

***Report of the Supervisory Board of Jastrzębska Spółka Węglowa S.A.  
for the financial year 2024***

***Introduction***

The Supervisory Board acting pursuant to Article 382 § 1, § 3 sec. 3) and § 3<sup>1</sup> of the Commercial Company Code, § 20 Section 1 and Section 2 Item 10 of the Articles of Association of the Company as well as the provisions of the Code of Best Practice for WSE Listed Companies 2021 hereby submits to the JSW S.A. Ordinary Shareholder Meeting *the Report of the Supervisory Board of Jastrzębska Spółka Węglowa S.A. for the financial year 2024.*

Implementing the provisions of the Commercial Company Code, the Company's Articles of Association and applying the standards of the Code of Best Practice for WSE Listed Companies 2021, this *Report* includes among others:

- ✓ results of the assessments referred to in Article 382 § 3 items 1 and 2 of the Commercial Company Code,
- ✓ an assessment of the Company's standing, taking into account the adequacy and effectiveness of the Company's systems of internal control, risk management, ensuring compliance of operations with standards or applicable practices, and internal audit,
- ✓ an assessment of the Management Board' execution of the duties referred to in Article 380<sup>1</sup> of the Commercial Company Code,
- ✓ an assessment of the manner in which the Management Board prepares or submits to the Supervisory Board information, documents, reports or explanations requested in accordance with the procedure set forth in Article 382 § 4 of the Commercial Company Code,
- ✓ information on the total compensation payable by the Company for all studies commissioned by the Supervisory Board during the financial year in accordance with Article 382<sup>1</sup> of the Commercial Company Code,
- ✓ information on the composition of the Supervisory Board and its Committees, indicating which Supervisory Board Members satisfy the requirements of independence specified in the Act of 11 May 2017 on Statutory Auditors, Auditing Firms and Public Supervision, as well as which among them have no actual and significant affiliations with the shareholder holding at least 5% of the overall number of votes in the Company, as well as information on the composition of the Supervisory Board in the context of its diversity,
- ✓ a summary of the activities of the Supervisory Board and its Committees,
- ✓ an assessment of the Company's consolidated standing, including an assessment of the internal control system and the risk management system, compliance and the internal audit function with the information on the activities taken by the Supervisory Board to make this assessment,
- ✓ an assessment of application of the corporate governance rules and the manner of complying with the reporting duties in this regard, specified in the Bylaws of the Warsaw Stock Exchange and the provisions on current and periodic information provided by the securities issuers with information on the activities of the Supervisory Board taken to make this assessment,
- ✓ an assessment of the reasonableness of the expenses incurred by the Company and its Group to support culture, sports, charitable institutions, the media, social welfare organizations, trade unions, etc.,
- ✓ information regarding the degree of implementation of the diversity policy applicable to the Management Board and the Supervisory Board.

***1. Information on the term of office of the Supervisory Board***

During the financial year 2024 the Supervisory Board of 11th term of office operated.

## 2. Composition of the Supervisory Board, functions discharged in the Supervisory Board and changes in the composition of the Supervisory Board during the financial year and after 31 December 2024

Table 1: Composition of the Supervisory Board and functions discharged in the Supervisory Board in 2024

First and last name	Position	Term in position
Katarzyna Bilińska	Chairperson	23.02.2024 – 31.12.2024
	Member	13.02.2024 – 23.02.2024
Michał Rospędek	Deputy Chairperson	01.01.2024 – 31.12.2024
Robert Kudelski	Secretary	01.01.2024 – 31.12.2024
Paweł Nieradzik	Member	01.01.2024 – 31.12.2024
Arkadiusz Wypych	Member	01.01.2024 – 31.12.2024
Artur Kisielewski	Member	13.02.2024 – 31.12.2024
Arkadiusz Mężyk	Member	13.02.2024 – 31.12.2024
Krzysztof Szlaga	Member	13.02.2024 – 31.12.2024
Krzysztof Wrona	Member	13.02.2024 – 31.12.2024
Paweł Rostkowski	Member	13.02.2024 – 31.12.2024 <sup>1)</sup>
Paweł Bieszczad	Member	04.04.2024 – 31.12.2024
Halina Buk	Chairperson	01.01.2024 – 12.02.2024
Jolanta Górską	Member	01.01.2024 – 12.02.2024
Alojzy Nowak	Member	01.01.2024 – 12.02.2024
Stanisław Prusek	Member	01.01.2024 – 12.02.2024

<sup>1)</sup> In the period from 23 February 2024 to 30 April 2024 Supervisory Board Member Paweł Rostkowski was delegated by the Supervisory Board to temporarily perform the duties of the President of the Management Board, entrusted with serving in the capacity of Vice-President of the Management Board for Development.

