technology;
- Management Board Member in charge of Strategy and Corporate Affairs;
- Management Board Member in charge of Human Capital;
- Management Board Member in charge of Carriers Market and Real Estate Sales; and
- Management Board Member in charge of Finance.

6.2.2 Business Units of Orange Polska S.A.

As of 31 December 2024, Orange Polska had 75 business units, reporting directly to:

1) President of the Management Board: 1 business unit;
2) Vice President of the Management Board in charge of Business Market: 7 business units;
3) Vice President of the Management Board in charge of Consumer Market: 9 business units;
4) Management Board Member in charge of Networks and Technology: 11 business units;
5) Management Board Member in charge of Strategy and Corporate Affairs: 7 business units;
6) Management Board Member in charge of Human Capital: 10 business units;
7) Management Board Member in charge of Wholesale Market and Real Estate Sales: 6 business units;
8) Management Board Member in charge of Finance: 7 business units;
9) Executive Director in charge of IT: 7 business units;
10) Executive Director in charge of Transformation and Effectiveness: 4 business units; and
11) Executive Director in charge of Digitisation: 6 business units.

6.2.3 Changes in the Structure of Subsidiaries of Orange Polska S.A.

There were no major changes in the structure of Orange Polska S.A.'s subsidiaries in 2024.

6.3 Ownership Changes in the Group in 2024

The Group effected no significant ownership changes in 2024.

6.4 Orange Polska Shareholders

As of 31 December 2024, the share capital of the Company amounted to PLN 3,937 million and was divided into 1,312 million fully paid ordinary bearer shares of nominal value of PLN 3 each.

The ownership structure of the share capital based on information available on 20 February 2025 was as follows:

Shareholder	Number of shares held	Number of votes at the General Meeting of Orange Polska S.A.	Percentage of the total voting power at the General Meeting of Orange Polska S.A.	Nominal value of shares held (in PLN)	Interest in the Share Capital
Orange S.A.	664,999,999	664,999,999	50.67%	1,994,999,997	50.67%
Allianz Polska OFE and Allianz Polska DFE pension funds*	106,593,007	106,593,007	8.12%	319,779,021	8.12%
Nationale-Nederlanden OFE, Nationale-Nederlanden DFE and Nationale-Nederlanden DFE NASZE JUTRO pension funds*	75,730,387	75,730,387	5.77%	227,191,161	5.77%
Other shareholders	465,034,086	465,034,086	35.44%	1,395,102,258	35.44%
TOTAL	**1,312,357,479**	**1,312,357,479**	**100.00%**	**3,937,072,437**	**100.00%**

*To the Company's best knowledge, i.e. according to the annual asset structure as of 31 December 2024 published by the open pension funds.

As of 20 February 2025, Orange S.A. held a 50.67% stake in the Company.

Orange S.A. is one of the largest telecommunications companies in the world. In 2024, the company provided services to residential customers in 26 countries. Orange S.A. operates in Belgium, France, Spain, Luxembourg, Moldova, Poland, Romania and Slovakia, as well as in 18 countries in Africa and the Middle East. The company focuses on high-quality connectivity, IT support services for business, wholesale services and cybersecurity. Under the Orange Business brand, Orange S.A. provides telecommunications and IT solutions for business customers around the world.

In 2024, the Orange Group's revenue reached EUR 40.3 billion, which was an increase of 1.2% from the previous year. At the end of December 2024, the group employed 127 thousand people worldwide.

Orange S.A. is listed on the Euronext Paris (ORA). At the end of December, its market capitalisation was EUR 25.6 billion.

As of 31 December 2024, the Company had no information regarding valid agreements or other events that could result in changes in the proportions of shares held by the shareholders.

Orange Polska S.A. did not issue any employee shares in 2024.

6.5 Corporate Governance Bodies of the Parent Company

For detailed information about the Management Board and Supervisory Board of Orange Polska please see section 9 below.

6.5.1 Orange Polska Shares Held by Persons Who Manage or Supervise Orange Polska

Managing Persons

As of 20 February 2025:

- Jolanta Dudek, Management Board Member, held 8,474 shares of Orange Polska S.A.;
- Piotr Jaworski, Management Board Member, held 673 shares of Orange Polska S.A.; and

- Maciej Nowohoński, Management Board Member, held 25,000 shares of Orange Polska S.A.

Other Members of the Management Board did not hold any shares of Orange Polska S.A. as of 20 February 2025.

Shares held in related entities:

Liudmila Climoc	6,567 shares of Orange S.A. of par value of EUR 4 each
Jolanta Dudek	6,951 shares of Orange S.A. of par value of EUR 4 each
Bożena Leśniewska	6,951 shares of Orange S.A. of par value of EUR 4 each
Piotr Jaworski	7,121 shares of Orange S.A. of par value of EUR 4 each
Jacek Kowalski	7,221 shares of Orange S.A. of par value of EUR 4 each
Jacek Kunicki	2,396 shares of Orange S.A. of par value of EUR 4 each
Maciej Nowohoński	6,475 shares of Orange S.A. of par value of EUR 4 each

Supervising Persons

As of 20 February 2025, no persons supervising Orange Polska S.A. held any shares in the Company.

Shares held in related entities:

Marie-Noëlle Jégo-Laveissière	44,267 shares of Orange S.A. of par value of EUR 4 each
Marc Ricau	3,239 shares of Orange S.A. of par value of EUR 4 each
Bénédicte David	6,175 shares of Orange S.A. of par value of EUR 4 each
Clarisse Heriard Dubreuil	4,443 shares of Orange S.A. of par value of EUR 4 each
Etienne Vincens de Tapol	4,439 shares of Orange S.A. of par value of EUR 4 each

6.5.2 General Meeting

On 19 April 2024, the Annual General Meeting among others:

- approved the Management Board's Report on the activity of Orange Polska Group and Orange Polska S.A. in the financial year 2023;
- approved Orange Polska S.A.'s financial statements for 2023;
- approved the consolidated financial statements for 2023;
- granted approval of the performance of their duties by members of Orange Polska S.A.'s governing bodies in the financial year 2023;
- adopted a resolution on distribution of profit for the 2023 financial year, pursuant to which Orange Polska S.A.'s profit of PLN 782,353,959.83 disclosed in the Company's financial statements for 2023 was allocated in the following manner:
  1) PLN 629,931,589.92 for a dividend (the amount of dividend was PLN 0.48 for each entitled share),
  2) PLN 15,647,079.20 to the reserve capital referred to in Article 30(3) of the Articles of Association, and
  3) PLN 136,775,290.71 to the reserve capital;
- approved the Supervisory Board's Report for the financial year 2023;
- expressed a positive opinion on the annual report on remuneration prepared by the Supervisory Board.

Furthermore, the Extraordinary General Meeting of Shareholders of Orange Polska S.A. was held on 21 November 2024. It resolved to amend the Articles of Association in the wake of the implementation of the directives of the European Parliament and of the Council imposing the obligation of corporate sustainability reporting (CSRD Directive) and assurance thereof by an audit firm into the Polish legal system. The Extraordinary General Meeting also appointed Etienne de Tapol to the Supervisory Board.

6.6 Workforce

As of 31 December 2024, Orange Polska Group (incl. NetWorks) employed 8,927 people (in full-time equivalents), which is a decrease of 4.7% compared to the end of December 2023. Orange Polska's workforce reduction was mainly a result of the implementation of the Social Agreement for the years 2024–2025. Pursuant to the Social Agreement, 590 positions were included in the optimization in 2024. Severance pay in Orange Polska S.A. averaged PLN 110.3 thousand per employee leaving under the Social Agreement in 2024. In 2024, external recruitment in Orange Polska (incl. NetWorks) totalled 437 positions. It was mainly related to sale and customer service positions in Orange Polska S.A.

6.6.1 Social Agreement

On 14 December 2023, the Management Board of Orange Polska concluded negotiations with the Social Partners on the terms of a Social Agreement to be in force in 2024–2025.

In particular, the Social Agreement for 2024–2025 sets the number of voluntary departures in 2024–2025 at 1,100 people and determines a financial package for employees leaving Orange Polska under the voluntary departure scheme. It also provides for potential base salary rises (7% in 2024 and not less than 6% in 2025) and the amount of additional compensation for employees who will reach retirement age in the next four years, while specifying the position and role of internal mobility with the support of the allocation programme. To employees whose contracts are to be terminated by the employer, the Social Agreement offers the participation in a job-seeking (outplacement) programme in the market. In addition, the Social Agreement for 2024–2025 provides for initiatives for a friendly work environment and continuation of medical coverage. Orange Polska S.A. also committed itself to keep the training budget at the current level in 2024–2025, which will support employees in upskilling and reskilling their competences in line with the .Grow strategy.

On 5 December 2024, Orange Polska completed negotiations on a Settlement for 2025 under the Act of 13 March 2003 on special rules on termination of employment for reasons not attributable to employees. The negotiated Settlement sets the quota of departures in 2025 at 510, and determines the terms of voluntary departures in 2025 as well as the amount of severance pay and additional compensation for employees leaving Orange Polska in 2025. The Settlement also specifies the rules and selection criteria to be applied to people whose employment will be terminated by the employer for reasons not attributable to employees. The amount of compensation package per departing employee will depend on their corporate seniority determined in accordance with the Intragroup Collective Labour Agreement for the Employees of Orange Polska S.A.

Signing of the Social Agreement is a part of the implementation of the Company's strategy, which focuses on long-term value creation, particularly by improving operational efficiency.

CHAPTER IV
KEY RISK FACTORS

7 RISK MANAGEMENT FRAMEWORK IN ORANGE POLSKA

Orange Polska operates in a complex environment and is exposed to a range of risks of varying types, both external and internal, which can impact the achievement of its objectives. Therefore, Orange Polska maintains a risk management framework based on the Group's guidelines and the ISO 31000:2018 standard (with the ISO 27005 standard for the Information Security Management System).

Risks for Orange Polska are assessed according to the ***likelihood*** of the relevant occurrences and their ***impact*** in financial, reputational, business continuity, human loss and legal & regulatory terms, the impact outweighing the likelihood in the risk assessment. If risk consequences are, for example, both financial and reputational, the risk is assessed according to the most negative consequence.

Risk assessment matrix

Likelihood						
	5					
	4					
	3	PR		BC		
	2					
	1					
		1	2	3	4	5
		Impact				

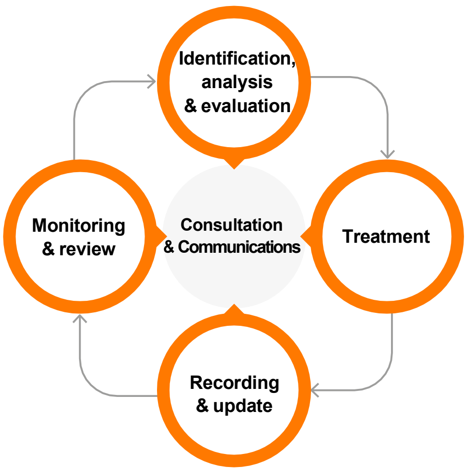
FN – financial;
HR – human resources;
PR – reputational;
LR – legal & regulatory
BC – business continuity.

In 2024, in line with the Orange Group's methodology, we updated the levels of financial valuation in the matrix, reducing the relevant Orange Polska's appetite for risk.

Furthermore, we divide risks into the domains of operating risks, loss of information, business continuity, corruption, fraud and social & climate risks, which ensures a uniform approach to the assessment of risks at Orange Polska.

The risk assessment and management are a responsibility of the persons managing the relevant areas and business functions. Their duties include identification of new and emerging risk factors, monitoring of risks and the effectiveness of controls, as well as reporting.

Risk management process at Orange Polska



The risks which potentially have a major negative impact on the Group are assigned mitigation measures in order to prevent or minimise losses. The effectiveness of such measures is verified on an on-going basis, and they are adjusted as required. The risks and the mitigation measures assigned to them constitute an input for the development of the Annual Internal Audit Plan.

In March 2024, the Supervisory Board received a report on Orange Polska's top risks, and in July the Audit Committee of the Supervisory Board evaluated the efficiency of the risk management system.

7.1 Risk Factors Affecting the Operating Activities of Orange Polska

The war in Ukraine may impact performance of Orange Polska and other telco operators in Poland as a result of direct and physical attacks or cyber attacks on infrastructure elements or applications. The BRAVO and BRAVO-CRP alert states are still in force in Poland. Incident response teams in Orange Polska monitor the whole traffic, including cyber incidents, round the clock to react to each threat adequately. Furthermore, in the macroeconomic terms, in the case of the potential conflict escalation, the developments in Eastern Europe may affect Poland's economic situation, particularly through forex fluctuations, disturbance of supply chains and changes in energy prices.

7.1.1 Breach of Security of Information, Including Personal Data

Orange Polska constantly undertakes actions aimed to ensure protection of personal data (particularly from its extensive customer database), and proprietary information constituting electronic communication or corporate secrets. The Company has successfully passed the audit and extended the scope of certification to include the Warsaw Data Hub (WDH) in Łazy, maintaining the certificate of compliance of its Information Security Management System with ISO/IEC 27001:2022 for the following scope of services: ICT, hosting, collocation, cloud computing, cybersecurity and personal data processing in cloud computing. In addition, Orange Polska holds a certificate of compliance with ISO/IEC 27018:2019 *Code of practice for protection of personally identifiable information (PII) in public clouds acting as PII processors* for the personal data processing services in cloud computing: UCaaS (Unified Communication as a Service), ICS (Integrated Computing Standard) and ICM (Integrated Computing Managed). Furthermore, the Company holds and maintains the FIRST and the Trusted Introducer certificates for CERT Orange Polska. Despite all the precautions taken, considering the modern threats related to information technologies used for processing of information, including personal data, it is not possible to fully exclude the risk of infringement of the security thereof.

Orange Polska's activities may trigger the loss, disclosure, unauthorised communication to the general public or third parties, or inappropriate modification of the data of its customers. Such losses could arise from (i) implementation of new services or applications, for example those related to billing and customer relationship management, (ii) launch of new initiatives, particularly in the field of AI, (iii) malicious acts (including cyber-attacks), particularly aimed at theft of personal data, or (iv) negligence on behalf of the Group or its business partners.

Orange Polska complies with the General Data Protection Regulation (GDPR). For infringement of GDPR protection rules, administrative fines of up to 4% of the annual global turnover may be imposed. Such incidents could have a considerable negative impact on the Orange brand reputation and a heavy impact on the Group's liability, potentially including criminal liability, and hence have an adverse impact on Orange Polska's future financial performance.

Like in case of personal data, Orange Polska faces a risk of unauthorised disclosure, publication or communication to unauthorised entities of proprietary information constituting corporate secrets, particularly the details of intended initiatives, marketing campaigns, new offers or sales packages. The premature disclosure thereof could result in Orange Polska's failure to achieve its sales objectives and loss of its market shares. The main causes of this risk include: (i) industrial (corporate) espionage, (ii) malicious acts (including cyber-attacks), particularly aimed at theft of proprietary information, or (iii) potential negligence on behalf of the Group or its business partners. Currently, particular attention is given to information processing in artificial intelligence systems. Orange Polska is currently working to ensure compliance with the AI Act.

7.1.2 Increase in the Number and Duration of Service Interruptions Due to Outage

Services provided by Orange Polska are directly dependent on the functioning of its IT and network infrastructure. Service disruption or interruption may occur following cyber-attacks (on the IT&N infrastructure), outages (of hardware or software), energy blackout, human errors, acts of terrorism or sabotage of critical hardware or software, failure of a critical supplier, or if the network in question does not have sufficient capacity to meet the growing usage needs, or during implementation of new applications or software. Among these risks of interruption, telecommunications operators are particularly exposed to attempts to breach security, cyber-attacks, and terrorist and sabotage attacks on sites and staff because of the vital nature of telecommunications in the functioning of the economy. Despite the precautions taken by Orange Polska to protect its network, the growing frequency of attempted attacks increases the risk of interruption to its services. The duration of service interruptions may be also affected by the on-going war in Ukraine, which may trigger a number of additional risks, notably restricted access to electricity due to blackouts or power reductions. The occurrence of such incidents could have a major impact on the quality and availability of the services provided and Orange Polska's failure to apply the adequate remedies could seriously damage its reputation and result in revenue erosion, affecting its profits and market position. Nationwide service disruption or interruption might also create a crisis potentially affecting the national security. In particular, this risk is mitigated in Orange Polska by the implementation of adequate protective measures and safety procedures, proper planning for the network and ICT systems development and modernisation, investments in the development of disaster recovery solutions, insurance schemes (covering cyber and terrorism risks) as well as the implementation of business continuity and crisis management plans. Orange Polska holds the ISO 22301:2019 Certificate for its Business Continuity Management System with respect to provision of telecommunications, ICT and cybersecurity services. Another major factor in mitigating this risk is continuous training of the employees of Orange Polska and its technical partners in the newly implemented or modernised technologies.

7.1.3 Potential Consequences of Discussions on 5G Network Security

Since 2019, at the EU and global level there has been an intensive debate on the hardware and software used on the 5G network or more broadly the economic relations between specific countries, with the US-China discussions with the participation of EU as its linchpin. At the EU level, its practical outcome was the publication of a number of documents by the European Commission, the European Union Agency for Network and Information Security (ENISA) and the NIS Cooperation Group regarding 5G network risk assessment and risk mitigating tools. In 2023, the Commission published an announcement highlighting certain companies as high-risk suppliers.

On the national level, under regulations introduced in 2020, 5G network providers shall adopt strategies avoiding the dependence on one supplier and follow the recommendations of the Government Plenipotentiary for Cybersecurity in this respect. However, the relevant recommendations have not been issued yet. A mechanism of evaluation of hardware and software vendors, particularly for 5G networks, was subject of legislative work between 2020 and 2023, but this work ended in September 2023 with the draft bill withdrawal from the Parliament. The work in this regard was recommenced in April 2024, but it has not ended with the adoption of a draft bill by the Council of Ministers yet. In line with amendments to the Telecommunication Law passed in 2020, the President of UKE specified some additional detailed requirements related to 5G network security in the auction for frequencies in the 3.4–3.8 GHz band that was held in 2023. These requirements are a part of licence decisions and shall apply to all the auction winners. The identical requirements were included in the auction dossiers for the 700 and 800 MHz bands.

Thus, currently no legal regulations or other binding decisions have been adopted in Poland that would restrict co-operation with specific vendors. The sole requirement in force is the obligation to apply strategies avoiding the dependence on one supplier.

The future state of affairs in this respect may be influenced by a number of factors, largely related to the international situation, including: the development of US-China relations and their impact on supply chains; Russian aggression against Ukraine; and Poland-US relations, particularly in the areas of national defence and power generation. As any major change in conditions may necessitate the relevant adaptation by Orange Polska, the legal environment of its activities is subject to analysis and evaluation on a current basis.

The potential recognition of some vendors as high-risk suppliers will involve the consequences to be specified in future legal acts and will apply to the scope indicated in the relevant future administrative decision. Such consequences may include the restrictions on the scope of co-operation with particular vendors and the use of resources provided by them, which could limit the pool of potential suppliers and thus affect the maintenance as well as plans for the construction and development of network infrastructure (including 5G). This might affect the time schedule and/or costs of network deployment.

7.1.4 Decrease in Quality or Non-performance of Services Due to Dependence on External Partners

Orange Polska concludes contracts with external partners, particularly for sales agency, as well as development and maintenance of its networks, ICT infrastructure and IT systems. The Group has partially outsourced operation and supervision of its telecommunications networks, as well as IT systems and processes to external suppliers. These processes are monitored on a regular basis in order to assure their optimum operation and take effective corrective actions, if required.

Although adequate clauses are included in contracts, there is still a risk of non-performance by Orange Polska's partners, resulting in delays, a decrease in quality or non-performance of Orange Polska's services. Materialisation of this risk may have a direct impact on Orange Polska's financial performance.

Also the risk of corruption is increased due to a number of partners engaged and complex processes involved. Such incidents could have an adverse impact, particularly on Orange Polska's reputation. The Group has adopted a zero-tolerance approach towards corruption and influence peddling, taking a number of actions to effectively prevent corruption through both internal regulations and the relevant anti-corruption clauses in contracts with external partners. We require our suppliers to act in compliance with Orange Polska's Code of Ethics, Anti-Corruption Policy and Code of Conduct for Suppliers on the basis of the Group's fundamental values concerning business ethics as well as social and environmental commitments. Any regularities can be reported through the existing whistleblowing system.

7.1.5 Service Discontinuation or Contract Termination Due to Placing of Business Partners on Sanctions Lists

Orange Polska complies with the sanctions regime and regulations. In particular, it abides by the restrictions on persons and entities imposed by Poland, the European Union and its member states, the United Nations, the United States and the United Kingdom. Orange Polska exercises due diligence in relations with its business partners (third parties) to ensure that they are not included in sanctions lists. In particular:

- Its base of business partners is regularly verified against sanctions lists;
- A due diligence verification process is applied prior to commencing co-operation;
- The compliance clause, notably the obligation to comply with the sanctions regime, is included in contracts with our business partners.

The complexity and constant evolution of the regulatory environment pose the main challenge in complying with economic sanctions. Therefore, Orange Polska monitors and accounts for changes in this area.

7.1.6 Emergence of New Types of Fraud with New Technologies

Owing to its scope of activities, Orange Polska is highly to the risk of fraud.

Like all telecom operators, Orange Polska is exposed to various types of fraud in electronic communications, which can negatively affect the Company or its customers. The development and complexity of technologies that influence the implementation of new services create conditions for the emergence of complex fraud scenarios, which may be more difficult to detect or combat. This may result in a loss of revenues.

Coming into force of the Act on combating abuse in electronic communications has not only imposed new obligations on operators, but also granted them new rights that enable more effective fraud prevention.

7.1.7 Climate Risks in Orange Polska's Operations

Impact of Orange Polska's Operations on Climate

There is growing awareness of climate change among our customers, investors and other stakeholders, accompanied by growing regulatory pressure related to climate neutrality goals adopted by the EU and its member states. Simultaneously, the rollout of network infrastructure and the growing volume of data traffic are contributing to the increased consumption of electricity, which in Poland is produced mainly from fossil fuels, in the telecommunications sector. This generates greenhouse gas emissions.

In order to co-ordinate and accelerate its efforts to reduce the climate impact, Orange Polska has developed and implemented the #OrangeGoesGreen programme. It concerns the climate goals for 2025 and 2040, particularly regarding a reduction in greenhouse gas emissions (primarily by increasing the share of renewable energy in our energy mix) and the implementation of the principles of circular economy.

The Programme is led by the climate officer and sponsored by the President of the Management Board.

Should the aforementioned initiatives to reduce our negative impact on the climate be unsuccessful, Orange Polska, as a socially responsible company, would be exposed to reputational losses. Furthermore, Orange Polska's failure to achieve the intended share of energy from renewable sources could result in higher than expected electricity costs and, consequently, have a negative impact on its financial performance.

Impact of Climate Change on Orange Polska's operations

Climate change can also have impact on Orange Polska's operations both globally (disruption of supply chains, potential socio-economic disturbances) and locally (an increase in average and maximum temperatures affecting infrastructure, the prices and continuity of supply of energy, and the risk of infrastructure damage due to extreme weather events). It is estimated that these risks might materialise mainly in the medium and long term.

The analysis of the impact of climate change on Orange Polska has indicated four significant areas of negative influence, namely:

- Infrastructure damage or malfunctioning due to climate change;
- Impact of climate change on energy supply, consumption and costs;
- Supply chain disruption due to issues related to climate change;
- Negative regulatory and socio-economic effects of climate change.

For the detailed description of these issues please see the sustainability statement.

7.1.8 Human Resources Risks and Alignment of the Organisational Structure

Orange Polska and its managers continue transforming the Group's internal culture in order to motivate the employees and drive the performance culture. The organisation and infrastructure are streamlined in order to confront the competition and implement new technologies and new, more efficient business models through the transformation programme. The key challenge is the transformation of employee competences and development of competences of the future to enable the more rapid adoption of new technologies and business models. If Orange Polska fails to complete these transformations successfully, its operating margins, financial position and results could be adversely impacted. Orange Polska has continued a voluntary departure programme and the workforce optimisation process. Regular staff satisfaction surveys are conducted by an external consultant.

7.2 Regulatory, Legal and Tax Risks

7.2.1 Regulatory Risks

The Group must comply with various regulatory obligations governing the provision of services and products, particularly related to obtaining and renewing licences for using the spectrum. The regulatory obligations result from either legislation changes or administrative decisions. On 10 November 2024, the Electronic Communications Law came into force. It has transposed the European Electronic Communications Code into Polish legislation and replaced the Telecommunications Law, which had been in force for almost two decades. The implementation of all the relevant changes required the involvement of numerous functions of the Company, which, due to an exceptionally short *vacatio legis* of only three months, constituted one of the biggest implementation challenges in recent years. The introduced changes impose new obligations on telecom operators.

7.2.2 Increased Tax Burden Resulting from Changes in Legislation

Polish tax laws and regulations, in particular regarding value added tax and income tax, are complex and subject to frequent changes and contradictory interpretations by tax authorities. Changes in regulations, leading to lack of reasonable certainty of the tax system, may adversely affect the legal, business and financial situation of the Group. Recently, the Ministry of Finance has not indicated any plans to change VAT rates applicable to the core services rendered by the Company; in particular, return to VAT rates of 22% and 7% is not intended. Furthermore, there has been a clear tendency of the Ministry of Finance to tighten up the tax system by eliminating solutions which used to enable lawful tax optimisation, imposing additional disclosure obligations, and introducing additional charges or taxes (e.g. the national minimum tax). Other examples of such activities include the introduction of new obligations related to the settlement of the global minimum tax.

In 2024, a major change concerning VAT was postponed. Using the National System of e-Invoices (KSeF) will become mandatory for the largest entities on 1 February 2026, and for the other taxpayers on 1 April 2026. From then on, no documents issued otherwise shall be considered invoices. In addition, on 1 January 2025, major changes regarding CIT tax records were introduced, namely the obligation to maintain books of account solely in electronic form and send structured accounting information to tax authorities. Furthermore, at the beginning of 2025, an amendment to the Act on local taxes and fees came into force, introducing an autonomous definition of buildings and structures into the tax law. In principle, the amendment assumed that the status quo in taxation will be maintained.

Owing to the scale of the Company's operations, legislation changes in other areas, e.g. spatial planning, may also in the future negatively affect the amount of tax obligations of an infrastructure-based operator such as Orange Polska. Unclear provisions or unfavourable interpretations may result in increased tax burden.

7.2.3 Increase in Fees for the Use of Third Parties' Land for the Purpose of Development and Maintenance of Orange Polska's Infrastructure

Infrastructure of Orange Polska S.A. is built on land owned by third parties, and in some cases the Company does not possess, or has difficulties to identify, evidence that such third parties have agreed to the infrastructure being located on their land. In particular, this is the case for the old infrastructure used for fixed line services. In principle, the Company has the right to demand that its infrastructure remains where it has been originally located, though it has to pay for this. Also new investments are done on third parties' land and the Company has to pay for the right to use that land. The Company cannot exclude that payments for the use of third parties' land may increase.

7.3 Competitive Risks

7.3.1 Risk of Increased Competition in the Market of Convergent Offers and Fibre Service Sales

Poland's telecommunications market is highly competitive. Over the last few years, competitive struggle for retail customers has shifted from sales of mobile or fixed line only services towards convergence, that is offering bundles of mobile and fixed line services. This integrated approach to provision of telecommunications services had been pioneered by Orange Polska. At present, all mobile operators provide also fixed line services, gradually increasing their reach. It has been made possible by the fibre network opening by Orange Polska, emergence of specialised wholesale operators investing in the rollout of fibre networks open to retail operators (e.g. Światłowód Inwestycje, Fiberhost, Nexera or Polski Światłowód Otwarty), fibre network development projects co-financed with the EU funds (POPC, EFDD and NRRP), and market consolidation (e.g. acquisition of the largest cable operator, UPC, by Play).

The year 2024 saw the continuation of these processes. Both the Polsat Plus Group and T-Mobile concluded wholesale agreements with Polski Światłowód Otwarty and the cable network Vectra. Also in 2024, Orange Polska fully opened its network in deregulated areas (covering 2.5 million households). The trend of opening fibre networks to wholesale agreements contributes to the alignment of the fibre footprint among major operators and, consequently, more intense competition for retail customers.

7.4 Risks Related to Macroeconomic Environment and Financial Markets

Macroeconomic Factors

7.4.1 Risk of Lower-than-expected Economic Growth Due to Negative Internal and External Factors

The year 2024 was marked by the expected increase in the economic growth rate to 2.9% year-on-year (from 0.1% in 2023). The economic recovery in Poland will continue in 2025; according to market estimates, the GDP growth is to reach 3.5%, one of the highest rates in Europe. The economic growth will be fuelled not only by private consumption, but also investments, which were low in 2024. However, there remains uncertainty in economic forecasts, though lower than in previous years, which derives mainly from the external environment. The highest external risk directly affecting Poland's economy is the on-going war in Ukraine. The conflict resulted in a wave of unprecedented disturbances in the global economy (immediately reflected in energy prices and supply chain disturbances). Prospects of Poland's economic growth depend also on the condition of other European economies, especially the German economy, which is in stagnation.

7.4.2 Reduced Profitability of the Telecommunications Sector Due to Growing Inflationary Pressure and Rising Minimum Wage

After two years of double-digit inflation, the inflationary pressure in the market markedly decreased in 2024. Based on the initial data, average annual CPI was 3.6%. However, according to the current market consensus, inflation will slightly accelerate to over 4% in 2025. In particular, inflation growth is expected in the first half of the year, mainly as a result of the discontinuation of the previously introduced 'anti-inflation shields' as well as an increase in certain burdens (e.g. excise duty). Nevertheless, in connection with the easing inflationary pressure throughout 2025, the Monetary Policy Council is expected to cut interest rates.

The inflationary environment negatively affects the telecommunications sector. As two-year loyalty agreements remain a standard in the industry, telecom operators are not well positioned to pass cost inflation onto their customers in the short term. Moreover, in the case of Orange Polska, the majority of rental contracts for telecommunications infrastructure, sales outlets and office space are indexed to the previous year's inflation rate. Growth in the minimum wage has been another major factor in some cost categories, as it increased by over 40% between 2022 and 2024. Due to the need to adapt to the market conditions, this has affected our labour costs for both our own employees and outsourced staff.

Factors Related to Financial Markets

7.4.3 Evolution of Interest Rates

Despite an economic downturn in Poland, the Monetary Policy Council did not change interest rates in 2024. High inflation remains the main reason behind this restrictive monetary policy. However, owing to economic slowdown and the expected decline in inflation in 2025, interest rate cuts seem possible in the second half of the year. Interest rate fluctuations should not have any material impact on liabilities of Orange Polska owing to a hedging portfolio maintained.

7.4.4 Depreciation of the Local Currency

Foreign exchange rate fluctuations affect Orange Polska's liabilities denominated in foreign currencies and settlements with foreign operators. However, this influence is greatly contained by a portfolio of hedging instruments held by Orange Polska. In 2024, the Polish zloty gained 1.6% against the euro and lost 4.6% against the US dollar. Any potential depreciation of the Polish zloty should not influence Orange Polska's liabilities denominated in foreign currencies or settlements with foreign operators owing to a high hedging ratio.

7.4.5 Risk of Asset Impairment

The recoverable amounts of enterprises, which affect the accounting value of fixed assets, including goodwill, are sensitive to valuation methods and model assumptions, as well as to any changes in the business environment contrary to the assumptions made. For more information about goodwill impairment and recoverable amounts please see notes to the Consolidated Full-Year Financial Statements.

7.4.6 Factors That May Influence the Price of Orange Polska Shares

Other than major factors already mentioned earlier in this document, the following may also result in changes in Orange Polska share price:

- Announcement and implementation of a new strategy;
- Change in the outlook for dividend payments;
- Sale or purchase of significant assets by the Group; and
- Changes in the capital market analysts' forecasts and recommendations concerning the Group, its competitors and partners, or business sectors in which the Group operates.

CHAPTER V
STATEMENTS

8 STATEMENTS OF THE MANAGEMENT BOARD

8.1 Statement on Adopted Accounting Principles

Orange Polska S.A. Management Board, composed of:

1. Liudmila Climoc – President of the Board
2. Jolanta Dudek – Vice President in charge of Consumer Market
3. Bożena Leśniewska – Vice President in charge of Business Market
4. Witold Drożdż – Board Member in charge of Strategy and Corporate Affairs
5. Piotr Jaworski – Board Member in charge of Networks and Technology
6. Jacek Kowalski – Board Member in charge of Human Capital
7. Jacek Kunicki – Board Member in charge of Finance
8. Maciej Nowohoński – Board Member in charge of Carriers Market and Real Estate Sales

hereby confirms that according to its best knowledge the annual consolidated financial statements and annual standalone financial statements of Orange Polska S.A. as well as comparable data have been drawn up in compliance with the accounting regulations in force and reflect the property, financial standing and financial result of Orange Polska S.A. and its Group in an accurate, reliable and transparent manner.

This Management Board's Report provides accurate depiction of the development, achievements and standing of the Orange Polska Group, including the description of major threats and risks.

8.2 Agreement with the Licensed Auditor

On 19 March 2020, the Supervisory Board of Orange Polska S.A. passed a resolution on selecting KPMG Audyt spółka z ograniczoną odpowiedzialnością sp. k. to audit financial statements of Orange Polska S.A. and the Orange Polska Group for 2021 to 2025 and to review the relevant interim six-month financial statements of Orange Polska S.A. and the Orange Polska Group.

On 5 October 2020, Orange Polska S.A. concluded an agreement for 2021–2025 with an entity licensed to audit financial statements, pursuant to which KPMG Audyt spółka z ograniczoną odpowiedzialnością sp. k. performed the following:

- reviews of the standalone financial statements of the Company and the consolidated financial statements of the Group for the first six months of 2024 prepared in accordance with IFRS; and
- an audit of the standalone financial statements of the Company and the consolidated financial statements of the Group for 2024 prepared in accordance with IFRS; and
- procedures regarding the Magnitude reporting package of Orange Polska S.A.

Audits of financial statements of selected subsidiaries have been performed under separate agreements between KPMG Audyt spółka z ograniczoną odpowiedzialnością sp. k. and the respective subsidiaries.

The aggregate remuneration payable for auditing and reviewing the above-mentioned financial statements and for other services rendered by KPMG Audyt spółka z ograniczoną odpowiedzialnością sp. k. for 2024 is presented below (in PLN '000):

	2024*	2023
Orange Polska S.A.	3.816	3.933
Audit of the consolidated financial statements of the Group and the standalone financial statements of Orange Polska S.A.	2.092	2.088
Other attestation services including:	1.724	1.845
Review of the semi-annual consolidated financial statements of the Group and the standalone financial statements of Orange Polska S.A.	*418*	*418*
Audit of the financial statements of subsidiaries	**286**	**316**
Total amount payable by the Group*	**4.102**	**4.249**

*The remuneration data for 2024 will be updated upon the completion of the audit of the financial statements

8.3 Management Board's Position as to the Achievement of the Previously Published Financial Projections for the Given Period

The Group guidance for full-year 2024 was presented in the current report 4/2024 disclosed on 14 February 2024. The Group updated its guidance for revenues and the EBITDAaL in Current Report No. 17/2024 dated 23 July 2024. Revenues were expected to be flat or decline by a low single digit percentage (versus low single digit percentage growth previously). EBITDAaL guidance was established as low-to-mid single digit percentage growth (versus low single digit percentage growth previously). At the same time, the Management Board maintained the guidance for economic capital expenditures (in the range of PLN 1.7–1.9 billion). The guidance was realised, as revenue amounted to PLN 12,732 million in 2024 and was down 1.8% year-on-year, EBITDAaL amounted to PLN 3,324 million in 2024 and was higher by 4.6% year-on-year, and eCapex amounted to PLN 1,822 million in 2024.

8.4 Information on the Audit Firm Selection Policy

1) On 19 March 2020, it passed a resolution on selecting KPMG Audyt spółka z ograniczoną odpowiedzialnością sp. k. to audit financial statements of Orange Polska S.A. and the Orange Polska Group for 2021 to 2025 and to review the relevant interim six-month financial statements of Orange Polska S.A. and the Orange Polska Group;
2) Both the audit firm and the audit team members met the conditions to develop an impartial and independent report on the audit of annual financial statements in line with the mandatory legal provisions, standards of profession and rules of professional ethics;
3) Orange Polska complies with the provisions on the rotation of the audit firm and the key auditor as well as mandatory cooling-off periods;
4) Orange Polska has adopted the audit firm selection policy and the policy for provision of authorised non-audit services by an audit firm conducting the audit, entities affiliated with that audit firm or a member of their networks, including services exempted conditionally from the ban on provision of services by an audit company;
5) Orange Polska complies with the requirements for the establishment, composition and functioning of the Audit Committee, particularly the independence criteria for the majority of its members and the requirements for their qualifications and knowledge of the industry in which Orange Polska operates, as well as accounting or audit;
6) The Audit Committee has performed the tasks set forth in the mandatory legal provisions.

9 CORPORATE GOVERNANCE STATEMENT

(a) Company's corporate governance policy

Pursuant to the resolution 13/1834/2021 of the Supervisory Board of the Warsaw Stock Exchange dated 29 March 2021, the Company, as an issuer of securities listed on the Warsaw Stock Exchange (WSE), has been obliged to comply with the corporate governance practices set out in the *Best Practice for GPW Listed Companies 2021*.

The latter is available at http://corp-gov.gpw.pl.

(b) Corporate governance compliance

In 2024, the Company complied with all the corporate governance rules.

(c) Description of major features of Orange Polska's internal control and risk management systems with respect to the process of development of standalone and consolidated financial statements (please see chapter IV for additional information on key risk factors)

The system of internal control and risk management in Orange Polska S.A. has been designed to manage, rather than eliminate, the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Code of Ethics encompasses relations with customers, shareholders, employees, suppliers, competition and also with respect to the environment in which the Group operates. A whistleblowing system, which has been used effectively for years, is co-ordinated by the Ethics Committee of Orange Polska, which was established in 2007. The process enables problem identification by employees, associates and external partners through a number of communication channels, such as emails to the dedicated mailbox Zapytaj.etyka@orange.com ('Ask an ethicist'), notifying the Chairman of the Ethics Committee orally (via a recorded telephone line or at a face-to-face meeting) or in writing (to the postal address of the Ethics Committee of Orange Polska S.A.), or contact with the Chairman of the Ethics Committee (including a face-to-face meeting). In justified cases, the aforementioned persons can notify their concerns directly to the Chairman of the Audit Committee of the Supervisory Board of Orange Polska, who is responsible for, *inter alia*, business ethics issues.

Regular training on ethics is provided to employees, which is confirmed by certification.

In accordance with the approach adopted by the Orange Group, assuming gradual implementation of subsequent elements of the Compliance Programme, the Anti-Corruption Policy and Guidelines have been introduced in Orange Polska. These regulations contain detailed rules and standards as well as references to specific conditions and circumstances relating to the identification and mitigation of the risk of corruption. They are regularly reviewed and updated, if required. In addition, a number of information and training activities are carried out in order to raise employees' awareness of anti-corruption laws and rules. The aforementioned regulations have been strengthened in terms of the conflict of interest management by introducing the relevant Policies for employees and managers, as well as the Members of the Supervisory Board and Management Board of Orange Polska S.A.

The Compliance Programme encompasses a mechanism for reporting cases of corruption, influence peddling and actual or suspected infringement of legal regulations. These may be reported through a whistleblowing system. Reports are confidential and are examined with proper care. The Compliance Programme and the Anti-Corruption Policy are also supported by a due diligence process for screening business partners as well as a cyclic review and mapping of corruption risks. The mechanisms functioning within the Company comply with the *Standards recommended for the compliance management system on counteracting corruption and the whistleblower protection system* adopted by the Warsaw Stock Exchange. In order to comply with the current legal requirements regarding whistleblowing systems, Orange Polska closely monitors its legal environment and adjusts its internal procedures to the relevant legal regulations.

The Group is diligent in its approach to reporting financial results and its ongoing communication with the Polish and international investment community, as well as fulfilling its disclosure obligations. Key managers responsible for the financial, legal, regulatory and internal control functions review financial statements and make comments thereto at the Disclosure Committee. The purpose of the Committee's meetings is to ensure that financial disclosures are timely, exact, transparent, complete, and presented in accordance with all relevant laws, applicable regulations and recognised practices, as well as being properly representative of the financial and operational condition of both the Company and the Orange Polska Group. In 2023, the Disclosure Committee had four meetings. In addition, the Audit Committee reviews the financial disclosures of the Company and the Group before they are published.