Table 2: Changes in the composition of the Supervisory Board in 2024 and after 31 December 2024

Date	Description of the change
12.02.2024	The Minister of State Assets, acting within the powers set forth in § 15 sec. 13 of the Articles of Association of JSW S.A., by way of statements submitted to the Company on 12 February 2024, dismissed from the Supervisory Board: Halina Buk, Jolanta Górską, Alojzy Nowak and Stanisław Prusek.
13.02.2024	The Minister of State Assets, acting within the powers set forth in § 15 sec. 13 of the Articles of Association of JSW S.A., by way of statements submitted to the Company on 12 February 2024, appointed, as of 13 February 2024, the following persons to the Supervisory Board: Katarzyna Bilińska, Artur Kisielewski, Arkadiusz Mężyk, Paweł Rostkowski, Krzysztof Szlaga and Krzysztof Wrona.
23.02.2024	The Supervisory Board elected Katarzyna Bilińska as Supervisory Board Chairperson.
23.02.2024	The Supervisory Board adopted a resolution to second Supervisory Board Member Paweł Rostkowski to act temporarily in the capacity of President of the Management Board, simultaneously entrusting him with performing the duties of the Vice-President of the Management Board for Development in the period from 23 February 2024 to 22 May 2024 inclusively, though no longer than until the date of appointing the President of the Management Board, subject to Article 383 § 1 of the Commercial Company Code ( <i>The Supervisory Board appointed the</i>

	<i>President of the Management Board and entrusted him with the duties of Vice-President of the Management Board for Development as of 30 April 2024).</i>
04.04.2024	The Extraordinary Shareholder Meeting appointed an Employee-elected member of the Supervisory Board, i.e. Paweł Bieszczad.
16.01.2025	The Ministry of State Assets, acting within the powers set forth in § 15 Section 13 of the Articles of Association of JSW S.A., by means of a statement submitted to the Company on 16 January 2025, dismissed Paweł Rostkowski from the Supervisory Board as of 16 January 2025.
31.03.2025	The Minister of State Assets, acting within the powers set forth in § 15 Section 13 of the Articles of Association of JSW S.A., by means of a statement submitted to the Company on 31 March 2025, dismissed Mr. Marek Szczęch from the Supervisory Board as of 31 March 2025.

Under Standard 2.3. of the Code of Best Practice for WSE Listed Companies 2021 each Supervisory Board Member made a statement to the Company that they satisfy the requirements of independence specified in this principle (an independent Supervisory Board Member is deemed to be a Member satisfying the requirements set out in *the Act of 11 May 2017 on Statutory Auditors, Auditing Firms and Public Supervision*, as well as having no actual and significant affiliations with the shareholder holding at least 5% of the overall number of votes in the company).

In 2024, the independence criteria set forth in Standard 2.3. of the Code of Best Practice for WSE Listed Companies 2021 were met by the following Members of the Supervisory Board: Katarzyna Bilińska, Artur Kisielewski, Arkadiusz Mężyk, Paweł Nieradzik, Paweł Rostkowski, Krzysztof Szlaga, Krzysztof Wrona, Arkadiusz Wypych, Halina Buk, Jolanta Górka, Alojzy Nowak, and the following Supervisory Board Members did not meet these criteria: Paweł Bieszczad, Robert Kudelski, Michał Rospędek and Stanisław Prusek.

As at the date of the Report seven Supervisory Board Members satisfy the requirements of independence set out in Standard 2.3. of the Code of Best Practice for WSE Listed Companies 2021, i.e.: Katarzyna Bilińska, Artur Kisielewski, Arkadiusz Mężyk, Paweł Nieradzik, Krzysztof Szlaga, Krzysztof Wrona and Arkadiusz Wypych, and four Supervisory Board Members do not meet the criteria, i.e.: Paweł Bieszczad, Robert Kudelski, Michał Rospędek and Marek Szczęch.

The composition of the Supervisory Board and its Committees reflects a cross-section of competencies necessary for the exercise of the relevant functions by Supervisory Board members. Supervisory Board Members act in the interest of the Company and are guided in their conduct by the independence of their own opinions and judgments. They clearly raise their objections in cases where the decision is considered to be against the interest of the Company. They act with ethics and integrity. They do not conduct professional or nonprofessional activities that could lead to conflicts of interest. They do not engage in activities that contradict their duties or that might give rise to a suspicion of bias or self-interest.

In performing their duties and exercising their functions, Supervisory Board Members act with due diligence resulting from the professional nature of their activities, and in performing their supervisory activities they comply with the applicable laws. They understand the Company's operations, including its business model and the strategy it pursues, including the activities of the entities in its Group that have a significant impact on its operations. Supervisory Board Members are in constant contact with Management Board Members, providing consultation and constant supervision of the Company's activities, as well as reviewing issues and motions submitted by the Management Board for Supervisory Board meetings. In performing its duties, the Supervisory Board relies on its own determinations and on information provided by the Company's employees responsible for the execution of individual tasks.

### 3. Information on the composition of the Supervisory Board in the context of its diversity

Supervisory Board Members are appointed according to the rules defined in the Company's Articles of Association. The corporate bodies and persons entitled to appoint the Management Board and Supervisory Board have the opportunity to ensure diversity while selecting the composition of the bodies and candidates are not discriminated against by the criteria included in the advertisements on contests / elections. The selection process for the Members of the JSW corporate bodies does not in any way disqualify candidates on account of any of the diversity policy elements.

Table 3: Percentage of women and men in the Supervisory Board in 2024 and after 31 December 2024.