The key elements of Orange Polska S.A.'s internal control and risk management system include the following procedures:

(1) An internal audit function, which functionally reports to the President of the Management Board. The internal audit programme is developed on the basis of, *inter alia*, the Company's key risks, and annually reviewed by the Audit Committee, which also analyses the Group's Internal Audit reports. In order to promote an appropriate independent outlook for the Internal Audit, decisions regarding the conclusion and termination of an employment contract with the Group Internal Audit Director as well as his evaluation and remuneration require an opinion of the Audit and Remuneration Committees. The Group Internal Audit Director attends all meetings of the Audit Committee.

(2) The Company conducts ongoing assessments of the quality of the risk management system and internal controls. This process includes identification and classification of Orange Polska S.A.'s financial and non-financial risks as well as verification of the effectiveness of the risk management system.

(3) Procedures have been implemented in order to identify, report and monitor significant risks (i.e. legal, regulatory, environmental, financial reporting and operational) effectively on an ongoing basis. It provides a framework for ongoing risk-controlling activities.

In 2024, the Management Board again completed a comprehensive assessment of the Group's internal controls over financial reporting. Any identified weaknesses were corrected. As a result of the assessment, the Management Board concluded that there were no weaknesses that would materially impact the internal control over the financial reporting at 31 December 2024.

In 2024, the Group established a separate Disclosure Committee for sustainability reporting. The Committee held the first meeting in 2024 and another one in January 2025. The Committee provides a forum for discussing sustainability reporting among the key managers and experts, including the Management Board Members responsible for this reporting, in order to provide quality assurance and compliance thereof.

(d) Indication of shareholders holding, directly or indirectly, significant batches of shares, including the number of shares held, the interest in the Share Capital, the corresponding number of votes and the percentage of the total voting power at the General Meeting

Please see section 6.4 above for the information about major shareholders.

(e) Indication of holders of any securities granting special control rights and description of such rights

The Company has not issued any securities granting any special control rights to shareholders or other entities.

(f) Indication of any restrictions concerning the exercise of the voting rights on shares, such as restriction of the voting rights to a certain percentage or number of votes or temporary restriction of

the voting rights, or regulations according to which, in conjunction with the Company, the rights on securities are separated from the ownership of securities

The Company has not introduced any specific restrictions concerning the exercise of the voting rights on shares.

(g) Indication of any restrictions concerning transfer of ownership of the securities issued by Orange Polska S.A.

The transfer of ownership of the securities issued by the Company is not subject to any restrictions.

(h) Description of procedures for appointment and removal of managing persons as well as their rights, particularly the right to make decisions regarding the issuance or redemption of shares

Under the Articles of Association of the Company, the Management Board shall consist of between three and ten Members, including the President. They are appointed and removed by the Supervisory Board by a simple majority of the votes cast. Recommendations on the appointment of the new Members of the Management Board are made to the Supervisory Board by the Remuneration Committee thereof. Currently, the Management Board consists of eight Members, including the President. The term of office for the Member of the Management Board is three years. The Management Board's remit comprises the management of all aspects of the Company's affairs, with the exception of the matters which under the Polish Commercial Companies Code or the Articles of Association shall be within the competence of the General Meeting or the Supervisory Board. In particular, the powers of the Management Board include development of the Group's strategy and budget; establishment, transformation and liquidation of the Company's business units; and governance of the Group subsidiaries. Any decisions regarding the issuance or redemption of the Company's shares are exclusively within the competence of the General Meeting.

The powers of the Management Board are detailed in the Management Board by-laws, available at www.orange-ir.pl.

(i) Description of procedures for amending the Articles of Association or the deed of the company

Any amendment to the Articles of Association shall require a resolution of the General Meeting adopted by a majority of the three quarters of votes. Such amendments shall be presented to the Supervisory Board for its opinion and shall be submitted to the shareholders no later than 26 days before the date of the General Meeting.

(j) Rules of operation of the General Meeting and its major responsibilities, and description of the shareholders' rights and the way of exercise thereof, particularly the rules resulting from the General Meeting by-laws, if any, unless the information in this respect results directly from mandatory regulations

The General Meeting shall be convened by the Management Board or by the Supervisory Board, if the Management Board fails to convene it within the period set out by the law. The Annual General Meeting shall be held not later than six months after the end of each financial year. An Extraordinary General Meeting shall be convened in the cases set out in the law or the Articles of Association, as well as when the relevant bodies deem it necessary. Any matters to be resolved by the General Meeting shall first be presented by the Management Board to the Supervisory Board for its opinion.

The detailed scope of competence and the manner of operation of the General Meeting as well as the description of the shareholders' rights and the manner of exercising them are set out in the Articles of Association and the Regulations of the General Meeting, which are available at www.orange-ir.pl.

(k) Composition and changes thereof in the last financial year, and description of bodies that manage, supervise or administer Orange Polska S.A. and any committees thereof

I. Composition of the Management Board in 2024

1. Liudmila Climoc – President of the Board
2. Jolanta Dudek – Vice President of the Board
3. Bożena Leśniewska – Vice President of the Board
4. Witold Drożdż – Board Member
5. Piotr Jaworski – Board Member
6. Jacek Kowalski – Board Member
7. Jacek Kunicki – Board Member
8. Maciej Nowohoński – Board Member

Profiles of the Management Board Members are available at the website of the Investor Relations of Orange Polska S.A.: https://www.orange-ir.pl/corporate-governance/.

II. Composition of the Supervisory Board and its Committees and changes thereof in 2024

Composition on 31 December 2024:

1. Maciej Witucki – Chairman of the Supervisory Board
2. Marie-Noëlle Jégo-Laveissière – Deputy Chairman of the Supervisory Board
3. Laurent Martinez – Deputy Chairman of the Supervisory Board
4. Marc Ricau – Board Member and Secretary
5. Philippe Béguin – Board Member
6. Bénédicte David – Board Member
7. Bartosz Dobrzyński – Independent Board Member
8. Clarisse Heriard Dubreuil – Board Member
9. John Russell Houlden – Independent Board Member and Chairman of the Audit Committee
10. Monika Nachyła – Independent Board Member
11. Maria Pasło-Wiśniewska PhD – Independent Board Member and Chairwoman of the Remuneration Committee
12. Adam Uszpolewicz – Independent Board Member
13. Jean-Marc Vignolles – Board Member and Chairman of the Strategy Committee
14. Etienne Vincens de Tapol – Board Member

On 9 February 2024, the mandate of Wioletta Rosołowska as a Member of the Supervisory Board expired as a result of her death.

On 19 April 2024, the mandates of the following persons expired: Philippe Béguin, Bénédicte David, Marie-Noëlle Jégo-Laveissière, Maria Pasło-Wiśniewska and Jean-Marc Vignolles.

On the same day, the Annual General Meeting appointed the following persons: Philippe Béguin, Bénédicte David, Marie-Noëlle Jégo-Laveissière, Maria Pasło-Wiśniewska, Adam Uszpolewicz and Jean-Marc Vignolles to the Supervisory Board for a new term of office.

As of 30 April 2024, Jean-Michel Thibaud resigned his position.

In connection with the aforementioned resignation, on 19 July 2024, Etienne Vincens de Tapol was appointed by the Supervisory Board as its Member. The appointment was confirmed by the Extraordinary General Meeting on 21 November 2024.

As at 31 December 2024, Orange Polska had five independent Members on the Supervisory Board, namely Bartosz Dobrzyński, John Russell Houlden, Monika Nachyła, Maria Pasło-Wiśniewska PhD and Adam Uszpolewicz.

Composition of the Committees of the Supervisory Board on 31 December 2024:

The Audit Committee

1. John Russell Houlden – Chairman
2. Bartosz Dobrzyński
3. Monika Nachyła
4. Marc Ricau
5. Adam Uszpolewicz
6. Etienne Vincens de Tapol

The Audit Committee is chaired by John Russell Houlden, an independent Member of the Supervisory Board. He has relevant experience and qualifications in finance, accounting and audit.

In 2024, Adam Uszpolewicz was appointed to the Audit Committee, and Jean-Michel Thibaud was replaced Etienne Vincens de Tapol replaced.

The Remuneration Committee

1. Maria Pasło-Wiśniewska PhD – Chairwoman
2. Bénédicte David
3. Bartosz Dobrzyński
4. Marc Ricau

There were no changes in the composition of the Remuneration Committee in 2024.

The Strategy Committee

1.Jean-Marc Vignolles – Chairman
2. Philippe Béguin
3. Bénédicte David
4. Bartosz Dobrzyński
5. Monika Nachyła
6. Maria Pasło-Wiśniewska PhD
7. Wioletta Rosołowska (till 9 February 2024)

All Members of the Supervisory Board regularly participate in the meetings of the Strategy Committee on a permanent basis.

Below, is the list of the Members of Orange Polska Supervisory Board and Management Board together with the Annual General Meetings on which their mandates expire.

Management Board	Year of AGM
Liudmila Climoc - President of the Board	2026
Jolanta Dudek – Vice President	2027
Bożena Leśniewska – Vice President	2027
Witold Drożdż	2027
Piotr Jaworski	2027
Jacek Kowalski	2026
Jacek Kunicki	2026
Maciej Nowohoński	2026

Supervisory Board	Year of AGM
Maciej Witucki – Chairman	2025
Marie-Noëlle Jégo-Laveissière – Deputy Chairwoman	2027
Laurent Martinez – Deputy Chairman	2026
Marc Ricau – Secretary	2025
Philippe Béguin	2027
Bénédicte David	2027
Bartosz Dobrzyński	2025
Clarisse Heriard Dubreuil	2026
John Russell Houlden	2026
Monika Nachyła	2025
Maria Pasło-Wiśniewska	2027
Adam Uszpolewicz	2027
Jean-Marc Vignolles	2027
Etienne Vincens de Tapol	2027

III. Operations of the Management Board

The Management Board shall manage the Company's affairs, administer its assets and represent the Company towards third parties. The Members of the Management Board shall perform their duties in person. The operations of the Management Board shall be managed by its President. Meetings of the Management Board shall be chaired by the President of the Management Board or, in case of his absence, another Member of the Management Board designated by the President. Resolutions may be adopted if all Members of the Management Board have been duly notified about the meeting. Resolutions of the Management Board shall be adopted by an absolute majority of votes of all appointed Members of the Management Board. Individual Members of the Management Board shall manage the areas of the Company's operations assigned to them.

In particular, Management Board's resolutions are required in the following affairs of the Company:

(1) formulation of the Company's strategies and approval of multiannual plans for development of its individual activity areas;

(2) approval and update of the budget of the Company;

(3) determining amounts of capital expenditures and sources of their financing;

(4) contracting loans and other financial liabilities;

(5) granting collaterals and guarantees;
(6) Organisational Regulations of Orange Polska S.A.;
(7) establishment, transformation and liquidation of the Company’s organisational units as defined in the Organisational Regulations of Orange Polska S.A.;
(8) rules for granting powers of attorney;
(9) formulation of human resources and remuneration policies within the Company;
(10) proposing motions to the Company’s governing bodies in the situations set out in the Commercial Companies Code or the Company’s Articles of Association;
(11) adoption of annual standalone and consolidated financial statements and the Management Board’s reports on the activity of the Company’s and the Group and submitting those documents to the Supervisory Board within the required time limits;
(12) proposing resolutions on distribution of profits or coverage of losses to the General Meeting;
(13) formulation of rules of assets disposal;
(14) the Company’s property transformation and public trading in the Company’s securities;
(15) exercising corporate oversight over Orange Polska S.A.’s subsidiaries;
(16) participation in other companies or legal entities, except for economic organisations and associations;
(17) concluding and implementing agreements between the Company and the trade unions operating within it, except for the matters which fall within the competence of the managers of the Company’s business entities;
(18) negotiating and settling labour disputes;
(19) rules for the appointment to top management positions, including terms of employment and amount of remuneration.

The President of the Management Board acting jointly with another Member of the Management Board shall be empowered to represent the Company.

The responsibilities and obligations of the Management Board are detailed in the Management Board by-laws, available at www.orange-ir.pl.

Management Board skills matrix

Name	Audit / Risks	Accounting / Finance / M&A	Executive Management	Legal / Compliance / Governance / Ethics	Cyber-security / Innovation & Technology	HR and Human Issues	Commerce / Marketing	ESG & Sustainable Growth (Climate & Environment)	Regulatory Environ-ment	Communica-tion & Investor Relations	Production/ Security / Supply Chain
Liudmila Climoc											
Jolanta Dudek											
Bożena Leśniewska											
Witold Drożdż											
Piotr Jaworski											
Jacek Kowalski											
Jacek Kunicki											
Maciej Nowohoński											

IV. Operations of the Supervisory Board

The Supervisory Board shall consist of between nine and sixteen Members, including at least four independent Members. The Supervisory Board currently consists of fourteen Members, including five independent Members. The independent Members of the Supervisory Board shall satisfy the criteria set out for independent members of audit committees in the Act on statutory auditors, audit firms and public oversight, and the conditions set out in the Articles of Association. The independent Supervisory Board Members shall submit quarterly statements to confirm meeting the aforementioned criteria and conditions of independence. The Supervisory Board Members shall be appointed by the General Meeting (or, in exceptional cases specified in the Articles of Association, by the Supervisory Board). The term of office for the Member of the Supervisory Board is three years.

The Supervisory Board work shall be managed by the Chairman who shall have the duty to properly organise its work, in particular to convene the Supervisory Board meetings. In the absence of the Chairman, his powers are taken over by the most senior deputy, the Secretary or the most senior Member of the Supervisory Board. The Supervisory Board shall hold meetings at least once a quarter. The Management Board or a Member of the Supervisory Board may request a meeting of the Supervisory Board to be convened, specifying the proposed agenda for the meeting. The Chairman of the Supervisory Board shall convene the meeting within two weeks from the date of the motion. If the Chairman of the Supervisory Board fails to convene the meeting within two weeks from the date of the motion, the mover of the motion may convene the meeting himself, specifying the date, the place and the proposed agenda. The Supervisory Board may also hold meetings without formal convocation, if all members give their consent thereto and make no objections against putting certain issues on the agenda. The Supervisory Board shall adopt resolutions if at least half of its Members are present at the meeting and all Members have been invited. During the meeting, the Supervisory Board may also adopt resolutions on issues which are not put on the proposed meeting agenda, if none of the Supervisory Board Members participating in the meeting objects thereto. The Supervisory Board shall pass its resolutions by a simple majority of the votes cast. In the case of a tied vote, the Chairman shall have a casting vote. It is permissible to participate in a meeting of the Supervisory Board also using means of direct remote communication. Voting by the Supervisory Board shall be open. Members of the Supervisory Board may participate in adopting resolutions of the Supervisory Board by casting a vote in writing via another Member of the Supervisory Board. The Supervisory Board may adopt resolutions in a written form or by using means of direct remote communication. Such resolution shall be valid if all Members of the Supervisory Board have been informed about the content of a draft resolution and at least half of the Members of the Supervisory Board took part in the adoption of the resolution.

Although the Supervisory Board performs its tasks collectively, it delegates some of the work. The committees to which these tasks are delegated are described in subsequent paragraphs.

The Supervisory Board by-laws and the Terms of Reference of the Committees of the Supervisory Board are available at www.orange-ir.pl.

In particular, the Supervisory Board shall be responsible for the appointment of the Members of the Management Board and determining the terms and amount of their remuneration, the appointment of the Company's independent auditors, and the supervision of the Group's business. As part of its supervisory responsibilities, the Supervisory Board shall examine the Group's strategic plan and annual budget; monitor the Group's operating and financial performance; formulate opinions on incurring liabilities that exceed the equivalent of €100,000,000; formulate opinions on disposal of the Group's assets that exceed the equivalent of €100,000,000; evaluate annual financial statements of the Company, the Management Board's report on the activities of the Company and the Orange Polska Group, and motions of the Management Board regarding distribution of profits or covering of losses; state an opinion on motions submitted by or via the Management Board to the General Meeting; and submit to the General Meeting for approval an annual report of the Supervisory Board. The Supervisory Board shall also submit to the General Meeting the Report on the Remuneration of the Members of the Management Board and Supervisory Board in compliance with the Act on public offering and the conditions for introducing financial instruments to the organised trading system and on public companies. In considering these matters, the Supervisory Board takes into account the social, environmental and ethical considerations that relate to the Group's business.

Furthermore, the Polish Accounting Act determines the responsibility of the Members of the Supervisory Board regarding the reliability and fair presentation of the Company's financial reporting.

Supervisory Board skills matrix

Name	Audit / Risks	Accounting / Finance / M&A	Executive Management	Legal / Compliance / Governance / Ethics	Cybersecurity / Innovation & Technology	HR and Human Issues	Commerce / Marketing	ESG & Sustainable Growth (Climate & Environment)	Regulatory Environment	Communication & Investor Relations	Production/ Security / Supply Chain
Maciej Witucki											
Marie-Noëlle Jégo-Laveissière											
Laurent Martinez											
Marc Ricau											
Philippe Béguin											
Bénédicte David											
Bartosz Dobrzyński											
Clarisse Heriard Dubreuil											
John Russell Houlden											
Monika Nachyła											
dr Maria Pasło-Wiśniewska											
Adam Uszpolewicz											
Jean-Marc Vignolles											
Etienne Vincens de Tapol											

V. Operations of the Committees of the Supervisory Board

(A) The Audit Committee

The Audit Committee was established by a resolution of the Supervisory Board of 14 June 2002 as an advisory body to the Supervisory Board. The majority of the Audit Committee members, including its Chairman, meet the independence criteria set out in the Act on statutory auditors, audit firms and public oversight and the conditions set out in the Articles of Association. The Audit Committee shall meet at least on a quarterly basis before the publication of the Company's financial statements.

The key functions of the Audit Committee are specified in its Terms of Reference attached to the Supervisory Board by-laws and include but are not limited to:

(1) monitoring the integrity of the financial information reported externally;

(2) reviewing the Group's internal control and risk management systems;

(3) reviewing plans for internal audit and internal audit reports;

(4) reviewing and giving opinions on significant transactions with related parties;

(5) recommending the selection and re-appointment of the audit firm;

(6) monitoring the independence and objectivity of the Company's external auditors, the nature and scope of the audit, and the auditors' work;

(7) giving the Supervisory Board recommendations to ensure the faithful representation and relevance of the financial reporting process, including sustainability reporting, in the Company and the Group.

(B) The Remuneration Committee

The Remuneration Committee was established by a resolution of the Supervisory Board of 16 June 2004 as an advisory body to the Supervisory Board. A half of the Remuneration Committee members, including its Chairwoman, meet the independence criteria set out in the Act on statutory auditors, audit firms and public oversight and the conditions set out in the Articles of Association. The Remuneration Committee shall meet according to its preferences at least four times a year.

The Remuneration Committee's task is to advise the Supervisory Board and Management Board on the general remuneration and nomination policy of the Group, determining the terms of employment and remuneration (including the setting of objectives) of the Members of the Management Board and giving recommendations to the Supervisory Board regarding salaries and the amounts of variable pay for the Members of the Management Board.

(C) The Strategy Committee

The Strategy Committee was established by a resolution of the Supervisory Board of 15 June 2005 as an advisory body to the Supervisory Board. The Strategy Committee shall meet according to its schedule at least twice a year.

The tasks of the Strategy Committee include:

(1) giving its opinions and recommendations to the Supervisory Board on the strategic plans set out by the Management Board, as well as on any further suggestions to strategic plans made by the Supervisory Board, in particular concerning key strategic decisions involved; and

(2) consulting on all strategic projects related to the development of the Group, monitoring of the evolution of industrial partnerships within the Group and projects involving strategic agreements for the Group. It then reports and makes recommendations on each of these projects to the Supervisory Board.

In particular, the Committee is invited to consider projects such as:

(1) strategic agreements, alliances, and technological and industrial co-operation agreements, including aspects of the Group's strategic partnership with Orange S.A.; and

(2) significant acquisitions and sales of assets.

(I) Regarding the Audit Committee of the Orange Polska Supervisory Board

(1) The following persons have stated that they meet the statutory criteria of independence: John Russell Houlden, Bartosz Dobrzyński, Monika Nachyła and Adam Uszpolewicz.

(2) The following persons have stated that they have knowledge and skills in the area of accounting or auditing of financial statements: John Russell Houlden, Monika Nachyła, Adam Uszpolewicz and Etienne Vincens de Tapol.

(3) The following persons have stated that they have knowledge and skills in the field of operations of Orange Polska, indicating the respective ways in which they have acquired such knowledge and skills: John Russell Houlden, Bartosz Dobrzyński, Monika Nachyła, Marc Ricau, Adam Uszpolewicz and Etienne Vincens de Tapol.

The profiles of the members of the Audit Committee, validating the aforementioned skills, are presented below.

John Russell Houlden gained extensive experience in accounting and audit in a variety of financial roles in Spicer & Oppenheim (now part of Deloitte), ICI and BT. Next, he served as Finance Director of Lovells (2002 to 2008), Chief Financial Officer of Telecom New Zealand (2008 to 2010) and Chief Financial Officer of the United Utilities Group (2010 to 2020). From 2011 to 2013 he was a member of the UK Government's Ecosystem Markets Task Force, and from 2014 to 2020 he was also the Chairman of the Financial Reporting Committee of the '100 Group' (which represents the collective views of FTSE 100 companies to the IASB, ESMA and other regulatory bodies). From 2020 to 2022 he was the Chairman of the Audit Committee of Babcock International Group (an FTSE 250 company), and from 2022 to date he has been an Operating Partner of Corsair Infrastructure and a Non-executive Director of Yorkshire Water. John Russell Houlden has a first class honours degree from Warwick Business School and has completed executive programmes at INSEAD, Stanford and London Business School. He is a Fellow of the Chartered Institute of Management Accountants, a Chartered Global Management Accountant and a Fellow of the Association of Corporate Treasurers. His contributions have been recognised with various awards, including NW Finance Director of the Year in 2013 and 2014, Joint Winner of "Excellence in Reporting" in the Building Public Trust Awards 2015 and Winner of "Communicating Integrated Thinking" in the Finance For The Future Awards 2016.

Monika Nachyła is a non-executive director with many years of international, C-suite experience in the areas of private equity, investor relations, ESG and sustainability, operational financial management and strategy development. She is a graduate of the Warsaw School of Economics. She holds also post-graduate diplomas in social psychology and agriculture. Between 1995 and 2000, she held the position of CFO at Sanofi-Synthélabo, greatly contributing to its success as one of the major players in the pharmaceutical market in Poland. From 2000 to 2011, she was active in the private equity sector. As the Vice President for Portfolio & Fund Operations of Innova Capital she supervised its portfolio companies. Subsequently, as the Partner in charge of Investor Relations at Enterprise Investors, she was responsible for fundraising and investor relations.

In 2011, she joined the Supervisory Board of one of the leading Polish banks BGŻ (currently BNP Paribas) as a non-executive director of the Supervisory Board and the Audit Committee. From 2013 to 2015, she served as the Vice President of BGŻ Management Board responsible for the strategy and development. Since May 2017, she has been a Partner at Abris Capital Partners, a private equity fund manager investing in Central Europe, where she has been responsible for investor relations, public relations, ESG and supervision of selected portfolio companies. She acted as a non-executive director of multiple supervisory boards (BGŻ BNP Paribas, Allianz Polska, Euler Hermes Polska, Mykogen). At present, she serves as a member of the Supervisory Board of Graal and the Chairwoman of the Supervisory Board of Velvet Care. In addition, she is a member of the ESG Committee at the Polish Private Equity and Venture Capital Association.

Adam Uszpolewicz is a senior executive with over 30 years of experience in financial markets, including insurance, asset management, banking, and consulting services, both in Poland and internationally. He has held CEO roles for over 20 years. He sat in supervisory boards of various insurance and investment companies, particularly in Poland, Luxembourg, France, Turkey and Lithuania. His professional career began at Price Waterhouse, where he provided audit and management consulting services to international financial institutions in Poland and the UK. Subsequently, he served as Business Development Director at GE Capital, overseeing M&A activities in Central and Eastern Europe. From 1999 to 2006, he worked for the insurance group Nationwide as its CEO in Poland and later as head of the European business for numerous markets. From 2007 to 2022, he worked for Aviva in Poland, the UK and Singapore. Initially, he served as Aviva Poland's CEO from 2007 to 2008. Subsequently, from 2009 to 2013, he worked within Aviva's international structures, where his responsibilities included business development and marketing in European and Asian markets. In 2013, he was reappointed as CEO of Aviva Poland. He graduated from the University of Copenhagen and holds an ACCA certificate. He is a Member of the Business Council at the British Chambers of Commerce. Currently, he serves as an advisor at the British Polish Chamber of Commerce, sits on the Supervisory Board of the WWF Polska Foundation and holds the position of Chairman of the Audit Committee of the Supervisory Board at the largest Polish insurer PZU S.A.

Etienne Vincens de Tapol has been serving as the Chief Financial Strategy Officer at Orange Europe since July 2024. He oversees finance, strategy, business development, audit & control, and transformational initiatives across multiple European markets. His career includes key executive roles, such as Chief Strategy Officer at Orange France, where he led financial and infrastructure strategies, and Chief IT Officer (CIO) and Deputy Chief Technical Officer (CTO) at Orange Jordan, where he rolled-out mobile and FTTH networks. His expertise extends to procurement, having served as Senior VP at BuyIn, the procurement JV of Deutsche Telekom and Orange. Etienne holds a master's degree in international purchasing from Bordeaux Kedge Business School and an engineering degree in biotechnologies. He joined the Orange Group in 1998 at Cofratel (now part of Orange Direction Enterprise France).

Bartosz Dobrzyński started his professional career as a journalist in the mid 1990s before moving to marketing roles. He spent over twenty years in the telecommunication sector with the most notable position as the Head of Consumer Propositions at Orange Polska (2001-2008) and later as CMO and Member of the Management Board of Play (2008-2018). During his tenure, Play, starting from scratch, became one of the leading operators in the mobile market. He is the Independent Member of the Supervisory Board and Member of the Strategy and Remuneration Committees. After leaving Play, he was involved in advising various companies and start-ups in the fields of business models and marketing. He graduated from Warsaw University (journalism, MBA) and IESE Barcelona (Advanced Management Program).

Marc Ricau has been working in the France Telecom (Orange) Group since 1986. He is a graduate of IEP (Sciences Po Paris) and ENSPTT School, and has a master degree in statistical and software techniques. During his professional career in telecommunications he served in various positions both abroad (as managing director of FCR consulting in Mexico) and in France, mainly in sales and customer service, but also finance and network management. He joined Orange AMEA (Africa, Middle East and Asia) in 2009 as Country and Partnerships Vice-President for the zone. He served as a Member of Supervisory Boards of several subsidiaries in Africa (Orange Mali, Orange Guinea, Orange Niger, Orange Bissau and Sonatel Multimedia) until early 2013. He was also responsible for the development of new projects and businesses, mainly focused on improving the daily life of population in developing African countries, particularly in the areas of telco services in agriculture, health, education and entrepreneurship. In October 2012, Marc Ricau joined the Orange Europe Division as Vice-President of Poland Operations and simultaneously became a Member and Secretary of the Supervisory Board as well as a member of the Audit Committee and Remuneration Committee of Orange Polska S.A. In July 2015 he was also appointed a Member of the Management Board of Orange Slovensko a.s., and in June 2017 he was appointed a Member of the Supervisory Board of the Company. He is also a Member of the Board of Directors of Nadacia Orange (Orange Foundation) in Slovakia.

(4) In 2024, the Audit Committee Members participated in training, organised by Orange Polska, on sustainability development and the related new reporting regulations, which was confirmed with an ESG knowledge test.

(5) An audit firm auditing the financial statements of Orange Polska, i.e. KPMG Audyt spółka z ograniczoną odpowiedzialnością sp.k., provided authorised non-audit services to the Company.

Therefore, Orange Polska assessed the independence of the audit firm and the Audit Committee approved the provision of the services.

(6) The key elements of the audit firm selection policy and the policy for provision of authorised non-audit services by an audit firm conducting the audit, entities affiliated with that audit firm or a member of their networks:

1. The body authorised to select an audit firm is the Supervisory Board of Orange Polska. The Supervisory Board shall make the selection based on a prior recommendation of the Audit Committee.
2. The Audit Committee in its recommendation shall:
   – indicate the audit firm which it proposes to entrust with the audit;
   – state that the recommendation is free from third party influence;
   – state that the Company has not entered into any agreements containing clauses that restrict the ability of the Supervisory Board to select an audit firm for the purposes of the statutory audit of the Company's financial statements to certain categories or lists of audit firms.
3. Where the selection of an audit firm does not concern the extension of an audit agreement, the recommendation of the Audit Committee shall:
   – contain at least two options for selecting an audit firm with justification, indicating the Audit Committee's justified preference for one of them;
   – be drawn up according to the selection procedure specified below.
4. Selection Procedure
   4.1. The Company shall invite any audit firms to submit proposals for provision of the audit service, provided that:
      – it does not infringe the principle that after the expiry of the maximum duration of engagement, neither the statutory auditor or the audit firm nor, where applicable, any members of their networks within the European Union shall undertake the audit of the Company within the following four-year period;
      – the organisation of the tender procedure does not preclude the participation in the selection procedure of firms which received less than 15% of the total audit fees from public-interest entities in the Member State of the European Union concerned in the previous calendar year, included in the list of audit firms that carried out statutory audits in public-interest entities during the preceding year.

   4.2. The Company shall prepare the tender dossier for the attention of the invited audit firms, which shall contain transparent and non-discriminatory selection criteria to be used by the Company to evaluate the proposals made by audit firms.

   4.3. The Company shall evaluate the proposals made by audit firms in accordance with the selection criteria defined in the tender dossier.

   4.4. The Audit Committee shall discuss with the audit firm, upon its request, the threats to its independence and the safeguards to mitigate those threats, as documented by the audit firm. The audit firm shall confirm annually in writing to the Audit Committee that the statutory auditor, the audit firm as well as its partners, senior managers and managers conducting the statutory audit are independent from the audited company.
5. The Company has the right to grant a further engagement referred to in Article 17(6) of the Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 – based on the consent of the Financial Supervisory Authority.

6. In the course of the selection procedure, the Supervisory Board shall account for the experience of the audit team in auditing financial statements of companies, including those listed on the stock exchange, as well as competences and financial criteria.
7. The selection decision shall be taken with the consideration of the principles of impartiality and independence of the audit firm as well as the analysis of the work performed by the latter in the Company that go beyond the scope of the audit in order to avoid any conflict of interest.
8. If the decision of the Supervisory Board regarding the selection of an audit firm departs from the recommendation of the Audit Committee, the Supervisory Board shall justify in writing the reasons for not following the recommendation of the Audit Committee and submit such justification to the General Meeting.

(7) The recommendation for selecting KPMG Audyt spółka z ograniczoną odpowiedzialnością sp.k. to audit financial statements complied with the mandatory legal provisions and the audit firm selection policy and procedures at Orange Polska.

(8) The Audit Committee held six meetings in 2024.

9.1 Information about Sponsorship Policy

Orange Polska has adopted a sponsorship policy (pursuant to the Decision No. 5/24 of the Management Board Member in charge of Strategy and Corporate Affairs). Orange Polska's approach reflects the global sponsorship strategy of the Orange Group. In the strategic field, which is music now, Orange Polska develops long-term, comprehensive, nationwide projects addressed to a large group of its existing or prospective customers. Orange Polska sponsors various initiatives on a long-term rather than one-off basis.

The implementation of our sponsorship policy is a responsibility of the Corporate Communication and CSR Director. Key sponsorship projects are subject to approval by the Management Board of Orange Polska S.A. Each sponsorship project has its own target Key Performance Indicators (KPIs), such as attendance, advertising value equivalent (AVE), number of publications, etc. Upon completion of a project, it is evaluated by the Management Board. We have established the Sponsorship Committee to centralise sponsorship project management in the Orange Polska Group.

Furthermore, Orange Polska carries out its socially-oriented activities through a dedicated corporate foundation, the Orange Foundation, and the Donation Fund.

As part of its donation policy, Orange Polska has adopted formal rules for using the Donation Fund. These are specified in the Decision no. 2/23 of the Board Member in charge of Strategy and Corporate Affairs.

Orange Polska S.A. follows clear and transparent rules in making donations:

- Any donation requires analysis and recommendation;
- Any donation is subject to approval by the President of the Management Board of Orange Polska;
- Any donation is made under a written donation agreement;
- All donations are effected by transfers and registered in the accounting systems of Orange Polska;
- Each agreement includes a requirement to confirm that the donation has been used in line with its purpose.

The Orange Foundation, which carries out its socially-oriented activities on behalf of Orange Polska, has adopted its own strategy. The Foundation works towards modern education of children and youth, carrying out its own nationwide educational and social programmes to support the comprehensive development of young people. All its programmes and projects are based on the results of research and implemented in consultation with renowned experts in specific fields. At least twice a year, the

Foundation submits reports on its activities to the Foundation Board, which includes representatives of the Founder, i.e. Orange Polska S.A. Furthermore, on an annual basis the Foundation submits a report on its activities to the competent ministry and draws up a financial report, which is subject to an audit. Reports of the Foundation are publicly displayed on its website.

The Foundation's policy fits into Orange Polska's social responsibility strategy, which is part of the business strategy of the Company. Our corporate social responsibility (CSR) strategy focuses on the areas which are of key importance with respect to our sector and our activities on the Polish market: efforts for digital inclusion, security on the network, environmental and climate protection, and building a good workplace. The conclusions from a dialogue with stakeholders as well as market trends and social challenges for our industry in Poland and abroad have been an important road sign in its development. Responsibility for the implementation of the strategy lies with the CSR Steering Committee, which is made up of managers from different areas within the organisation. Our CSR initiatives are presented in the note 6.3.6 of the Sustainability Statement.

Expenditure on aid to charitable institutions and social organisations in the area of welfare, education, health, culture, sports, etc.

Grants	2023	2024
Total aid granted (in PLNm)	12.8	13.3

9.2 Description of the Diversity Policy

Orange Polska has adopted the Diversity Management Policy, which was adopted by a decision of the President of the Management Board in 2016.

Orange Polska is committed to respecting diversity and equal opportunities in the following dimensions:

- gender;
- age;
- competence / expertise / experience / mindset;
- psychophysical skills – (dis)abilities;
- parental status;
- religion / beliefs;
- workplace location (HQ vs. region);
- nationality / ethnic origin / race;
- sexual orientation;
- type of employment;
- trade union membership;
- political convictions.

The implementation of our Diversity Management Policy is supported by the Committee for Gender Equality and Diversity in the Workplace. The quality of our diversity management has been confirmed by the Gender Equality European and International Standard (GEEIS) certificate. Furthermore, Orange Polska is a signatory to and a guardian of the Diversity Charter in Poland.

Orange Polska has implemented Diversity Management Policy for Members of the Management Board and the Supervisory Board.

In the process of selection of Members of the Management Board of Orange Polska, the Supervisory Board:

- shall be guided by the transparency of the candidate selection rules and criteria;
- shall make decisions on the selection of the Management Board Members based on the appropriate level of knowledge, skills, education, competences and professional experience of the candidates;

- shall ensure that the Management Board Members include people of diverse gender, age, specialist knowledge, education and professional experience;
- with regard to gender diversity, shall aim to keep women participation of at least 30%.

The duties and responsibilities, as well as the requirements related to qualifications, expertise and competence of the Supervisory Board Members are specified in the Company's Articles of Association. In addition, Orange Polska applies the provisions of the *Best Practice for WSE Listed Companies 2021*.

The Management Board currently consists of eight members, including the President. They are appointed by the Supervisory Board. The term of office for the member of the Management Board is three years. There are three women on the Management Board, which corresponds to 37.5% of the composition thereof (as of 31 December 2024). There are no independent Members on the Management Board.

In the process of selection of Members of the Supervisory Board, the General Meeting:

- shall make decisions on the selection of Supervisory Board Members based on the appropriate level of knowledge, skills, education, competences and professional experience of the candidates;
- shall ensure that the Supervisory Board Members include people of diverse gender, age, specialist knowledge, education and professional experience;
- shall ensure the presence of at least four members of the Supervisory Board who meet the independence criteria specified in the Act of 11 May 2017 on statutory auditors, audit firms and public oversight, as well as the Company's Articles of Association and have no real and significant connections with a shareholder holding at least 5% of the total number of votes in the Company;
- with regard to gender diversity, shall aim to keep women participation of at least 30%.

The Supervisory Board currently consists of fourteen Members, including five independent Members. They are appointed by the General Meeting (or, in exceptional cases, by the Supervisory Board). The term of office for the Member of the Supervisory Board is three years. There are five women on the Supervisory Board, which corresponds to 35.7% of the composition thereof, as well as five Polish citizens and nine Members of different nationality (as of 31 December 2024).

On an annual basis, Orange Polska develops the detailed analysis of the ratio of remuneration of women to men based on comparable groups of employees (i.e. employees performing similar and comparable work), i.e. the adjusted wage gap. We regularly analyse remuneration of men and women. The gender pay gap index is determined for employees performing comparable work at positions within the same pay grades. As at the end of 2024, it was 1.5% at specialist positions and 1.4% at management positions. The index decreased in relation to the previous year. The gender pay gap reduction objective has been included in is the CSR strategy and the implementation thereof is audited as part of the Gender Equality European Standard (GEES) certification. In the salary increase process, we have set principles to ensure the equal remuneration of men and women for the same responsibilities, experience, commitment and expertise.

9.3 Information on the Remuneration Policy of Orange Polska S.A.

Remuneration Policy of Orange Polska S.A.

The strategy of Orange Polska S.A. is based on building and maintaining high customer satisfaction, while providing a full range of the best quality telecommunication, multimedia and specialised ICT services fitting both household and business needs, as well as offering extensive connectivity and high customer relationship standards.

The Remuneration Policy contributes to implementing the Company's comprehensive strategy. By enabling the recruitment, retention and motivation of the best managers and employees in the specialised areas existing in Orange Polska S.A. it provides people prepared to achieve the strategic goals of the Company.

While recognising that employees are a key asset of the Company, the Policy supports the creation of favourable conditions in the digital work environment by stimulating the commitment to the Company's objectives, employees development and use of flexible work methods.

Remuneration levels within Orange Polska S.A. are compared to those offered by peer companies in the market. The managers' remuneration depends on the Company's financial results and on one's individual contribution and performance, and supports the implementation of the Company's strategy.

Our Remuneration Policy complies with the labour law and corporate governance regulations.

The remuneration system consists of the following components:

1. Base salary;
2. Performance bonus;
3. Discretionary bonuses;
4. Benefits.

Due to the need to adjust the Company's workforce structure to the changing market conditions and changing working methods, Orange Polska S.A. carries out a voluntary departure programme. Employees who depart the Company voluntarily are offered severance pay in excess of statutory amounts due to them under the generally applicable legal regulations. The terms of severance pay for employees are determined in separate arrangements with trade unions, whereas the terms of severance pay for managers excluded from the Intragroup Collective Labour Agreement are based on generally applicable legal regulations, and are settled in individual agreements, in the employment contracts.

1. Base salary

The base salary level takes into account the scope of duties assigned to a particular job position as well as the market value of the work performed.

Orange Polska S.A. monitors the remuneration market by comparing, at least annually, the Company's salaries and remuneration practices to those adopted by the Polish market leaders, particularly ICT companies.

Orange Polska S.A. ensures the consistency of remuneration between different positions, taking into account their grade in the internal pay scale of job positions.

Orange Polska S.A. develops remuneration terms based on principles of equality, particularly with respect to gender, age, disability, race, religion, nationality, political opinion, trade union membership, ethnic origin, sexual orientation.

Individual base salaries are determined within the following framework:

- Annual remuneration reviews, taking into account the evolving work standards of various professional groups and each employee's contribution to the achievement of goals;
- Promotions;
- Recruitment arrangements for candidates assuming their duties in a new professional area;
- Management of the risk of attrition of the most qualified employees leaving for the competition.

2. Performance bonus

The purpose of the bonus system is to motivate employees to achieve high performance by attaining the predefined and agreed objectives which support the implementation of the Company's strategy and growth of customer satisfaction. In addition, the system of objectives stimulates co-operation among employees from different organizational units by setting some solidarity objectives in addition to individual ones.