Period	Female		Male	
	Number	Percentage	Number	Percentage
01.01.2024 – 12.02.2024	2	25%	6	75%
13.02.2024 – 03.04.2024	1	11.1%	8	88.9%
04.04.2024 – 29.04.2024	1	10%	9	90%
30.04.2024 – 15.01.2025	1	9.1%	10	90.9%
16.01.2025 – 30.03.2025	1	10%	9	90%
03.31.2025 - to date	1	9.1%	10	90.9%

### 4. Information on the number of Supervisory Board meetings held and the number of resolutions adopted

The Supervisory Board held 16 meetings and adopted 199 resolutions (including 26 resolutions via means of direct remote communication).

Supervisory Board Members devote the necessary amount of time to performing their duties. The organization of the work of the Supervisory Board is correct. The number of meetings of the Supervisory Board is the result of the Supervisory Board's own assessment, and is also dictated by the demands made by the Management Board, Supervisory Board Members and the current market situation.

### 5. Information on the presence of Supervisory Board Members at the meetings and on adopted resolutions on excused or unexcused absence

If unable to attend a Supervisory Board meeting, Supervisory Board Members excused their absence and the Supervisory Board passed resolutions to excuse Members unable to attend. The Supervisory Board passed no resolution regarding unexcused absences.

Table 4: Information on the absence of Supervisory Board Members at the meetings and on adopted resolutions on their excused absence

Meeting date	Names of absent Supervisory Board Members	Number of resolution on excused absence
21.05.2024	Krzysztof Wrona	313/XI/24

17.07.2024	Robert Kudelski	342/XI/24
14.10.2024	Robert Kudelski	396/XI/24
31.10.2024	Arkadiusz Mężyk Paweł Rostkowski	402/XI/24
18.11.2024	Arkadiusz Mężyk	406/XI/24
27.12.2024	Krzysztof Szlaga	416/XI/24

The remaining meetings were attended by all the Supervisory Board Members.

## **6. Information on significant issues dealt with by the Supervisory Board and checks and explanatory proceedings conducted**

The Supervisory Board conducted constant oversight over the Company's activities in all areas of its activity. The Supervisory Board demonstrated efficiency, reliability, competence and expertise.

As part of its powers, performing its basic duties, the Supervisory Board:

- ordered the supplementary election of a Member of the Supervisory Board of JSW S.A. of the 11th term of office elected by the Company's employees and employees of all its subsidiaries (as a result of the elections, on 4 April 2024 the Extraordinary Shareholder Meeting of JSW appointed Paweł Bieszczad to the Supervisory Board),
- appointed Management Board Members (having conducted the recruitment procedures to check and assess the qualifications of the candidates and to select the best candidates for the Management Board Members) and dismissed Management Board Members, entrusted Management Board Members the performance of the duties of dismissed Management Board Members, and delegated a Supervisory Board Member to temporarily perform the duties of Management Board Members. Under the provisions of § 11 Section 15 of the Articles of Association, the Chairperson of Shareholder Meetings notified the Shareholders of the results of the recruitment procedures for the positions of JSW Management Board Members and provided minutes of those recruitment procedures.

The Supervisory Board conducted activities related to setting the compensation of Management Board Members in accordance with the Act of 09.06.2016 *on the Rules for Shaping the Compensation of Persons Managing Certain Companies*, the Act of 16.01.2024 *on Special Solutions to Implement the Budget Law for 2024* and the Resolution of the Ordinary Shareholder Meeting of 03.07.2019 on the rules for defining the compensation of Management Board Members; in particular it:

- a) made decisions on the compensation of Management Board Members for the months of January and February 2024,
- b) made decisions on the Management Objectives and the Variable (supplementary) Compensation for the Management Board Members for 2023,
- c) established the rules for the Variable (Supplementary) Compensation of Management Board Members for 2024,
- d) set the Management Objectives for 2024 with the weights for these Objectives where the final amount of the Variable (supplementary) Compensation for Management Board Members depends on the level of achievement of these Objectives; it also determined the rules for the achievement and accounting for these Objectives.

Supervisory Board Members, in their functions and duties in the Supervisory Board, were guided in their conduct, including decision-making, by the independence of their opinions and judgments, acting in the interests of the Company. The Supervisory Board worked in a culture of debate, analyzing the situation of the Company against the industry and the market on the basis of materials provided to it by the Company's Management Board and

the Company's internal systems and functions, as well as those obtained from outside the Company, using the results of the work of its Committees. In particular, the Supervisory Board verified the work of the Management Board with regard to the achievement of set strategic objectives as well as monitored results achieved by the Company.

In fulfillment of its reporting obligations, on 22 April 2024, the Supervisory Board evaluated the standalone financial statements of the Company, the consolidated financial statements of the Group, the Management Board report on the Company's and the Group's activity in terms of their compliance with the ledgers, documents and the factual status, and on 21 May 2024 assessed the motions on distribution of the net profit for the financial year ended 31 December 2023 and accounting for the profit brought forward, and submitted written reports on the outcome of the above evaluations to the Shareholder Meeting. Furthermore, the Supervisory Board submitted to the Ministry of State Assets quarterly information on its activity with *Quarterly information about the Company* on an on-going basis as well as, in accordance with the recommendations of the Ministry, periodic information on the meetings held and resolutions adopted by the Supervisory Board.