Orange Polska S.A.'s bonus system is aligned with the specifics of the tasks performed by particular functions. Consequently, it encompasses three groups of employees:

- Managers – they are covered by a bonus system with a uniform structure but different bonus rates, ranging from 12.5% to 50% of one's base salary (for achieving objectives in 100%) depending on a professional group;
- Employees with sales targets – they have different models of bonuses or commissions, ranging from 30% to 50% of one's base salary (for achieving objectives in 100%) depending on a professional group;
- Non-managers without sales targets – they are not covered by a bonus system.

The bonus systems provide for higher bonuses for achieving above 100% of the objectives set at the beginning of the settlement period.

For key managers, bonus is more related to the Company's performance and implementation of its business strategy, and depends more on the achievement of solidarity objectives shared by all employees, whereas for line managers, bonus is related to their individual performance and depends less on the solidarity components shared by the particular function or the entire Company.

The objectives and bonuses are set for periods closely linked to the budgeting cycle.

Bonuses are settled on an annual basis for senior managers and on a semi-annual basis for line managers. Front-line sales managers and sales employees receive bonuses/commissions on a quarterly or monthly basis.

All senior managers and line managers in support functions receive bonuses on a.

The detailed bonus terms are defined in the relevant Bonus Regulations.

3. Discretionary bonuses

The Company's long-term strategy is based on innovation and commitment to outstanding performance.

Discretionary bonuses encourage employees to get involved in the development of innovative solutions, implementation of strategic projects and cross-functional co-operation. Owing to this scheme, employees can be rewarded for achievements which exceed the expectations defined in their periodic objectives.

Discretionary bonuses are awarded as follows:

- Line managers, middle managers and employees without sales targets may be rewarded at any time of the year, directly after an event or a combination of events for which, in their superior's opinion, they deserve a reward;
- Distinguished sales employees and top managers are rewarded on an annual basis upon highlighting the Company's greatest achievements over the past calendar year.

4. Benefits

In order to improve the quality of life and promote employee integration, Orange Polska S.A. provides a broad package of market-competitive benefits to its employees, building a valuable offer which supports employee recruitment and retention.

Employees are eligible to join the Employee Pension Fund, to which basic contributions are financed by Orange Polska S.A.

The key areas influenced by Orange Polska S.A. through benefit schemes are as follows:

- health and physical activity;
- financial stability;
- improved quality of life;
- employee development.

Orange Polska S.A. wants all its employees to be the ambassadors of the Orange brand; therefore, it provides them with access to its own products and services.

The terms of remuneration of the Members of the Management Board and Supervisory Board are set out in the Remuneration Policy for Members of the Management Board and Supervisory Board of Orange Polska S.A. adopted at the General Meeting in June 2020, and subsequently changed at the General Meeting in 2023 and 2024.

Management Board and Supervisory Board Remuneration

Persons that were Members of the Management Board of the Company as at 31 December 2024

The President of the Management Board of Orange Polska S.A. is employed by Orange Global International Mobility S.A. (OGIM S.A.), an Orange Group company, and performs his duties as the CEO of Orange Polska S.A. based on posting.

The amounts paid by Orange Polska S.A. on account of the reimbursement of the costs of employment related to posting of the President of the Management Board are presented in the table below:

(PLN '000)	12 months ended 31 December 2024	
	Total fixed and variable cost of services purchased from the Orange Group in 2024 [1]	*Additionally: Variable cost of services purchased from the Orange Group in 2023 and paid in 2024*
Liudmila Climoc[2]	5,745	306
Total	5,745	306

[1] Includes bonuses accrued and potentially accrued in 2024, while excludes bonuses accrued in 2023 and paid in 2024 (except for the amount resulting from foreign exchange differences).
The conditions for the Stretch Bonus payment for 2024 were met.
[2] From the date of appointment as the Member of the Management Board of Orange Polska S.A., i.e. 1 September 2023.

The remuneration of the Management Board Members employed by Orange Polska S.A. was as follows:

(PLN '000)	12 months ended 31 December 2024	
	Total fixed and variable remuneration expense in 2024 [1]	*Additionally: Variable remuneration expense in 2023 and paid in 2024*
Jolanta Dudek	2,506	497
Bożena Leśniewska	2,776	568
Witold Drożdż	2,125	424
Piotr Jaworski	2,133	424
Jacek Kowalski	2,148	450
Jacek Kunicki	2,576	473
Maciej Nowohoński	2,231	461
Total	16,495	3,297

[1] Includes bonuses accrued and potentially accrued in 2024, while excludes bonuses accrued in 2023 and paid in 2024.
The conditions for the Stretch Bonus payment for 2024 were met.

In addition, Ms. Bożena Leśniewska and Ms. Jolanta Dudek used a sport card financed from the Company Social Benefits Fund; the benefit was worth PLN 492 in 2024 for each of the them (not included in the table above).

Persons that were Members of the Management Board of the Company as at 31 December 2023

The amounts paid by Orange Polska S.A. on account of the reimbursement of the costs of employment related to posting of the President of the Management Board are presented in the table below:

(PLN '000)	12 months ended 31 December 2023	
	Total fixed and variable cost of services purchased from the Orange Group in 2023 [1]	*Additionally: Variable cost of services purchased from the Orange Group in 2022 and paid in 2023*
Liudmila Climoc[2]	1,608	0
Total	1,608	0

[1] Includes bonuses accrued in 2023.
[2] From the date of appointment as the Member of the Management Board of Orange Polska S.A., i.e. 1 September 2023.

The remuneration of the Management Board Members employed by Orange Polska S.A. was as follows:

(PLN '000)	12 months ended 31 December 2023	
	Total fixed and variable remuneration expense in 2024 [1]	*Additionally: Variable remuneration expense in 2023 and paid in 2024*
Jolanta Dudek	2,186	532
Bożena Leśniewska	2,504	656
Witold Drożdż	1,876	426
Piotr Jaworski	1,886	452
Jacek Kowalski	1,980	505
Jacek Kunicki	2,097	476
Maciej Nowohoński	2,043	527
Total	14,572	3,574

[1] Includes bonuses accrued in 2023, while excludes bonuses accrued in 2022 and paid in 2023.
The conditions for the Stretch Bonus payment for 2023 were not met.

In addition, Ms. Bożena Leśniewska and Ms. Jolanta Dudek used a sport card financed from the Company Social Benefits Fund; the benefit was worth PLN 492 in 2023 for each of the them (not included in the table above).

Persons that were Members of the Management Board of the Company in 2023 and previous periods

The amounts paid by Orange Polska S.A. on account of the reimbursement of the costs of employment related to posting of the President of the Management Board are presented in the table below:

(PLN '000)	12 months ended 31 December 2023	
	Total fixed and variable cost of services purchased from the Orange Group in 2023 [1]	*Additionally: Variable cost of services purchased from the Orange Group in 2022 and paid in 2023*
Julien Ducarroz[2]	4,353	1,280
Total	4,353	1,280

[1] Includes bonuses accrued in 2023, while excludes bonuses accrued in 2022 and paid in 2023 (except for the amount resulting from foreign exchange differences).
The conditions for the Stretch Bonus payment for 2023 were not met.
[2] Serving as a Member of the Management Board of Orange Polska S.A. until 31 August 2023.

The Supervisory Board remuneration was as follows:

(PLN '000)	12 months ended 31 December 2024	12 months ended 31 December 2023
Maciej Witucki [4][5]	471	452
Ramon Fernandez [1][2]	-	-
Marie-Noëlle Jégo-Laveissière [1]	-	-
Laurent Martinez [1][3]	-	-
Marc Ricau [1]	-	-
Philippe Béguin [1]	-	-
Bénédicte David [1]	-	-
Bartosz Dobrzyński [4][5][6][7]	251	233
Clarisse Heriard Dubreuil [1]	-	-
John Russell Houlden	431	413
Patrice Lambert - de Diesbach [1][2]	-	-
Monika Nachyła [4][5][6][7]	249	234
Dr. Maria Pasło-Wiśniewska [5]	349	330
Wioletta Rosołowska [2]	25	220
Jean-Michel Thibaud [1][2][3]	-	-
Adam Uszpolewicz	161	-
Jean Marc Vignolles [3]	-	-
Etienne Vincens de Tapol [1]	-	
Total	1,937	1,882

(1) A person appointed to the Supervisory Board of the Company and employed by Orange S.A. who does not receive remuneration for the function performed.

(2) A person that was not a Member of the Supervisory Board of the Company as at 31 December 2024, but was a Member of the Supervisory Board of Orange Polska S.A. in 2024 and previous periods or only in 2023 and previous periods,

(3) A person who does not receive remuneration for the function performed.

(4) Remuneration for 2023 includes the refund of social insurance contributions for exceeding the annual basis for calculating contributions for pension and disability benefits (based on ZUS' decisions).

(5) Remuneration for 2024 includes the refund of social insurance contributions for exceeding the annual basis for calculating contributions for pension and disability benefits (based on ZUS' decisions).

(6) Remuneration for 2023 includes additional benefits in the form of passes for the Orange Warsaw Festival (OWF) and the Open'er Festival.

(7) Remuneration for 2024 includes additional benefits in the form of passes for the Orange Warsaw Festival (OWF) and the Open'er Festival.

The Management Board Members and Executive Directors are entitled to a variable part of remuneration equal to 50% of their annual base remuneration if the objectives have been achieved in 100%. If performance is higher than 100%, the variable part of remuneration may exceed 50% of the annual base remuneration.

The Management Board Members and Executive Directors are set solidarity and individual goals. Each goal has the predefined minimum level below which the variable remuneration related to this goal is not awarded. Each goal has also the predefined maximum level above which the variable remuneration related to this goal no longer increases. The amount of the variable remuneration depends on the total weighted assessment of all goals. The variable remuneration covers solidarity and individual goals.

The goals in the solidarity part are EBITDAaL (EBITDA after Leases), Organic Cash Flow (OCF), the Green indicator relating to the level of CO_2 emissions in the entire Orange Polska Group, and the customer satisfaction index with Orange services (Perception NPS). These goals were related to the implementation of the Company's .Grow strategy for 2021–2024.

EBITDAaL is the primary measure used by the Management Board to determine operating profitability. The EBITDAaL growth target was one of the main financial ambitions covered by the .Grow strategy.

Organic Cash Flow is the primary measure of cash flow generation. Its level is an important factor affecting the structure of the balance sheet and financial leverage; consequently, it is of great importance when the Management Board recommends the level of dividend to shareholders.

The goal of reducing CO_2 emissions was included in the .Grow strategy and the Company's climate strategy.

The NPS indicator is commonly used in the telecommunications sector to measure the level of customer satisfaction with services and is one of the indicators of how well our offer and customer service quality meet the needs, which in turn translates into the level of revenue generated.

In the individual part, the goals refer to projects carried out within the function and to the assessment of management.

In case of termination of employment, a notice period for the Management Board Members is up to 6 months and they receive base remuneration during that period.

In addition, the Management Board Members are entitled to one-off severance pay in the amount of 6-month base remuneration upon meeting some conditions specified in their employment contracts. All Members of the Management Board shall refrain from engaging in competitive activities for 12 months after the termination of employment, and in return for refraining from competitive activities they are entitled to receive compensation in the amount of 6-month base remuneration.

A notice period for termination of an employment contract of a Member of the Management Board posted to Orange Polska S.A. and an amount of potential severance pay are individually determined taking into account the labour law in the posting country. In each case, these terms are approved by the Supervisory Board after obtaining a recommendation of the Supervisory Board's Remuneration Committee.

In addition to the variable part of remuneration, on 22 March 2024, the Supervisory Board, at the request of the Supervisory Board's Remuneration Committee, granted the President of the Management Board, Members of the Management Board and Executive Directors the right to an additional bonus, the so-called Stretch Bonus. The payment of this bonus is dependent on two financial indicators: EBITDAaL and EBITDAaL-eCAPEX. Unlike the aforementioned rules for granting a variable part of remuneration, which is based on the range of target achievement, the Stretch Bonus is awarded in the predetermined amount only if both targets are achieved jointly.

The conditions of payment of the Stretch Bonus for each year are determined by the Supervisory Board based on the recommendation of the Supervisory Board's Remuneration Committee.

As the relevant conditions were met, the Stretch Bonus for 2024 will be paid to the President and other Members of the Management Board in 2025.

Furthermore, those Management Board Members and Executive Directors who are expatriates are eligible for benefits connected with staying in Poland as foreigners, which are included in the Orange Group International Mobility Policy package. These are payable on a one-off basis or throughout the year and include housing allowance, plane tickets and French social insurance contributions.

Long Term Incentive Programme for the key executives of Orange Polska S.A. based on derivatives (phantom shares; LTI)

On 23 July 2021, the Supervisory Board of Orange Polska S.A. adopted the Long Term Incentive Programme for the key executives of Orange Polska S.A. based on derivatives ("phantom shares"), where the underlying instrument is the price of Orange Polska S.A. shares listed on the Warsaw Stock Exchange (WSE). The scheme aims to mobilise the key executives towards the long-term financial performance of the Company and value creation for the investors, as well as environmental care. The latter dimension of activities focuses on a reduction of CO_2 emissions and, as an incentive instrument, directly supports the implementation of one of the key elements of Orange Polska's strategy, which is environmental protection.

The Programme is divided into three-year cycles (Programme Series), beginning in consecutive calendar years. Four series, namely 2021–2023 (Series One), 2022–2024 (Series Two), 2023–2025 (Series Three) and 2024–2026 (Series Four), have been launched in the Programme.

In accordance with the adopted Programme Regulations, the President and other Members of the Management Board may purchase 43,200 phantom shares each at a price of PLN 0.50 per phantom or receive 40,800 free phantom shares each in each Programme Series. The Supervisory Board determines in a resolution the price or free disposal of phantom shares as well as their number available in subsequent series, starting from the 2023–2025 period.

The programme implementation has been based on the following principles:

1. The preliminary condition for the Company's redemption of any number of Series One phantom shares was to maintain the average price of Orange Polska shares in Q1 2024 at a level equal to or higher than the average share price in the first half of 2021.
2. Subsequent series include similar conditions: the average share price in the first half of 2021 remains the reference price, while the average share price in Q1 2025, Q1 2026 and Q1 2027 will constitute the basis for settlement in the Series Two, Series Three and Series Four, respectively.
3. Phantom shares have been allocated to four success indicators. Both the main goal and the minimum goal have been set for each indicator. The phantom shares allocated to a particular success indicator will be redeemed by the Company provided that the Company has met the business objectives set for that indicator.

   The success indicators and the related business objectives to be achieved are presented in the table below.

Success indicator	*Weight (% of phantom shares)*	*Description*
EBITDAaL	30%	Achieving a specific EBITDAaL level, being the sum of values over 3 years, projected in the Company's strategic plan.
Organic Cash Flow	25%	Achieving a specific level of Organic Cash Flow, being the sum of values over 3 years, projected in the Company's strategic plan.
CO2 emissions	10%	Achieving a specific level of CO2 emission reductions projected in the Company's strategic plan.
Share price	35%	Achieving a specific level of share price growth or achieving a return higher than the return on the WIG20 index in the same period.

4. If the Company achieves the main goal, 100% of the phantom shares allocated to the relevant success indicator shall be redeemed. If the Company achieves a result lower than the main goal but at least equal to the minimum goal set for a particular success indicator, 50% of the phantom shares allocated thereto shall be redeemed.
5. If the minimum criteria for a particular success indicator are not met, the phantom shares allocated thereto shall not be redeemed and, as a result, the participants will lose the invested funds.

In April 2024, the Series One of the Programme was settled. The goals set for success indicators were achieved at the following level: EBITDAaL at 50%, Organic Cash Flow at 100%, CO_2 emissions at 100% and share price at 100%. The preliminary condition for the phantom share redemption was met.

The number and value of phantom shares redeemed by Orange Polska S.A. as well as the value of share-based payments recognised as the Company's costs are presented in the table below:

	LTI 2021–2023			
	Number of purchased phantom shares	Payment upon the Programme completion in April 2024	Value of share-based payments recognised as Company's costs for 12 months ended on 31 December 2024	Value of share-based payments recognised as Company's costs for 12 months ended on 31 December 2023
		(PLN '000)*	(PLN '000)	(PLN '000)**
Jolanta Dudek	36,720	285	7	113
Bożena Leśniewska	36,720	285	7	113
Witold Drożdż	36,720	285	7	113
Piotr Jaworski	36,720	285	7	113
Jacek Kowalski	36,720	285	7	113
Jacek Kunicki	36,720	285	7	113
Maciej Nowohoński	36,720	285	7	113
Julien Ducarroz [1]	36,720	285	-	49
Total	**293,760**	2,280	49	**840**

* Number of shares for redemption (36,720) × the average price of Orange Polska shares in Q1 2024 (PLN 8.3503) less payment for the purchase of phantom shares (PLN 21,600).

** Number of shares × valuation of share options as of 31 December 2023.

[1] Costs shown until the date of serving as a Member of the Management Board of Orange Polska S.A.

The value of phantom share-based payments in the Long Term Incentive Programme: Series Two (LTI 2022–2024)

	LTI 2022-2024		
	Number of purchased phantom shares	Value of share-based payments recognised as Company costs for 12 months ended on 31 December 2024	Value of share-based payments recognised as Company costs for 12 months ended on 31 December 2023
		(PLN '000)*	(PLN '000)**
Jolanta Dudek	43,200	38	93
Bożena Leśniewska	43,200	38	93
Witold Drożdż	43,200	38	93
Piotr Jaworski	43,200	38	93
Jacek Kowalski	43,200	38	93
Jacek Kunicki	43,200	38	93
Maciej Nowohoński	43,200	38	93
Julien Ducarroz [1]	-	-	-69
Total	**302,400**	266	**582**

* Number of shares × valuation of share options as of 31 December 2024.

* Number of shares × valuation of share options as of 31 December 2023.

[1] Mr. Julien Ducarroz's phantom shares were redeemed and the Company returned the funds paid for the phantom shares in the amount of: PLN 21,600 – the conditions of the regulations regarding the required duration of the service relationship were not met.

The value of phantom share-based payments in the Long Term Incentive Programme: Series Three (LTI 2023–2025)

	LTI 2023-2025		
	Number of purchased phantom shares	*Value of share-based payments recognised as Company costs for 12 months ended on 31 December 2024*	*Value of share-based payments recognised as Company costs for 12 months ended on 31 December 2023*
		*(PLN '000)**	*(PLN '000)***
Jolanta Dudek	43,200	45	71
Bożena Leśniewska	43,200	45	71
Witold Drożdż	43,200	45	71
Piotr Jaworski	43,200	45	71
Jacek Kowalski	43,200	45	71
Jacek Kunicki	43,200	45	71
Maciej Nowohoński	43,200	45	71
Total	**302,400**	315	**497**

* Number of shares × valuation of share options as of 31 December 2024.
* Number of shares × valuation of share options as of 31 December 2023.
Mr. Julien Ducarroz did not join the LTI 2023–2025 series.

The value of phantom share-based payments in the Long Term Incentive Programme: Series Four (LTI 2024–2026)

	LTI 2024–2026	
	Number of purchased phantom shares	*Value of share-based payments recognised as Company costs for 12 months ended on 31 December 2024*
		*(PLN '000)**
Liudmila Climoc	40,800	36
Jolanta Dudek	40,800	36
Bożena Leśniewska	40,800	36
Witold Drożdż	40,800	36
Piotr Jaworski	40,800	36
Jacek Kowalski	40,800	36
Jacek Kunicki	40,800	36
Maciej Nowohoński	40,800	36
Total	**326,400**	288

* Number of shares × valuation of share options as of 31 December 2024.

Long Term Incentive Plan (LTIP) of the Orange Group

The Long Term Incentive Plan includes key managers in the Orange Group and is integrated with Orange S.A.'s strategic plan. Selected Executives and Leaders are awarded a defined number of free shares of Orange S.A. under the following conditions: continuous service in the Orange Group throughout the three-year edition of the plan and some performance-based criteria.

The aim of the programme is to recognise the engagement of the Group's key Executives and Leaders, to share the value created by the strategic plan, to achieve a balance between short-term and long-term remuneration, and to rely on well-known, monitored performance indicators.

In April 2024, the fifth edition of the group-wise three-year Long Term Incentive Plan (LTIP) made available for 2021–2023 was settled, and Orange S.A. awarded disposable shares to the participants.

The table below presents the number of disposable shares awarded to the individual Members of the Management Board in 2021–2023 and settled in 2024.

	Disposable shares awarded upon completion of the LTIP edition (number)	*Value of share-based payments recognised as costs for 12 months ended on 31 December 2024 (PLN '000)*	*Value of share-based payments recognised as costs for 12 months ended on 31 December 2023 (PLN '000)*
Liudmila Climoc[1]	2,000	-	8
Jolanta Dudek	2,000	-	24
Bożena Leśniewska	2,000	-	24
Witold Drożdż	2,000	-	24
Piotr Jaworski	2,000	-	24
Jacek Kowalski	2,000	-	24
Jacek Kunicki	2,000	-	24
Maciej Nowohoński	2,000	-	24
Julien Ducarroz[2]	2,000	-	16
Total	**18,000**	-	**192**

[1] Costs shown from the date of appointment as a Member of the Management Board of Orange Polska S.A.
[2] Costs shown until the date of serving as a Member of the Management Board of Orange Polska S.A.

In July 2022, another edition of the Long-term Incentive Plan of the Orange Group for 2022–2024, integrated with Orange S.A.'s strategic plan, was made available, in which the individual Members of the Management Board of Orange Polska S.A. may receive the following number of Orange S.A. shares:

	Shares (number)	*Value of share-based payments recognised as costs for 12 months ended on 31 December 2024 (PLN '000)*	*Value of share-based payments recognised as costs for 12 months ended on 31 December 2023 (PLN '000)*
Liudmila Climoc[1]	2,000	30	10
Jolanta Dudek	2,000	30	30
Bożena Leśniewska	2,000	30	30
Witold Drożdż	2,000	30	30
Piotr Jaworski	2,000	30	30
Jacek Kowalski	2,000	30	30
Jacek Kunicki	2,000	30	30
Maciej Nowohoński	2,000	30	30
Julien Ducarroz[2]	2,000	-	20
Total	**18,000**	**240**	**240**

[1] Costs shown from the date of appointment as Member of the Management Board of Orange Polska S.A.
[2] Costs shown until the date of serving as a Member of the Management Board of Orange Polska S.A.

In July 2023, another edition of the Long-term Incentive Plan of the Orange Group for 2023–2025, integrated with Orange S.A.'s strategic plan, was made available, in which the individual Members of the Management Board of Orange Polska S.A. may receive the following number of Orange S.A. shares:

	Shares (number)	*Value of share-based payments recognised as costs for 12 months ended on 31 December 2024*	*Value of share-based payments recognised as costs for 12 months ended on 31 December 2023*
		(PLN '000)	*(PLN '000)*
Liudmila Climoc[1]	3,000	45	16
Jolanta Dudek	2,000	30	13
Bożena Leśniewska	2,500	38	16
Witold Drożdż	1,500	23	10
Piotr Jaworski	1,500	23	10
Jacek Kowalski	1,500	23	10
Jacek Kunicki	3,000	45	20
Maciej Nowohoński	2,000	30	13
Julien Ducarroz[2]	3,500	-	5
Total	**20,500**	**257**	**113**

[1] Costs shown from the date of appointment as Member of the Management Board of Orange Polska S.A.
[2] Costs shown until the date of serving as a Member of the Management Board of Orange Polska S.A.

In July 2024, another edition of the Long-term Incentive Plan of the Orange Group for 2024–2026, integrated with Orange S.A.'s strategic plan, was made available, in which the individual Members of the Management Board of Orange Polska S.A. may receive the following number of Orange S.A. shares:

	Shares (number)	*Value of share-based payments recognised as costs for 12 months ended on 31 December 2023*
		(PLN '000)
Liudmila Climoc	4,500	22
Jolanta Dudek	3,000	15
Bożena Leśniewska	3,000	15
Witold Drożdż	3,000	15
Piotr Jaworski	2,000	10
Jacek Kowalski	2,500	12
Jacek Kunicki	4,000	19
Maciej Nowohoński	3,000	15
Total	**25,000**	**123**

Non-financial Remuneration Components for Management Board Members and Key Managers

The Management Board Members and Executive Directors are entitled to the following non-financial remuneration components: health care package, life insurance in Orange Polska S.A., legal indemnity in the event of personal liability, access to Orange services in line with the relevant Company's policies. In addition, the Management Board Members and Executive Directors, having worked at Orange Polska S.A. for more than six months, are eligible to join the Employee Pension Programme (PPE).

Key managers other than Executive Directors are entitled to health care package, company car, and access to Orange services in line with the relevant Company's policies. In addition, all key managers, as employees, having worked at Orange Polska S.A. for more than six months, are eligible to join the Employee Pension Programme (PPE).

After enrolment to the Employee Pension Programme (PPE), the PPE basic contribution for employees is paid by Orange Polska S.A.

In addition, expatriate key managers are eligible for benefits connected with staying in Poland, which are included in the Orange Group International Mobility Policy package. These are payable on a one-off basis or throughout the year and include housing allowance, plane tickets, French social insurance contributions, etc.

As the President of the Management Board is posted by the Orange Global International Mobility S.A. (OGIM S.A.), he or she does not receive the benefits provided to other Members of the Management Board, such as PPE contributions, life insurance at Orange Polska S.A., health care package or legal indemnity.

Assessment of the Remuneration Policy and Description of Changes Thereto in 2024

The GDP growth rate in 2024 was higher than the previous year, and according to preliminary estimates by the Central Statistical Office (GUS), it reached 2.9% compared to 0.1% in 2023.

Unemployment rate remained low for another year in a row, which can be partly attributed to demographic changes. The registered unemployment rate in December 2024 was 5.1%, the same level as the previous year. The average annual consumer goods and services price index decreased to 3.6% compared to 11.4% in 2023.

Furthermore, 2024 was marked by a steep rise in wages in the market. The minimum wage increased by 19.4%, which led to an 11.0% rise in the average monthly salary in the enterprise sector, according to GUS, reaching 8,265.92 PLN. In a group of large companies participating in a survey by Korn Ferry, the rise in wages remained at a relatively high level of 8.5%.

Due to rising wages in the market coupled with the consistently low unemployment rate, we continued to face the expectations of trade unions and employees for salary growth in the Company.

In order to meet the labour market challenges we launched a high pay-rise budget of 7% of base salaries, which resulted in an increase in base salaries of 62% of employees. The average rise was up 40% versus 2023.

The average salary of employees covered by Intragroup Collective Labour Agreement increased by 8% year-on-year. Wage increases differed depending on the ratio of remuneration on particular positions to that on comparable positions in the market. The pay-rise initiatives contributed to a relatively low employee turnover in positions of paramount importance for the Company.

Having achieved the set goals (Organic Cash Flow, CO2 Emissions, share price at 100%, EBITDAaL target at 50%) and fulfilled the preliminary condition for the redemption of phantom shares (maintaining the average Orange Polska share price in Q1 2024 at or above the average share price in the first half of 2021), in April 2024, we redeemed phantom shares from participants of the first edition of the LTIP incentive program (2021-2023). Simultaneously, in order to maintain high motivation in subsequent years, in March 2024 we launched the fourth edition of the LTI Programme for 2024–2026.

In addition, in an attempt to link the senior managers' incentive system with the Company's objectives even stronger, the bonus settlement period was extended from six to twelve months. As part of this change, an advance payment was introduced after the first half of the year, amounting to 40% of the annual bonus value, assuming 100% target achievement. The final settlement of targets takes place after the end of the year, and the annual bonus is reduced by the amount of the advance payment.

Employees involved in sales are rewarded through a bonus/commission scheme. For the other employees we continued a programme of financial rewards for individual achievements; 50.2% of eligible employees were rewarded last year. The reward and bonus/commission scheme is highly valued by managers as a tool for recognizing and motivating employees.

Participation of employees in the Employee Retirement Plan remained at a high rate of 88% in 2024.

In 2024, additional non-financial motivational factors continued to be applied, including a hybrid work model, an attractive social benefits package, a high-quality work environment, and other benefits (e.g., discounts on Orange services, a sports card, a medical package, and ambassador programmes).

In 2024, the applied remuneration policy allowed us to maintain a low employee turnover rate of 2.88% (excluding departures related to the implementation of the Social Agreement).

The shaping of the level and structure of remuneration takes place in continuous dialogue with trade unions, particularly regarding the preparation of offers for voluntary employee departures, salary increases, and the creation of a friendly work environment.

The remuneration policy delivers tangible results, effectively supports the achievement of business goals, and strengthens Orange Polska's positive image as an employer, encouraging us to continue it in 2025.

CHAPTER VI
SUSTAINABILITY STATEMENT OF ORANGE POLSKA GROUP

for the year ended 31 December 2024

Content Index

1. General Information

Dear Stakeholders,

The Orange Polska Group's sustainability statement is issued to inform you about our sustainability strategy, based on key matters related to environment, society and governance, as well as policies, actions, targets, metrics and measures related to these matters.

The statement was prepared according to the European Sustainability Reporting Standards (ESRS) and includes all of the complete disclosures required by these regulations, taking into account the results of a double materiality analysis, which supported us in defining key sustainability matters and strategy.

Regulations surrounding sustainability reporting require numerous purely informational disclosures, which can make it difficult to capture key messages. Below you will find a compact outline about our sustainability, complete with references to key information in the statement itself.

The sustainability statement is not about current profits and resources, it covers our sustainable development, a long-term growth that takes into account many different interests including the environment and climate, our customers, suppliers, employees and shareholders, as well as the greater society. Without taking into account these interests of our key stakeholders, while building and executing our strategy, we would not be able to sustain long-term profitable growth.

Through dialogue with our stakeholders, we identified the sustainability elements most vital to the Orange Polska Group and its key stakeholders' sustainability.

Orange Polska Group key sustainability matters

The key matters and related positive and negative impacts of the Orange Polska Group (Group) on environment, society and governance (ESG) and impacts of ESG on the Group resulting in risks and opportunities, are summarised in the statement's Note 3.3., 'Material impacts, risks and opportunities and their interaction with strategy and business model'.

Orange Polska Group ⇆ Environment

One of the key sustainability matters relates to climate, including the Group's and its value chain's **GHG emissions** (Note 5.1.).

Sustainability and reduction of the negative impact of our business are an essential part of the Group's strategic commitment. In Poland **energy, especially electricity**, is the key factor impacting CO2 emissions. The Group is a leading telecommunication operator in Poland, providing mobile coverage and fast fixed access to the internet. Vast scale of operations requires proportionally large amounts of energy, particularly electricity, to ensure undisrupted connectivity, essential for the connectivity and safety of millions of users in Poland and strategic resilience and continuity of the country's economic and societal processes. Hence, the Group has taken up the challenge related to this topic. Since 2015, the Group has reduced its Scope 1 (direct) emissions and Scope 2 emissions (from energy used by the Group) by 78%, mainly due to the shift to renewable electricity and overall energy optimization efforts, including implementation of new technologies to decrease electricity usage. In 2024, Scopes 1 and 2 emissions were 38% higher than the previous year due to a temporary decrease of renewable energy purchased in the first half of 2024. Therefore, Scopes 1 and 2 emissions temporarily increased from 94k tons in 2023 to 130k tons in 2024. Nevertheless, the Group has already met its 2025 CO2 target of 65% reduction in Scopes 1 and 2 in 2023 and 2024 vs. base year. Having met this target, the Group compares its evolution versus 2020 – the new base year. In 2024, emissions in Scopes 1 and 2 were 69% lower than in 2020.

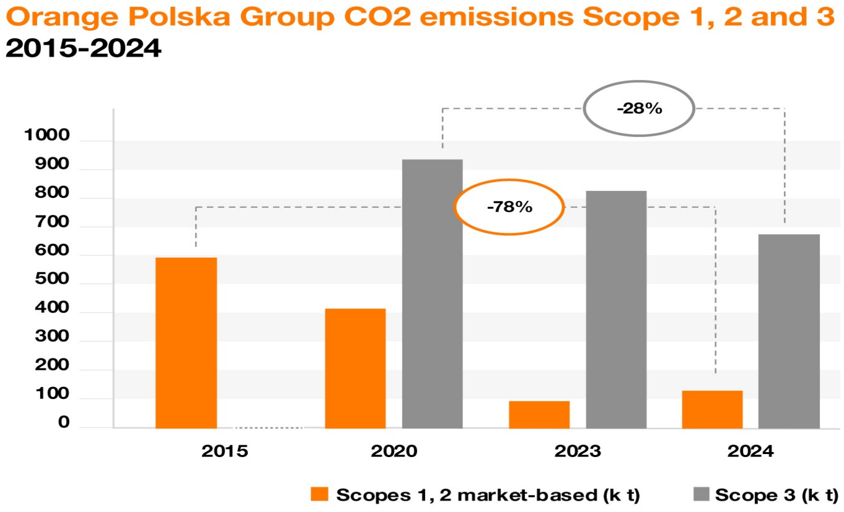
Scope 3 emissions, those within our value chain, are highly dependent on external factors and the pace of supply chain transformation. The Group's Scope 3 emissions also include those related to the sale of electricity by a dedicated subsidiary (Orange Energy). To reduce Scope 3 emissions, the Group is working on engaging suppliers in carbon transition by educating and supporting them to switch to renewable energy and optimize energy usage.

Overall, our emissions in Scope 1, 2 and 3 amounted to 806k tons in 2024, and decreased by 13% versus 2023, which is related mainly to the shift to renewable electricity. Compared to 2020, the Group curbed its emissions by 40%.

We have not yet formulated a detailed transition plan to net zero emissions by 2040. Currently, we are working on a new mid-term strategic plan and ESG strategy update, and we will share our ambitions related to reduction of our own emissions, once these works are concluded.

We see also a positive impact of telecommunications operators, like our Group, on the overall decrease of GHG emissions due to delivery of online communication, education, work, entertainment and services. Connecting people online impacts positively not only environment and climate but also quality of life of the society. We explain it below in paragraph on digital inclusion.

Besides plans and actions focused on mitigation of our negative impact on the climate by reduction of emissions, we also analyse the negative impact of climate change on us to predict and protect ourselves against the resulting physical and transition risks (so called adaptation or resilience plan). We assess that these risks might include future networks damage; an increase of demand on energy, shortages and delays of supplies, including energy or equipment; and additional costs and charges resulting from legislation, skilled labour shortages and other. See more details on our launched and planned actions in the Note 5.1.10. on **resilience to the climate change**.



Resources and waste management, in our case focused on limiting e-waste by implementation of circular practices to manage telecommunications devices, such as reuse and recycling, is another key sustainability matter we have identified (Note 5.2.). With 80% of customer devices' carbon footprint coming from the manufacturing process, we introduced processes aimed at extending those devices' lifespan. Key actions in that scope include mobile equipment collection, buy-back and refurbished smartphones offers as well as leasing, collecting and refurbishing of modems and set-top boxes used by our clients. Consequent implementation of those measures have allowed the Group to collect 380,000 devices in 2024 alone, and reintroduce 320,000 devices to the market.

Orange Polska ⇆ Group Society

The Group is the largest employer in the telecommunications sector in Poland. We provide **employees** with a safe and fair working environment as well as decent and transparent employment and development conditions, which is confirmed by employee satisfaction surveys. The Group offers a broad package of social programmes, including a pension security programme.

We focus on diversity in the workplace. Our strategic goal was to increase the proportion of women in senior management positions to at least 35%. This target was achieved in 2024.

The high satisfaction level of employees is of key importance for us – without the best professionals we will not design and execute sustainable growth. Our employees' satisfaction is measured through regular questionnaires and an ongoing dialogue with employees and their representatives, all of which goes to confirm the efficacy of our efforts in this area and provide information on new challenges (Note 6.1.).

We implement a due diligence policy to ensure that **workers' and other human rights are respected throughout our value chain**, which comprises more than 2,800 suppliers. Our business partners are obliged to comply with the principles of corporate social responsibility which are included in their contracts. We require additional ESG certifications from suppliers with identified higher human rights and environmental risks. 100% of our buyers has received human rights training.
Monitoring and management of risks in our value chain is not an easy process and although we have a due diligence policy in place and execute it, we are working on improving it while also strengthening our dialogue with suppliers throughout the whole supply chain to better identify and manage risk (Note 6.2.).

Digital inclusion is about making sure that all members of society are able to access telecommunications networks and use digital services. Digital inclusion is about making the society richer, educated regardless of the place of living, having access to better jobs, various services and entertainment. Without telecommunications networks and services, the best in our digital world would not be possible.

We deliver equal access to digital services by network development and ongoing enhancement of coverage and quality, offering of accessible services, education and communication channels. We are systematically advancing our infrastructure, investing in the development of our fibre network, which at the end of last year, could be used by more than 8.9 million households. Meanwhile, as part of our social programmes, we teach the wise and safe use of new technologies. In 2024, more than 166,000 people, including children, teachers, seniors and residents of small communities, benefited from our educational activities.

Data protection and cybersecurity are key for our customers and users of our services. For this reason, the Group focuses on securing the network against cyberattacks, offers services and products that enhance customer security and educates internet users.

The Group has a CERT Orange Polska team, taking care of the security of the Polish internet users with the CyberShield mechanism. CyberShield monitors network traffic, blocking connections to malicious addresses such as phishing sites, fake payment gateways and sites with malware. In 2024, CyberShield protected around 5 million users from data loss.

Digital services may be a source of harmful content, crime, addictions or social engineering. The **health and safety** of our clients is extremely important to us, so we focus on delivery of offers that increase network security and the protection of children as well as on education to limit the negative impact on society of the internet and new technologies. We intensify these activities and adjust them to changing circumstances.

We systematically monitor our customers' experience via the NPS (Net Promoter Score) indicator. As a result of our pro-customer activities, we have a top position among the most recommended operators in 2024 (Note 6.3.).

Orange Polska ⇆ Group Governance

We believe that the highest standards of corporate **governance** help us to increase long term value and manage risks for the benefit of all stakeholders. Our Supervisory Board has the skills, experience and capabilities needed to provide effective oversight of the Group as well as its strategy and execution. Our Audit Committee and Remuneration Committee are chaired by Independent Members of the Supervisory Board. A majority of their members are also independent. In addition, to complying with all relevant laws, regulations and best practice in Poland, the Supervisory Board and Committees adopt best practices from around the world where appropriate. In relation to sustainability matters, the Supervisory Board oversees the development and execution of our strategy as well as all matters which are key to the sustainable development of the Group for the benefit of all stakeholders, whilst the Audit Committee, in addition to its oversight of financial reporting, assists the Supervisory Board by overseeing the quality of development, execution and reporting of policies, targets, actions and metrics related to sustainability (Note 2.1.).

The processes to prevent corruption and bribery, and employment of ethical values and principles, build trust in us among partners, suppliers and customers. We operate a 'zero tolerance for corruption' rule and our employees are trained in compliance management principles. By the end of 2024, over 97% of our employees had already completed such training.

We have introduced a whistleblowing process. Employees, suppliers and other stakeholders can report observed violations. The Group ensures that whistleblowers are adequately protected and that confidentiality is maintained. The Group builds good relationships with suppliers and business partners, aiming for them to be based on long-term contracts that clearly define the principles of cooperation and mutual commitments to ethical, social and environmental standards (Note 7.1.).

Sustainability strategy

Our current strategy, covering years 2020 – 2024, addresses the above key sustainability matters. We delivered all key sustainability targets defined in this strategy (Note 3.1.):

78% CO_2 reduction vs. 2015 in Scopes 1 and 2 vs. target of 65%

119 k beneficiaries of our digital inclusion programmes in 2024 vs. target of 85 k

35.6% women in senior management positions vs target of 35%

Our new sustainability strategy, which we plan to publish this year, is being designed based on these matters as well. Detailed plans, including our plan to transition to net zero by 2040, as well as targets and actions have already been implemented or are in progress to ensure the sustainable growth that we and our key stakeholders want.

We will share information on progress towards our targets related to key sustainability matters with you as we will seek for feedback from you through a regular dialogue.