On 22 April 2024, the Supervisory Board, pursuant to Article 90g of *the Act of 29 July 2005 on Public Offerings and the Conditions for Floating Financial Instruments in an Organized Trading System and on Public Companies* adopted the *Report on compensations of Jastrzębska Spółka Węglowa S.A. Management Board and Supervisory Board Members for the financial year ended 31 December 2023* and submitted it to the Ordinary Shareholder Meeting for opinion.

On 22 April 2024, the Supervisory Board issued a positive opinion on the updated Compensation Policy for the Management Board and Supervisory Board of Jastrzębska Spółka Węglowa and submitted it to the JSW Shareholder Meeting in order to put it in place.

The Supervisory Board authorized the redemption of JSW Stabilization Closed-end Investment Fund Investment Certificates and gave approval to an increase in the limit for redemptions of Investment Certificates in 2024.

On 17 July 2024, the Supervisory Board issued a positive opinion on the document entitled *Technical and Economic Plan of Jastrzębska Spółka Węglowa S.A. for 2024* and acknowledged the document entitled *"Technical and Economic Plan of the JSW Group for 2024"* and recommended that the Management Board present the remedy plans of JSW and the JSW Group for 2024-2027 to the Supervisory Board.

On 31 October 2024, the Supervisory Board approved the document entitled the *Strategic Transformation Plan of Jastrzębska Spółka Węglowa and its subsidiaries*.

On 25 November 2024, the Supervisory Board approved the conclusion of a contract to support the JSW S.A. Management Board in implementing the *Strategic Transformation Plan of Jastrzębska Spółka Węglowa and its subsidiaries*.

The *Strategic Transformation Plan of Jastrzębska Spółka Węglowa and its subsidiaries* envisages the implementation of initiatives in four key blocks:

- improvement of mining efficiency,
- optimization of procurement processes,
- rationalization of capital expenditures,
- optimization of support functions.

All of the measures implemented in these areas are expected to generate positive financial effects for the Company of an estimated PLN 8.5 billion by the end of 2027, compared to the base year of 2023.

The Supervisory Board cooperated with the statutory auditor on an ongoing basis and monitored the audit of the Company's financial statements through the Audit Committee.



In accordance with Article 382 § 7 of the Commercial Company Code, the Company ensured the participation of the key auditor who audited the Company's financial statements (at Supervisory Board meetings discussing the matters indicated in Article 382 § 3 of the Commercial Company Code).

On 11 September 2024, the Supervisory Board launched proceedings for selection of an audit firm to audit the financial statements. On 18 November 2024, the Supervisory Board approved the criteria for selection of the audit firm and the manner of assessment of proposals and the content of the announcement with the invitation to submit proposals for the audit of the financial statements. On 29 January 2025, the Supervisory Board selected the audit firm to audit the financial statements for 2025-2027, in accordance with the adopted selection procedure specified in the *Policy and procedure for selection of the audit firm and policy governing the provision of permitted non-audit services by the audit firm, by its related parties and by a member of the audit firm's chain*.

On 11 September 2024, the Supervisory Board adopted resolutions to rescind the resolutions of the JSW Supervisory Board of 21 May 2024 regarding motions to the JSW S.A. Shareholder Meeting to discharge former JSW S.A. Management Board members.

The Supervisory Board continuously tracked the Company's activities and monitored and controlled the decisions and actions of the Management Board relevant to the Company and the JSW Group, as well as assessed the economic and financial situation of the Company and the results of the Management Board's work. The Company's activity and results were evaluated on the basis of periodical reports submitted to the Supervisory Board by the Management Board on the operating, investment, production, economic and financial, HR and social situation of the Company, including, among others, information on the degree of achievement of the economic parameters presented by the Company in the Technical and Economic Plan, target economic and financial results, financial indicators and the liquidity situation of the Company.

In accordance with the Work Plan adopted by the Supervisory Board, it monitored, on the basis of information regularly provided by the Management Board, the Company's activity in all the important areas of its operation, including: the inventories and sales of coal, execution of investments, preparatory works, costs of consulting and legal services, occupational health and safety conditions in the mines, audits conducted at the Company, relations with investors and stock exchange quotations, performance of tasks resulting from the risk management policy of the Company and the JSW Group, progress in the achievement of the development directions set for the Company and the operation of the subsidiaries within the JSW Group, with an assessment of reasonability of capital exposure in the companies, including assessment of key investments.

The Supervisory Board considered the Management Board's motions requiring the approval of the Supervisory Board and gave opinions on the Management Board's motions to be decided by the Shareholder Meeting.

The Supervisory Board took note of other current issues presented by the Management Board, as well as of the correspondence sent to the Supervisory Board and as required, ordered to conduct audit or investigative activities in the relevant issues covered by the correspondence.

*Table 5: Description of the most important activities and issues with which the Supervisory Board dealt throughout 2024*

Date	Description of activity
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Date	Description of activity
03.01.2024	<ul style="list-style-type: none"> <li>✓ Ordering supplementary elections of the JSW S.A. Supervisory Board Member of the 11th term of office by employees of the Company and employees of all of its subsidiaries</li> <li>✓ Dismissing Wojciech Kałuża from the Management Board as JSW S.A.'s Vice-President of the Management Board for Development of the 11th term of office as of 3 January 2024.</li> <li>✓ Entrusting Tomasz Cudny with the duties of Vice-President of the Management Board for Development in the JSW S.A. Management Board of the 11th term of office from 3 January 2024 to the date of appointment of the Vice-President of the Management Board for Development</li> </ul>
12.01.2024	<ul style="list-style-type: none"> <li>✓ Appointing the Regional Election Committees to conduct the supplementary election of a Member of the JSW S.A. Supervisory Board of the 11th term of office by employees of the Company and employees of all of its subsidiaries</li> <li>✓ Approving activity reports of the JSW S.A. Supervisory Board Committees for the financial year 2023</li> </ul>
17.01.2024	<ul style="list-style-type: none"> <li>✓ Admitting candidates for the supplementary elections of the JSW S.A. Supervisory Board Member of the 11th term of office by employees of the Company and employees of all of its subsidiaries</li> </ul>
31.01.2024	<ul style="list-style-type: none"> <li>✓ Supplementing the composition of the Regional Election Committees no. 16 to conduct the supplementary election of a Member of the JSW S.A. Supervisory Board of the 11th term of office by employees of the Company and employees of all of its subsidiaries</li> </ul>
23.02.2024	<ul style="list-style-type: none"> <li>✓ Election of the Chairperson of the Supervisory Board and appointment of Supervisory Board Members to the Committees</li> <li>✓ Dismissing Tomasz Cudny from the JSW S.A. Management Board of the 11th term of office as President of the Management Board as of 23 February 2024</li> <li>✓ Dismissing Sebastian Bartos from the JSW S.A. Management Board of the 11th term of office as Vice-President of the Management Board for Sales as of 23 February 2024.</li> <li>✓ Seconding a Supervisory Board Member Paweł Rostkowski to temporarily perform the duties of the President of the JSW S.A. Management Board of the 11th term of office and appointing him as the acting Vice-President of the Management Board for Development.</li> <li>✓ Appointing Robert Ostrowski as the acting Vice-Presidents of the Management Board for Sales in the JSW S.A. Management Board of the 11th term of office as of 23 February 2024 to the date of appointment of the Vice-President of the Management Board for Sales</li> <li>✓ Initiation of recruitment procedures for the positions of: President of the Management Board, Vice-President of the Management Board for Sales, Vice-President of the Management Board for Financial Matters, Vice-President of the Management Board for Technical and Operational Matters and Vice-President of the Management Board for Development in the JSW S.A. Management Board of the 11th term of office</li> <li>✓ Convening an Extraordinary Shareholder Meeting of JSW S.A. to be held on 4 April 2024</li> <li>✓ Acceptance of the JSW S.A. Supervisory Board Master Work Plan for 2024</li> </ul>



Date	Description of activity
27.02.2024	✓ Adoption of the content of Announcements for the positions of: President of the Management Board, Vice-President of the Management Board for Sales, Vice-President of the Management Board for Financial Matters, Vice-President of the Management Board for Technical and Operational Matters and Vice-President of the Management Board for Development in the JSW S.A. Management Board of the 11th term of office
28.02.2024	✓ Granting consent to the manner of exercise of voting rights at the Extraordinary Shareholder Meeting of JSW Nowe Projekty S.A. on granting consent to JSW Nowe Projekty S.A. to conclude with JSW S.A. KWK Budryk, as the lessee, agreements to lease a Bolter Miner 12CM30 shearer together with coalface equipment and other equipment, and measuring devices
04.03.2024	<p>✓ Granting consent for the manner of exercise of voting rights at the Extraordinary Shareholder Meeting of Przedsiębiorstwo Budowy Szybów S.A. as regards giving consent to: conclusion of an annex to the <i>Master Agreement for granting a limit No. 1/130415/23</i> concluded with Pekao Leasing Sp. z o.o., with its registered office in Warsaw, and lease agreements for three loaders under the above-mentioned Master Agreement</p> <p>✓ Granting consent to the manner of exercise of voting rights at the Extraordinary Shareholder Meeting of Przedsiębiorstwo Budowy Szybów S.A. on granting consent to the conclusion of annexes to facility agreements concluded with Bank Gospodarstwa Krajowego and Powszechna Kasa Oszczędności Bank Polski S.A. and establishing collateral for them</p> <p>✓ Granting consent for the manner of exercise of voting rights at the Extraordinary Shareholder Meeting of JSW Logistics Sp. z o.o. on granting consent to conclude an agreement with NEWAG S.A. for delivery of an electric locomotive, concluding a lease agreement with PKO Leasing S.A. for the aforementioned electric locomotive and establishing collateral for the aforementioned lease agreement</p> <p>✓ Granting consent for the manner of exercise of voting rights at the Shareholder Meeting of Przedsiębiorstwo Budowy Szybów S.A. as regards amending the company's Articles of Association</p> <p>✓ Granting consent for incurring contingent liabilities arising out of the master agreement with Powszechna Kasa Oszczędności Bank Polski S.A. for providing bank guarantees and opening documentary letters of credit</p>
04.03.2024	<p>✓ Approval of the <i>Report on the performance of the Audit Plan, assessment of internal control system, risk management system, compliance and internal audit function at Jastrzębska Spółka Węglowa S.A. for 2023</i></p> <p>✓ Granting consent for the acquisition of a fixed asset with a value exceeding PLN 20 million as part of the investment project concerning the purchase of a new PSJZR-850 armoured face conveyor for KWK Pniówek</p> <p>✓ Acceptance of a statement in connection with the published (standalone and consolidated) annual report for 2023</p>
11.03.2024	✓ Admission of candidates to interviews for the positions of: President of the Management Board, Vice-President of the Management Board for Sales, Vice-President of the Management Board for Financial Matters, Vice-President of the Management Board for Technical and Operational Matters and Vice-President of the Management Board for Development in the JSW S.A. Management Board of the 11th