Management Board of Orange Polska Group

1.1. BP-1 General basis of preparation of Sustainability Statement

Regulations
This Sustainability Statement has been prepared in accordance with the European Sustainability Reporting Standards (ESRS) adopted by the European Union (EU), issued and effective as at the time of preparing the Sustainability Statement as well as the European regulations on the EU Taxonomy, including Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investments and amending Regulation (EU) 2019/2088 (EU Taxonomy). The terms specific for this Sustainability Statement has been defined in a dictionary in the Management Board's Report.

Scope
This Sustainability Statement (Statement) is an element of the Management Board's Report on the Activity of the Orange Polska Group (Group) and Orange Polska S.A. (OPL) in 2024 (Report) and was authorized for issuance by the Management Board on 20 February 2025. It includes references to the Report and the Consolidated Financial Statements of the Group for 2024 (Financial Statements) and it should be read in conjunction with the Report and the Financial Statements.

The Statement has been prepared for 12 months ended 31 December 2024 and presents the data for 2024 and for 2023 if available. The Statement includes references to ESRS so that the disclosures are easily reconciled to the regulations: BP (basis of preparation), GOV (governance), SBM (strategy), IRO (impacts, risks and opportunity management) as well as other ESRS clauses applicable to the Group, covering also MDR – P, A, M, T (minimum disclosure requirements – policies, actions, metrics and targets). The full list of ESRS clauses covered by the Statement is included in Note 8.2.

The Statement has been prepared on a consolidated basis and presents the plans, activities and results of the Group and its upstream and downstream value chain related to its sustainable development. Sustainable development takes into account all key areas impacted by the Group and impacting the Group including environment, society and governance (ESG) and interests of the Group's key stakeholders identified based on the Double Materiality Analysis (DMA). The value chain consists of suppliers of the Group and their activities related to delivery of services and equipment to the Group (upstream value chain) and clients and end-users of the Group using services and equipment delivered by the Group (downstream value chain). The value chain is presented in the Note 2.4. GOV-4 Statement on due diligence.

The scope of consolidation of the Statement is the same as for Financial Statements i.e. the Group includes OPL and all its subsidiaries presented in the Note 1.2 to the Financial Statements. The Statement does not cover OPL's joint arrangements due to the lack of operational control. In case of joint operation of OPL (NetWorks Sp. z o.o.), greenhouse gas emissions (GHG) related to the network managed by this joint operation are presented in the Statement and the Group's assets related to this network are presented in the Financial Statements. In case of a business combination, such as an acquisition or sale of OPL's subsidiary, taking place during the reported year, materiality of its impact on the Group's disclosures in the Statement is assessed and if impact of a business combination is not material and an effort to adjust the reported data by an effect of this business combination is high, the disclosures in the Statement are adjusted by the effect of the transaction starting from the next period.

None of the consolidated subsidiaries is obliged to report sustainability statement for 2024 and none of them is exempted from the Group's Statement. The Group has not used the option to omit sensitive information on intellectual property, know-how and innovation as well as on sensitive negotiations.

1.2. BP-2 Disclosures in relation to specific circumstances

Time horizons
The short-term period covers one year from the end of the reported year, the mid-term ends in 2030, in line with the Group's strategy and 2030 target of the Fit for 55 EU program. The long-term period starts after 2030.

Value chain estimation, sources of estimation and outcome uncertainty
A metric, including value chain data, was estimated using indirect sources is GHG emissions in Scope 3. This metric is calculated using partly physical and partly monetary data, as explained in the Note 5.1. Calculation of this metric is based on the budget assumptions and estimates for a portion of the year.
The metrics disclosed in this Statement and including significant uncertainties cover GHG emissions in Scope 3, as described above, and estimations for the portion of the reported period due to the lack of documentation to support detailed calculation e.g. delayed invoices from suppliers of energy. Due to

delays in the operations of the Register of Guarantees of Origin (GO), renewable electricity purchased from the market is reported based on data from invoices received or declarations from suppliers.
Estimations related to the future include uncertainties e.g. valuation of future cash flows of the Group.
Targets included in this Statement have not been validated by any external entity for alignment with science-based evidence.
The Group describes CO2 equivalent emissions as CO2 in the Statement.

Changes in preparation or presentation of sustainability information, reporting errors in prior periods
In the Report for 2023, the Group published data on renewable energy use based on forecast available at the date of the Report publication. In this Statement, the amount of renewable energy use in 2023 has been adjusted to the volumes that align with the 2023 production published in the Guarantees of Origin Register (Note 5.1.6. presenting volumes of energy used and Note 5.1.7. presenting GHG emissions in 2023 and 2024). The 2024 data is based on renewable electricity suppliers' data and declarations on the GOs that the suppliers have filed for or plan to file for the Group as the final beneficiary.
Starting from 2024, the Group introduced an improvement in the energy usage presentation. As of now, it discloses only energy that it has operational control over. This means that the Group excludes any 3rd party usages caused by passive infrastructure sharing etc. This allows the Group to avoid double counting of both, energy usage and CO2 emissions. The 2023 figures were adjusted accordingly for comparison purposes (Note 5.1.6. presenting volumes of energy used and Note 5.1.7. presenting GHG emissions in 2023 and 2024). In case of the base years 2015 and 2020 the difference is not material and thus the 2015 and 2020 data remains unchanged.
Until 2023, CO2 emissions in Scopes 1, 2 and 3 have been calculated centrally by Orange Group. Starting from 2024, the Group is calculating Scopes 1 and 2 emissions locally, using available emission factors acquired from an electricity supplier and published by the National Centre for Balancing and Emissions Management for Scope 2 market-based calculation. Data on Scope 2 market-based emissions for 2023 and 2020 (comparative base years) and 2015 (base year for targets that have been met in 2023) have been recalculated to ensure comparability (Note 5.1.7.). Scope 3 has been calculated at the Orange Group level, based on data specific to local operations.
Starting from 2024, the Group discloses waste by methods of treatment. Such data is not available historically, which is why for 2023 the Group only discloses the total tonnage of waste by main waste streams (Note 5.2.).

Incorporation by reference
Information required by ESRS and referenced to the disclosures in the Report or Financial Statements includes information on the list of consolidated subsidiaries, revenue, impact of the risks related to the climate change on financial statements, governance with focus on the roles and competencies of the Management and Supervisory Board, risks management, ESG strategy and the Group's key stakeholders. The references to the Report or Financial Statements are presented in the Notes to this Statement.

Information disclosed in the Statement specific for the Group
Disclosures specific for the Group are described as **Entity specific disclosures** in the Notes to the Statement. Entity specific disclosures are not defined in ESRS.

Material matters and materiality
Upon Double Materiality Analysis described below in this Statement, the Group identified matters key for its sustainable development and material IROs (Impacts, Risks and Opportunities) related to these matters (Note 3.3. listing material IROs and 4.1. explaining the process of identification of material IROs).
If the Group describes a disclosure as immaterial it should be understood that lack of such a disclosure does not impact assessment of the Group's plans, actions and results related to sustainable development by users of this Statement.

Use of phase-in provisions
The Group decided not to report in 2024 Statement financial valuation of the material risks and opportunities, including anticipated financial effects from material physical and transition risks and potential climate-related opportunities. The Group has not formulated yet the detailed transition plan to achieve GHG emission in Scopes 1, 2 and 3 at the net zero level in 2040. The reason for this is the complexity of the above matters and the need to verify them over a period to make sure that they are properly valued. Additionally, the Group will report its new strategy in 2025, including sustainable development strategy.

2. Governance

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

Detailed information on the Group's organisation and roles, including the Supervisory and Management Boards, their expertise and its relation to IROs as well as responsibilities is included in Section 9 of the Report. According to the Polish regulations, the Supervisory Board consists of non-executive directors and it is separate from the Management Board consisting of executive directors. Neither of the boards includes employees organisations' representatives.
Below, please see the split of responsibilities related to sustainability matters. They result from the relevant laws and to some extent from the Supervisory Board's Regulations including Terms of Reference of the Audit Committee as well as the Policy on Sustainable Statements.
Process and controls related to identification and management over the Key Matters and Material IROs are described in the Note 4.1.

Supervisory Board	**Supervision**
Strategy Committee	Overall strategy including sustainability strategy as its integral part
Audit Committee	Integrity of sustainability information reported externally, independence and objectivity of external auditors giving assurance on sustainability reporting, internal audit and internal controls, including matters such as Due Diligence or IROs supervision
Remuneration Committee	Remuneration based on strategic sustainability targets
Management Board and Executive directors	**Execution**
Management Board Member in charge of Strategy and Corporate Affairs	Key matters and material IROs management
	Strategy, including sustainable strategy
	ESG risks management
Management Board Member in charge of Finance	Sustainability statements
	Internal control system over sustainability statements
Management Board Members and Executive directors	Due Diligence, Key Matters, Material IROs and related matters

The competences of the Management Board and the Supervisory Board in relation to sustainable development are described in Section 9 of the Report.

2.2. GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

Information provided to and addressed by the bodies responsible for sustainability matters in the Group is presented in the Note 2.1. and, as far as the Key Matters and IROs are concerned, in the Note 3.3. and 4.1.

2.3. GOV-3 Integration of sustainability-related performance in incentive schemes

All managers in the Group, including Management Board members, fall under a solidarity target that is related to reduction of GHG emissions in the Scopes 1 and 2. Depending on seniority, it accounts for 5-10% of the total MBO (Management by Objectives bonus) evaluation. The CO2 target is set annually, based on budget data, and reviewed by the Remuneration Committee of the Supervisory Board. For 2024, the target was set at 140 k tones.

2.4. GOV-4 Statement on due diligence

Due diligence (DD) is the process of identification and managing human rights and environmental risks in the Group and its value chain. The table below provides a mapping where an information on due diligence process is presented in the Statement, including how the Group applies this process. The competences of the Management Board and the Supervisory Board in relation to sustainable development are described in Section 9 of the Report.

Due Diligence Process Steps	Policies and Processes	References to the Notes
Embedding due diligence in governance, strategy and business model	Due Diligence Policy; Human Rights Policy; Supplier Code of Conduct; Unacceptable Behavior Report Handling Policy; Child Protection Policy of the Orange Foundation; Compliance Management Program; Occupational Safety and Health Policy; Diversity Policy; Environmental Policy Taxonomy - minimum guarantees	5.1.3. 5.2.2. 6.1.3. 6.2.3. 6.3.3. 6.4.3. 7.1.2.
Engaging affected stakeholders in all key steps of the due diligence	Due Diligence Policy; Stakeholders Dialogue; Whistleblowing Policy; Irregularity Report Handling and Whistleblower Protection; Unacceptable Behavior Report Handling Policy	5.1.3. 5.2.2. 6.1.4. 6.2.4. 6.3.4. 6.4.4. 7.1.2.
Identifying and assessing adverse impacts	Due Diligence Policy; Double Materiality Assessment; Supplier CSR (Corporate Social Responsibility) Assessment Procedure; Vigilance Policy in Orange Group; Risk Management System	5.1.2. 5.2.5. 6.1.2. 6.2.2. 6.3.2. 6.4.2. Section 7 in Report
Taking actions to address those adverse impacts	Due Diligence Policy, Code of Ethics and Ethics Committee; Supplier CSR Assessment Procedure; Risk Management System EU Taxonomy - minimum guarantees	5.1.3. 5.2.2. 6.1.6. 6.2.6. 6.3.6. 6.4.6. 7.1.3.
Tracking the effectiveness of these efforts and communicating	Due Diligence Policy, Human Rights Policy; Irregularity Report Handling and Whistleblower Protection; Policy on sustainability statement; Ethical and Open Communication Rules	5.1.4. 5.2.3. 6.1.7. 6.1.18. 6.2.6. 6.3.7. 6.4.7. 7.1.5.

2.5. GOV-5 Risk management and internal controls over sustainability reporting

The risk management system, including ESG risks, has been described in the Report in Section 7.
The Group designed and implemented the system of internal controls over valuation, collection, evidence and disclosure of the data in the Statement. The system is based on the risks matrix developed by the Group. The key processes to value, collect, evidence and disclose data in the Statement as well as controls over these processes are documented. Their execution is verified by the Group. Controls and procedures over sustainability reporting are embedded into a standard yearly process of maintenance of internal control system over financial reporting.

The Internal Audit of the Group performs the audits of the selected processes and controls.

The Management Board is responsible for the internal controls system and the Audit Committee of the Supervisory Board supervises this system.

3. Strategy

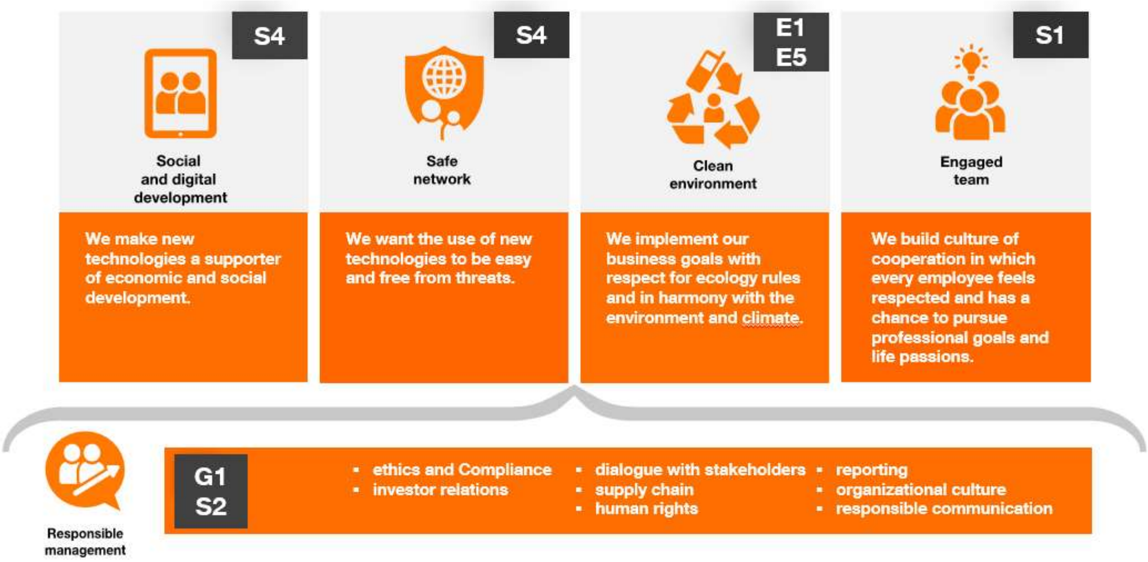
3.1. SBM-1 Strategy, Business Model and Value Chain

The business model and the strategy of the Group is presented in the Report in Section 3. Description of the Group's activities and services is provided in Section 2 of the Report and the description of key risks in relation to the business activities is in Section 4 and Section 7. Opportunities related to the Group's sustainability are identified and managed based on Material IROs analysis and there is no consolidated description of the key opportunities related to the business in the Report.

The objectives and the assessment related to sustainable development in relation to significant product and service groups or customer categories and stakeholder relations are described in the Notes on specific ESRSs. They concern device refurbishment (Note 5.2.) as well as digital inclusion, protection of personal data and cybersecurity or protection of children online (Note 6.3.).

The Group's strategy focuses on sustainable growth and therefore its integral part is Responsibility related to the environment, society and governance. Key Matters related to sustainable growth, identified during the Double Materiality Analysis, were considered by the Group already in 2021 while formulating the current strategy (Note 4.1.).

The current sustainability strategy has been developed for the years 2021 – 2024 and is a part of the .Grow strategy as the Responsibility pillar.



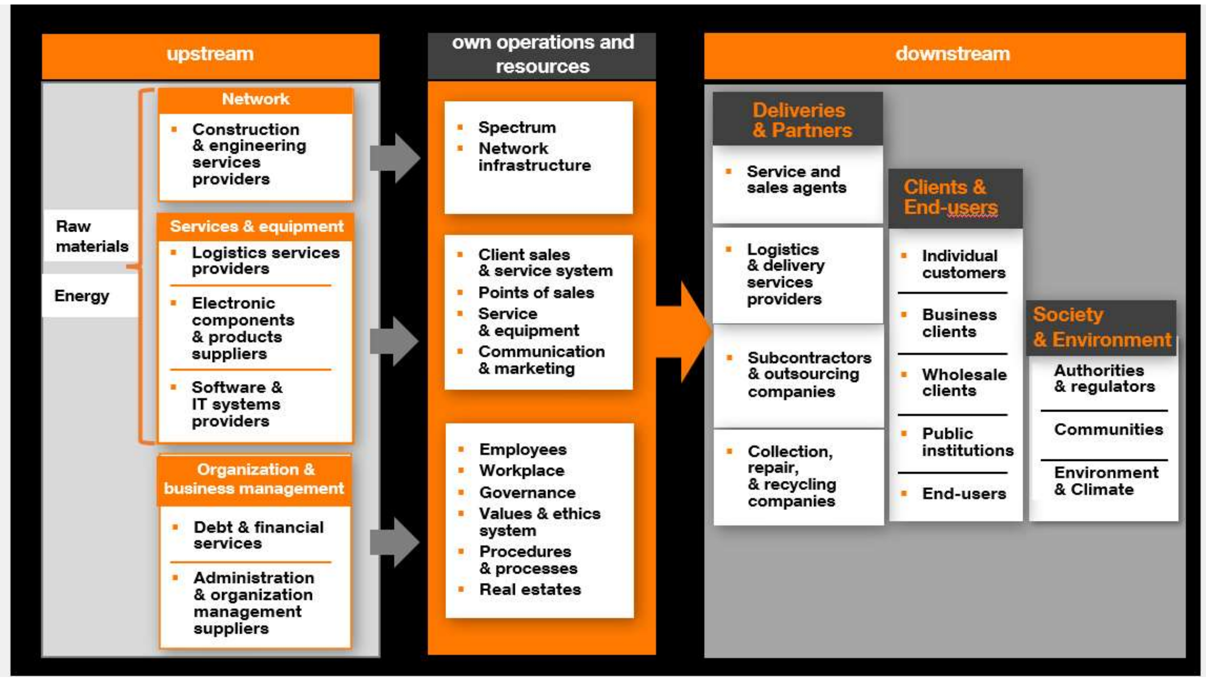
Within .Grow strategy, the Group set three key sustainability targets presented below. All of them were delivered.

	Key targets of the sustainability strategy	Results in 2024	Reference
Clean environment	**~65% CO2** emissions reduction vs 2015 (Scopes 1 and 2)	**~78% CO2**	Note 5.1.
Social and digital development	**85 k** beneficiaries of digital inclusion programmes in 2024	**119 k**	Note 6.3.
Engaged team	**35%** women in senior management positions	**35.6%**	Note 6.1.

The new Group's strategy, to be announced in 2025, will be focused on sustainable growth as well and will be based on the Key Matters and IROs important for the Group and its value chain (Note 4.1.).

The Group's value chain

The table below presents the Group's value chain designed based on the analysis of the relations of the Group with its suppliers, customers and other key participants of the Group's environment. While analyzing the value chain, upstream and downstream, the Group took into account key Impacts, Risks and Opportunities resulting from its impact on the broadly understood environment and impacts of the environment on the Group.

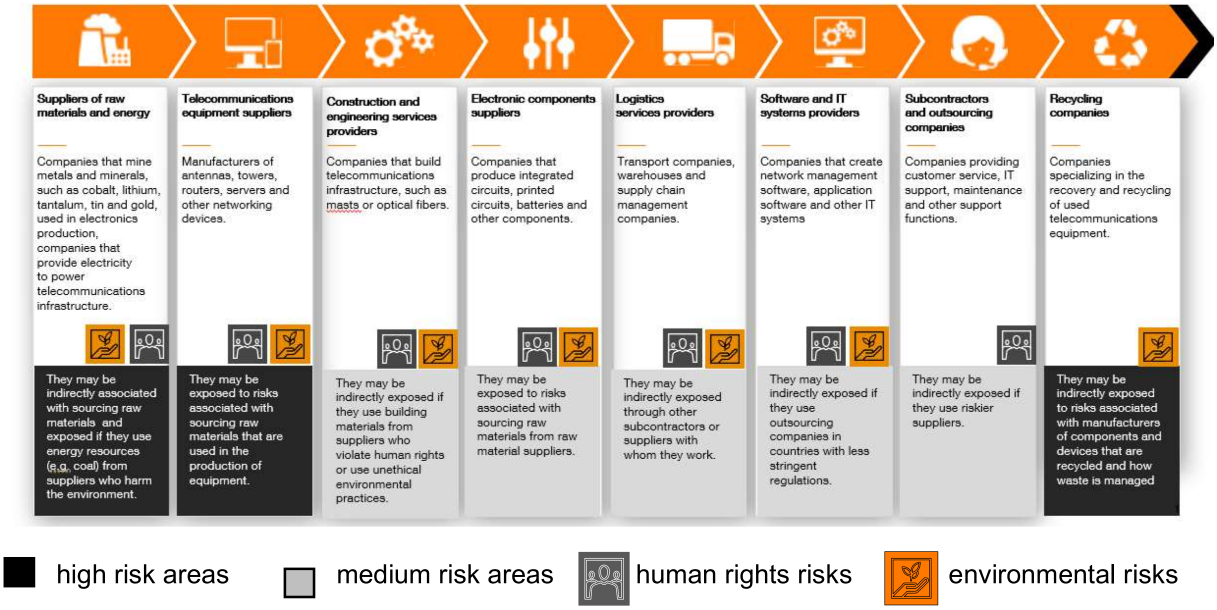


In order to carry out its operations, the Group takes part in a set of activities that form its value chain, relying on several pillars of its business model:

- Roll-out and maintenance of fixed and mobile physical and software infrastructure, own or leased from third-party operators, starting from obtaining licenses for spectrum from the regulatory authorities, key for mobile network.
- Providing services and equipment to customers. The offers include voice, data transmission, television, integrated services and other.
- Sale and distribution of services and equipment. The Group has its own distribution channels, both physical (stores, technical sales specialists etc.) and digital (call centres, website, apps) as well as indirect distribution channels ranging from large groups to independent retailers.
- After-sales service includes resolving technical issues and providing continuity of service. This service relies partially on the Group's own resources and partially on a network of external service providers or subcontractors.
- Recovery and products end-of-life management. Product recovery relies on the Group's network as well as partnerships with associations specializing in the social and solidarity economy. The recycling of customer equipment (mobile phones, set-top boxes etc.) takes place through partnerships with specialized companies.

Based on the value chain analysis, the Group has identified categories of entities with the highest risks to human rights and environmental impact. Identified risks in the area of human rights and environmental impact are included in the internal risk management system and are subject to systematic reviews and updates (Section 7 of the Report). These risks were also included in the individual suppliers' and business partners' assessment.

Potential risks in the Group's activity chain:



The Group considers the following risk factors:

- Geographic location - conducting activity in countries considered as risky in regards to violations of human rights
- Sector of activity - conducting activity in sector considered as generating high emissions
- Type of offered products - a product considered risky from the point of view of the possibility of being produced in violation of human rights and the environment
- Supply chain - having subcontractors in supply chain who may not be in compliance with due diligence

Suppliers who are in the risk group are subject to additional assessment using the EcoVadis questionnaire and others tools (Note 6.2.).

The Group manages the risks related to the impacts on society and the natural environment as well as risks resulting from impacts of society and natural environment on the Group based on the Duty of Vigilance.

In addition, the Group established policies for specific areas of activity and implemented Orange Group's Duty of Vigilance policy (the French Law n°2017-399). The Vigilance Plan covers effective measures to identify risks and prevent severe impacts on human rights and the environment of the Group and its subcontractors and suppliers. Measures include risk mapping, tailored actions to mitigate risks or prevent them. The risks have been incorporated into the Group's risk management system.
In 2024, the Group prepared Due Diligence policy which is in accordance with the Corporate Sustainability Due Diligence Directive.

3.2. SBM-2 Interests and views of stakeholders

The identification of material IROs was made based on the Double Materiality Analysis involving key stakeholders of the Group presented in Note 4.1.

The list of key stakeholders of the Group was prepared based on the stakeholders prioritization process conducted by the CSR Steering Committee in a form of a survey. The stakeholders' impact on the Group and the Group's impact on a given stakeholders group were taken into account. Key stakeholders groups were invited to a dialogue on significant ESG issues from the perspective of the Group's impact. The dialogue tools were appropriately selected for the specificity of the selected stakeholders groups. A detailed description of the involvement of stakeholders in determining significant issues in the field of sustainable development is disclosed in the Note 4.1.

3.3. SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

ESG matters have been an integral part of the Group's .Grow strategy since 2021. All matters deemed as material have been identified in the course of formulating the current strategy. At the same time, works on the new mid-term strategic plan are ongoing. The new plan shall be communicated in 2025, and it will cover IROs defined in the process described in this Statement.

The Group's strategy and business model are designed to be resilient to the material Risks and take advantage of the material Opportunities as well as boost its positive Impacts and minimize negative Impacts. The Group explains what policies and actions are taken to be resilient, including detailed description of the Group's resilience analysis regarding risks related to the climate change (Note 5.1.10.).

All material IROs identified as a result of DMA are grouped into Key Matters to present dependencies between Group's IROs. The IROs are closely related to the business model of the Group. The Group and its key stakeholders concluded that matters related to pollution, water and marine resources as well as biodiversity and ecosystems, are not material to sustainable development of the Group and its value chain.

One of the Key Matters of the Group is Adaptation to the climate change. Risks related to this matter are valued from the point of view of their impact on the Group's financial position, performance and future cash flows and other financial parameters. Valuation of these risks is based on the TCFD methodology (Task Force on Financial Disclosures). The Group has not published the values of the risks due to complexity of this exercise and high level of judgment involved.

The table below presents the following Key Matters:

GHG emissions
Energy management
Adaptation to climate change
Resources and waste management

Working conditions of own workforce
Working conditions and human rights in the value chain
Digital inclusion
Cybersecurity and data privacy
Health and safety of society

Ethics and Compliance

as well as details on material IROs and related policies, actions, targets, metrics and measures. They are subject to an annual analysis and may change.

Type of influence ***	Material IROs (Impact, Risk or Opportunity)	Place in value chain	Matter's owner in charge of:	Policies	Actions	Targets	Metrics	2024 Measure	2023 Measure
E1 Climate change									
Key Matter: GHG emissions (Note 5.1.) Increase in GHG emissions results in climate change impacting natural, social and economic environment. Decrease of GHG emissions is key to secure stable growth of the Group in favorable environment. To limit GHG emissions, the governments and businesses, including the Group, suppliers and clients, must reduce GHG emissions.									
Negative impact ST	GHG emissions resulting from own activities i.e. scope 1 (direct emissions), scope 2 (emissions from used energy) as well as activities of suppliers and clients (scope 3)	own operations, upstream, downstream	Strategy and Corporate Affairs Transformation and Effectiveness	Climate Policy	Strategic Plan; Green Supplier initiative	Net Zero by 2040	CO_2 emissions in scope 1, 2, 3*	total 806 kt: scope 1+2: 130 kt scope 3: 676 kt	total 921 kt: scope 1+2: 94 kt scope 3: 827 kt
Risk	Risk of not meeting GHG emissions reduction target **	own operations, upstream, downstream							
Positive impact LT	Positive impact of telco business on the decrease of GHG emissions due to delivery of online communication, education, work, entertainment and services	own operations, upstream, downstream	Business Market Consumer Market Wholesale Market						
Opportunity	Increase of the number of clients and solutions resulting in business growth and revenue increase of the Group	own operations							

* GHG emissions metric is measured using market-based method. GHG emissions for 2023 include adjustment resulting from overestimated usage of non-renewable electric energy.

** Target of Net Zero GHG emissions by 2040 covers the Group and its value chain. It is dependent on the actions of the Group, its suppliers and customers as well as other stakeholders, incl. government. Based on that, the Target may be subject to modification in the future.

*** Type of influence: ST, MT, LT impact - short-term, medium-term, long-term

Type of influence ***	Material IROs (Impact, Risk or Opportunity)	Place in value chain	Matter's owner in charge of:	Policies	Actions	Targets	Metrics	2024 Measure	2023 Measure
E1 Climate change									
Key Matter: Energy management (Note 5.1.) Energy from sources other than renewable used by the Group, its suppliers and clients is a key source of GHG emissions of the Group and its value chain. Energy management is a Key Matter for sustainable development of the Group not only because it has a key impact on Group's GHG emissions but also because it allows the Group to secure energy supplies and stabilize costs.									
Risk	Risk of increase of energy prices and disturbance of supplies	own operations, upstream	Transformation and Effectiveness	Climate Policy	PPA (Power Purchase Agreement) sourcing framework	Net Zero by 2040	CO2 emissions in Scope 1, 2, 3	total 806 kt: scope 1+2: 130 kt scope 3: 676 kt	total 921 kt: scope 1+2: 94 kt scope 3: 827 kt
Opportunity	Increase of energy share from renewable sources to decrease GHG emissions and mitigate the risk of unstable energy prices and supplies	own operations, upstream	Transformation and Effectiveness	Climate Policy	PPA and GOs sourcing				

Type of influence ***	Material IROs (Impact, Risk or Opportunity)	Place in value chain	Matter's owner in charge of:	Policies	Actions	Targets	Metrics	2024 Measure	2023 Measure
E1 Climate change									
Key Matter: Adaptation to climate change (Note 5.1.) Climate change negatively impacts natural, social and economic environment and makes it less predictable. Therefore, to secure the sustainable growth, the Group focuses on limitation of the negative impact on climate and protection of the Group's business against current and potential effects of climate change.									
Negative impact LT	Impact of the Group and its value chain on climate change	own operations, upstream and downstream	Strategy and Corporate Affairs Transformation and Effectiveness	Climate Policy	Strategic Plan Green Supplier initiative	Net zero by 2040	CO2 emissions in Scope 1, 2, 3	total 806 kt: scope 1+2: 130 kt scope 3: 676 kt	total 921 kt: scope 1+2: 94 kt scope 3: 827 kt
Risk	Damage or malfunction of infrastructure due to the climate change	own operations	Network and Technology		Optimization of networks, exchange of technologies, relocations, enhanced monitoring	No material damages and malfunctions of infrastructure resulting from the climate change	Occurrence of material damages and malfunctions of infrastructure in a year	No*	No *
Risk	Regulatory and socio-economic risks resulting from the climate change	own operations, upstream, downstream	Strategy and Corporate Affairs		Monitoring of changes, public dialog and enhanced change management	No material expenditures resulting from not meeting regulations related to climate change	Occurrence of material expenditures related to fines and other, resulting from not met regulations on climate change in a year	No	No
Risk	Disruption of supply chain due to the climate change	own operations, upstream	Transformation and Effectiveness		Strategic Plan Green Supplier initiative	No material disruptions of value chain related to climate change	Occurrence of material value chain disruptions in a year	No	No
* Damage and malfunction of the Group's network resulting from the flood in September 2024 is not assessed as material thanks to actions of the Group, public institutions and communities.									

Type of influence ***	Material IROs (Impact, Risk or Opportunity)	Place in value chain	Matter's owner in charge of:	Policies	Actions	Targets	Metrics	2024 Measure	2023 Measure
E5 Resource use and circular economy									
Key Matter: Resources and waste management (Note 5.2.) Availability of resources impacts operations of the Group and its value chain. Actions of the Group and its value chain to optimize use of resources and waste management have an impact on natural, social and economic environment.									
Negative impact LT	Generating of Waste Electrical and Electronic Equipment (WEEE)	own operations, downstream	Human Capital	Environmental Policy; Climate Policy; WEEE Policy	Actions assumed in WEEE Policy; Strategic Plan; Waste clause in contracts	No material fines for improper waste management	Occurrence of material fines for improper waste management in a year	No	No
Risk	Risk of not efficient collection and utilization of waste	own operations, downstream, upstream	Human Capital						
Negative impact LT	Resources use related to production of telecommunication equipment	upstream, own operations	Transformation and Effectiveness			Maximization of circular practices *	Measure of circular practices * in a year at the planned level	Circular practices* a. 89% b. 8% c. 2% d. 34%	Circular practices* a. 90% b. 5% c. 1% d. 47%
Risk	Risk of resources' shortages and supply chain disturbance, strict regulations to be met by equipment and services suppliers and increasing costs of products	upstream, own resources	Transformation and Effectiveness						

*Circular practices include **Entity specific disclosure**:
a. Share of Customer Premise Equipment devices collected from customers at the end of contract
b. Share of smartphones collected from the market in sales of new smartphones
c. Share of sold refurbished smartphones distributed in total sales of smartphones
d. Share of refurbished Customer Premise Equipment devices among total Customer Premise Equipment delivered to customers

Type of influence ***	Material IROs (Impact, Risk or Opportunity)	Place in value chain	Matter's owner in charge of:	Policies	Actions	Targets	Metrics	2024 Measure	2023 Measure
S1 Own Workforce									
Key Matter: Working conditions (Note 6.1.) The Group makes sure that employees are part of a safe and fair working environment with transparent and compliant employment terms and benefits. Working conditions are crucial to attract best in class employees - key resources for sustainable development.									
Opportunity	Good working conditions and equal treatment enable the Group to attract and develop professionals of the highest skills and, consequently, execute ambitious strategy and achieve expected results.	own operations	Human Capital	Staff Regulations, Remote Work Regulations, Recruitment Policy, Intragroup Collective Labour Agreement, Social Agreement, Policy for Investing in Health Quality and Well-being, Occupational Safety and Health Policy, Training & Development Policy, Diversity Management Policy, Global Orange Group Agreement on Workplace Gender Equality	Actions covering secure and adaptable employment, wages and pay gap, social dialogue, collective bargaining, work-life balance, health and safety, training and skills development, diversity management	High level of employees satisfaction Share of women in the Group's senior management positions at least at 35% till 2025	Share of positive key opinions in the Voice Up survey Share of women in senior management positions	83 % of positive key opinions in the survey 35.6 % women in senior management positions	Not applicable - survey from 2024 33.7 % women in senior management positions

Type of influence ***	Material IROs (Impact, Risk or Opportunity)	Place in value chain	Matter's owner in charge of:	Policies	Actions	Targets	Metrics	2024 Measure	2023 Measure
S2 Workers in value chain									
Key Matter: Working conditions and human rights in the value chain (Note 6.2.) Good working conditions in the value chain and respect of human rights are crucial to secure stable supplies important for development.									
Negative impact ST, MT, LT	Usage of services or equipment produced in the value chain with lack of respect to human rights in particular working conditions	upstream	Transformation and Effectiveness	Purchasing Policy, Supplier Code of Conduct, Human Rights Policy, Duty of Vigilance	Commitment of all suppliers to comply with ESG principles- CSR clauses in contracts	100% of new contracts with CSR clause* from 2025	Share of new contracts with CSR clause* in a year	98.2% new contracts with CSR clause	64.8% new contracts with CSR clause
Risk	Reputational risk for the Group and loss of stakeholders trust because of bad working conditions and forced labour in the value chain								
* Relates to purchasing contracts above 50k EUR defined in Note 6.2.7.									

<table>
<tr><th>Type of influence ***</th><th>Material IROs (Impact, Risk or Opportunity)</th><th>Place in value chain</th><th>Matter's owner in charge of:</th><th>Policies</th><th>Actions</th><th>Targets</th><th>Metrics</th><th>2024 Measure</th><th>2023 Measure</th></tr>
<tr><td colspan="10">S4 Consumers and end-users</td></tr>
<tr><td colspan="10">Key Matter: Digital inclusion (Note 6.3. – Entity specific disclosure)
Digital inclusion is about making sure that all members of society are able to access telecommunication networks and use digital services. Digital inclusion requires providing network coverage as well as awareness and education. Digital inclusion increases the potential for the Group's growth, customer base and revenue.</td></tr>
<tr><td rowspan="2">Positive impact ST, MT, LT</td><td rowspan="2">Equal access to digital services by network development, coverage and high quality education, accessible offers, communication channels</td><td rowspan="2">own operations, downstream</td><td>Strategy and Corporate Affairs</td><td>Orange Foundation strategy</td><td>Education</td><td rowspan="3">Number of participants of digital education at least at the planned level
Access and network coverage at least at the planned level</td><td rowspan="3">Number of digital education beneficiaries in a year

Share of network coverage (area, population)

Number of HHs (households)</td><td rowspan="3">166 k participants

98.7% - 4G network coverage - area;
99.9% - 4G network coverage -population;

8.9 mln HHs</td><td rowspan="3">120 k participants

98.5% - 4G network coverage - area;
99.9% - 4G network coverage -population;

7.97 mln HHs</td></tr>
<tr><td>Network and Technology</td><td>Strategic Plan, Service Standards for Elderly Customers and Customers with Disabilities, Customer Service Standards</td><td>Networks development, change of technologies</td></tr>
<tr><td>Opportunity</td><td>Customer base increase and revenue growth</td><td>own operations, downstream</td><td>Consumer Market

Business Market

Wholesale Market</td><td>Strategic Plan, Service Standards for Elderly Customers and Customers with Disabilities, Customer Service Standards</td><td>Actions to grow based on the Strategic Plan, actions based on policies related to customers treatment and services</td></tr>
</table>

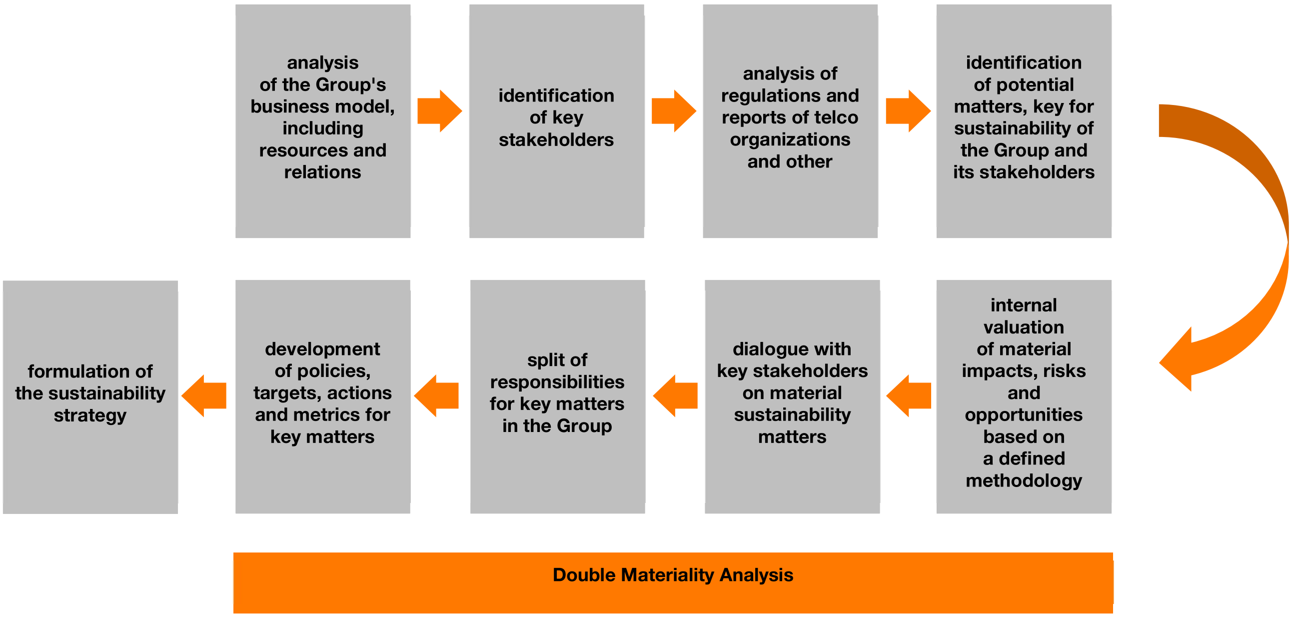
Type of influence ***	Material IROs (Impact, Risk or Opportunity)	Place in value chain	Matter's owner in charge of:	Policies	Actions	Targets	Metrics	2024 Measure	2023 Measure
S4 Consumers and end-users									
Key Matter: Cybersecurity and data privacy (Note 6.3.) Value of data is increasing, potential losses resulting from loss or revealing data are increasing. Strong cybersecurity and data privacy processes as well as offers addressing this matter allow the Group to grow and protect its customers.									
Negative impact ST, MT, LT	Violation of personal data protection rules during processing of the big volumes of data	own operations, downstream	Strategy and Corporate Affairs	Information Security Management System ISO 27001, ISO 27018, FIRST and Trusted Introducer certificates	Orange CERT activity, CyberShield, execution of data protection regulations	Effective system of protection - no material disruptions	Number of substantiated complaints to the President of Personal Data Protection Office (UODO) and penalties	No material disruptions	No material disruptions
Negative impact ST, MT, LT	Loss of customers' data during processing of the big volumes of data	own operations, downstream	Network and Technology			100% employees trained in cybersecurity from 2025	Share of employees trained in cybersecurity	97.5 % employees trained in cybersecurity	92% employees trained in cybersecurity
Risk	Reputational and regulatory risk related to data leakage, damage or misuse	own operations, downstream	Strategy and Corporate Affairs						
Opportunity	Increasing of cybersecurity of the Group's clients	own operations, downstream	Consumer Market Business Market Network and Technology						
Key Matter: Health and safety of society (Note 6.3.) Digital services may be a source of harmful content, crime, addictions or social engineering. The Group focuses on delivery of offers increasing security in network and protection of children as well as on education to limit negative impact of Internet and new technologies on society.									
Negative impact ST, MT, LT	Negative impact of new technologies and internet content on health and safety, especially children, including harmful content, addictions, hacker attacks, social engineering.	own operations, downstream	Strategy and Corporate Affairs Consumer Market Network and Technology	Child Protection Policy of Orange Foundation, Children's Charter of Rights in Business	Child protection: building of education and awareness of children, parents, customers; parental control offer	To be established	To be defined	Not applicable	Not applicable

Type of influence ***	Material IROs (Impact, Risk or Opportunity)	Place in value chain	Matter's owner in charge of:	Policies	Actions	Targets	Metrics	2024 Measure	2023 Measure
G1 Business Conduct									
Key Matter: Ethics and Compliance (Note 7) Corporate culture i.e. values, procedures and the way how they are applied in practice is important to operate efficiently and achieve targets. Efficient anticorruption and antibribery process, ethical marketing and innovations protect the Group against loss of trust of partners, suppliers or clients as well as potential penalties. Efficient whistleblowing process is a tool to protect the Group against inefficiencies, frauds or errors and to identify potential improvements.									
Opportunity	Positive impact of corporate culture of the Group on organisation efficiency and growth. Corporate culture is reflected in values of the Group, policies and procedures and how they are applied in practice.	own operations	Human Capital Strategy and Corporate Affairs	Code of Ethics and Values	Trainings, increase of awareness and execution of policies	100% employees trained in compliance from 2025	Share of employees trained in compliance	97.3% employees trained in compliance	89.6% employees trained in compliance
Risk	Loss of customers/suppliers/partners or financial penalties and costs in the event of regulatory non-compliance in case of incidents of corruption.	own operations, upstream, downstream	Human Capital Strategy and Corporate Affairs	Code of Ethics, whistleblowing Policy, Anticorruption Policy, Policy on Economic Sanctions, Due Diligence Procedure, Anti-Money Laundering and Counter-Terrorism Financing Policy, Anti-Fraud Policy	Partners verification system, anticorruption procedures	No material incidents	Number of convictions related to anticorruption in a year	No convictions related to anticorruption	No convictions related to anticorruption

4. Impact, risk and opportunity (IRO) management

4.1. IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities

Below please see the process of identification and valuation of material impacts, risks and opportunities in the Group.