Date	Description of activity
	term of office
13.03.2024	✓ Setting the deadline for the Supervisory Board to adopt a resolution defining the maximum amount of the Variable Compensation for 2024, the Management Objectives, the weights of these Objectives and the objective and measurable criteria of their accomplishment
14.03.2024	<ul style="list-style-type: none"> <li>✓ Selection of the best candidate and appointment of Jolanta Gruszka as the Vice-President of the Management Board for Sales in the JSW S.A. Management Board of the 11th term of office as of 15 March 2024</li> <li>✓ Dismissal, as of 14 March 2024, Edward Paździorko from the position of Vice-President of the Management Board for Technical and Operational Matters in the JSW S.A. Management Board of the 11th term of office</li> <li>✓ Selection of the best candidate and appointment of Adam Rozmus as the Vice-President of the Management Board for Technical and Operational Matters in the JSW S.A. Management Board of the 11th term of office as of 14 March 2024</li> </ul>
21.03.2024	<ul style="list-style-type: none"> <li>✓ Completion of recruitment procedures for the positions of: President of the Management Board, Vice-President of the Management Board for Financial Matters and Vice-President of the Management Board for Development in the JSW S.A. Management Board of the 11th term of office without selecting candidates</li> <li>✓ Obligating the Nomination and Compensation Committee to review the rules and content of the Announcements of recruitment procedures for JSW S.A. Management Board Members of the 11th term of office</li> </ul>
22.03.2024	✓ Initiation of recruitment procedures and adoption of the content of Announcements on the recruitment procedures for the positions of: President of the Management Board, Vice-President of the Management Board for Financial Matters and Vice-President of the Management Board for Development in the JSW S.A. Management Board of the 11th term of office
26.03.2024	✓ Issuing a positive opinion to the rules governing sponsorship activities included in the document entitled <i>Plan and rules governing sponsorship activities of Jastrzębska Spółka Węglowa SA for 2024 with the Objectives Card</i> and granting consent for concluding annexes to the sponsoring agreements
10.04.2024	✓ Issuing a positive opinion on the <i>Plan and Rules Governing Sponsorship Activities of Jastrzębska Spółka Węglowa S.A. for 2024</i> together with the Objectives Card, and granting consent to conclude a sponsorship agreement and to conclude annexes to sponsorship agreements
12.04.2024	<ul style="list-style-type: none"> <li>✓ Admission of candidates to interviews for the positions of: President of the Management Board, Vice-President of the Management Board for Financial Matters and Vice-President of the Management Board for Development in the JSW S.A. Management Board of the 11th term of office</li> <li>✓ Estimating the amount of the Variable Compensation for the JSW S.A. Management Board Members for 2023</li> </ul>
17.04.2024	<ul style="list-style-type: none"> <li>✓ Selection of the best candidate and appointment of Ryszard Janta to the position of President of the JSW S.A. Management Board of the 11th term of office as of 30 April 2024</li> <li>✓ Dismissal of Robert Ostrowski from the position of Vice-President of</li> </ul>