Material IROs are identified and valued as a result of the Double Materiality Analysis. In parallel, Risks identified and valued as a result of DMA are subject to assessment based on the risks management policy of the Group. As part of this analysis, the Group assesses internal and external context of its sustainable development, taking into account telecommunications industry-specific characteristics, business model, value chain and opinions of the Group's key stakeholders. The Group has analyzed ESRS as well as other regulations, results of DMA of Orange Group and reports of other telecoms. The Group took into account expectations of its investors and analysts, especially ESG ratings, such as ISS, Sustainalytics, S&P and WIG-ESG, and analyzed sustainable development trends, challenges and risks for the telecommunications industry provided by GMSA, International Telecommunication Union (ITU) and European Telecommunications Network Operators' Association (ETNO).

Based on this analysis, a list of matters was built, including any Impacts, Risks and Opportunities, which may occur in the Group's and its value chain's activities, including matters related to climate change, pollution, water and marine resources, biodiversity and ecosystems, circular economy as well as matters related to social and governance aspects.
Based on this list, the Group pointed the ESG matters that are potentially material for the Group and its value chain. Potential materiality was assessed from the point of view of the Group's impact on ESG i.e. impact materiality, positive and negative, as well as the risks and opportunities resulting from the impact of ESG on the Group i.e. financial materiality. The analysis was carried out for the value chain, downstream and upstream, and own operations.

For the potentially material matters, an analysis of impacts, risks and opportunities was prepared. The identified IROs were valued based on the scale 0-5 for each of the below parameters:

- Impact materiality i.e. materiality of impact of the Group on ESG, including Group's value chain:
  - (severity + likelihood)/2
    where severity = (scale + scope + irremediability in case of negative impact)/3

In case of matters related to Social area, severity decides on materiality regardless of likelihood.

- Financial materiality i.e. impact of an ESG matter on the Group, including Group's value chain:
  - (magnitude + likelihood)/2

The Group assumed that IROs valued at the level of 3.5 or more are material. The Group grouped the IROs into matters and, in case of a matter including at least one IRO valued at 3.5 or more (material), a matter was defined as key. The list of the Key Matters and Material IROs is presented in the Note 3.3. above. The Group has defined the following matters as immaterial:

Pollution
The Group has analysed the impacts of potential pollution resulting from its activities throughout the value chain, upstream (extraction of raw materials, etc.) and downstream (end of life of equipment, etc.) as well as the impacts on the health of population and local residents. The analysis has been done based on available documentation on the impact of the telecommunications sector on those aspects. As a result of the analysis, matters related to pollution have been deemed immaterial.

Water and marine resources
The Group does not conduct its key activities in relation to fresh water or the sea. The main water consumption at the Group level are water fountains, toilets, company restaurants and the air conditioning systems of technical sites (data centres). To further limit the use of water, the Group uses efficiency techniques, such as gray water for tertiary purposes and free cooling. Therefore, water and marine resources have not been deemed material in the course of Double Materiality Analysis.

Biodiversity
The Group does not conduct business activities directly impacting biodiversity. This conclusion has been supported by an Orange Group study of the impact of its activities on the biodiversity, carried out in 2021 and 2022 thanks to the recognized expertise of the independent firm - the Biodiversity Consultancy (TBC). This firm used the Global Biodiversity Score (GBS) methodology, which provides a standardized score of the Group's biodiversity footprint.

The dialog on IROs has a form of consultations and research from the following sources:

- individual customers: survey,
- business customers: survey,
- investors: survey, consultations with a strategic investor Orange S.A.,
- suppliers: survey,
- employees: survey,
- opinion leaders and experts: survey, interviews,
- public and regulatory institutions: survey,
- social and environmental organisations: survey,
- communities: analysis of documents and reports for the telecommunications industry, media analysis,
- Orange experts: workshops for employees, managers,
- Supervisory Board: survey, meetings,
- Management Board: workshops.

The groups of stakeholders invited to the dialog were selected based on an internal analysis involving experts in sustainability matters as well as employees, taking into account affected stakeholders. The list of IROs was finalized by the Management Board, responsible for IROs and sustainability strategy development and execution and consulted with the Audit Committee of the Supervisory Board. Both Boards were involved in the dialog with key stakeholders and took into account results of the dialog while concluding on the material IROs. Management Board and the Supervisory Board take into account IROs while executing and supervising strategy of the Group, its key transactions or risks management.

The Management Board of the Group appointed Management Board members and Executive Committee members responsible for the Key Matters and Material IROs, including preparation and execution of the policies and action plans related to these matters, setting up targets and metrics for these matters. Policies, actions, targets and metrics executed by the appointed officers are managed by the Management Board and are supervised by the Audit Committee of the Supervisory Board on an annual basis. The process of identification and management of IROs is subject of the internal control system.

4.2. IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement

The disclosure requirements in ESRS covered by the Group in this Statement are listed and referenced to the ESRS clauses and the Statement's page number in the Note 8.2.

5. Environmental information

EU Taxonomy disclosures are presented in the Note 8.1. They are of low significance in the Group as of now due to EU Taxonomy regulations which do not cover telecommunication activities i.e. main activities of the Group.

5.1. ESRS E1 Climate change

5.1.1. ESRS E1-1 Transition plan for climate change mitigation

The transition plan of the Group is being prepared and is not yet in place therefore is not disclosed in this Statement. The Group plans to introduce and disclose a transition plan in the future.

5.1.2. ESRS 2 SBM-3 Material climate-related IROs and their interaction with strategy and business model

The Group has identified key actions for limiting its impact on the climate. Those are in line with the material IROs defined during the Double Materiality Analysis (Note 3.3. and 4.). In the course of DMA, the Group used existing risk analysis matrix to assess its exposure to risks related to climate change. Resilience analysis is included in Note 5.1.10. In the course of the DMA performed in 2024, the Group has identified the following Key Matters related to climate change:

1. GHG emissions, namely achieving the target of GHG emissions in Scopes 1, 2 and 3 (Note 3.3., Key Matter: GHG emissions);
2. Energy management, as energy is as a strategic resource and one of the key drivers for the Group's emissions visible in all GHG Protocol Scopes (Note 3.3., Key Matter: Energy efficiency);
3. Adaptation to climate change, by managing supply chain as well as physical, social and regulatory risks and opportunities (Note 3.3., Key Matter: Adaptation to climate change).

The above Key Matters and related targets are an integral part of the Group's strategy and impact its business model. The Group's strategy covers the different environmental aspects defined as material in the course of DMA: climate change (ESRS E1) and resource use and circular economy (ESRS E5). Related Impacts, Risks and Opportunities have been described in Note 5.1. Environmental commitment has become one of the drivers of business transformation, and digital technology has a role to play in solving global environmental challenges. To ensure the Group's sustainability, the environmental strategy is to minimize the impact of its activities on the environment throughout its value chain, to adapt to changes induced by environmental challenges, and to help its customers and society to do the same. Since the greatest challenges and impacts defined in the course of DMA relate to the climate, the Group has prioritized the climate dimension in its environmental strategy with two key components:

- the Group's strategy consists of the Group playing its part in keeping climate change at a +1.5°C compared to the pre-industrial era; the Group's priority and commitment is to reduce its carbon footprint (Notes 5.1.4. and 5.1.5.);
- the Group is committed to seeking to ensure the continuity of the service provided to its customers and populations in a world of global warming; the Group's priority is adaptation to climate risks, with an analysis of the exposure of its infrastructure and personnel to climate hazards (Note 5.1.10.).

The circular economy plays an essential role in the Group's decarbonization. Beyond the contribution to the decarbonization objective, circular economy also makes it possible to reduce the use of critical natural resources and the production of waste, including hazardous waste.

The Group has implemented a circular business model related to equipment used to provide fix services, namely modems and set top boxes: those devices are leased instead of sold, collected at the end of contract period, refurbished in a proprietary refurbishment line and re-introduced to the market. The Group offers a circular proposal to all mobile users, consisting of:

- Ochrona Smartfona service enabling easier access to smartphones' repairs and encouraging longer use of client's devices;
- Buyback offer, encouraging clients to re-sell their redundant devices;
- Refurbished smartphones offer, promoting re-introduction of mobiles to the market and limiting the environmental and climate impact of smartphones.

The resilience of the business model is further explained in Note 5.1.10. The Group's shift to low-carbon and sustainable business model will positively impact Polish economy and its sustainable transformation, given the role that the ICT sectors plays in the economy (8-10% share in GDP, based on the Polish Agency for Entrepreneurship Development and market reports). The Group does not have investments in coal, gas or oil-related activities.

5.1.3. ESRS E1-2 Policies related to climate change mitigation and adaptation

Three key policies govern the Group's approach towards climate and environment:

1. Environmental policy, adopted in 2023, addressing the global approach to environmental issues (Note 3.3., Key Matters: GHG emissions, Adaptation to climate change, Resources and waste management),
2. Climate policy, adopted in 2021, addressing key challenges on the path to net-zero and defining the key objectives on the way. This policy identifies key decarbonization levers (Note 5.1.7.). Before the update enters into force in 2025, the Group operated based on its initial Climate Strategy, adopted in 2021 (Note 3.3., Key Matters: GHG emissions, Energy management, Adaptation to climate change),
3. Global Orange Group Waste management policy, adopted in 2023, addressing waste management rules, supporting circularity and thus limiting the impact of telecommunications devices on climate and environment. In 2025 the Group aims at adopting local Electric and Electronic Waste Policy (Note 3.3., Key Matter: Resources and waste management).

Those policies are aligned with the priorities defined in the .Grow business strategy and key matters confirmed in DMA and approved by the Management Board. They cover the Group's value chain (Note 3.1.). The execution of the key assumptions of those documents is monitored using a set of KPIs, measured annually, disclosed in the Notes of this Statement. The Group operates in Poland. In the course of the Double Materiality Analysis, the Group has identified the need to update the Climate policy by including new intermediate emission reduction targets, as well as addressing the value chain more comprehensively and clear communication on climate-related topics. Works on such update are ongoing, in line with the works on the Group's next mid-term strategic plan and sustainability strategy.
Additionally, the Group is working on a dedicated waste and WEEE policy, to better address the key matters related to resource management.

5.1.4. ESRS E1-3 Actions and resources related to climate change mitigation and adaptation

In 2024, the Group has conducted a number of actions implementing the key policies:

a. Actions that are constant – an integral part of Group's business operations contributing to meeting set targets:

- Energy Optimization Programme (EOP): initiatives, including new technologies, aimed at curbing the use of electricity allowed the Group to save 304 GWh translating into 192 k tons in 2024 alone (based on energy audits and own analysis; Note 3.3., Key Matter: Energy management).
- Improving energy efficiency of set-top-boxes provided to the Group's TV clients: a software optimization enhancing the energy savings mode on ca. 20% of set-top-box base, launched in the end of 2023, in 2024 resulted in 2.8 k tons (kt) less of CO2 emitted (based on the device's energy intake and analysis of energy savings mode prevalence in the clients' base; Note 3.3., Key Matter: GHG emissions).
- Continuous optimization of real estate portfolio and the use of building-related fuels: in 2024 resulted in more than 4 k tons less within Scope 1 (Note 3.3., Key Matter: GHG emissions).

- Circularity-oriented approach to devices used to provide fix services (internet, TV): refurbishing those devices locally at a proprietary facility, instead of buying new, allowed the Group to save 4 k CO2 tons in 2024 alone (based on emission factors derived from an Orange Innovation LCA - life cycle assessment - analysis of the devices in question; Note 3.3., Key Matter: Resources and waste management; Note 8.1. related to EU Taxonomy, Activity 5.1, 5.4, 5.5).
- Supply chain management: consequent use of 'green surveys' as part of the key tenders, evaluating suppliers through the Eco Vadis system Note 3.3., Key Matters: GHG emissions, Adaptation to climate change).

b. Actions that took place in 2024:

- Launch of two new PPA contracts: wind-based in March and the Group's first solar-based PPA in July. Overall use of renewable energy sourced through PPAs has resulted in 223 k tons less of CO2 emitted (will be continued in the coming years; Note: 3.3., Key Matters: Energy management, GHG emissions).
- Renewing the ISO 14001 certificate, which confirms the quality and operationality of the Group's climate and environmental management system (Note 3.3., Key Matter: Adaptation to climate change).

All of the actions mentioned above do not require significant operating and capital expenditures outside of resources already included in business as usual budgeting.

5.1.5. ESRS E1-4 Targets related to climate change mitigation and adaptation

The Group is working to become net zero by 2040 (Note 3.3., Key Matter: GHG emissions). This entails reducing total emissions (Scopes 1-3) by 90%, leaving only 10% residual emissions that cannot be omitted for carbon offsetting. Targets and actions are compatible with the goal of limiting global warming to 1.5°C, as agreed on in the Paris Agreement, an international treaty on climate change, and the EU Paris-Aligned Benchmarks.

The current climate policy covers:

- emissions management system, based on embedding responsibility for climate neutrality in respective business units and making climate responsibility a business as usual aspect of operations, incl. sourcing products and services;
- reduction of at least 65% CO2 emissions (market-based) in 2025 vs 2015 in Scopes 1 and 2 of the GHG Protocol and at least 60% of renewable energy in the mix;
- working towards net zero in 2040.

The 2025 target has already been met in 2023. The reduction of Scopes 1 and 2 market-based emissions amounts to -84% in 2023 (94 kt in 2023 vs 593 kt in 2015) and -78% in 2024 (130 kt vs 593 kt) Based on that, the Group has decided to work on a new climate policy, including new intermediate reduction targets, that will be introduced at a later date. To monitor reduction progress, the Group now compares its results with 2020 as base year, in line with the Orange Group reporting (Note 5.1.6.).

The Group's targets were reinforced in the course of Double Materiality Analysis (Notes 3.2., 3.3.) and strategic planning. They are evaluated annually based on full year emissions vs target (Note 5.1.7.), and calculated in line with the GHG Protocol guidance. The base year has been selected based on a 10-year period rule recommended by SBTi. There have been no major one-offs in business results, determining CO2 inventory, impacting CO2 emissions in the selected base year or causing the evolution of such inventories.

Additionally, the Group has decided to include targets related to the key risks (Note 5.1.10., 5.1.7, 5.3.):

- No material damages and malfunctions of infrastructure resulting from the climate change;
- No material expenditures resulting from not meeting regulations related to climate change;
- No material disruptions of value chain related to climate change;
- No material fines for improper waste management.

Those risk-related targets are evaluated on an annual base. To align non-financial and financial reporting, for those targets the Group has adopted the same materiality threshold that is used for assessing financial materiality.

5.1.6. ESRS E1-5 Energy consumption and mix

Electricity remains the primary interest of the Group's energy management. It is crucial for both, maintaining business operations and curbing the company's impact on the climate. The impact of electricity is visible in Scopes 2 and 3 of the Group's emissions:

1. In Scope 2, depicting own usage of the resource by the Group, mainly to ensure continuous connectivity, the key challenge is tackling the growing demand for data transfer, which translates into growing demand for electricity from ICT infrastructure. The Group takes up this challenge by:

- Modernizing network equipment, choosing newer and more energy efficient technologies and solutions (e.g. ongoing Radio Access Network Renewal project aimed at switching older generation mobile equipment for more efficacious new generation systems, introducing 5G which is less energy intensive per unit and carries potential for further optimization).
- Introducing innovative efficiency initiatives in all layers of network infrastructure, including virtualization, free cooling, zero bit – zero watt policy.
- Choosing renewable energy, primarily via the PPA model. This model ensures renewable electricity volumes based on contracts concluded with the actual producer. Given the long-term nature of such contracts, they also support the country's transition to a more sustainable energy supply system, encouraging producers to invest in wind or solar power.
- Equipping key data centres and hubs with locally produced renewable energy. The Group opted to go for the Solar as a Service (SaaS) solutions to enhance the transition and energy safety of its objects. Such installation is already operational on the data hub in Łódź, and in 2024 a milestone SaaS contract has been signed to provide Warsaw Data Hub with a similar solution.

2. In Scope 3, the national energy mix, still coming primarily from burning fossil fuels (in 2023, more than 75% came from hard coal or lignite) is visible within the value chain: upstream, in the climate impact of purchased goods and services; upstream, in the impact of the state of the grid and downstream, in the emissions related to use of client devices provided by the Group.

Measures to tackle these challenges include establishing a comprehensive supply chain management system assessing the energy efficiency of sourced products and services (Note 3.3., Key Matter: Adaptation to climate change); turning to renewables, including on-site solutions, as described in the SaaS model (Note 3.3., Key Matter: Energy management) and enhancing energy savings capabilities of client devices (Note 3.3., Key Matter: GHG emissions).

Energy usage	Unit	2024	2023 comparable basis	2020 comparable basis	% 2024 / 2023	% 2024 / 2020
Total consumption of energy from fossil fuels	**MWh**	**224 945**	**165 159**	**644 202**	**36%**	**-65%**
Total renewable energy consumption	**MWh**	**337 397**	**397 641**	**0**	**-15%**	**n/a**
Consumption of purchased or acquired electricity from renewable sources	MWh	336 947	397 641	0	-15%	n/a
Consumption of self-generated non-fuel renewable energy	MWh	451	0	0	n/a	n/a
Share of renewable electricity in total electricity consumption	%	68%	82%	0	-17%	n/a
Share of renewable energy in total energy consumption	%	60%	71%	0	-15%	n/a
Total electricity consumption	**MWh**	**496 849**	**484 867**	**540 630**	**2%**	**-8%**
Total energy consumption	**MWh**	**562 342**	**562 800**	**644 202**	**0.1%**	**-13%**

All of the metrics disclosed above have been based on actual usage for at least 11 months of the year, completed by estimates for the rest of the year. Renewable electricity usage is additionally confirmed based on supplier statements. The data disclosed above includes corrections of 2023 data disclosed in Note 1.2: -20 GWh total energy use due to exclusion of third party electricity use and +24 GWh of renewable electricity, previously undisclosed due to delays in the Polish Guarantee of Origins publication in the official register.
The Group discloses telecommunications as the sole segment of business activity. OE's energy resale operations have not been distinguished on a materiality basis. Having that in mind, the Group does not report any activity related to high climate impact sectors.

5.1.7. ESRS E1-6 Gross Scopes 1, 2, 3 and total GHG emissions

The Group's strategy defines key targets related to GHG emissions (Note 3.3., Key Matter: GHG emissions): working towards net zero in 2040. As stated in Note 5.1.5., having achieved targets set for 2025, the Group refers to 2020 as the base year, set globally by the Orange Group. In 2024, the Group achieved 69% reduction in Scopes 1, 2 (market based) vs 2020, and 28% reduction in Scope 3 vs 2020, resulting from mitigation actions described above, net of emissions increase year over year, stemming from increased investments in network rollout and increased non-renewable energy use, driving emissions in categories 3.2 (capital goods) and 3.3 (upstream fuel, energy-related activities and electricity sale by Orange Energia), respectively.

The below calculations include changes described in Note 1.2. Targets of the Group related to reduction of GHG emissions are monitored based on market-based method. Certain categories of emissions sources, as defined by GHG Protocol for Scope 3, are not listed in the table below, such as categories 3.8, 3.10, 3.12, 3.14 and 3.15, because they are not material in the Group, the Group does not carry out operations related to them or they are consolidated with other categories.
Emissions presented in the table below are **CO2 equivalent emissions**. **For simplicity, the Group describes them as CO2 in the Statement.**

CO2 Emissions	Unit	2024	2023 comparable basis	2020 comparable basis	% 2024 / 2023	% 2024 / 2020
Scope 1 emissions	**t CO2**	**20 178**	**22 901**	**22 813**	**-12%**	**-12%**
Heating gas	t CO2	2 434	2 572	5 440	-5%	-55%
Fuel oil	t CO2	1 620	2 090	3 711	-23%	-56%
Coal	t CO2	0	0	34	0%	-100%
Diesel	t CO2	1 676	2 452	2 387	-32%	-30%
Gasoline	t CO2	4 824	4 849	4 147	-1%	16%
Fugitive emissions	t CO2	9 624	10 938	7 095	-12%	36%
Scope 2 emissions market based	**t CO2**	**109 652**	**71 157**	**391 569**	**54%**	**-72%**
Scope 2 emissions location based	**t CO2**	**322 317**	**326 224**	**400 868**	**-1%**	**-20%**
Electricity market based	t CO2	100 549	58 884	372 494	71%	-73%
Electricity location based	t CO2	313 214	313 952	381 793	0%	-18%
Purchased or acquired heat: district grid heating	t CO2	9 103	12 273	19 075	-26%	-52%
Scope 3 emissions	**t CO2**	**675 725**	**826 994**	**935 137**	**-18%**	**-28%**
3.1 Purchased goods and services	t CO2	186 037	209 494	200 448	-11%	-7%
3.2 Capital goods	t CO2	91 720	66 570	64 623	38%	42%
3.3 Fuel and energy-related activities	t CO2	74 671	74 404	106 348	0%	-30%
3.3 Electricity sales: Orange Energia (OE)	t CO2	130 493	292 023	344 061	-55%	-62%
3.4 Upstream transportation and distribution	t CO2	5 282	4 716	5 891	12%	-10%
3.5 Waste generated in operations	t CO2	2 632	1 580	1 859	67%	42%
3.6 Business travel	t CO2	449	463	155	-3%	190%
3.7 Employee commuting	t CO2	6 688	6 845	9 873	-2%	-32%
3.9 Downstream transportation and distribution	t CO2	700	769	1 448	-9%	-52%
3.11 Use of sold products	t CO2	37 538	22 760	33 577	65%	12%
3.13 Downstream leased assets	t CO2	139 516	147 370	166 855	-5%	-16%
Total emissions market based	**t CO2**	**805 556**	**921 052**	**1 349 520**	**-13%**	**-40%**
Total emissions location based	**t CO2**	**1 018 220**	**1 176 120**	**1 358 819**	**-13%**	**-25%**

Total emissions calculated using market-based method are to be reduced by 90% in 2040 with only 10% residual emissions for carbon offsetting.

Currently, the majority of the Group's emissions reduction in Scope 2 is a result of the shift to renewable energy. In 2024, only long-term Power Purchased Agreements were used to achieve this result. Increase in Scope 2 emissions in 2024 compared to 2023 stems from a phase-in period between the end of a Power Purchase Agreement and launch of two new contracts that occurred in the first half of 2024. Key actions that contributed to this result are disclosed in Note 5.1.4.

The Group has identified key actions for limiting its impact on the climate. Those are in line with the material IROs defined during the Double Materiality Analysis, and can be described as follows:

1. Tackling energy use and mix – energy is a key resource in the ICT (Information and communication technology) sector, and a growing challenge: as technology evolves, network traffic increases which requires:
    a. energy use optimization by improving overall efficiency, modernizing infrastructure, more rational use of administrative energy, including shifting from fossil fuels (accounted for in Scope 1) to electricity, since electricity can be sourced from renewable sources in Poland;
    b. increase of use of renewable energy achieved primarily through Power Purchase Agreements and negotiations with entities that the Group buys its electricity from; Guarantees of Origin applied to residual electricity volumes only, when other venues of providing renewables to cover the demand are futile.
2. Establishing supply chain management system in regard to climate and environmental impact:
    a. including climate-related criteria in sourcing policy and tender requirements;
    b. building a supplier engagement program facilitating the transition to a net-zero value chain, including cooperation and providing support to suppliers related to their carbon reduction plans.
3. Enhancing and promoting circularity by:
    a. embedding circular approach to end user devices in the business model through an extensive Customer Premise Equipment (CPE) lifetime management system (Note 8.1. on EU Taxonomy, Activity 5.1, 5.5);
    b. extending lifespan of smartphones via a dedicated commercial proposal on both customer and business markets Note 8.1. on EU Taxonomy, Activity 5.4);
    c. including the circular approach in network management and investment process, by internal reuse processes, resale of specific equipment or choosing refurbished pieces whenever it is reasonable and viable.
4. Supporting the Group's clients in their climate transition by:
    a. providing energy efficient ICT solutions that support more efficacious use of resources, especially IoT (Internet of Things) and Smart City systems (Note 8.1. EU Taxonomy, Activity 8.2);
    b. advising the clients on their net-zero path and sharing experience;
    c. providing renewable energy solutions, including PV (photovoltaic) prosumer systems, to Orange Energia (OE, OPL S.A.'s subsidiary) clients, and thus supporting the shift from a fossil-fuel based economy to a more sustainable future Note 8.1. on EU Taxonomy, Activity 7.6).

All emissions have been calculated in line with the GHG Protocol guidance, based on operational control criterium. For the purpose of comparability and clarity, the Group uses CO2 impact as the key emission factor. For Scope 1 calculations, the Group uses emission factors derived from the GHG Protocol base. The location-based result of Scope 2 is calculated using factors from the International Energy Agency (electricity) and the Polish Energy Regulation Agency (district heating); market-based emissions have been calculated using supplier specific data on electricity completed by residual factor from the National Agency for Balancing and Emissions Management (KOBiZE) for electricity and the Energy Regulation Agency for district heating. For Scope 3, the Group uses a hybrid calculation method i.e. emissions related to customer equipment and most of mobile radio active network equipment are calculated based on physical data. Emissions related to OE's electricity sales, business travel, waste, transportation and distribution, use of sold and downstream leased assets and manufacturing of customer devices are calculated based on actual data for first three quarters and estimation for Q4. The remaining part of purchased goods, services and capital expenditures rely on spend-based calculation, including budget estimates for the fourth quarter of the year. Sources of emissions factors include popular databases, such as ADEME, DEFRA, EcoInvent, GHG Protocol, and own Orange Innovation calculations based on data provided by the suppliers. Improving the calculation method for the key Scope 3 categories (namely 3.1 Purchased Goods and Services) is one of the key ambitions of the Group. The Group's Scope 3 inventory remains unchanged since 2023 due to lack of significant events impacting the Group's operational boundaries.

Emissions intensity per net revenue	Unit	2024	2023 comparable basis	change 2024 / 2023
Total GHG emissions (market-based) per net revenue	tCO2/kPLN	0.06	0.07	-11%
Total GHG emissions (location-based) per net revenue	tCO2/kPLN	0.08	0.09	-12%
Total net revenue	k PLN	12 732 000	12 970 000	-2%

The emissions intensity has been calculated using total emissions disclosed above and revenue in line with the Note 6 of the Financial Statements.

5.1.8. ESRS E1-7 GHG removals and GHG mitigation projects financed through carbon credits

The Group does not use carbon credits.

5.1.9. ESRS E1-8 Internal carbon pricing

The Group does not use an internal carbon pricing scheme.

5.1.10. ESRS E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

The material negative impact of the Group and its value chain on the climate are GHG emissions. Based on the assumed mitigation actions, the Group works to reduce its emissions to net zero level in 2040. Achievement of this target is not enough to stop the negative change of the climate triggered by the human activity as proved in the IPCC reports (Intergovernmental Panel on Climate Changes). The recent IPCC report presents five scenarios according to which average temperature on the world may increase at the end of XXI century compared to XIX century by minimum 1.5ºC but also above 4ºC. The IPCC report explains that it depends on human actions which scenario takes place.

In these five IPCC scenarios (temperature scenarios), the Group might expect various average temperatures in the world, various sea level increase, various frequency and magnitude of weather phenomena such as strong winds, floods, heat waves, droughts, landslides etc. Consequently, in these temperature scenarios, the Group might expect various scales of animals, plants and people migrations, different health conditions, different approach to politics and economy in the world including limitation and change of supply chains, including rare earth minerals, conflicts and economic crises.

Resilience analysis
The goal of the resilience analysis of the Group is to identify, value and minimize the negative impact of the expected climate change on the Group. The basis of the resilience plan is the list of the key risks resulting from the climate change in various periods and the two temperature scenarios of 1.5ºC and above 4ºC temperature increase in XXI century vs XIX century which may impact the Group, their valuation and assumptions.

Estimated gross and net future cash flows related to the identified risks, such as acute physical risks (heat waves, rainfalls and storms, river floods, heat waves), chronic physical risks (rising sea level, temperature increase) and transition risks (changes in the global economy, politics and society coming from the climate change) are not presented in the Statement for 2024 due to complexity of their calculation and high-level judgments which need further monitoring. These risks may result in equipment and networks damage, increase of demand on energy, shortages and delays of supplies, including energy or equipment, additional costs an charges resulting from legislation, skilled labour shortages, conflicts.

The methodology regarding risk identification, valuation and actions to limit these risks, was based on the recommendations of TFCD, reports of the IPCC and EU Taxonomy regulations of environmentally sustainable investments. Temperature scenarios, used in the valuation, correspond to projections until the end of XXI century. The assumed levels of factors impacting the risks, such as sea level increase, number of heatwaves, storms and heavy rains, river floods coverage and temperature increase, were based on prognosis publicly available such as information in the IPCC reports, at Klimada web portal or Hydroportal. These risks (gross cash flows) and assumed actions to limit these risks (net cash flows), were valued based on the future expected cash flows. They were valued for the various temperature scenarios and for the various periods. The periods include a short-term period of 1 year, medium-term period until 2030 and long-term period after 2030 including value in perpetuity after 2100 assumed at the level of the cash flows in the year 2100 and discounted using post-tax discount rate reflecting weighted average cost of capital presented in the Financial Statements in the Note on Impairment test.

Actions done and planned based on the Resilience analysis
The actions in progress and planned to limit the impact of the climate change on the Group include:

- optimization of the telecommunications networks (mobile and fixed) to reduce volume of equipment and infrastructure needed and application of the new technologies to improve energy,
- enhancement of networks protection against chronic and acute climate change risks (floods, increased sea level, high temperatures),
- improvement of networks protection against energy shortages including diversification of energy sources, usage of renewable energy sources, spare equipment, use of energy generators,
- strong physical and cyber protection of the networks and internal organisation, systems and data,
- diversification of supplies of equipment, infrastructure and key services,
- ongoing monitoring of the key climate change risks and opportunities and adequate business continuity procedures in place,
- taking part in the public debate and solutions to protect the environment, society and economy against climate change risks.

The actions expected from the authorities include protection of the sea shore and rivers banks against floods and sea level increase, regulations to force and finance mitigation and adaptation actions, system of prognosis and protection against the risks.

Conclusion of Resilience analysis
Based on the analysis of identified key risks for the Group resulting from the climate change and the adaptation actions launched and planned, the Management assesses that the Group's strategy and business model are resilient to the climate changes. To maintain the resilience, the Group monitors the risks and opportunities resulting from the climate change and overtakes due actions to limit the risks and leverage on opportunities.

The Group does not present yet the value of the fixed and mobile networks assets of the Group exposed to the climate change physical risks. The Group does not identify assets exposed to the climate change transition risk. The Group does not identify any stranded assets i.e. assets understood as the active or firmly planned key assets with significant locked-in GHG emissions over their operating lifetime.

The Group does not identify revenue at risk related to the assets at risks. The Group assesses that none of the current material revenue streams related to various products is exposed to the climate change physical or transition risk. Moreover, the Group assesses that online access to education, work, entertainment and services offered by the Group is important to mitigate climate change risks and demand on the online access will increase also as a result of the climate change risks and the need to mitigate them. At the same time, the Group assumes that a portion of the future planned revenue is at risk due to energy shortages and blackouts resulting from the increasing temperatures and heatwaves as well as due to shortages or delays of supplies, mainly equipment.

Connectivity with Financial Statements
In 2024, the above risks do not have any impact on the Financial Statements what is explained in the Note 5 of these statements ‘Impact of climate change and changes in the economic and political environment’. In the future they might result in increase of capital or operational expenditures, commitments or provisions for potential risks which may result in additional cash outflows. Analysis of the risks based on the discounted future cash flows described above indicates that impact of the climate change on the Group does not result in an impairment (Note 9 in the Financial Statements). Adaptation actions to protect assets of the Group against the risks described above indicate that these assets will not be dismantled or damaged before their current remaining useful life.

5.2. ESRS E5 Resource use and circular economy

The Key Matter related to circular economy, i.e. Resources and waste management, relates to tackling the resources exploitation challenge and managing the consumption of equipment. It is an integral part of the Group’s strategy and impact its business model (Note: 3.3., Key Matter: Resources and waste management; Note 5.1.2.). Those are in line with the material IROs defined during the Double Materiality Analysis (Note 4.).

5.2.1. ESRS E5-1 Policies related to resource use and circular economy

In 2023, the Orange Group defined a dedicated policy on the management of household and professional waste of electrical and electronic equipment (WEEE) and battery waste, relevant to one of the Key Matters defined in the course of Double Materiality Analysis.

This document determines key directions for the Group’s resource management:

- controlling risk and ensuring compliance with the regulations in place;
- implementing the Group's circular economy strategy by defining concrete commitments regarding the collection and management of WEEE and waste batteries and accumulators;
- monitoring the performance for an optimized collection and managing of WEEE and battery waste.

Additionally, the Group’s Climate policy includes circular economy, in particular:

- collection, repurchase, recycling, repair of telephones,
- renewal of subscriber equipment – modems and decoders,
- use of refurbished equipment in the Group’s network.

5.2.2. ESRS E5-2 Actions and resources related to resource use and circular economy

a. Actions that are constant – an integral part of Group’s business operations contributing to meeting set targets:

- Related to overall waste management: launching a new IT tool to better monitor the flows of waste/resources – implemented in 2024, will be continued in the coming years; implementing clauses governing data flows on waste management in the Group’s contracts’ template;
- Related to recycling: consistent treatment of dismantled network components as recyclable material, where possible (e.g. copper cables or wooden poles);
- Related to prevention, re-use, recycling: enhancing the circular offer within RE Programme (Note 8.1. related to EU Taxonomy, Activity 5.1, 5.4, 5.5) by several special commercial actions encouraging clients to extend the life of their device through buy back or responsibly part ways with it, choose refurbished smartphones and repair instead of getting rid of, incl. the ‘Green week’ carried out in April; consequent implementation of those measures have allowed the Group to collect 380,000 devices in 2024 alone, and reintroduce 320,000 devices to the market.

b. Actions that took place in 2024:

- Related to prevention, re-use, recycling: opening new store in Kraków in a dedicated format promoting circularity, namely the RE Programme. Currently the Group has four such stores.

Those actions do not require significant operating and capital expenditures exceeding resources designated for business as usual operations. All of those action contribute to the implementation of the

policies disclosed in Note 5.2.1. by improving the Group's control over its resource flows and disseminating information about the benefits of circular practices.
To enable customers to identify the most environmentally friendly mobile phones, the Group has joined forces with other European operators to define an Eco-Rating i.e. an overall environmental score, given to each device based on five dimensions: durability, repairability, recyclability, climate efficiency, and resource efficiency. This initiative is open to all operators through a licensing agreement. It provides customers with transparent information about the environmental impact of smartphones (which is highest during the manufacturing phase) and also aims to encourage manufacturers to improve the eco-design of their products.

5.2.3. ESRS E5-3 Targets related to resource use and circular economy

The circular economy and the further application of its principles (Rethink/Redesign/Repair/Refurbish/Recycle) is a strong ambition of the Group. This ambition contributes to the overall goal to limit its negative impact on the climate and environment, as the manufacturing of devices accounts for up to 80% of their total lifecycle emissions. The Group's targets in that scope have been defined in the course of Double Materiality Analysis, taking into account global Orange Group approach (Note 4).

As such, the Group's voluntary circular ambitions include (Note 3.3., Key Matter: Resources and waste management):

- at least 90% share of Customer Premise Equipment (clients' devices needed to use fixed services: internet, TV) collected at the end of the contract;
- Increasing year on year the share of refurbished smartphones distributed in total smartphones sales;
- Increasing year on year the share of mobile devices collected from the market vs new smartphones that the Group sells.

Those targets are consistent with the ambition to reduce the impact of telecommunication devices on the climate and environment and thus limit e-waste (prevention, re-use and recycling layers of waste hierarchy), expressed in the new Waste management policy coming into force in 2025. Targets are tracked on a quarterly base and reviewed annually to ensure alignment. Those targets are pending revision in the course of formulating the Group's new mid-term strategy.

5.2.4. ESRS E5-4 Resources inflows

The Group is not a goods producer and does not fall under many of the metrics provided by ESRS E5-4, especially those related to the production and material sourcing process. As those are not relevant for the business, the Group has decided to put specific circularity-related targets in place, that depict its approach to resource management.

The Group introduces two major and specific sets of devices to the market: devices used to provide fixed internet and TV services (modems, set top boxes etc.) – those devices are leased to customers and collected after the contractual period has ended; smartphones – those devices are sold to clients.

The production of smartphones, modems and set-top boxes requires various raw materials and materials that are necessary to manufacture the components of these devices. Those include cobalt, nickel and lithium used for batteries, silicon and semi-conductors such as indium arsenide or germanium used for chips, zinc and aluminum used e.g. for outer frames, gold used in connectors and integrated circuits for good conductivity. The production process requires water, from an early stage of baking the chipsets, to polishing screens and shaping the outer shells of users' devices.

Sourcing and processing those resources comes with an environmental cost. This is why the Group's ambition is to limit the negative impact of devices' manufacturing on climate and the environment through promoting circularity, extending the lifetime of devices and providing clients with solutions supporting that ambition.

5.2.5. ESRS E5-5, MDR-M Resources outflows (Entity specific disclosure)

In line with the European waste hierarchy, the Group's approach to waste prevention and management, both for its own needs and those of its customers, is based on preventing waste status, extending the life of equipment, in particular through reuse and optimizing end-of-life treatment by prioritizing recycling, other types of recovery including energy recovery and controlled disposal as a last resort. The Group contributes to the UN Sustainable Development Goals, including SDG 12 - Establish sustainable consumption and production patterns. The policy on the treatment of household and professional WEEE and battery waste is part of this objective, which is firmly anchored in the Group's strategy.

Circularity in customer devices **(Entity specific disclosure)**

The Group is not a goods producer and does not fall under many of the metrics provided by ESRS E5-5, especially those related to the production and material sourcing process. As those are not relevant for the business, the Group has decided to put specific circularity-related targets in place, that depict the approach to resource management (**Entity specific disclosure**). Those are listed in the Note on ESRS E5-3. The Group tracks these metrics, in line with Note 3.3., Key Matter: Resource and waste management. Those metrics stem from the ambition to extend the lifetime of devices, as disclosed in Notes 5.1.3. and 5.2.1. and 5.2.3. Data to calculate the metrics explained in the table below is derived from internal sales and stock management databases.

They have been adopted based on the results of DMA and best industry practices and standards, set under the auspices of GSMA, an industry organization gathering over 1000 telecommunications operators. They include:

- the share of mobiles collected from the market through all streams (incl. buy-back, devices from displays, collection boxes available at all Group's stores) compared to new smartphones sales in a reporting period;
- share of refurbished smartphones distributed through all streams in total smartphones sales in a reporting period;
- share of Customer Premise Equipment (CPE) collection: share of modems, set top boxes and other devices needed for fix services collected at the end of contract period compared to the number of devices that should be returned by clients in a reporting period;
- share of refurbished CPE devices distributed: share of refurbished modems, set top boxes and other devices needed for fix services among all CPEs distributed in a reporting period.

Circularity: devices	Units	2024	2023 comparable basis	Diff pp 2024 / 2023
Share of smartphones collected from the market	%	8%	5%	3
Share of refurbished smartphones distributed	%	2%	1%	0.5
Share of CPE devices collected	%	89%	90%	-0.7
Share of refurbished CPE devices distributed	%	34%	47%	-13

The increase in both, mobile collection and sales of refurbished smartphones stems from increased commercial promotion on both of those offerings. The decrease in refurbished devices used for internet access and TV services in caused by technology progress: in 2024 the Group introduced new models of such devices, and some older iterations are reaching their end-of-life phase.

The Group is part of a global Orange "marketplace," the Oscar (Orange Sustainable and Circular Ambition for Recertification) platform, which allows network equipment to be reused through refurbishment with the support of manufacturers that guarantee it is in proper working order.

The Group's operations produce industrial waste, such as waste electronic and electrical equipment, batteries and storage cells, iron, cables, wooden poles, etc. This waste is disposed of under strict control in compliance with the relevant regulations. The Group applies uniform principles of waste classification in line with the Regulation of the Minister of Climate of 2 January 2020 on the catalogue of waste and the uniform principles of keeping waste records in line with the Regulation of the Minister of Environment on specimens of documents for waste records.

The Group co-operates exclusively with waste disposal companies that take responsibility for further waste management (collection, transport, preparation for re-use, recycling or neutralization) and can document the subsequent stages of waste treatment from a waste producer to a waste manager. Under the Act on WEEE, equipment which is redundant and unfit for further usage shall be considered waste and transferred to collectors that hold a waste management license and are registered in the Database on Packaging, Products and Waste Management (BDO).

The Group complies with the definition of waste recovery in Directive 2008/98/EC of 19 November 2008 on waste: waste recovery or revalorization is a set of processes by which material or organic waste is transformed for the purpose of a specific use. "Material recovery" covers the reuse, repurposing, regeneration and recycling of materials extracted from waste. The new materials generated are called "secondary raw materials" or "recycled raw materials". "Energy recovery" consists of using the calorific value of the waste by burning it and recovering this energy in the form of heat or electricity. "Recycling" is a means of recovering waste that aims to reintroduce all or part of the materials into a production cycle of a similar product, or not. Waste buried or incinerated without energy recovery are not considered as recovered.

The Group considers that waste is recovered when it is entrusted to a service provider or an approved external organization, with or without financial transaction, capable of providing all the documents necessary to ensure its traceability, from collection to treatment and justifying its recovery. Same as for the 2023 reporting, the 2024 reporting is based on the reference list 2000/532/EC establishing a list of hazardous waste.

Waste	Units	2024	2023
Total amount of waste diverted from disposal	**Tons**	**3096**	**n/a**
Total amount of hazardous waste diverted from disposal	Tons	1 226.1	n/a
of which preparation for reuse	Tons	0	n/a
of which recycled	Tons	1 225.5	n/a
of which other recovery operations	Tons	0.5	n/a
Total amount of non-hazardous waste diverted from disposal	Tons	1 870.3	n/a
of which preparation for reuse	Tons	125.2	n/a
of which recycled	Tons	1 745.1	n/a
of which other recovery operations	Tons	0	n/a
Non recycled waste	Tons	125.8	n/a
Non recycled waste (%)	%	0	n/a
Total amount of waste directed to disposal	**Tons**	**867.3**	**n/a**
Total amount of hazadous waste directed to disposal	Tons	825.8	n/a
of which incineration	Tons	764.9	n/a
of which landfill	Tons	52.7	n/a
of which other disposal operations	Tons	8.3	n/a
Total amount of non-hazardous waste directed to disposal	Tons	41.5	n/a
of which incineration	Tons	1.4	n/a
of which landfill	Tons	40.1	n/a
of which other disposal operations	Tons	0	n/a
Total waste	**Tons**	**3 963.7**	**3 319.0**
Total amount of hazardous waste	**Tons**	**2 051.9**	**1 331.4**
Total amount of radioactive waste	**Tons**	**0**	**0**

Due to the reporting cycle, data on waste has been closed on the 13 December 2024. This data is based on tonnage included in the transfer cards, required by Polish law to dispose of waste, and presented in line with the evolution of methodology described in Note 1.2.

In 2024, the Group disposed of 3 964 tons of waste (645 tons more compared to 2023). The increase is caused by business development: more cables (+72%: 675 t in 2024 vs 392 t in 2023) and wooden poles (+122%: 765 t in 2024 vs 344 t in 2023) withdrawn from use due to migration to newer technologies and network maintenance.

The recovery rate of internal hazardous waste disposed of in 2024 is 60%, with the main disposal channels clearly identified and traced. This recovery rate is directly linked to the performance of service providers and their ability to provide a sufficient level of detail to ensure the traceability of waste from collection to end of life, a major challenge for the Group. There is a visible increase in the tonnage of hazardous waste year over year, which stems from the timing of business operations, mainly network maintenance (increase in the wooden poles and network batteries waste streams). At the time, based on the current regulations, the Group does not have the ability to follow rare earth minerals with the waste streams.

6. Social information

6.1. ESRS S1 Own workforce

6.1.1. Employees of the Group

Employees are the key stakeholders of the Group. The Group's goal is to create a collaborative culture in which employees feel respected and achieve their professional and life goals. The Group is conducting the Voice Up employees opinion survey. The purpose of the survey is to gather the needs, and feelings of employees and determine areas of satisfaction and areas for improvement.

The Group's employees are involved in determining the key areas of the Group's strategy and operations. They also take part in the DMA process.

6.1.2. ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The Group is the largest employer in the telecommunications sector in the country. The Group offers its employees good working and development conditions. It has one of the most extensive social programmes, including a pension security programme. The Group places great emphasis on the development of its employees' professional competences and the formation of high professional and ethical standards at work. The Group evaluates the employee area in terms of positive social impact and the opportunity to attract new employees and talent that will allow to build a competitive advantage in the market.

The .Grow strategy identified building an open corporate culture and creating a more diverse environment that supports employees, promotes talent, and expands opportunities as a key consensus. These activities were implemented through culture enabling new strategy, diversity management program, new skills and talents development, new ways of working. The Group does not identify any significant risks in this area.

6.1.3. ESRS S1-1 Policies related to own staff resources

<u>General policies</u>
The organisation and work order at the Group, along with employee rights and obligations, are governed by the Staff Regulations. These regulations cover work organisation and provision of tools and materials working time systems, schedules, and settlement periods, payment dates, locations, times, and frequency, prohibited works for young persons and women, allowed positions for young people in occupational training, occupational health, safety, and fire safety obligations, including risk communication, procedures for confirming attendance and justifying absences.

OPL has an Intragroup Collective Labour Agreement for Employees (PUZP), which regulates, inter alia, the principles of employment and termination of the employment relationship, working time, holidays, principles of remuneration and granting of other work-related benefits, as well as matters related to health and safety, training, social support and medical care (Note 6.6.1.).

<u>Diversity</u>
The Group has a Diversity Management Policy as well as diversity management policies for Members of the Management Board and the Supervisory Board. The Diversity Management Policy covers the following areas: creating a working environment open to diverse mindsets; building a corporate culture which derives from diversity; providing adequate conditions for employee development; supporting involvement of all employees; and increasing the quality of human capital management in the organisation.

The Gender Equality in the Workplace and Diversity Committee is responsible for the implementation of this policy. The Group is certified by the Gender Equality European and International Standard and is also a signatory and guardian of the Diversity Charter in Poland.

<u>Renumeration</u>
The Remuneration Policy regulates the main guidelines and principles for remuneration in the Group, supporting the recruitment, retention and motivation of the best managers and professionals. Remuneration is determined in a manner ensuring balance and consistency across the Group. The Group's Remuneration Policy complies with the labour law and corporate governance regulations. Terms

of remuneration for the Group's employees covered by the Intragroup Collective Labour Agreement are determined in cooperation with trade unions.

Training and Development Policy
The Group is committed to develop its employees. The development of people, especially in the area of specialist competences, is the cornerstone of the strategy. Employee development activities are defined in the Training and Development Policy.

Work environment and health and safety
Both, labour law and internal regulations, provide for the activities aimed to ensure work safety, health protection and constant improvement in working conditions to all employees. The Group's approach to occupational health and safety is covered in the Work Regulations and the Health and Safety Policy. Internal oversight of compliance with health and safety regulations and policies is provided by a team of health and safety specialists.

In addition, the Group is implementing solutions and tools to support employee well-being and facilitate work-life balance. The Group's employee health and well-being policy defines objectives that holistically address employees' well-being needs.

Human rights
The Group has established a Human Rights Policy aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights (Note 2.4. and 6.2.3.). This policy addresses employee rights, including equal treatment, health and safety, freedom of association, collective bargaining, and the prohibition of forced labour and child labour. It outlines procedures for stakeholder dialogue, reporting and remedying violations.

In cases of violations, an explanatory process is conducted, resulting in a report for the Chairman of the Ethics Committee. The Ethics Committee oversees the implementation of recommended corrective actions. Additionally, the Group has adopted rules and guidelines to address unacceptable behavior, including mobbing, discrimination, and sexual harassment. These policies are based on legal regulations, including the Labour Code, which mandates the Group to combat discrimination and respect personal rights. The labour policies of the Orange Group are consistent with the UN Guiding Principles on Business and Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work.

All policies are consulted with the key stakeholders, employee representatives (Note 6.1.4.), and are available to each employee on the internal website.

6.1.4. ESRS S1-2 Processes for engaging with own staff resources and staff representatives about impacts

Employee opinion survey
As part of the Voice Up survey, employees are invited to share their perception of how the Group operates and their experiences in the workplace. The questions relate to job satisfaction and evaluation of specific areas of the Group's operations. The questionnaire assesses employees' engagement, trust and performance across the Group. The survey was conducted in January 2024 and 84% of employees participated in it.

Dialogue with social partners
The Group conducts a permanent social dialogue with social partners (trade unions, Employee Council). Currently in OPL, there are 17 trade union organisations and a 7-person Employee Council. The scope of cooperation with trade unions includes, among others, the Supra-Company Collective Labour Agreement, Social Agreement, agreement on collective redundancies, work regulations, remuneration, bonuses, regulations of the Company's Welfare Fund. The powers of the trade unions in this area include in particular: participation in negotiations, concluding agreements, collective agreements, agreeing on regulations, taking a position on individual employee matters, control over compliance with labour law or health and safety regulations.

The scope of cooperation with the Employee Council includes, among others, changes in the status, structure and expected changes in employment (optimisation projects) or significant changes in the organisation of work.

Forms of cooperation within the framework of social dialogue include, e.g. negotiations conducted in order to conclude or amend a collective labour agreement, a social agreement or an agreement on collective redundancies; consultations, e.g. with the Employee Council, on matters related to the status, structure and expected changes in employment; giving opinions, e.g. on the intention to terminate an employment contract with an employee represented by the trade union; providing information, e.g. on the activities and economic situation of the employer and expected changes in this respect. In 2024, there were 17 meetings with social partners (excluding social committees). Representatives of trade unions are members of the following committees: Health and Safety Committee, Gender Equality Committee, Social Committee (and social teams) and Evaluation Committee. The Group also conducts dialogue with selected groups of employees through dedicated surveys and other opinion research tools, e.g. a survey on the opinions of employees with disabilities.

The Director of Employee Affairs, who reports to Member of the Board for Human Capital, is responsible for conducting dialogue with employee representatives.

6.1.5. ESRS S1-3 Processes to remediate negative impacts and channels for own staff to raise concerns

The Group continuously monitors the impact on its own employees through;

- annual Voice Up workplace satisfaction survey and other surveys on the workplace;
- analysis of inquiries, reports and complaints obtained through its own channels for reporting irregularities, taking into account the principles of whistleblower protection;
- ongoing dialogue with social partners;
- #nosugar monthly meetings of the Management Board with employees;
- the Group's feedback culture and tools, i.e. managerial reviews, 360 feedback and the Pulsometer (a monthly survey on the achievement of goals and the atmosphere in teams), help to accurately identify development goals and select development activities;
- dedicated dialogue tools in employee-friendly programmes, e.g. the scope and activities of the Yes to Health programme are based on a survey of employees with disabilities.

In response to feedback from employee, the Group develops corrective actions adequate to the nature and severity of the cases. Actions taken are communicated transparently through various channels, including communication on annual satisfaction survey results, Ethics Committee Reports and other internal communications tools. The effectiveness of these measures is evaluated through follow-up surveys to reassess employee opinions. The Group actively monitors employee participation in satisfaction surveys and encourages engagement in creating a positive workplace. For suspected ethical breaches, employees can easily contact the Ethics Committee via a dedicated email (zapytaj.etyka@orange.com) or reach out to the Chairman of the Ethics Committee directly. Reports can also be sent to the Chairman of the Audit Committee or submitted through the Orange Group's integrity form at www.orange.integrityline.org. All submissions are confidential. The Group has a whistleblower protection and reporting policy which is described in the Note 7.1.7.

6.1.6. ESRS S1-4 Taking action on material impacts on own staff resources, and approaches to mitigating material risks and pursuing material opportunities related to own staff resources, and effectiveness of those actions

In the .Grow strategy, the Group focuses on the material issues related to its own workforce, which are perceived as opportunities to implement good working conditions for all employees: culture enabling new strategy; diversity management program; new skills and talents development; new ways of working.

<u>Diversity management program</u>
The Group's employees view diversity as essential for fostering an open organisational culture and creating positive working conditions for current and future staff. It also serves as a measure against discrimination, identified during the due diligence process. In response, the Group has launched a dedicated diversity management program.

The Be Yourself (formerly Together) program was created to enhance diversity within the Group and foster an inclusive culture where everyone can pursue their passions. Key areas of the program include:

- support for women through mentoring, coaching, and recruitment advice;
- diversity mechanisms: monitoring pay gaps and implementing inclusive recruitment and promotion policies;
- women's leadership - development programme dedicated to female leaders in the Group, successor and promotion policy;

- encouraging Women in Tech: initiatives like the Hi-Tech Girls program;
- community building: internal networks for women and collaboration with other organisations;
- LGBTQ+ support: a platform for collaboration and education to promote awareness and inclusion;
- support for employees with disabilities: the Yes to Health program offers financial support, medical services, and workplace adaptations.

In implementing activities in the diversity management programme, the Group cooperates with social organisations, public institutions and other companies, among others, within initiatives such as: Diversity Charter, DEI Champions Club, Pact for Accessibility Plus and others. The quality of diversity management is checked once every 2 years as part of the certificate - the Gender Equality European and International Standard (GEEIS). The Group also participates annually in the diversity management maturity study "Diversity IN Check". Reports from these studies are the basis for planning further activities.

New skills and talents development

Employee development is crucial for satisfaction and attracting talent. The Group has introduced the SkillsUp system to enhance employee competencies aligned with the Orange strategy. SkillsUp focuses on assessing current skills and forecasting future needs in areas like data management, AI, cloud solutions, programming, cybersecurity, digital sales, and corporate social responsibility.

The Group promotes continuous education through structured learning paths, emphasizing upskilling and reskilling via training, online courses, and peer mentoring. Managers development is guided by a leader model with ten principles, offering personalized growth paths and community support. The new employee development programme was implemented in 2023.

The goal is to obtain a SkillsUp assessment for 100% of the Group's full-time employees by 2025. In the following years, the Group plans to expand this system to other subsidiaries and co-workers.

New ways of working

Hybrid work is one of the pillars of the work model that is called SMILE (Safe, Mobile, Integrated, Leading, Efficient). Part of this model is the Smart Office programme encompassing five main areas like new office format: a new standard to increase space for co-operation; digital experience: space planning for both, individual and team work; environmentally friendly office: minimization of the carbon footprint; social responsibility: mobilizing local Orange communities and co-operation with local municipalities and efficiency: the optimal use of office space and re-use of work environment resources.

Work-model changes have been based on employees surveys and supported by employee education. The Group has provided training and other development activities related to remote work and digital skills, as well as tools supporting teamwork and regular contact. The employees have also been invited to webinars on remote work organisation, mental and physical health, work life balance.

Well-being

The Group supports employees in developing skills for stress and emotion management, flexibility, and adaptation to change through webinars, workshops, and access to psychological support. It has a dedicated employee affairs team and a Well-being Manager. Key welfare measures include physical well-being: comprehensive medical care, free examinations, support for disabilities, and promotion of healthy habits; mental well-being: support for mental resilience, crisis assistance, and work-life balance solutions; social well-being: a respectful culture that encourages professional goals and community involvement and financial well-being: benefits to help with inflation and rising costs.

All employees, including part-time and fixed-term staff, can access many benefits, though some are limited for fixed-term employees. The Group is adapting its business model to meet environmental and market challenges and conducts regular employee satisfaction surveys.

Health and safety

Health and safety issues in physical and mental aspects are assessed as important by the employer and employees. Occupational health and safety (OHS) activities are recognized as fulfilling the employer's obligation and an element of building a good working environment.

The Group identifies and assesses occupational risks for all jobs, documenting them in risk assessment sheets to inform employees about hazards. Updates to these assessments are based on health and safety reviews and accident analyses. A Health and Safety Commission, with equal employees and employer representation, meets at least four times a year to review working conditions and suggest improvements.

Key focus areas include keeping risk assessments aligned with new employee tasks; ensuring new investments meet health and safety regulations; providing continuous access to health and safety information; collaborating with social partners for joint reviews and improvements and ongoing monitoring of working conditions and offering preventive health examinations and training.

The Group also ensures easy access to medical services at PZU Zdrowie and promotes sports and health activities for employees.

The Group has not identified own practices causing or contributing to material negative impacts on own workforce, including, where relevant, its practices in relation to procurement, sales and data use. Nevertheless, as part of the transformation programme, the Group is adapting its business model to changing environmental conditions and business challenges. If the Group fails to transform, it will have a negative impact on the Group's position and its financial results, which is why the Group is conducting a voluntary departure process and an employment optimisation process. An outplacement programme has been developed for employees leaving the Group.

6.1.7. ESRS S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

As a result of the Double Materiality Analysis, a target related to high employee satisfaction and diversity was adopted (Note 3.3., Key Matter: Working conditions).

Employee satisfaction
The satisfaction indicator is used by employees to assess the activities described above in the areas of diversity, skills development, working conditions, well-being and health and safety.

- Target: High employee satisfaction above 80% in the Voice Up survey in each year
- Measure: Share of positive and very positive opinions in the Voice Up survey

Target	Delivery in 2024
High employee satisfaction in the Voice Up	83%

The survey methodology is common to all Orange Group countries. The survey is conducted by an external research agency, and its results are communicated to employees. Due to the fact that the survey was conducted for the first time in 2024, the Group assumes that the goals will be specified in the following years, and it considers the level from 2024 as the base level.
The results of the employee survey are analyzed and form the basis for preparing action plans.

Diversity
As part of its diversity policy (Note 6.1.3.), the Group takes action (Note 6.1.6.) to ensure a high representation of women in management positions. This goal is consistent with the EU's gender equality policy and the Sustainable Development Goals.

- Target: 35% women in the Group's senior management positions till 2025
- Measure: Share of women in senior management positions (director)

Target	Delivery in 2024
35% women in the Group's senior management positions	35.6%

The indicator is monitored as part of the diversity management program (Note 6.1.6.).

There is also a goal to build a work environment free from discrimination, which is measured by the lack of serious violations in the field of discrimination. The measure of this goal is the number and scale of violations in the Group during the year (Note 6.1.19.).

6.1.8. ESRS S1-6 Characteristics of the Group's employees

The Group employs almost 8.6 k people working in 79 locations across Poland. 82% of the people work in 14 regional centres in large cities, the rest works in smaller towns and cities. 37% of the staff are women. There are people with disabilities among the Group's employees. The Group employs people from various professions and positions. The frontline employees work in service and sales. Other functions in the Group have supporting roles. The basis of employment is an open-ended employment contract. The Group does not use a territorial division of employees. The number of employees presented below is based on active employee positions, i.e. persons employed in the Group under a permanent employment contract, who are financed by the Group on the last day of the month, i.e. they are not on unpaid absence or financed by the Social Insurance Institution.

All quantitative disclosure data regarding own workforce comes from the internal employee data recording system (HR info) and training system (Orange Learning), unless stated otherwise.

Employment	2024	2023
Total employees (persons)	8 576	9 063
Men	5 411	5 659
Women	3 165	3 404
Employees on open-ended contracts	8 490	8 978
Men	5 372	5 617
Women	3 118	3 361
Employees on fixed-term contracts	86	85
Men	39	42
Women	47	43
Full-time employees	8 523	9 012
Men	5 385	5 633
Women	3 138	3 379
Part-time employees	53	51
Men	26	26
Women	27	25
Departures	797	766
Turnover	2.9%	3.1%

Due to the fact that the Group does not have operational control over NetWorks, the number of employees of the Group in this Statement does not include the employees of this company. Turnover, due to limitations of evidence, is calculated for 98% employees on the basis of departures, excluding departures based on the Social Agreement concluded between the employer and employees, intra-group transfers and changes in the form of employment (Note 7.2 of the Financial Statements).

6.1.9. ESRS S1-7 Characteristics of non-employees constituting the Group's own staff resources

Depending on the nature and scope of work, the Group has own staff resources who are not employees, including temporary workers, people employed under a cooperation agreement (B2B) and so-called personnel outsourcing, when a specific employee, although employed by an external company, performs work for the Group and is assessed by the Group. Personnel outsourcing is used mainly in call centres (customer service, telesales and customer-operator market services).

Employment	2024	2023
Number of employees with B2B contracts	35	21
Men	28	16
Women	7	5
Number of positions based on personnel outsourcing	3 206	3 154
Men	1 437	1 409
Women	1 769	1 745

Data on employees employed as personnel outsourcing include only the OPL collaborators. In case of outsourcing employees, the equivalent in the form of full-time positions was used. Full data on the Group will be disclosed in subsequent reports.

6.1.10. ESRS S1-8 Collective bargaining coverage and social dialogue

The Group respects the right of employees to associate in trade unions (social partners) and maintains an ongoing dialogue with them (Note 6.1.4.).

Orange European Works Council operates in the Orange Group. It is the representative body for the Group's employees in the European Union and EFTA. It is composed of employee representatives from each country, including Poland.

Collective bargaining coverage and social dialogue	2024	2023
Percentage of employees in trade unions	27.3%	28.3%
Percentage of employees covered by the Collective Labour Agreement	96.5%	96.0%

The source of data on the number of members of a given trade union organisation is information provided by the trade unions operating in OPL based on the provisions of the Act of 23 May 1991 on trade unions. This data is then referred to the number of employees employed in OPL (persons) as of 31 December.

6.1.11. ESRS S1-9 Diversity metrics

As part of the diversity policy, he Group measures and monitors the following indicators:

Employment	2024	2023
Number of employees in senior management positions	253	252
Men	163	167
Women	90	85
Percentage of women	35.6%	33.7%
Number of employees by age	8 576	9 063
Up to 30 years	516	643
31-50 years	4 986	5 474
Above 50 years	3 074	2 946

Top management staff is defined as persons employed in the position of director and managing teams. Data is obtained from internal reports, based on data contained in the HR systems of individual companies of the Group according to the Orange Group standards.

6.1.12. ESRS S1-10 Adequate wages

The remuneration system consists of basic pay – taking into account market standards of remuneration for individual positions and the individual competences and contribution of employees, as well as the principles of non-discrimination; bonuses - the bonus system is designed for specialist sales positions and for all managerial staff and is intended to motivate employees to achieve high performance through the achievement of set and agreed objectives in support of the implementation of the Group's strategy; discretionary awards; benefits; contribution to the Employee Retirement Plan.

Adequate wages	2024	2023
Percentage of employees receiving adequate pay	100%	100%
Percentage of employees paid below the minimum wage	0%	0%

Data on employee salaries includes basic salary and benefits. This data is related to the minimum wage in the country, provided by the Central Statistical Office (PLN 4,300 from 1 July 2024).

6.1.13. ESRS S1-11 Social protection

The Group is building a friendly working environment in order to create conditions for employees to develop, be more creative and engage in their tasks. All employees are covered by social care and can benefit from a large stock of employee benefits. All employees are covered by the ZUS (Social Insurance Institution) social insurance system, which includes protection against loss of income caused by any of the following serious life events: illness; unemployment starting while an employee is working in the entity; accident at work and acquired disability; parental leave; and retirement.

Additionally, the Group offers employees assistance in difficult life situations under the Company Welfare Fund and the Central Welfare Fund.

Social protection	2024	2023
Percentage of employees covered by social protection	100%	100%

6.1.14. ESRS S1-12 Persons with disabilities

The Group cares for equal treatment and prevents social exclusion of people with disabilities. Data on employees with disabilities include employees who have provided their employer with a disability certificate.

Employees with disabilities	2024	2023
Percentage of employees with disabilities	1.9%	1.9%
Men	1.4%	1.3%
Women	2.8%	2.9%

6.1.15. ESRS S1-13 Training and skills development metrics

Employees can develop their competences through the Orange Learning platform. It is a collection of various development forms: from short knowledge pills and films, through e-learning courses and business simulations, to stationary training, educational communities and mentoring. The platform offers training in various business areas, specialist educational programmes or training in soft skills. The employee decides which competence to develop and at what pace and which development methods are most effective for them. This platform is supplemented by the international Orange Campus programme. Currently, employees have access to more than 9 k development offers.

Trainings and development	2024	2023
Average number of training hours	24.5	27.9
Men	25.6	27.6
Women	22.6	26.7
Managers	29.7	35.8
Non-managers	23.7	26.9
Percentage of employees subject to appraisal (Skills up)	79%	89%
Men	81.5%	91.9%
Women	75.2%	84.4%
Percentage of staff with career plans	54.7%	38.0%
Men	54.8%	39.0%
Women	54.6%	36.0%

Data on training, competence development and development plans covers the following Group companies: Orange Polska S.A., Integrated Solutions sp. z o.o., BlueSoft, Orange Szkolenia sp. z o.o., Fundacja Orange, Orange Energia sp. z o.o., PTE Orange Polska S.A.

6.1.16. ESRS S1-14 Health and safety metrics

The presented data concerns employees employed under an employment contract. Currently, there are no legal basis to obtain data on health and safety from employees employed by another employer (personnel outsourcing) or under a B2B contract.

Health and safety	2024	2023
Percentage of employees covered by occupational health and safety	100%	100%
Number of cases of recordable work-related ill health	0	0
Number of days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	323	630
Number of accidents	13	15
Number of fatal accidents	0	0
Accident rate	0.74	0.81

Data on the number of fatalities due to work-related injuries and work-related ill health and the number of reportable work-related accidents is generated from the Accident Register and the Occupational Disease Register maintained by the OPL Occupational Health and Safety team. Data from other Group companies is obtained from the Occupational Health and Safety teams of individual companies.

6.1.17. ESRS S1-15 Work-life balance metrics

#dbamyosiebie (#wecareforourselves) programme and the policy to invest in the quality of health and wellbeing of employees in the Group (Note 6.1.6.) also include activities encouraging employees to take advantage of family leave.

Family leave	2024	2023
Percentage of employees entitled to take leave for family reasons	100%	100%
Percentage of eligible employees who took leave for family reasons:	25.7%	27.3%
Men	18.1%	19.2%
Women	38.7%	41.1%

6.1.18 ESRS S1-16 Compensation metrics (pay gap and total compensation)

Compensation	2024	2023	2022
Unadjusted gender pay gap	13.8%	16.2%	17.9%
Unadjusted gender pay gap for staff positions	13.8%	15.6%	17.1%
Unadjusted gender pay gap for managerial positions	11.4%	14.4%	15.2%
The ratio of the salary of the top earner to the median salary of employees.	22.4	22.2	21.9

The gender pay gap is due to a different distribution of occupied positions – more women occupy lower paid positions (call centres, showroom employees) compared to technical positions, i.e. network engineers or IT specialists, which are mainly occupied by men. This ratio, due to limitations of evidence, is calculated for 98% employees of the Group and include base salary and benefits. Total annual earnings are for the highest paid employee (employed under an employment contract). Earnings include base salary and benefits.

To better clarify the gender pay gap, an additional indicator for job grades was introduced - adjusted gender pay gap (**Entity specific disclosure**) in OPL. OPL has introduced a periodic review of salaries by gender. Analysis at the level of individual positions allows the Group to examine relations between the salaries of employees who perform the same work and take corrective actions if a pay gap is identified. In the process of salary increases, the Group has established principles that draw attention to the issue of equal pay for women and men based on the same duties, experience, commitment and knowledge. These principles are a part of the agreement with the Social Partner.

Compensation	2024	2023	2022
Adjusted gender pay gap	0.7%	1.7%	2.6%
Adjusted gender pay gap for staff positions	1.5%	2.3%	3.0%
Adjusted gender pay gap for managerial positions	1.4%	3.4%	2.9%

Adjusted pay gap is calculated based only for OPL on won methodology and defined as the difference of average pay levels between female and male employees in comparable positions, e.g. IT specialist, expressed as percentage of the average pay level of male employees.

6.1.19. ESRS S1-17 Incidents, complaints and severe human rights impacts

The rules for dealing with reports of unacceptable behaviour have been adopted in the Group. The document formulates the rules for dealing with violent behaviour, i.e. discrimination, harassment, sexual harassment, sexism and bullying.

Incidents and complaints	2024	2023
Number of reported cases of discrimination	0	3
The total amount of fines, penalties and compensation for damages resulting from discrimination incidents and complaints	0	0
Number of severe human rights incidents connected to the undertaking's workforce	0	0
The total amount of fines, penalties and compensation for damages for the severe human rights incidents	0	0

This is the number of complaints filed by employees through internal reporting channels and cases reported to the national contact points for the OECD Guidelines for Multinational Enterprises. Additionally, information about severe human rights incidents is obtained from external media sources and public reports.

6.2. ESRS S2 Workers in the value chain

6.2.1. Employees in the value chain

Every year, the Group cooperates with more than 2.8 k suppliers and business partners. This means thousands of employees of other companies who cooperate with the Group. The Group needs to make sure that labour and human rights are respected in everything the Group does. The Group wants its value chain to be a workplace providing employees with decent wages, secure employment, safe working conditions, and a working environment where they are free to express their concerns and their right to organise in trade unions is protected.

6.2.2. ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Due to the scale of the Group's operations and broad supply chains, the Group recognizes its potential negative impact as a result of services or equipment produced in the value chain with a lack of respect for human rights.

In the upper part of the chain (upstream), entities constituting direct suppliers and subcontractors of the Group operate in three main areas: networks, service and equipment suppliers, and entities supporting the organisation and management (Note 3.1.).

Employees in the network area are people working on the implementation of investments at various stages and include both, people performing physical and office work, employed by entities operating on the Polish and other markets. Suppliers of services and equipment, as well as financial services or other organisational activities are most often Polish companies or Polish representatives of international equipment distributors, employing office workers. At further stages of the value chain, suppliers of individual subassemblies or components, are a more diverse group of employees involved in the production and distribution of individual components. At the last stage of the value chain, the Group is dealing with employees of the mining industry and those processing the necessary raw materials.

In case of the lower part of the value chain (downstream), the Group is dealing with employees of companies involved in the sale and distribution of its services, as well as their servicing and recycling, operating on the Polish market. A special category is created for employees of outsourcing companies who provide services for the Group.

Due diligence has highlighted the risks of human rights violations. Rare earth minerals are used in the production of mobile phones and other electronic devices, and their extraction may be carried out in conditions of human rights violations.

6.2.3. ESRS S2-1 Policies related to value chain workers

The Group has established a Code of Conduct for Suppliers to promote compliance with regulations concerning human rights, business ethics, and social and environmental responsibilities. This Code addresses various areas of employee protection, including freedom of association and collective bargaining; prohibition of slavery and forced labour; prohibition of child labour; non-discrimination, diversity, and inclusion; and remuneration, working hours, and health and safety.

The Code requires suppliers to ensure that their employees and representatives, including temporary workers, can express their views on working conditions openly. It applies to both, direct suppliers and their subcontractors, across the entire supply chain. The Code of Conduct is a part of the Purchasing Resolution adapted by the Management Board, with the Purchasing Director responsible for its implementation. The Management Board Member for Strategy and Corporate Affairs oversees the human rights policy. The Group's Human Rights Policy reinforces its commitment to respecting human rights throughout the value chain, preventing violations, and addressing negative impacts. It emphasizes equal treatment, health and safety, and the prohibition of forced and child labour. The policy also addresses conflict minerals, ensuring that raw materials are sourced with respect for human rights.

Identified risks from the due diligence process are integrated into the Group's risk management system, with corresponding mitigation action plans developed. The Group's human rights and due diligence policies are aligned with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises.

The Group is currently implementing a Due Diligence policy which covers activities aimed at exercising human rights and environmental protection with regard to the activities of the Group and the activities of business partners identified in the chains of activity. Current and planned activities do not require significant financial resources.

6.2.4. ESRS S2-2 Processes for engaging with value chain workers about impacts

The Group offers a supplier portal that outlines its Purchasing Policy, expectations regarding suppliers, supplier forum, and a whistleblowing system with a focus on information security. This platform enhances communication between the Group and its suppliers, allowing for the dissemination of strategic messages and specific directives related to ESG challenges. A general channel for reporting violations, complaints, and inquiries is available to all stakeholders, including supply chain employees, and is referenced in supplier agreements. When collaborating with suppliers for personnel or process outsourcing, the Group emphasizes employee-related issues, examining working conditions, payment timeliness, and employee benefits during the tender process. The Group also evaluates sub-suppliers on similar criteria and intervenes with employers upon receiving complaints from outsourced employees, commissioning audits of service providers as necessary. The Group is actively working to enhance cooperation with workers in the value chain and establish performance indicators for its initiatives.

6.2.5. ESRS S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concern

The Group's Code of Conduct for Suppliers is included in the CSR clause mandatory in all agreements with partners, outlining a procedure for reporting irregularities. The Code, along with the Code of Ethics and Human Rights Policy, is accessible on the Group's websites: www.orange.pl/dostawcy and www.orange.pl/zarzadzanie_zgodnoscią.

The Human Rights Policy includes commitments to mitigate any adverse impacts and take remedial actions when necessary. A whistleblowing system is available for suppliers and their employees to report serious violations related to human rights, health and safety, fraud, corruption, ethics breaches, conflicts of interest or other legal violations. Reports can be submitted anonymously via the Hello Ethics platform, which ensures protection for whistleblowers. The Ethics Committee of Orange Polska reviews these alerts and, if serious evidence is found, contacts the suppliers to request proof of their plans to address identified risks.

6.2.6. ESRS S2-4 Taking action on material impacts, and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions and approaches

In order to prevent the risks of negative impact on employees in the value chain, the Group undertakes the following actions, which aim to identify and improve the working conditions of employees in the value chain:

- clear communication of the Group's expectations towards suppliers in terms of respect for their employees and people in their value chain through the CSR clause and the Supplier Code in contracts;
- monitoring and enforcement of employee protection at the Group’s suppliers and in their value chain through ESG assessments (EcoVadis);
- development of actions to improve knowledge on issues and impacts related to supply chain employees and support of suppliers in their development - supplier training.

The suppliers are obliged to comply with the Orange Code of Conduct. This document is publicly available and included as a mandatory CSR clause in supplier contracts. All parties must comply with relevant national, European, and international legislation on ethical standards, including human rights, environmental protection and health and safety. Suppliers commit to addressing human rights violations and ensuring that their employees and subcontractors do not engage in child labour, forced labour or discrimination.

To manage significant impacts on workers in the value chain, the Group identifies risks in its operations and integrates them into its risk management system. Social risks are reviewed annually, with a mitigation plan developed for each risk, and its effectiveness is assessed yearly.

When assessing adverse impacts, the Group considers whether suppliers are subject to relevant regulations, along with operational, geographic, product-specific and sectoral risk factors. The Group evaluates suppliers and partners for potential negative impacts on human rights and the environment, categorizing them by risk level from very high to low (Note 2.4.).

Suppliers in the high and very high risk categories are assessed using EcoVadis or similar systems, or through a CSR questionnaire for smaller companies. Verification occurs at the start or renewal of cooperation, and for high-risk partners, it is conducted annually or biennially.

The Group educates employees, suppliers and business partners on human rights and responsible business conduct through training and contractual provisions. All personnel involved in purchasing must complete human rights training. The Group is committed to responsible sourcing practices, ensuring that raw materials are sourced with respect for human rights, particularly in conflict-affected and high-risk areas.

To date, there have been no severe human rights issues and incidents connected to its upstream and downstream value chain recorded. The data comes from internal reporting systems (whistleblowing) and the analysis of proceedings conducted by the OECD.

Human Rights	2024	2023
Human rights violations	0	0

6.2.7. ESRS S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities.

The Group cooperates with suppliers and other business partners to minimize negative impacts on human rights. This cooperation includes requiring suppliers and other business partners, through the use of the CSR clause and the Compliance clause, to comply with human rights standards, and taking actions to minimize negative impacts on human rights through the analysis of information collected from suppliers in the CSR assessment process.

In relation to the material matters identified in the Double Materiality Analysis, the following targets and metrics of their achievement are presented (Note 3.3.; Key Matter: Workers in value chain).

- Target: introduce CSR clauses by the end of 2025 in 100% of new purchase agreements above EUR 50,000.
- Measure: percentage of contracts containing CSR clauses.

The implementation of this goal is monitored on an ongoing basis in a dedicated tool and supervised in the Purchasing function. Based on regular reports, corrective actions are implemented. In justified cases, the procedure for changes in the content of CSR clauses or derogations is applied.

Human Rights	2024	2023
Percentage of contracts containing CSR clauses	98.2%	64.8%

Purchasing agreements include agreements related to sourcing products and services, falling under additional internal procedures. This category does not include contracts beyond the Group's control, such as utilities contracts (e.g. energy, water) or leases, donations and insurance.

6.3. ESRS S4 Consumers and end-users

6.3.1. Clients and end-users of the Group's services

The Key Matters identified by the Group and its stakeholders in this area are cybersecurity and data privacy as well as health and safety of society (Note 3.3.). Both matters are specific for the Group and key for the telecommunications industry.

The DMA showed that the topic of digital inclusion appears as material in telecommunications operators' reports and industry studies. It was also indicated as significant in the dialogue with stakeholders. Therefore, digital inclusion was considered as an entity specific disclosure (Note 3.3.).

Digital inclusion (**Entity specific disclosure**)
Digital inclusion has an important social dimension today. It is about spreading high-speed internet access and about education and development of digital competences in the social and customer areas.

The Group is investing in a fibre-optic network, also using public funds, in order to reach areas remote from cities, where there is often a lack of infrastructure and access to modern services. Through the Orange Foundation, the Group has been supporting digital education of Poles for more than 19 years. The Group is providing access to services to groups of customers at risk of socio-digital exclusion, including customers with disabilities and seniors and is ensuring access to services for all customers, regardless of their ability, age, skills or economic situation, is one of the most important tasks of a responsible telecommunications operator.