Date	Description of activity
	<p>the Management Board for Financial Matters in the JSW S.A. Management Board of the 11th term of office as of 6 May 2024</p> <ul style="list-style-type: none"> <li>✓ Selection of the best candidate and appointment of Remigiusz Krzyżanowski as the Vice-President of the Management Board for Financial Matters in the JSW S.A. Management Board of the 11th term of office as of 06 May 2024</li> <li>✓ Selection of the best candidate and appointment of Jarosław Kluczniok as the Vice-President of the Management Board for Development in the JSW S.A. Management Board of the 11th term of office as of 06 May 2024</li> <li>✓ Appointing Ryszard Janta as the acting Vice-President of the Management Board for Development in the JSW S.A. Management Board of the 11th term of office as of 6 May 2024</li> </ul>
	<ul style="list-style-type: none"> <li>✓ Appointing a Supervisory Board Member to the Supervisory Board Audit Committee</li> <li>✓ Determining the issue of remuneration of JSW S.A. Management Board Members for the months of January and February 2024</li> <li>✓ Performance of reporting activities which are special obligations of the Supervisory Board under Commercial Company Code, including the assessment of JSW's standalone financial statements, Management Board Report on the Activity of JSW and JSW Group, as well as the assessment of the consolidated financial statements of the JSW Group</li> <li>✓ Acceptance and assessment of a statement in connection with the published (standalone and consolidated) annual report for 2023</li> <li>✓ Adopting the <i>Report on compensations of Jastrzębska Spółka Węglowa S.A. Management Board and Supervisory Board Members for the financial year ended 31 December 2023</i></li> </ul>
22.04.2024	<ul style="list-style-type: none"> <li>✓ Acceptance of a statement of the Supervisory Board for the audit firm PricewaterhouseCoopers Polska Sp. z o.o. Audyt Sp. k. in connection with the verification of the <i>Report on compensations of Jastrzębska Spółka Węglowa S.A. Management Board and Supervisory Board Members for the financial year ended 31 December 2023</i></li> <li>✓ Adopting the <i>Report on entertainment expenditures, expenditures for legal services, marketing services, public relations and social communication services and management consulting services of Jastrzębska Spółka Węglowa S.A. for the financial year ended 31 December 2023</i></li> <li>✓ Issuing a positive opinion on the updated <i>Compensation Policy of the Management Board and Supervisory Board of Jastrzębska Spółka Węglowa</i></li> <li>✓ Granting consent for acquisition of a fixed asset with the value exceeding PLN 20 million as part of a project related to drilling Haulage Roadway B in seam 405/2 at KWK Budryk</li> </ul>
22.04.2024	<ul style="list-style-type: none"> <li>✓ Granting consent for the manner of exercise of voting rights at the Shareholder Meeting of JSW KOKS S.A. as regards changes in the company's Supervisory Board</li> <li>✓ Granting consent for signing Annex 1 to the donation agreement with the Stop Cancer Oncology Foundation in Rybnik</li> </ul>
10.05.2024	<ul style="list-style-type: none"> <li>✓ Granting consent for acquisition of a fixed asset with the value exceeding PLN 20 million as part of a project related to the tunneling of Ramp I in seam 403/3 at KWK Knurów-Szczygłowice, Knurów Section for KWK Budryk</li> </ul>

Date	Description of activity
21.05.2024	✓ Appointing a Supervisory Board Member to the Supervisory Board Strategy and Development Committee
	✓ Positive assessment of the motion submitted by the Management Board to the JSW Shareholder Meeting regarding the distribution of JSW's net profit for the financial year ended 31 December 2023
	✓ Positive assessment of the Management Board's motion to the JSW Shareholder Meeting on accounting for JSW's profit brought forward
	✓ Adoption of the <i>Report of the Supervisory Board of Jastrzębska Spółka Węglowa S.A. for the financial year 2023</i> , containing, among other things, the assessments and information set forth in Article 382 § 3 <sup>1</sup> of the Commercial Company Code, the Company's Articles of Association and the Code of Best Practice for WSE Listed Companies 2021
	✓ Motion to the Ordinary Shareholder Meeting of JSW to discharge the Company's Management Board Members (Tomasz Cudny, Sebastian Bartos, Wojciech Kałuża, Robert Ostrowski, Edward Paździorka, Artur Wojtków) on the performance of their duties performed in the financial year 2023
	✓ Granting consent for acquisition of a fixed asset with the value exceeding PLN 20 million as part of the investment project related to the tunnelling of transport incline gallery to level 1000 at KWK Pniówek
	✓ Granting consent for the manner of exercise of voting rights at the Extraordinary Shareholder Meeting of JSW Logistics Sp. z o.o. on granting consent to conclude an agreement between JSW Logistics Sp. z o.o. and Tabor Dębica Sp. z o.o. on P4 repair (refurbishment) of three TEM2 locomotives
19.06.2024	✓ Granting consent for the manner of exercise of voting rights at the Extraordinary Shareholder Meeting of JSW Logistics Sp. z o.o. on granting consent to conclude an agreement with Tabor Dębica Sp. z o.o. for delivery of a modernized diesel locomotive, concluding a lease agreement with PEKAO LEASING Sp. z o.o. for the aforementioned diesel locomotive and establishing collateral for the aforementioned lease agreement
	✓ Granting consent for JSW to incur the costs of participation of the interested Members of the JSW Management Board of the 11th term of office in a foreign language course
	✓ Granting consent for acquisition of a fixed asset with the value exceeding PLN 20 million as part of the investment project related to the tunneling of ventilation drift 1 from ramp 90 in seam 405/1 to the eastern guiding gallery at the level of 850 m, together with accompanying works at the Szczygłowice Section of the Knurów-Szczygłowice mine
	✓ Granting consent for the manner of exercise of voting rights at the Shareholder Meeting of the following companies: Jastrzębska Spółka Kolejowa Sp. z o.o. and JSW Logistics Sp. z o.o. on amendments to the Founding Deeds of the above companies.
19.06.2024	✓ Approval of the <i>Report on oversight of the execution of JSW's investment projects in 2023</i>
	✓ Granting consent for changes in the composition of the Supervisory Boards of the following companies: JSW IT Systems Sp. z o.o., Przedsiębiorstwo Budowy Szybów S.A., JSW Szkolenie i Górnictwo Sp. z o.o. and Jastrzębska Spółka Kolejowa Sp. z o.o.
	✓ Granting consent for redemption of JSW Stabilization Closed-end Investment Fund Investment Certificates in 2024