Data privacy and cybersecurity
From the point of view of data privacy and cybersecurity, the key issue for customers and users of the Group's services is to ensure privacy by identifying threats related to the collection, storage and use of sensitive personal data and building the resilience of systems and processes. Therefore, matters of adequate network security against cyberattacks, services and products that enhance customer security, and education of internet users are important for the Group.

Health and safety of society
From the point of view of health and safety, matters important for users of the Group's services are related to radio waves (physical health) and safety on the internet, as well as the impact of usage of internet content on health (mental health).

The Group pays special attention to the safety of the youngest participants in the digital world – children and young people – giving them and their parents and carers the right protection tools and knowledge on how to be safe in the digital world.

The Group has been operating in compliance with the global COPC (Customer Operations Performance Centre) standards for a number of years. The COPC certificate attests to the highest quality in customer care management, particularly with regard to efficiency monitoring, quality, and employee recruitment and development.

The Group designs customer experience actions based on customer behaviour analysis using advanced statistical tools. Based on models designed through machine learning, the Group can predict the most likely customer behaviours. Data-driven customer service helps identify and resolve customer issues as well as prevent them from occurring in the future.

Members of the Management Board and Executive Directors have assigned solidarity goals, including the NPS (Net Promotor Score). The NPS indicator is commonly used in the telecommunications sector to measure the level of customer satisfaction with services and is one of the indicators of how well the offer and the quality of service meet the needs of customers, which in turn, translates into the level of revenue generated.

6.3.2. ESRS 2 SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Digital inclusion (**Entity specific disclosure**)
The Group consciously participates in building the information society through its activities, realizing that digitalization, based on the development of modern telecommunications networks and education, is important for our customers. Issues of accessibility of services to all customers and users were identified as important for the positive impact of digital inclusion activities.

Data privacy and cybersecurity
The Group manages a large amount of personal data from customers, employees, and contractors, which is protected information. Protecting this data is crucial, as breaches can harm individual rights and the Group's reputation, potentially leading to legal and financial consequences. Despite preventive measures, the risk of data breaches remains due to IT threats.

Strong data protection can also provide a competitive advantage and attract clients seeking such services. Stakeholders view digital security as a key concern, and the Group is recognized for its expertise in this area. Increased spending on cybersecurity is necessary to mitigate risks from cyberattacks, as breaches could lead to loss of customer trust and revenue. The Group is expanding its data protection services for both businesses and individuals.

Health and safety of society
The electromagnetic fields (EMF) used in mobile telephony have no proven adverse effects on humans. Given that waves are a fairly recent phenomenon, research into the effects of waves on human health is still ongoing. The topic raises a lot of public concerns, which could have an adverse impact on the development of the network. Therefore, this issue has been identified as a risk.

The topic of providing children with adequate protection is considered to be socially important. On one hand, the Group recognizes the positive impact of technology on the ability to educate, work, entertain and communicate. On the other hand, the digital world poses many risks for young people and their social relationships. While the Group does a lot of work to ensure adequate protection of children and young people, the Group also recognizes the risks associated with accessing inappropriate content or abusing digital media.

6.3.3. ESRS S4-1 Policies related to consumers and end-users

The Human Rights Policy (Note 6.2.3.) draws attention to human rights issues in relations with customers, in particular:

- the right to privacy: the Group ensures the proper acquisition and processing of personal data by applying appropriate procedures and safeguards. It ensures data protection;
- the right to personal security and the right to health: The Group offers secure infrastructure and services. The Group pays attention to the responsible and ethical creation and use of products and services, especially in the area of advanced technologies and provides clear instructions for safe use of services;
- the right to freedom of expression: The Group guarantees the protection of privacy and freedom of expression by adhering to strict rules for sharing data with authorized entities;
- the right of the child to development, health and safety: The Group provides mechanisms to protect children and young people online and promote responsible and safe use of technology. In its activities, it shall take into account the comments contained in the (UN) Guiding Principles on Business and Human Rights and the UN Committee on the Rights of the Child's General Comment No. 25 of 2021 on children's rights in relation to the digital environment;
- the right to equal treatment and non-discrimination: the Group treats all customers equally regardless of age, (dis)ability, gender, economic status, race, nationality, ethnicity, religion, sexual orientation and gender identity, marital status, family situation or any other characteristic. It takes action against discrimination.

Digital inclusion (**Entity specific disclosure**)
Development of infrastructure is carried out in the directions set by the .Grow strategy. In terms of fixed infrastructure, the Group plans to expand the fibre optic access network based on its own funds, participate in competitions from European Funds and cooperate with other operators.

The activities of Orange Foundation, which pursues social objectives on behalf of the Group, are defined in the strategy. It includes the pursuit of objectives in the field of digital education and prevention of digital exclusion by conducting long-term social programmes based on a reliable diagnosis of social needs and expectations.

All Group's customers are covered by the customer service standards. However, due to the special needs of certain customer groups, i.e. people with disabilities and the elderly, the Group provides additional facilities.

Data privacy and cybersecurity
In order to prevent possible breaches of information security, including personal data, the Group has implemented safeguards in line with international standards. The Group has a certified Information Security Management System in place, compliant with the ISO 27001 standard. The Group has also been certified as compliant with the requirements of the ISO 27018 standard. In addition, the Group regularly renews its FIRST and Trusted Introducer certificates for the CERT Orange Polska unit.

The Group operates an information security management system, the high quality of which is confirmed by the ISO 27001 certificate. System management allows the Group to provide a level of protection for all information that is adequate to threats, business and legal requirements. The selection of security measures, based on the results of the risk analysis, ensures their effectiveness. Currently, the information security system covers the entire organisation and its functioning is based on the ISO/IEC 27001 information security standard.

Health and safety of society
The Group's mobile network uses only proven, internationally used and safe for all users wireless communication techniques. In Poland, limits on exposure to electromagnetic fields in accordance with Council Recommendation 1999/519/EC apply from 1 January 2020. The limits are set out in the Regulation of the Minister of Health of 17 December 2019 on permissible levels of electromagnetic fields (EMF) in the environment.

One of the important topics for the Group is the safety of children and young people on the internet and preparing young people for conscious use of new media. These objectives are pursued through the educational activities of the Orange Foundation, which are included in the Foundation's strategy of activities and in the Foundation's Child Protection Policy.

On the Orange website and through other contact channels, all documents and regulations regarding services, personal data processing and reporting dangerous content are made available to customers and other stakeholders.

6.3.4. ESRS S4-2 Processes for engaging with consumers and end-users about impacts

Digital inclusion (**Entity specific disclosure)**
The Group's fibre coverage includes both, the network built by the Group and lines available through cooperation with dozens of other operators, based on customer needs analysis.

The planning and implementation of digital education activities is based on social needs analysis, research and consultation with experts. In addition, Orange Foundation conducts a survey of the beneficiaries of its programmes in order to best respond to their needs.

The standards for older customers and customers with disabilities were developed in cooperation with community organisations that play a permanent role as consultants and experts in implementing the arrangements for these customer groups. All information on how to serve customers with disabilities can be found on the dedicated website www.orange.pl/bezbarier.

The service to seniors is supported by additional communication activities, e.g. newsletters for older customers in a form-oriented way (enlarged font). A dedicated information and education website www.orange.pl/dlaseniora has also been set up to meet the needs of older customers.

Data privacy and cybersecurity
The Group is gradually analysing customer complaints and improving personal data protection processes, eliminating errors or irregularities. Thanks to this, the number of customer complaints regarding violations is very small. In the scope of proper protection of personal data, the Group cooperates with public institutions, customer rights advisors and industry associations, and also analyses customer opinions and complaints. The Group provides an appropriate level of security for users at all levels: end devices, networks, infrastructure, applications and data processing.

The Group consistently educates and raises awareness in this area. For more than a decade, the Group has been encouraging customers to benefit from the experience of its experts in looking after the cybersecurity of businesses.

Health and safety of society
The Group's customers and service users can always count on help and support from CERT Orange Polska experts. Suspicious messages can be sent to cert.opl@orange.com or by SMS.

The Group and other mobile operators provided input data (base station parameters and EMF measurement results) to the Telecommunications Institute. This data made it possible to launch the EMF system. The system, which is accessible via the internet, contains information on the results of measurements and predicted levels of EMF throughout Poland, and users can obtain data on EMF values at any location.

The Group is also a technology partner of the helpline for children and young people. The helpline is run by the Empowering Children Foundation, which helps the youngest who have experienced various forms of violence. The 116 111 line is free of charge and open 24 hours a day.

The Vice President in charge of Consumer Market is responsible for implementing communication channels and dialogue with customers and end users as well as cooperation with institutions and organisations representing customer interests.

6.3.5. ESRS S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

The Group analyses customer reports and complaints, conducts customer and end-user research and cooperates with institutions and social organisations to respond to customer needs.

The Group identifies the causes of customer dissatisfaction and complaints. The Group checks where the problem occurs and addresses corrective actions there, e.g. changes in the process, monitoring the quality of sales, supplementing missing information for customers, etc. Thanks to this approach, the

Group is gradually reducing the number of complaints, which in 2024 alone was lower by 13% compared to the previous year.

OPL systematically monitors the experiences of the customers through the NPS indicator. The Group conducts cyclical studies, analyzing opinions on the network, offer and service. Based on the obtained results, the Group takes specific actions aimed at improving and building positive customer experiences. The result of pro-customer activities is the leading position of OPL among the most recommended operators in 2024.

The Group analyses the availability of channels for customers, response time to inquiries, complaint level and other parameters that allow for assessing the effectiveness of the contact tools used. A whistleblowing system is also available to customers and other stakeholders, which provides protection for whistleblowers (Note 7.1.1.).

Digital inclusion (**Entity specific disclosure)**
Intensifying cooperation between operators is key to the .Grow strategy, aiming to increase wholesale fibre customers sixfold by the end of 2024 compared to 2020. The Group participates in EU-funded programs to build open broadband networks in regions lacking modern infrastructure. For over a decade, it has also run digital education programs targeting schools and small communities, benefiting children, parents, educators, and local leaders.

Using the Local Exclusion Index**,** the Group identifies areas in Poland at risk of exclusion, focusing educational efforts where they are needed most. Over 40% of municipalities are particularly vulnerable, and these areas receive additional support through the Orange Foundation's programs.

To enhance customer access, the Group employs various distribution channels, including traditional sales points, online platforms, tele-sales, and door-to-door services. This approach ensures alignment with market trends and customer needs. The quality of the Group's services for seniors is validated by the OK Senior Certificate**,** awarded after an audit to ensure services are safe, understandable, necessary, and accessible for seniors.

Data privacy and cybersecurity
At each stage of data collection and processing, the Group takes care of the obligation to inform customers, among other things, of the purpose and scope of data processing, the right of access and the possibility of rectification. The Group is gradually analyzing customer complaints and improving personal data protection processes, eliminating errors or irregularities.

Through the dedicated website www.orange.pl/mojedane, the Group comprehensively informs customers and users about their rights, how the Group processes their personal data and how to contact the Group.

On the CERT Orange website https://cert.orange.pl, there is a contact form for reporting security breaches.

Health and safety of society
In order to provide the customers and users with comprehensive information on electromagnetic waves, including scientific research and legislation, the Group has launched a dedicated website www.radio-waves.orange.com/pl/.

The requirements for maintaining safety conditions for the population, the Group mobile network facilities are included in the study "Environmental Protection Guidelines Electromagnetic Fields Information Cards, Environmental Analyses, EMF measurements, emission notifications". This document is updated in accordance with the legal changes. Supervision of compliance with the requirements is the responsibility of NetWorks, OPL's joint operations managing the mobile network. As part of the supervision, the Group conducts random checks of both, the documentation created in the investment process and compliance with the actual state in the field.

The Group runs a website www.orange.pl/razemwsieci dedicated to children's online safety. The website is mainly aimed at parents and guardians of children who want to ensure their safe and responsible relationship with new technologies.

Any irregularities or breaches concerning customer safety can be reported via standard customer communication channels or the whistleblowing system (Note 7.1.3.).The potential negative impact on customers may result from the lack of services and cause socio-digital exclusion, which is why the Group is taking action to expand the network and increase access to it, as well as digital education in its use.

The Group also identifies risks related to the improper use of services by children and young people (access to inappropriate content, abuse of digital services), which is why it is taking actions to protect the youngest and educate children and parents in this area.

6.3.6. ESRS S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end- users, and effectiveness of those actions

Digital inclusion (**Entity specific disclosure)**

- Access to the network

There are currently more than 8.9 million households within the reach of the Group's ultrafast fibre broadband, and the service is used by 1.72 million customers, who enjoy internet access at speeds of up to 8 Gbps. The Group is the leader in providing broadband services outside big cities: 57 % of high-speed fixed broadband lines in rural areas in Poland are operated by the Group.

The Group expands its fibre network through participation in programmes co-financed with EU funds. The National Recovery and Resilience Plan (NRRP) and the European Funds for Digital Development (EFDD) are programmes focusing on elimination of digital exclusion. As a beneficiary of both programmes, the Group will continue to implement fibre investments co-financed with EU funds within the next few years. In the NRRP framework, the Group will conduct investment projects in 24 areas, connecting around 134,000 households to fibre. Granted subsidies will amount to PLN 566 million. In the EFDD programme, the Group will deploy fibre in four areas reaching almost 21,000 households. Total grants exceed PLN 97 million. Investments will be carried between 2024 and 2027. The Group will spend own funds at the level of around PLN 300 million (Note 18.2 of the Financial Statements).

- Digital education

The Orange Foundation's most important programmes are as follows: MegaMission, #SuperCoders, Orange Studios, FabLab powered by Orange and #BrainStorm, and they are complemented by an employee volunteering programme and activities in the area of safe use of new technologies by children and young people. The strategy provides for the continuation of long-term programmes implemented in previous years. Digital education activities conducted by the Foundation are carried out within the framework of social funds (Section 9 of the Report) and external funds, e.g. EU grants.

- MegaMission is a nationwide educational programme focused on digital competencies for primary schools. In 2024, 8,420 children from 280 schools participated in the programme. In addition, 6,764 children could benefit from MegaMission classes organized at others schools.
- MegaMission for Preschools programme is addresses to preschools teachers and children aged 5-6 to prepare them to function in the world of digital media. In 2024, 1,080 children and 50 preschools participated in the programme.
- #SuperCoders is a nationwide educational programme aimed at pupils and teachers from primary schools in grades 4‑8. Its key element is learning to program. In 2024, 2,720 children from 140 schools participated in the programme.
- #BrainStorm is an e-learning course in which the Group explains the phenomenon of artificial intelligence from an ethical and social perspective. In 2024, more than 6,000 teachers and 552 participated in this programme,
- In order to make it easier for the inhabitants of small communities to access information, knowledge and technology, the Group created the Orange Studios. There are 85 multimedia digital education centres located in small towns benefiting 112,059 people.
- FabLab in Warsaw is an open space where people have the opportunity to learn how to use new technologies creatively: children, young people and adults. In addition, there are long-term projects: the Maker Woman aimed at women who want to acquire new technical and digital skills, and the YouthLab aimed at 16-25 year-olds.
- My First Smartphone courses are addressed to seniors and focused on their digital education. In 2024, based on research into the needs of class participants, the Group has launched a course for more digitally advanced seniors. In 2024, almost 19,500 seniors took part in the courses, including more than 19,000 people taking online course, and almost 500 attending on-site meetings.

- Accessibility

For customers with disabilities, OPL provides the opportunity to use approximately 140 accessible stores (1/5 of the total), which are located throughout the country. In these stores, the Group provides free access without architectural barriers and other facilities such as documents with enlarged font, online sign language interpreter, accessible devices and trained advisors.

The Group has also developed instructional videos to show what facilities the smartphones have for people with disabilities.

Data privacy and cybersecurity
In line with GDPR (General Data Protection Regulation), the ISO 29134:2017 standard and the guidelines of the Article 29 Working Party as of 2018, the Group has introduced a process for assessing and counteracting the effects of violations of the rights and freedoms of individuals whose data is processed by the Group. The Group provides also relevant training to employees and co-workers of the Group, as well as initial training for newly hired employees of the Group, and has introduced e-learning courses on information security and personal data protection.

The Group has a designated Data Protection Officer (DPO), responsible for ensuring compliance with the provisions of GDPR, providing recommendations on data protection impact assessments, as well as liaising with the supervisory authority. Any questions, concerns or breaches can be reported by email to inspektorochronydanych@orange.com or through other forms of contact.

The Group's CERT Orange team ensures the security of Polish internet users, utilizing the CyberShield solution. This tool monitors network traffic to block connections to malicious sites, including phishing, fake payment gateways, and malware. In 2024, CyberShield protected over 5 millions of users from data loss. With over 27 years in cybersecurity, the Group has continually enhanced its expertise. Since 2015, CyberShield has employed machine learning and AI to improve threat detection.
The Group provides tailored cybersecurity services for both small businesses and large enterprises. Its Security Operations Centre (SOC) offers 24/7 monitoring for over 2,100 clients, ensuring business continuity by responding swiftly to incidents. Since 2023, SOC analysts have supported Orange Cyberdefense, delivering advanced cybersecurity services globally.
The Group also uses EU funds to implement tasks in the field of network expansion or digital education of the Orange Foundation (Note 18.2 of Financial Statement).

Health and security of society
All mobile phones offered by the Group comply with the emission standards set by the International Commission on Non-Ionizing Radiation Protection (ICNIRP). Each device undergoes testing to ensure safety, with Specific Absorption Rate (SAR) values always below the established limit of 2 W/kg. SAR information is available in user manuals and for each model in the e-store. The Group adheres to standards regarding electromagnetic fields (EMF) around base and broadcasting stations, implementing protective technical solutions for radio communication installations.

To protect children in the digital world, the Orange Foundation conducts educational activities on safe internet use and digital hygiene and, in cooperation with the Empowering Children Foundation, provides resources such as an e-learning platform, brochures, and online courses for parents and educators.

The Group offers parental control services to enhance children's online safety, including the Protect Children on the Web application and Safe Starter. Protect Children on the Web filters internet content, manages apps usage time, and monitors running programs. Safe Starter categorizes websites to block harmful content, ensuring parents can be contacted even without funds on their accounts. In 2024, more than 625 k customers used the child protection services.

Corrective actions in terms of negative impact on customers and end users include preventive actions through education and building awareness of customers and employees to eliminate human errors - educational materials, instructions, dedicated training; improvements and expansion of data protection systems or other processes in the Group and their certification; analysis of incidents of violations and taking corrective actions in relation to individual cases or entire processes.

6.3.7. ESRS S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Digital inclusion (**Entity specific disclosure)**
Digital inclusion targets cover equal access to digital services by network development, coverage and quality; education; offers; communication channels.

- Target: Access and network coverage at least at the agreed level (Note 3.3. Key Matter: Digital inclusion)
- Measure: Share of network coverage (area, population); number of HHs (households)

In terms of 4G network coverage, the level of implementation remains stable. Due to technical and economic conditions, achieving 100% coverage is not possible. FTTH (fibre to the home) access goals have been defined in the strategic investment plan in 2025. In the .Grow strategy, by 2024 the Group assumed achievement of the goal of at least 8 million households in fibre network range. The new goals will be announced in 2025.

Network coverage	2024	2023
4G network coverage outdoors – area	98.7%	98.5%
4G network coverage outdoors – population	99.9%	99.9%
Households within the FTTH range (in millions)	8.9	7.97

The achievement of network expansion and coverage targets is reported to the relevant regulatory authorities according to a defined external methodology.

Digital education:

- Target: Number of beneficiaries of digital education at least at the planned level (Note 3.3.; Key Matter: Digital inclusion)
- Measure: Number of digital education participants in a year

The main goal in digital education is to include a large group of beneficiaries in educational programmes. With its educational activities, the Group covers the most sensitive groups of customers and end users – children, adolescents and seniors. In 2024, a goal of 85 k beneficiaries in educational programmes was set. Further goals and actions in the field of digital education will be indicated in the new Group strategy, which will be announced in 2025.

Number of beneficiaries	2024	2023
Educational programmes of the Orange Foundation	146 920	112 537
Educational activities for seniors	19 486	5 075
Total	166 406	119 612

The definition of beneficiaries is common to the Orange Group and includes participants of workshops and other training forms.

Cybersecurity and data privacy

Personal data protection is an important element of its credibility and customer trust. The Group consistently monitors issues of personal data breaches and thoroughly analyses cases reported by the Group's customers.

The Group identifies, in particular, freedom of expression, freedom of information and protection of privacy as part of its responsibility to respect the human rights of the users of its products and services. The Group strives to provide strict control over what data and on what basis is disclosed to authorised government bodies; respect and work to protect users freedom of expression by seeking to avoid or minimize the impact of government restrictions on freedom of expression; respect and work to protect the privacy rights of users subject to government requirements, laws and regulations that may compromise privacy in a manner inconsistent with internationally recognized laws and standards.

The Group ensures full accountability of access and integrity of the data transferred. As part of industry chambers, the Group participates in public consultation, ensuring the consistency of national regulations with EU guidelines.

Personal data security and customer privacy as well as cybersecurity were identified as an important issue in the Double Materiality Analysis and the Group has set Target to address this issue:

- Target: Effective system of protection – no major disruptions (Note 3.3.; Key Matter: Cybersecurity and data privacy).

Due to the sensitivity of the information, the Group does not disclose information about breaches of its security systems.

The metrics selected to measure the Targets are as follows:

- Measure: Number of substantiated complaints to the President of the Personal Data Protection Office (UODO) and penalties;
- Measure: 100% employees trained in security by 2025 (based on the training system).

The implementation of the goal is monitored systematically and included in the annual goals of selected members of the Management Board.

Data protection and cybersecurity	2024	2023
Substantiated complaints regarding breaches of customer privacy and data loss	28 new sets of administrative proceedings by the President of UODO	25 new sets of administrative proceedings by the President of UODO
Fines related to personal data breaches	0	0
% of employees trained in cybersecurity	97.5%	92.0%

The President of UODO instituted 28 new administrative proceedings in 2024 and made further inquiries regarding 48 cases from previous years. The proceedings relate to customer complaints or reports of personal data breaches sent to UODO. In 2024, the Group received 33 decisions from the President of UODO closing the proceedings.

In 2024, no financial penalties were imposed on the Group for violations of data protection regulations. In 2024, 592 data protection breach notifications were sent to the President of UODO. The Group is still awaiting the decision of the President of UODO in relation to 103 open investigations.

The data above are based on the register of cases kept by the Agency of Information and Personal Data Protection.

Health and safety of society

The Group is currently conducting a number of activities related to protecting children online (Note 6.3.6.). Given that the topic of children protection has been identified as important, in order to better manage children's digital safety issues in 2025, the Group plans to adopt objectives in this area based on a new children protection policy and action plan.

7. Governance information

7.1 Business conduct

7.1.1. ESRS G1-1‑Business conduct policies and corporate culture

The Key Matters identified by the Group and its stakeholders in this area are corporate culture, ethics and compliance. -

The Group builds the culture through specific principles, common goals and, above all, values. The values, consistent across the whole Orange Group, are: caring, responsible, bold. The Group upholds ethical standards in its business practices, guiding employee interactions and promoting strong relationships with stakeholders.

Key elements of the Group's culture include:

- Code of Ethics: A commitment to high ethical standards in all relations with co-workers, partners, customers and the Group's environment, applicable to all employees.
- Ethics Committee: advises on compliance, reviews unethical behavior reports, and provides training to enhance ethical awareness.
- Data Ethics and AI Committee: focuses on ethical considerations in data and AI technologies.
- Principles of responsible communication: principles regarding ethics, responsibility, diversity, accessibility, image of children and other issues in marketing communication.
- Compliance system: includes Compliance Management Programme; Anti-Corruption Policy, Guidelines on Preventing Corruption, Economic Sanctions Policy, Anti-Money Laundering and Countering the Financing of Terrorism Policy, Fraud Prevention Policy, and Whistleblowing Policy.
- Whistleblowing system: allows confidential reporting of violations, ensuring protection against retaliation for whistleblowers.

The policies are in accordance with regulations, including contained in the provisions of the Polish and French penal codes, French law no. 2016-1691 of December 9, 2016 regarding transparency, the fight against corruption and the modernization of the economy (Sapin II Law), regulations of the American act on the fight against corruption abroad (Foreign Corrupt Practices Act), British anticorruption act (UK

Bribery Act) and any other legislations or regulations against corruption, national, European and international legal and regulatory provisions in terms of economic sanctions.

In the event of a suspected breach of ethics, the Group's employees can easily contact the Ethics Committee via a dedicated e-mail box zapytaj.etyka@orange.com or by contacting the Chairman of the Ethics Committee in person or in writing. It is also possible to send an email or letter directly to the Chairman of the Audit Committee or to contact the Orange Group via the form at www.orange.integrityline.org. All submissions are treated confidentially. Employees, co-workers and other stakeholders can report observed violations of the law, internal regulations, procedures and processes and other irregularities related to the Group's operations using the whistleblowing system. The Group provides adequate protection for whistleblowers. All reports, even anonymous ones, are verified with due care and attention to confidentiality.

The whistleblowing system supports the Group's activities, particularly those relating to ethics, compliance management and CSR, and reduces the risk of reputational and financial losses. The Group has been applying the principles of reporting irregularities for many years, supervised by the Ethics Committee. Now, based on the provisions of the Act on the Protection of Whistleblowers of 14 June 2024, the Management Board has adopted a new procedure for such reports. Breaches of the provisions of law or internal regulations can be reported by e.g.: employees and associates of the Group and partners and other stakeholders. The Policy indicates that no retaliatory actions or attempts or threats to apply such actions will be taken against the Whistleblower in connection with the report made. In addition, the Group guarantees the protection of the confidentiality of the identity of persons reporting irregularities. Only authorized persons may have access to the data provided.

Reporting to Management Bodies
Reports on the implementation of activities in the area of ethics and compliance, as well as risks in these areas, are submitted at least once a year to the Management Board and the Audit Committee of the Supervisory Board.

7.1.2. ESRS G1-2 ‑ Management of relationships with suppliers

The Group builds good, long-term relationships with its suppliers and business partners. The Group strives to ensure that its relationships with suppliers are based on long-term contracts with transparent terms of cooperation. Approximately 98% of purchases (by value) are based on long-term framework agreements. The Group ensures that these relationships are based on transparent principles and mutual commitments to ethical, social and environmental standards. The Group wants to work with partners who share its business ethics and who share its social and environmental commitments. The Group does not separate suppliers from the small and medium-sized enterprises (SME) category in its systems.

The Group has introduced the Code of Conduct for Suppliers. Its purpose is to encourage the partners to apply and respect regulations related to human rights, business ethics and social and environmental obligations and to ensure their proper and effective application (Note 6.2.). As part of the due diligence process, the Group identifies risks relating to human rights (Note 2.4.), workers' rights (Note 6.2.6.) and environment protection (Note 5.1.9.) in the chain of activities.

7.1.3. ESRS G1-3 – Prevention and detection of corruption and bribery

Integrity and compliance are fundamental Orange values that have contributed to building the Group's reputation. Implementation of the Compliance Programme confirms its will to operate in accordance with the law, regulations and market practices, in an ethical and transparent manner.

The Group applies the highest standards not only with regard to the quality and innovation of its services, but also in its relationships with business partners and customers, as well as between employees. The Group aims to provide an effective compliance risk management system, monitor and identify risks and take corrective actions. The Group actively counteracts such phenomena as corruption and paid patronage, conflict of interest and fraud, as well as any situations involving the employees and contractors that could cause negative consequences for the Group.

One of the key elements of the Compliance Management Programme is the Anti-Corruption Policy, based on the principle of zero tolerance for corruption in any form in all activities. It sets out rules of conduct and identifies prohibited behaviours that may be considered as corruption or paid patronage. Compliance with anti-corruption standards is required from all Group's employees, as well as from its business partners (cooperating companies, suppliers, subcontractors, consultants and intermediaries acting on its behalf). The correct application of the Anti-Corruption Policy is supported by internal regulations. The Guidelines for Prevention of Corruption, adopted by the Group, set out, inter alia, the policy on gifts and invitations, which defines the categories of benefits received or offered and the procedure for reporting such cases. The rules introduced in the Group on identifying and preventing conflicts of interest make it possible to manage risks in this regard.

The Compliance Agency conducts communication activities to build employee awareness of the applicable rules. Participation in mandatory training courses and workshops allows the teams to better understand the phenomenon of corruption and to respond appropriately in problematic situations. Training covers data protection, competition law and the prevention of corruption risks. Currently, the highest risk estimates in the Group are in the following units:

- dealing with high-value transactions (Purchases, Real Estate Sales), this results from the value of the transaction, the possibility of long-term intimacy with the supplier/s;
- supervising the acceptance of work from the supplier (various network, technical, business units);
- interactions with the public sector, officials (obtaining permits, decisions, sales to the public sector), e.g. Sales to the Key Account Sector, Regulatory Cooperation, Network Investments and others;
- access to sensitive information, e.g. Management Board Office, Mergers and Acquisitions and other;
- conducting activities exposed to the risk of corruption: making donations, cooperating with social organisations and public institutions (Corporate Communication and CSR);
- recruiting people for high management positions - human resources.

The Compliance Agency conducts inspections regarding the application of, among others, the Anti-Corruption Policy, the partner verification process – iDDFix, donations made, checks the level of knowledge (survey on knowledge of compliance rules) and other control activities.

The Group annually maps corruption risks based on the Orange Group's methodology: valuation of corruption scenarios. In 2024, all the Group’s business units were subjected to a corruption risk analysis, and elevated corruption risks were identified in 26% of the Group's business areas. Appropriate controls and risk mitigation measures have been implemented in all of these areas. Areas at risk have mandatory additional training on how to prevent and detect corruption and how to act in accordance with the law and internal regulations in this regard, and on the mutual responsibility of employees and colleagues.

Prevention of corruption	2024	2023
Number of employees trained in anti-corruption	8 101	983
% of persons in functions at risk included in training programmes	95.2%	89.6%

The training was completed by employees during the reporting period.

In addition, areas particularly exposed to the risk of corruption are monitored for, inter alia, the correct application of internal and external regulations and the effectiveness of the mechanisms in place to mitigate the risk of irregularities. The Compliance Agency audits high-risk entities as well as subsidiaries for compliance with the Anti-Corruption Policy and Guidelines, the process of verifying business partners, and the use of compliance clauses in contracts.
In order to protect against the risks of corruption, non-compliance with economic sanctions, money laundering, terrorist financing and fraud, the Group applies due diligence procedures in its relationships with business partners. This allows it to 'get to know the partners', control potential risks and make an informed decision before engaging with a particular entity.
Based on the economic sanctions compliance policy and trade control rules implemented at the Group, the Compliance function also carries out activities to ensure compliance with applicable sanctions programmes and regulations applicable to the Group's operations, particularly compliance with restrictions against certain countries, individuals and entities on sanctions lists issued by Poland and the European Union and its Member States, the United Nations and the United States. If violations are detected, an investigation is carried out by the Compliance Agency and Internal Audit, which is an independent function within the organisation.

In relation to the core issue of business conduct identified in the Double Materiality Analysis, the Group set the Targets as presented below (Note 3.3., Key Matter: Ethics and Compliance):

- Target: Training of all employees in compliance by 2025 (Note 7.1.4.)
- Measure: Percentage of employees trained in compliance

The implementation of the goal is monitored systematically and included in the annual goals of selected members of the Management Board and covers trainings completed by employees during the period.

Prevention of corruption	2024	2023
Percentage of employees trained in compliance	97.3%	89.6%

7.1.4. ESRS G1-4 – Confirmed incidents of corruption or bribery

- Target: Compliance with ethical principles and no violations in the area of compliance, no major violation (Note 7.1.4.)
- Measure: Number of violations (court cases against the Group, initiated by third party)

Incidents of corruption	2024	2023
Number of convictions for violations of anti-corruption and anti-bribery law	0	0
Amount of fines for violations of anti-corruption and anti-bribery law	0	0

7.1.5. ESRS G1-5 – Political influence and lobbying activities

The Group does not carry out any lobbying activities in Poland. In accordance with Chapter 7 of the Group's Anti-Corruption Guidelines, the Group prohibits any type of contribution from the Group (cash, valuables, goods or services, loans, valuable loan securities) made directly or indirectly to political parties. No financial or in-kind contributions were granted to political parties, politicians or related institutions between 1 January and 31 December 2024. At the same time, the Group is an active participant in the public debate and social dialogue, which is carried out through the participation in social and industry organisations. During public consultations on issues that are important for the Group's area of operation, OPL, along with other companies and organisations, transparently and openly presents its position on a given issue.

National organisations include Lewiatan Confederation, National Chamber of Commerce, Polish Chamber of Information Technology and Telecommunications, French-Polish Chamber of Commerce, Polish Donors Forum, Responsible Business Forum, Business Centre Club, Foundation for the Development of Radio and Multimedia Technology, and Association of Stock Exchange Issuers. Participation in these organisations is strategic for the Group, with the Group's representatives sitting on their governing bodies, the Group paying membership fees to support statutory activities and participating in additional projects of the organisations. International organisations include Connect Europe, Forum for International Irregular Network Access (FIINA), Global Compact (on the Group level), Global Settlements Carrier Group (GSCG), International Cable Protection Committee (ICPC), International Inbound Services Forum (IISF), International Telecommunication Union (ITU), RIPE Network Coordination Centre (RIPE NCC), TeleManagement Forum (TM Forum), Forum of Incident Response and Security Teams (FIRST), GSM Association (GSMA), and European Internet Exchange Association (Euro-IX). Participation in these organisations is industry-specific and involves the payment of the fees and participation in various projects of the designated organisations.

7.1.6. ESRS G1-6 Payment practices

In 2024, the Group cooperated with 2,880 suppliers in Poland. The standard OPL's payment term for a supplier is 30 days (for 35.2% of contracts). Contracts with a payment term of up to 30 days, e.g. 7, 14 or 21 days, constitute 84.6% of contracts, and over 30 days account for 9.3%. The rest are contracts with a specified payment date, e.g. the 10th day of the month. In OPL's subsidiaries, the most common term of payment is 14 days.

Payment practices	2024	2023
Average time to pay an invoice*	28 days	30 days
Standard payment term	30 days	30 days
Number of legal proceedings pending on 31 December in relation to late payments	2**	Not available

* The metric relates to all contracts, currently the Group is not able to separate the categories of small and medium-sized enterprise (SME) suppliers in its evidence and will do this in the following periods. We are working to make the identification of SMEs and the possibility of reporting these entities possible next year. The data is based on real payments and comes from the accounting system, which handles the Group's payments.
** In these court proceedings, two different entrepreneurs, each from the SME group, demanded, in addition to the principal amount, interest for delay in commercial transactions.

8. Appendix

This Appendix is an integral part of the Statement. It includes disclosures required by ESRS but, in the opinion of the Group, not material for the users of this Statement, such as EU Taxonomy (Note 8.1.) which is of low significance in the Group as of now due to EU Taxonomy regulations which do not cover telecommunication activities, or disclosures making this Statement difficult to read, like the full list of ESRS clauses covered in this Statement (Note 8.2.) and detailed information on regulations other than ESRS (Note 8.3.).

8.1. European Taxonomy

This Note of the Sustainable Statements of the Group was prepared based on the EU Taxonomy regulations, including Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investments and amending Regulation (EU) 2019/2088s (“EU Taxonomy”).

The technical screening criteria, regulated in the EU Taxonomy, specify economic activities that can contribute substantially to any of the following six environmental objectives: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems.

In line with the EU Taxonomy regulations, the Group publishes the key performance indicators presenting the percentage of revenue (turnover), capital expenditure (“CapEx”) and operating expenditure (“OpEx”) related to activities that qualify i.e. are eligible as well as the share of revenue, CapEx and OpEx related to activities aligned with EU Taxonomy i.e. activities which are eligible and meet the criteria to be recognised as sustainable. No activity of the Group has been recognised as eligible economic activity contributing to the environmental objectives covering climate change adaptation, sustainable use and protection of water and marine resources, pollution prevention and control, and protection and restoration of biodiversity and ecosystems. The Group would like to highlight that it performs other activities that are sustainable, but are not covered by the EU Taxonomy.

The aligned activities are eligible activities which meet (i) the criteria of significant contribution to one environmental goals, (ii) the criteria of not causing significant harm to other environmental objectives (Do No Significant Harm – “DNSH”), and (iii) the minimum safeguards, i.e. appropriate procedures to ensure compliance with the Organisation for Economic Cooperation and Development (OECD), Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights, the declaration on Fundamental Principles and Rights at Work of the International Labour Organisation (ILO) and the eight fundamental conventions of the ILO and the International Bill of Human Rights.

Currently, most of the Group's activities related to the provision of telecommunications services to residential and business customers and other telecommunication operators are not covered by the scope of the EU Taxonomy regulations. This results in the low levels of the disclosed performance indicators.
The Information and Communication Technology (ICT) sector has a potential for reducing its own direct and indirect GHG emissions and the digital technology may positively contribute to the achievement of the EU climate goals by enabling the reduction of emissions in other sectors. Therefore, it is expected that the Group’s activities will be covered by the EU Taxonomy in the future.

8.1.1. The Group's eligible and aligned activities

The Group's eligible activities generating revenue:

Environmental objective	Activity per EU Taxonomy	Description of the activity per UE Taxonomy	Description of Group's activity
Climate change mitigation	7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings and parking spaces attached to buildings.	Installation, maintenance and repair of charging stations for electric vehicles in buildings and parking spaces attached to buildings.	Installation, maintenance and repair of charging stations for electric vehicles as part of the Orange Energia (OE) offer
	7.6 Installation, maintenance and repair of renewable energy technologies.	Installation, maintenance and repair of renewable energy technology systems on site.	On site professional services (installation) related to photovoltaic systems, heat pump and energy storage to residential and business customers as part of the OE offer
	7.7 Acquisition and ownership of buildings.	Purchase of real estate and exercise of ownership rights to that real estate	New lease contracts or renewal of lease contracts (offices, point of sales and technical spaces). Rents inc. offices and technical spaces. Sublease of office (Miasteczko Orange Warsaw)
	8.1 Data processing, hosting and related activities.	Storage, manipulation, management, movement, control, display, switching, interchange, transmission or processing of data through data centres, including edge computing.	Hosting, cloud, big data and data processing services in data centres. • Data Centre (DC) in Łódź • Warsaw Data Hub in Warsaw • Disaster Recovery Data Centre Psary (DRDC) in Psary • Data Centre Natolin in Warsaw
	8.2 Data-driven solutions for GHG emissions reductions.	Development or use of ICT (Information and communication technologies) solutions that are aimed at collecting, transmitting, storing data and at its modelling and use where those activities are predominantly aimed at the provision of data and analytics enabling GHG emission reductions. Such ICT solutions may include the use of decentralized technologies (i.e. distributed ledger technologies), Internet of Things, 5G or Artificial Intelligence.	Intelligent services based on the Internet of Things (IoT) – Smart City services
Transition to a circular economy	5.4 Sale of second-hand goods.	Sale of second-hand goods that have been used for their intended purpose before by a customer (physical person or legal person), possibly after repair, refurbishment or remanufacturing.	Refurbished smartphones offer
	5.5 Product-as-a-service and other circular use- and result-oriented service models.	Providing customers (physical person or legal person) with access to products through service models, which are either use-oriented services, where the product is still central, but its ownership remains with the provider and the product is leased, shared, rented or pooled; or result-oriented, where the payment is pre-defined and the agreed result (i.e. pay per service unit) is delivered.	Lease of CPE (Customer Premises Equipment) to residential and business customers

The Group's eligible activities which do not generate revenue:

Environmental objective	Activity per EU Taxonomy	Description of Group's activity
Climate change mitigation	6.5 Transport by motorbikes, passenger cars and light commercial vehicles.	Fleet of hybrid and electric vehicles
	7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings and parking spaces attached to buildings.	Maintenance chargers for electric vehicles on parking lots at Group's locations
Circular Economy	5.1 Repair, refurbishment and remanufacturing.	CPEs and smartphone's refurbishment line

8.1.2. Taxonomy eligible activities – key performance indicators (KPI)

8.1.2.1. Proportion of turnover associated with eligible activities

The proportion of turnover associated with eligible activities has been determined by dividing total revenue from the eligible activities described in Note 8.1.1. by total revenue specified in the consolidated income statement in the Financial Statements of the Group for the year ended December 31, 2024 and in the Note 6 'Consolidated revenue' therein. In relation to the rules used in the Financial Statements, revenue does not include other operating income.

	December 31, 2024
Revenue from eligible activities	PLN 150.94 million
Consolidated revenue	PLN 12,732 million
Turnover KPI for eligible activities	1.19%

Share of the Group's eligible turnover is low because most of the Group's activities are not covered by the EY Taxonomy. Eligible turnover in 2024 presented in the numerator of the turnover KPI, includes mainly revenue from lease of CPEs to residential and business customers for the duration of telecommunications services contracts, IoT-based smart services and from rent and sublease of offices, including Miasteczko Orange in Warsaw. Additionally, it covers revenue coming from sale of refurbished smartphones purchased from suppliers and used smartphones refurbished by the Group, as well as hosting, cloud, big data and data processing services in data centres. The eligible turnover includes also professional services related to OE offers: installation of photovoltaic systems, heat pump, energy storage and charging stations for electric vehicles.

8.1.2.2. Proportion of capital expenditure associated with eligible activities

The proportion of Group's CapEx associated with eligible activities has been determined by dividing the capital expenditure related to the eligible activities described in Note 8.1.1. by total CapEx specified in the Financial Statements of the Group for 2024, determined according to the definition of the EU Taxonomy as an increase in:

- intangible assets (acquisition of intangible assets in Note 11 'Other intangible assets' in the Financial Statements);
- fixed assets (acquisition of property, plant and equipment in Note 12 'Property, plant and equipment' in the Financial Statements); and
- right-of-use assets (additions in Note 14.1 'The Group as a lessee' in the Financial Statements).

	December 31, 2024
Capital expenditure associated with eligible activities	PLN 179.58 million
Total capital expenditure	PLN 2,284 million
CapEx KPI for eligible activities	7.86%

Total capital expenditure (CapEx), as defined above, differs from eCapex presented in the Financial Statements, mainly because eCapex does not include an increase in assets related to telecommunications licenses and the right-of-use assets and is reduced by proceeds accrued on disposal of assets.

The low level of eligible CapEx results from the fact that the EU Taxonomy, in its current form, does not cover most activities of the telecommunications sector, in particular telecommunications networks and services, undertaken to mitigate or adapt to climate changes or other environmental goals.

In 2024, the Group's eligible CapEx relates mainly to purchase of new CPEs for leasing to customers for the duration of telecommunications services contracts. After the service contract expires, the equipment is returned to the Group and additionally refurbished to "as new" condition in the Group's specialised refurbishment centre. Additionally, eligible CapEx covers development of the technical infrastructure of the data centres, lease of real estate for office spaces, points of sales and technical facilities by Group and developing of low emission fleet (in 2024 only hybrid cars were purchased). Capital expenditure comes also from development of refurbishment line (mentioned above) of CPEs and smartphone's and of chargers for electric vehicles on parking lots at Group's locations.

8.1.2.3. Proportion of operating expenditure associated with eligible activities

The KPI is calculated as the eligible operating expenditure in the numerator and total operating expenditure in the denominator, which includes, as defined by the EU Taxonomy regulations, the following items:

- non-capitalised costs related to research and development;
- building renovation works;
- short-term leases;
- maintenance and repairs;
- any other direct costs related to the day-to-day operation of property, plant and equipment by the entrepreneur or a third party to whom the activities necessary to ensure the continuity and efficiency of the operation thereof are outsourced.

	December 31, 2024
Operating expenditure associated with eligible activities	PLN 18.67 million
Total operating expenditure	PLN 1,057.76 million
OpEx KPI for eligible activities	1.77%

Operating expenditure included in the KPI are reported as costs of external purchases, other operating income and expense and labour expense in the Financial Statements and do not cover a large portion of operating expenditure included in the consolidated operating income of the Group.

The low level of OpEx stems from the fact that the EU Taxonomy, in its current form, does not a covered most activities of the telecommunications sector (in particular telecommunications networks and services) undertaken to mitigate or adapt to climate changes to other environmental goals.

Under the current EU Taxonomy framework, the Group cannot recognise costs of energy purchased for its own needs (Power Purchase Agreement contracts), particularly for the operation of data centres, from renewable sources.

The eligible operating expenditure in 2024, presented in the numerator of the performance indicator, include mainly costs of maintenance of the technical infrastructure of data centres, intelligent services based on the Internet of Things, maintenance of rent and subleased by the Group properties like Miasteczko Orange in Warsaw and also maintenance costs of hybrid and electric vehicles. Additionally, eligible operating expense covers maintenance of chargers for electric vehicles on parking lots at Group's locations.

8.1.3. Taxonomy aligned activities - key performance indicators

8.1.3.1. Proportion of turnover associated with aligned activities

As explained above, the aligned activities are eligible activities that meet (i) the criteria of substantial contribution to one environmental goal (ii) the criteria of DNSH and (iii) the minimum safeguards.

The assessment of alignment of activities with the substantial contribution and DNSH criteria has been conducted through the analysis of the EU Taxonomy requirements in this regard for the Group's eligible activities and determination whether particular activities meet these requirements.

The assessment of alignment of the Group's activities in terms of the minimum safeguards has been conducted through the analysis of the requirements in this regard and determination whether the Group meets them (Note 8.1.4.).

The proportion of the Group's turnover associated with aligned activities has been determined by dividing total revenue from aligned activities by consolidated revenue of the Group. Aligned revenue has been determined by valuation of revenue generated by the aligned activities. The consolidated revenue equals to the consolidated revenue defined in Note 8.1.2.1.

	31 December 2024
Revenue from aligned activities	PLN 75.88 million
Consolidated revenue	PLN 12,732 million
Turnover KPI for aligned activities	0.60 %

The Group's revenue from the following activities is assumed as aligned:

- activity 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings and parking spaces attached to buildings (OE offer).
- activity 7.6 Installation, maintenance and repair of renewable energy technologies (OE offer).
- activity 5.4 Sale of second-hand goods related to the refurbished mobile phones offer provided by one supplier.
- activity 5.5 Product-as-a-service and other circular use and result-oriented service models related to lease of CPEs (modems, set-top boxes, routers) to residential and business customers.

The low proportion of the Group's revenue from aligned activities results mainly from the low share of eligible activities.

Portion of revenue from activity 5.4 related to the refurbished mobile phones offer provided by rest external suppliers and related to mobile phones refurbished by the Group is considered as non-aligned because it does not meet the technical screening criteria i.a. certification of packaging raw materials.
Activity 7.7 Acquisition and ownership of buildings is considered as non-aligned, as no detailed analysis has been carried out in order to assess their compliance with the technical screening criteria and "do not significant harm" criteria due to lack of data also significant effort required to analyse each rental agreement included in the Group's portfolio.
Activity 8.1 Data processing, hosting and related activities is not aligned, as the data centres operated by the Group do not comply with some of the technical screening criteria, such as verification by an independent third party of implementation of the relevant practices listed in the European Code of Conduct on Data Centre Energy Efficiency and the criterion regarding the Global Warming Potential (GWP) of refrigerants used in the data centres' air conditioning systems. The refrigerants used in the data centres' cooling systems do not comply with the GWP performance required by the EU Taxonomy.
Activity 8.2 Data-driven solutions for GHG emissions reductions includes the IoT intelligent services offered by the Group which are key to optimise management of resources, processes and mobility, which may result in reduction of GHG emissions. At the same time, the Group assesses its IoT services as non-aligned, because the Group has not performed life cycle analyses thereof and does not have access to external data (customers' data) on the results of the implementation of the IoT-based solutions that would enable the assessment of GHG emissions reduction. Consequently, the relevant calculations have not been verified by an independent third party and the technical screening criteria have not been met.

8.1.3.2. Proportion of capital expenditure associated with aligned activities

The proportion of the Group's CapEx associated with aligned activities has been determined by dividing the capital expenditure spent on aligned activities by the total capital expenditure defined in the Note 8.1.2.2. above.

	December 31, 2024
Capital expenditure associated with aligned activities	PLN 65.03 million
Total capital expenditure	PLN 2,284 million
CapEx KPI for aligned activities	2.85%

The Group's CapEx incurred in the following activities is assumed as aligned:

- Activity 6.5 Transport by motorbikes, passenger cars and light commercial vehicles related to settlement of purchase electric cars in 2023 (no purchase in 2024 of new electric cars).
- Activity 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings and parking spaces buildings related to settlement of cost installation of charger for electric vehicles on parking lots at Group's locations in 2023 (no purchase in 2024 of new chargers).
- Activity 5.1 Repair, refurbishment and remanufacturing related to a development of modems/decoders and smartphones refurbishment line.
- Activity 5.5 Product-as-a-service and other circular use- and result-oriented service models related to purchase of CPEs (modems and decoders and other) to rent to clients.

CapEx related to activity 6.5 Transport by motorbikes, passenger cars and light commercial vehicles related to purchase of hybrid cars is considered as non-aligned, as it does not meet the technical screening criteria and DNSH.
Capex related to activity 7.7 Acquisition and ownership of buildings is considered as non-aligned, because no detailed analysis has been carried out in order to assess compliance of this activity with the

technical screening criteria and DNSH due to the lack of information of the properties rented by the Group.
CapEx related to activity 8.1 Data processing, hosting and related activities covering development of technical infrastructure of data centres and modernisation of equipment is considered as not aligned for the reasons presented in Note 8.1.3.1.

The share of non-aligned capital expenditure is low because of a small portion of the Group's activities is covered by the current scope of the EU Taxonomy as well as the reasons presented above.

8.1.3.3. Proportion of operating expenditure associated with aligned activities

The proportion of the Group's operating expenditure associated with aligned activities has been determined by dividing OpEx related to aligned activities by the total OpEx defined in Note 8.1.2.3.

	December 31, 2024
Operating expenditure associated with aligned activities	PLN 0.66 million
Total operating expenditure	PLN 1,057.76 million
OpEx KPI for aligned activities	0,06 %

The Group's OpEx incurred in the following activities is assumed as aligned:

- Activity 6.5 Transport by motorbikes, passenger cars and light commercial vehicles related to maintenance costs of electric vehicles remaining in Group's fleet.
- Activity 7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings and parking spaces in the Group's locations related to fixed fee to the provider of chargers for maintenance support.

OpEx related to Activity 6.5 Transport by motorbikes, passenger cars and light commercial vehicles related to maintenance costs of hybrid cars is considered as non-aligned, because it does not meet the technical screening criteria and DNSH.
OpEx related to activity 7.7 Acquisition and ownership of buildings is considered as non-aligned, because no detailed analysis has been carried out in order to assess compliance of this activity with the technical screening criteria and DNSH due to the lack of information of the properties rented by the Group.
OpEx associated with the activity 8.1 Data processing, hosting and related activities and the activity 8.2 Data-driven solutions for GHG emissions reductions is considered to be non-aligned for the reasons presented in Note 8.1.3.1.

8.1.4. Minimum safeguards

In order to assess compliance with minimum safeguards, the Group decided to comply with the guidelines included in the "Final report on minimum safeguards" disclosed by the Platform on sustainable finance in October 2022.

The Group respects the minimum safeguards. The Group ensures compliance of its activities with the principles and recommendations set out in the relevant documents, such as the OECD Guidelines for Multinational Enterprises and UN Guiding Principles on Business and Human Rights, as well as the conventions and declarations on human rights, fundamental principles and rights at work indicated in the EU Taxonomy.

The Group has undertaken and continuously enhances activities aimed at, among others:

- protection of fundamental human rights, rights at work;
- preventing and detecting corruption;
- compliance with tax regulations and proper tax risk management;
- compliance with applicable laws and regulations regarding competition protection.

The Group has implemented the following procedures and processes to confirm compliance with the minimum safeguards:

- human rights due diligence process;
- anti-corruption policies and procedures;
- tax transparency report;
- identification of litigations related to competition protection law or corruption matters.

In the period covered by the verification, there were no final convictions against the Group and the it was not ultimately held liable or found to be violating the law in the field of human rights, including workers' rights, corruption, taxation and competition protection.

8.1.5. Methodology note

The Group's eligible and aligned activities are identified based on a review of the Group's activities portfolio and their comparison to the list of eligible activities as defined by the EU Taxonomy regulations and the alignment criteria. The analysis is conducted by the Group's finance and CSR team together with business teams and in co-operation with an external consultant.

Valuation of the key performance indicators presented in Notes 8.1.2. and 8.1.3. is based on the EU Taxonomy regulations. The following assumptions are specific by the Group:

- Revenue from activity 8.1 Data processing, hosting and related activities includes revenue from hosting solutions offered by the Group to business customers, cloud solutions, big data analytics and data processing in the data centres. Comparative data for 2023 were changed according to the Orange Group definition of data centres.
- Within activity 8.2 related to IoT services, the Group sells ready-made, comprehensive solutions consisting of hardware, assembly and installation services, and connectivity services, along with access to a platform enabling management of the comprehensive service environment: devices, connectivity and data. Revenue from equipment sales and connectivity is not separated therefore the whole revenue is included in eligible revenue.
- Capital expenditure related to the activity 7.7. Acquisition and ownership of buildings includes an increase in the right-of-use for new leases of offices, technical spaces and points of sales, as well as an increase in the value of buildings purchased, built by the Group. Revenue from the activity 7.7. Acquisition and ownership of buildings includes revenue from rent and sublease of offices and technical spaces. OpEx related to the activity 7.7. Acquisition and ownership of buildings includes the cost of maintaining properties, rented and subleased by the Group. Activity 7.7. Acquisition and ownership of buildings does not include revenue from sublease presented in other operating income in Financial Statements (sublease of points of sales by the Group as part of a larger cooperation agreement with agents).
- The Group has not double-counted revenue, capital expenditure and operating expenses in the key performance indicators. During the analysis, no types of activities contributing to more than one environmental objective were identified. Therefore, there was no need to apply special procedures to avoid double counting.
- In case of operating expenses, which are defined in the EU Taxonomy regulations in a different way than in the Financial Statements, a review of all accounts in the Group's accounting system was carried out and then the identified items, meeting the definition of OpEx, were assigned to a given type of activity qualifying for the EU Taxonomy or to operating expenses not qualifying for the EU Taxonomy.
- The Group has not issued any green bonds in 2024.

8.1.6. Performance indicators tables

The Group does not carry out activities related to nuclear and fossil gas and the EU Taxonomy regulations require to disclose the below table in the Statement therefore all answers in the table are negative.

	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
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
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
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	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
6	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

Table 1. Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering 2024

				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities (1)	Code(s) (2)	Turnover (3) [PLN mln]	Proportion of Turnover, 2024 (4) [%]	Climate Change Mitigation (5) [Y; N; N/EL]	Climate Change Adaptation (6) [Y; N; N/EL]	Water and Marine Resources (7) [Y; N; N/EL]	Pollution (8) [Y; N; N/EL]	Circular Economy (9) [Y; N; N/EL]	Biodiversity and Ecosystems (10) [Y; N; N/EL]	Climate Change Mitigation (11) [Y/N]	Climate Change Adaptation (12) [Y/N]	Water and Marine Resources (13) [Y/N]	Pollution (14) [Y/N]	Circular Economy (15) [Y/N]	Biodiversity (16) [Y/N]	Minimum Safeguards (17) [Y/N]	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, 2023 (18) [%]	Category (enabling activity) (19) [E]	Category (transitional activity) (20) [T]
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Installation, maintenance and repair of charging stations for electric vehicles in buildings and parking spaces attached to buildings	CCM 7.4	0.42	0.00 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.01%	E	
Installation, maintenance and repair of renewable energy technology systems	CCM 7.6	9.82	0.08 %	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.10%	E	
Sale of second-hand goods	CE 5.4	7.87	0.06 %	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	0.00%		
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	57.78	0.45 %	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	0.00%		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		75.88	0.60 %	0.08%	0%	0%	0%	0.52%	0%	Y	Y	Y	Y	Y	Y	Y	0.11%		
Of which enabling		**10.24**	**0.08 %**	0.08%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0.11%	E	
Of which transitional		**0.00%**	**0.00 %**	0.00%						Y	Y	Y	Y	Y	Y	Y	0.00%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)				**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**										
Acquisition and ownership of buildings	CCM 7.7	22.29	0.18 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00%		
Data processing, hosting and related activities	CCM 8.1	7.27	0.06 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.05%*		
Data-driven solutions for GHG emissions reductions	CCM 8.2	34.58	0.27 %	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.27%		
Sale of second-hand goods	CE 5.4	10.91	0.09 %	N/EL	N/EL	N/EL	N/EL	EL	N/EL								0.07%		
Product-as-a-service and other circular use- and result-oriented service models	CE 5.5	0.00	0.00 %														0.26%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		75.06	0.59 %	0.50%	0%	0%	0%	0.09%	0%								0.87%		
Turnover of Taxonomy-eligible activities (A.1+A.2)		150.94	1.19 %	0.58%	0%	0%	0%	0.60%	0%								0.99%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy non-eligible activities		12,581.06	98.8%																
TOTAL		12,732.00	100%																

The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering the objective, i.e.:
– Climate Change Mitigation: CCM
– Climate Change Adaptation: CCA
– Water and Marine Resources: WTR
– Circular Economy: CE
– Pollution Prevention and Control: PPC
– Biodiversity and ecosystems: BIO

Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

Where an economic activity contributes substantially to multiple environmental objectives, non-financial undertakings shall indicate, in bold, the most relevant environmental objective for the purpose of computing the KPIs of financial undertakings while avoiding double counting. In their respective KPIs, where the use of proceeds from the financing is not known, financial undertakings shall compute the financing of economic activities contributing to multiple environmental objectives under the most relevant environmental objective that is reported in bold in this template by non-financial undertakings. An environmental objective may only be reported in bold once in one row to avoid double counting of economic activities in the KPIs of financial undertakings. This shall not apply to the computation of Taxonomy-alignment of economic activities for financial products defined in point (12) of Article 2 of Regulation (EU) 2019/2088. Non-financial undertakings shall also report the extent of eligibility and alignment per environmental objective, that includes alignment with each of environmental objectives for activities contributing substantially to several objectives, by using the template below:

* Comparative data for 2023 were changed according to the Orange Group definition of data centres.

	Proportion of turnover/Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.08%	0.58%
CCA	0%	0%
WTR	0%	0%
CE	0.52%	0.60%
PPC	0%	0%
BIO	0%	0%

Table 2. Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering 2024

				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities (1)	Code(s) (2)	CapEx (3) [PLN mln]	Proportion of CapEx, 2024 (4) [%]	Climate Change Mitigation (5) [Y; N; N/EL]	Climate Change Adaptation (6) [Y; N; N/EL]	Water and Marine Resources (7) [Y; N; N/EL]	Pollution (8) [Y; N; N/EL]	Circular Economy (9) [Y; N; N/EL]	Biodiversity and ecosystems (10) [Y; N; N/EL]	Climate Change Mitigation (11) [Y/N]	Climate Change Adaptation (12) [Y/N]	Water and Marine Resources (13) [Y/N]	Pollution (14) [Y/N]	Circular Economy (15) [Y/N]	Biodiversity (16) [Y/N]	Minimum Safeguards (17) [Y/N]	roportion of Taxonomy-aligned (A.1 or -eligible (A.2.) CapEx., 2023 (18) [%]	Category (enabling activity) (19) [E]	Category (transitional activity) (20) [T]
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0.64	0.03%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.14 %		T
Installation, maintenance and repair of charging stations for electric vehicles in buildings and parking spaces attached to buildings	CCM 7.4	0.02	0.00%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.06%	E	
Installation, maintenance and repair of renewable energy technology systems	CCM 7.6	0.00	0.00%														0.02%	E	
Repair, refurbishment and remanufacturing	CE 5.1	0.07	0.00%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	0.00%		
Product-as-a-service and other circular use-and result-oriented service models	CE 5.5	64.30	2.82%	N/EL	N/EL	N/EL	N/EL	Y	N/EL	Y	Y	Y	Y	Y	Y	Y	0.00%		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)*		65.03	2.85%	0.03%	0%	0%	0%	2.82%	0%	Y	Y	Y	Y	Y	Y	Y	0.21%		
Of which enabling		**0.02**	**0.00%**	0%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0.07%	E	
Of which transitional		**0.64**	**0.03%**	0.03%						Y	Y	Y	Y	Y	Y	Y	0.14%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)				**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**										
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	9.92	0.43%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.03%		
Acquisition and ownership of buildings	CCM 7.7	21.09	0.92%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2.84%		
Data processing, hosting and related activities	CCM 8.1	83.54	3.66%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.05%		
Repair, refurbishment and remanufacturing	CE 5.1	0.00	0.00%														0.01%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		114.55	5.02%	4.58%	0%	0%	0%	0%	0%								3.93%		
CapEx of Taxonomy-eligible activities (A.1+A.2)		179.58	7.86%	4.61%	0%	0%	0%	2.82%	0%								4.14%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy non-eligible activities		2104.75	92.1%																
TOTAL		2284.00	100%																

**CapEx KPI adjusted in connection with a bond issue*	N/A

Formula for calculating CapEx KPI adjusted in connection with a bond issue:

$$\frac{\text{Total CapEx (z) - F}}{\text{Total CapEx}} \%$$

Total CapEx (z) – Total CapEx associated with environmentally sustainable activities (Taxonomy-aligned); F – Financing obtained by issuance of green bonds or debt securities

	Proportion of CapEx/Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.03%	4.61%
CCA	0%	0%
WTR	0%	0%
CE	2.82%	2.82%
PPC	0%	0%
BIO	0%	0%

Table 4. Quantitative breakdown at economic activity aggregated level of the amounts included in the CapEx KPI numerator by categories defined in Regulation 2021/2178 and relevant to the Group in 2024

Taxonomy-aligned activities	Increase in property, plant and equipment [PLN mln] *	Increase in right-of-use assets [PLN mln]	**Total CapEx for Taxonomy-aligned activities [PLN mln]**	Including under the CapEx Plan [PLN mln]	CapEx expected under the CapEx Plan [PLN mln]	Period of time of the CapEx Plan
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	0.00	0.64	0.64	0.00	0.00	N/A
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings and parking spaces attached to buildings	0.02	0.00	0.02	0.00	0.00	N/A
5.1 Repair, refurbishment and remanufacturing	0.07	0.00	0.07	0.00	0.00	N/A
5.5 Product-as-a-service and other circular use- and result-oriented service models	64.30	0.00	64.30	0.00	0.00	N/A
Total	64.39	0.64	65.03	0.00	0.00	N/A

*Includes property, plant and equipment under construction

Table 3. Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering 2024

				Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities (1)	Code(s) (2)	OpEx (3) [PLN mln]	Proportion of OpEx, 2024 (4) [%]	Climate Change Mitigation (5) [Y; N; N/EL]	Climate Change Adaptation (6) [Y; N; N/EL]	Water and Marine Resources (7) [Y; N; N/EL]	Pollution (8) [Y; N; N/EL]	Circular Economy (9) [Y; N; N/EL]	Biodiversity and ecosystems (10) [Y; N; N/EL]	Climate Change Mitigation (11) [Y/N]	Climate Change Adaptation (12) [Y/N]	Water and Marine Resources (13) [Y/N]	Pollution (14) [Y/N]	Circular Economy (15) [Y/N]	Biodiversity (16) [Y/N]	Minimum Safeguards (17) [Y/N]	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, 2023 (18) [%]	Category (enabling activity) (19) [E]	Category (transitional activity) (20) [T]
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0.62	0.06%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.14%		T
Installation, maintenance and repair of charging stations for electric vehicles in buildings and parking spaces attached to buildings	CCM 7.4	0.05	0.00%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.00%	E	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.66	0.06%	0.06%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0.14%		
Of which enabling		**0.05**	**0.00%**	0.00%	0%	0%	0%	0%	0%	Y	Y	Y	Y	Y	Y	Y	0.00%	E	
Of which transitional		**0.62**	**0.06%**	0.06%						Y	Y	Y	Y	Y	Y	Y	0.14%		T
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)				**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**	**EL; N/EL**										
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	1.07	0.10%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.07%		
Acquisition and ownership of buildings	CCM 7.7	1.93	0.18%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.04%		
Data processing, hosting and related activities	CCM 8.1	8.49	0.80%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.63%		
Data-driven solutions for GHG emissions reductions	CCM 8.2	6.52	0.62%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.96%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		18.01	1.70%	1.70%	0%	0%	0%	0%	0%								1.71%		
OpEx of Taxonomy-eligible activities (A.1+A.2)		18.67	1.77%	1.77%	0%	0%	0%	0%	0%								1.85%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy non-eligible activities		1039.09	98.2%																
TOTAL		1057.76	100%																

	Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.06%	1.77%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Table 5. Quantitative breakdown of OpEx in 2024

	Costs [PLN mln]
Maintenance and repair	0.66
Total OpEx for Taxonomy-aligned activities	**0.66**

8.2. Disclosure requirements in ESRS covered by the Statement

Note number Page number

8.3. Disclosures that derive from other EU legislation

Disclosures and related datapoints as listed in ESRS 2 Appendix B	Reference to other EU legislation/ Immaterial/Transition period	Note/ Immaterial/ Transition period
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	SFDR Annex I, Commission Delegated Regulation (CDR) (EU) 2020/1816, Annex II	Note 2.1.
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)	CDR (EU) 2020/1816, Annex II	Note 2.1.
ESRS 2 GOV-4 Statement on due diligence paragraph 30	SFDR Annex I	Note 2.4.
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Immaterial	Immaterial
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Immaterial	Immaterial
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Immaterial	Immaterial
ESRS 2 SBM-1Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv	Immaterial	Immaterial
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14	Regulation (EU) 2021/1119 Article 2 (1)	Transition period/Note 5.1.
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)	Immaterial	Immaterial
ESRS E1-4 GHG emission reduction targets paragraph 34	CDR (EU) 2020/1818, Article 6	Note 5.1.
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Immaterial	Immaterial
ESRS E1-5 Energy consumption and mix paragraph 37	SFDR Annex I	Note 5.1.
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Immaterial	Immaterial
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	SFDR Annex I, CDR (EU) 2020/1818, Article 5(1), 6 and 8(1)	Note 5.1.
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	SFDR Annex I, CDR (EU) 2020/1818, Article 8 (1)	Note 5.1.
ESRS E1-7 GHG removals and carbon credits paragraph 56	Immaterial	Note 5.1.
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66	CDR (EU) 2020/1818, Annex II	Note 5.1.
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).	Transition period	Transition period
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).	Transition period	Transition period
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69	Transition period	Transition period
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Immaterial	Immaterial
ESRS E3-1 Water and marine resources paragraph 9	Immaterial	Immaterial

Disclosures and related datapoints as listed in ESRS 2 Appendix B	Reference to other EU legislation/ Immaterial/Transition period	Note/ Immaterial/ Transition period
ESRS E3-1 Dedicated policy paragraph 13	Immaterial	Immaterial
ESRS E3-1 Sustainable oceans and seas paragraph 14	Immaterial	Immaterial
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Immaterial	Immaterial
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Immaterial	Immaterial
ESRS 2- IRO 1 - E4 paragraph 16 (a) i	Immaterial	Immaterial
ESRS 2- IRO 1 - E4 paragraph 16 (b)	Immaterial	Immaterial
ESRS 2- IRO 1 - E4 paragraph 16 (c)	Immaterial	Immaterial
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Immaterial	Immaterial
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Immaterial	Immaterial
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Immaterial	Immaterial
ESRS E5-5 Non-recycled waste paragraph 37 (d)	SFDR Annex I, Directive 2008/98/EC of 19 November 2008	Note 5.2.
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	SFDR Annex I, Directive 2008/98/EC of 19 November 2008	Note 5.2.
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	SFRD Annex I, Duty of Vigilance Plan, the French Law n°2017-399	Note 6.1.
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	SFRD Annex I, Duty of Vigilance Plan, the French Law n°2017-399	Note 6.1.
ESRS S1-1 Human rights policy commitments paragraph 20	SFRD Annex I,	Note 6.1.
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 21	CDR (EU) 2020/1816, Annex II, Duty of Vigilance Plan, the French Law n°2017-399	Note 6.1.
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	SFRD Annex I	Note 6.1.
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	SFRD Annex I	Note 6.1.
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	SFRD Annex I	Note 6.1.
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	CDR (EU) 2020/1816, Annex II	Note 6.1.
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	SFRD Annex I	Note 6.1.
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	CDR (EU) 2020/1816, Annex II	Note 6.1.
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	SFRD Annex I	Note 6.1.
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	SFRD Annex I	Note 6.1.
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	SFDR, CDR (EU) 2020/1816, Annex II CDR (EU) 2020/1818, Art 12 (1);	Note 6.1.
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	SFRD Annex I , Duty of Vigilance Plan, the French Law n°2017-399	Note 6.2.

Disclosures and related datapoints as listed in ESRS 2 Appendix B	Reference to other EU legislation/ Immaterial/Transition period	Note/ Immaterial/ Transition period
ESRS S2-1 Human rights policy commitments paragraph 17	SFRD Annex I, Duty of Vigilance Plan, the French Law n°2017-399	Note 6.2.
ESRS S2-1 Policies related to value chain workers paragraph 18	SFRD Annex I, Duty of Vigilance Plan, the French Law n°2017-399	Note 6.2.
ESRS S2-1Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	SFDR, CDR (EU) 2020/1816, Annex II CDR (EU) 2020/1818, Art 12 (1),	Note 6.2.
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 19	CDR (EU) 2020/1816, Annex II, Duty of Vigilance Plan, the French Law n°2017-399	Note 6.2.
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	SFRD Annex I, Duty of Vigilance Plan, the French Law n°2017-399	Note 6.2.
ESRS S3-1 Human rights policy commitments paragraph 16	SFRD Annex I	Note 6.3.
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	SFDR, CDR (EU) 2020/1816, Annex II CDR (EU) 2020/1818, Art 12 (1), Duty of Vigilance Plan, the French Law n°2017-399	Note 6.3.
ESRS S3-4 Human rights issues and incidents paragraph 36	SFRD Annex I, Duty of Vigilance Plan, the French Law n°2017-399	Note 6.3.
ESRS S4-1 Policies related to consumers and end-users paragraph 16	SFRD Annex I	Note 6.4.
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	SFRD, CDR (EU) 2020/1816, Annex II CDR (EU) 2020/1818, Art 12 (1), Duty of Vigilance Plan, the French Law n°2017-399	Note 6.4.
ESRS S4-4 Human rights issues and incidents paragraph 35	SFRD Annex I, Duty of Vigilance Plan, the French Law n°2017-399	Note 6.4.
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	SFRD Annex I	Note 7.1.
ESRS G1-1 Protection of whistle-blowers paragraph 10 (d)	SFRD Annex I	Note 7.1.
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	SFRD Annex I, CDR (EU) 2020/1816, Annex II)	Note 7.1.
ESRS G1-4 Standards of anti-corruption and anti- bribery paragraph 24 (b)	SFRD Annex I	Note 7.1.

GLOSSARY

4G/LTE – Fourth generation of mobile technology, sometimes called LTE (Long Term Evolution)

5G – Fifth generation of mobile technology, which is the successor to the 4G mobile network standard

Access Fee – Revenues from a monthly fee (incl. a pool of free minutes) for new tariff plans

ARPO – Average Revenues per Offer

AUPU – Average Usage per User

BP - basis of preparation

BSA – Bitstream Access Offer

Churn rate – The number of customers who disconnect from a network divided by the weighted average number of customers in a given period

CO2 – carbon dioxide

Convergent services – Revenues from convergent offers to customers. A convergent offer is defined as an offer combining at least a broadband access (including wireless for fixed) and a mobile voice contract with a financial benefit. Convergent services revenues do not include revenues from equipment sales, incoming calls from other operators and visitor roaming.

Core telecom services – Convergence, mobile-only and broadband-only services

DMA - Double Materiality Analysis i.e. an analysis required by ESRS to identify key ESG matters in the Group and its value chain as well as related material IROs and defining an approach to them

DD – Due diligence i.e. process of identification and management of risks in the Group and its value chain

EBITDAaL – EBITDA after leases, key measure of operating profitability used by management (for definition please refer to the Note 3 to the IFRS Consolidated Financial Statements of the Orange Polska Group)

eCapex – Economic Capex, key measure of resources allocation used by management (for definition please refer to the Note 3 to the IFRS Consolidated Financial Statements of the Orange Polska Group)

ESG - environment, society and governance

ESRS - European Sustainability Reporting Standards

EU – European Union

EU Taxonomy – EU regulations on classification and valuation of sustainable (aligned) or potentially sustainable (eligible) activities as well as their reporting

F2M – Fixed to Mobile Calls

FBB – Fixed Broadband

FTE – Full time equivalent

Fibre – Fixed broadband access network based on FTTH (Fibre To The Home) / DLA (Drop Line Agnostic) technology which provides end users with speed of above 100 Mbps

Financial Statements - Consolidated Financial Statements of the Group for 2024

Fixed broadband-only services – Revenues from fixed broadband offers (excluding B2C convergent offers and equipment sales) including TV and VoIP services

GHG - greenhouse gas emissions including scope 1 (direct emissions), scope 2 (emissions from used energy) and scope 3 (activities of suppliers and clients)

GO - Guarantees of Origin

GOV – governance

Group - Orange Polska Group

HHC – Households connectable with the fibre network (i.e. households where broadband access service based on fibre technology can be rendered)

ICT – Information and Communication Technologies

ILD – International long-distance calls

IPCC - Intergovernmental Panel on Climate Changes

IP TV – TV over Internet Protocol

IRO - impacts, risks and opportunities

Liquidity ratio – Cash and unused credit lines divided by debt to be repaid in the next 18 months

LLU – Local Loop Unbundling

M2M – Machine to Machine, telemetry

MBO – Management by Objectives

MDR – P, A, M, T - minimum disclosure requirements – policies, actions, metrics and targets

Mobile-only services – Revenues from mobile offers (excluding consumer market convergent offers) and Machine to Machine (M2M) connectivity. Mobile-only services revenues do not include revenues from equipment sales, incoming calls from other operators and visitor roaming.

MTR – Mobile Termination Rates

MVNO – Mobile Virtual Network Operator

Net gearing – Net gearing after hedging ratio = net debt after hedging / (net debt after hedging + shareholders' equity)

OPL - Orange Polska S.A.

Organic Cash Flow – Key measure of cash generation used by management (for definition please refer to the Note 3 to the IFRS Consolidated Financial Statements of the Orange Polska Group)

PPA – Power purchase agreement

RAN agreement – Agreement on reciprocal use of radio access networks

Report - Management Board's Report on the Activity of the Orange Polska Group and Orange Polska S.A. in 2024

ROCE – Return on capital employed = EBIT (ex. extraordinary items) / (Average net debt + Shareholders Equity)

SBM – strategy

SMP – Significant market power

Statement - this Sustainability Statement

TCFD - Task Force on Financial Disclosures

UKE – Urząd Komunikacji Elektronicznej (Office of Electronic Communications)

UOKiK – Urząd Ochrony Konkurencji i Konsumentów (Office for Competition and Consumer Protection)

USO – Universal Service Obligation

Value chain - consists of suppliers of the Group and their activities related to delivery of services and equipment to the Group (upstream value chain), own operations and clients and end-users of the Group using services and equipment delivered by the Group (downstream value chain)

WEEE - Waste Electrical and Electronic Equipment

Wireless for fixed – LTE/5G broadband access offers dedicated to use within the Home/Office Zone, consisting of a fixed router (Home Zone) plus large or unlimited data packages, which are a substitute for fixed broadband

WLR – Wholesale Line Rental

STATEMENT OF THE SUPERVISORY BOARD OF ORANGE POLSKA S.A. PREPARED ON THE BASIS OF § 70 TITLE 1 POINT 8 AND § 71 TITLE 1 POINT 8 OF THE REGULATION OF THE MINISTER OF FINANCE OF 29 MARCH 2018 ON CURRENT AND PERIODICAL INFORMATION PROVIDED BY ISSUERS OF SECURITIES AND ON CONDITIONS UNDER WHICH INFORMATION REQUIRED BY LEGAL REGULATIONS OF A THIRD COUNTRY MAY BE RECOGNISED AS EQUIVALENT

STATEMENT ON THE AUDIT COMMITEE

The Supervisory Board hereby states the following:

1. Orange Polska complies with the requirements for the establishment, composition and functioning of the Audit Committee, particularly the independence criteria for the majority of its members and the requirements for their qualifications and knowledge of the industry in which Orange Polska operates, as well as accounting or audit,
2. The Audit Committee has performed the tasks set forth in the mandatory legal provisions.

Maciej Witucki	Mari-Noëlle Jégo-Laveissière
Laurent Martinez	Marc Ricau
Philippe Béguin	Bénédicte David
Bartosz Dobrzyński	Clarisse Heriard Dubreuil
John Russell Houlden	Monika Nachyła
Maria Pasło-Wiśniewska	Adam Uszpolewicz
Jean-Marc Vignolles	Etienne Vincens de Tapol

This statement was made pursuant to the resolution passed by the Supervisory Board of Orange Polska S.A. on 18 February 2025.
Translation of the document originally issued in Polish.

THE ORANGE POLSKA S.A. SUPERVISORY BOARD'S APPRAISAL OF THE SEPARATE FINANCIAL STATEMENTS OF ORANGE POLSKA S.A., THE CONSOLIDATED FINANCIAL STATEMENTS OF ORANGE POLSKA GROUP AND THE MANAGEMENT BOARD'S REPORT ON THE ACTIVITY OF ORANGE POLSKA GROUP AND ORANGE POLSKA S.A. FOR THE YEAR ENDED 31 DECEMBER 2024

The Supervisory Board has examined and appraised the following documents:

1. IFRS separate financial statements of Orange Polska S.A. for 2024, that include:
    a. income statement for 2024, showing net income of PLN 1,077 million,
    b. statement of comprehensive income for 2024, showing total comprehensive income of PLN 973 million,
    c. statement of financial position as at 31.12.2024, with the balance sheet total of PLN 25,352 million,
    d. statement of changes in equity for 2024, showing an increase in equity by PLN 351 million,
    e. statement of cash flows for 2024, showing a decrease in net cash and cash equivalents by PLN 286 million,
    f. notes to financial statements;
2. Management Board's Report on the Activity of the Orange Polska Group and Orange Polska S.A. in 2024;
3. IFRS consolidated financial statements of the Orange Polska Group for 2024, that include:
    a. consolidated income statement for 2024, showing net income of PLN 913 million, including net income attributable to owners of Orange Polska S.A. of PLN 913 million,
    b. consolidated statement of comprehensive income for 2024, showing total comprehensive income of PLN 817 million, including total comprehensive income attributable to owners of Orange Polska S.A. of PLN 817 million,
    c. consolidated statement of financial position as at 31.12.2024, with the balance sheet total of PLN 26,598 million,
    d. consolidated statement of changes in equity for 2024, showing an increase in total equity by PLN 195 million, including an increase in equity attributable to owners of Orange Polska S.A. by PLN 195 million,
    e. consolidated statement of cash flows for 2024, showing a decrease in net cash and cash equivalents by PLN 247 million,
    f. notes to consolidated financial statements.

Having analysed the above-mentioned documents and taking into consideration the independent auditor's reports on the audit of the annual standalone financial statements of Orange Polska S.A., the consolidated financial statements of Orange Polska Group and assurance report on the sustainability reporting of Orange Polska Group for the year ended 31 December 2024 the Supervisory Board hereby states that:

- IFRS separate financial statements of Orange Polska S.A. for 2024,
- Management Board's Report on the Activity of the Orange Polska Group and Orange Polska S.A. in 2024, and
- IFRS consolidated financial statements of the Orange Polska Group for 2024

have been drawn up in compliance with the books and documents, the factual status and mandatory legal provisions, and that they provide a complete and fair picture of the operational and financial standing of Orange Polska S.A. and the Orange Polska Group. The Management Board's Report on the Activity of the Orange Polska Group and Orange Polska S.A. in 2024 has been drawn up in all major aspects on the basis of the financial data contained in the standalone and consolidated financial statements for 2024. The Management Board's Report contains a description of all material events that may have influence on Orange Polska S.A.'s property and financial standing in at least several quarters as well as a description of all material risks.

This appraisal was made pursuant to the resolution passed by the Supervisory Board of Orange Polska S.A. on 18 February 2025.
Translation of the document originally issued in Polish.

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