Date	Description of activity
28.06.2024	✓ Granting consent for redemption of JSW Stabilization Closed-end Investment Fund Investment Certificates
17.07.2024	<ul style="list-style-type: none"> <li>✓ Granting consent for changes in the composition of the Supervisory Boards of the following companies: Jastrzębskie Zakłady Remontowe Sp. z o.o., Przedsiębiorstwo Budowy Szybów S.A., JSU Sp. z o.o., JSW Szkolenie i Górnictwo Sp. z o.o. and Jastrzębska Spółka Kolejowa Sp. z o.o.</li> <li>✓ Granting consent for the manner of exercise of voting rights by JSW S.A. at the Shareholder Meeting of Centralne Laboratorium Pomiarowo-Badawcze Sp. z o.o. as regards changes in the composition of Supervisory Board of the above-mentioned company</li> <li>✓ Granting consent to the manner of exercise of voting rights at the Extraordinary Shareholder Meeting of JSW KOKS S.A. in the matter of granting consent to the acquisition of non-current assets in connection with the purchase of the required amount of greenhouse gas emission allowances (EUA type) for 2024</li> <li>✓ Issuing a positive opinion on the document entitled <i>Technical and Economic Plan of Jastrzębska Spółka Węglowa S.A. for 2024</i></li> <li>✓ Acknowledgement of the document entitled <i>Technical and Economic Plan of the JSW Group for 2024</i></li> <li>✓ Acceptance of Reports on Audits of the Operations of Jastrzębska Spółka Węglowa S.A.</li> </ul>
22.07.2024	✓ Granting consent for redemption of JSW Stabilization Closed-end Investment Fund Investment Certificates
31.07.2024	✓ Determination of the supplementary compensation and Management Objectives of the JSW S.A. Management Board Members for 2024
26.08.2024	<ul style="list-style-type: none"> <li>✓ Granting consent for making changes in the compositions of the Supervisory Boards of the following companies: JSW Nowe Projekty S.A. and JSW Logistics Sp. z o.o.</li> <li>✓ Granting consent for the manner of exercise of voting rights by JSW S.A. at the Shareholder Meeting of Centralne Laboratorium Pomiarowo-Badawcze Sp. z o.o. as regards a change in the composition of Supervisory Board of the company</li> </ul>
28.08.2024	<ul style="list-style-type: none"> <li>✓ Granting consent to enter into an agreement with KPMG Advisory Spółka z ograniczoną odpowiedzialnością sp.k. to conduct audits Company's operations for 2023</li> </ul>
11.09.2024	<ul style="list-style-type: none"> <li>✓ Revocation of the Supervisory Board's Resolutions of 21 May 2024 on the motions to the JSW Shareholder Meeting to discharge the Management Board Members (Tomasz Cudny, Sebastian Bartos, Wojciech Kałuża, Robert Ostrowski, Edward Paździorka) on the performance of their duties performed in the financial year 2023</li> <li>✓ Granting consent for the manner of exercise of voting rights at the Extraordinary Shareholder Meeting of JSW IT Systems Sp. z o.o. as regards consenting to the acquisition of non-current assets whose value exceeds 1/10 of the Company's share capital, in connection with the execution of an agreement on the supply of multimedia equipment together with installation, programming and commissioning, as well as the provision of support services for the project "Modernization of JSW's control center".</li> <li>✓ Granting consent for the manner of exercise of voting rights at the Extraordinary Shareholder Meeting of JSW Nowe Projekty S.A. as regards giving consent to amending the rules of shaping</li> </ul>



Date	Description of activity
11.09.2024	<p>compensation of Management Board and Supervisory Board Members of this company</p> <ul style="list-style-type: none"> <li>✓ Granting consent for making changes in the compositions of the Supervisory Boards of the following companies: Przedsiębiorstwo Gospodarki Wodnej i Rekultywacji S.A., Przedsiębiorstwo Budowy Szybów S.A., JSW Nowe Projekty S.A., Jastrzębskie Zakłady Remontowe Sp. z o.o. and JSW Logistics Sp. z o.o.</li> <li>✓ Granting consent for the manner of exercise of voting rights at the Shareholder Meeting of Centralne Laboratorium Pomiarowo-Badawcze Sp. z o.o. as regards changes in the composition of Supervisory Board of the company</li> <li>✓ Granting consent for concluding an annex to the Legal Services Mandate Agreement dated 28 June 2016 with Kancelaria Prawnicza Głowacki i Wspólnicy sp.k.</li> <li>✓ Granting consent for redemption of JSW Stabilization Closed-end Investment Fund Investment Certificates</li> <li>✓ Launch of proceedings for selection of audit firm to audit financial statements</li> <li>✓ Granting consent for concluding an agreement with PricewaterhouseCoopers Polska Sp. z o.o. Audyt sp.k. to provide assurance on the JSW Group's 2024 sustainability report</li> </ul>
14.10.2024	<ul style="list-style-type: none"> <li>✓ Granting consent for increasing the limit for redemption of JSW Stabilization Closed-end Investment Fund Investment Certificates and for redemption of JSW Stabilization Closed-end Investment Fund Investment Certificates in 2024.</li> <li>✓ Granting consent for a change in the composition of the Supervisory Board of Jastrzębska Spółka Kolejowa Sp. z o.o.</li> <li>✓ Granting consent for the manner of exercise of voting rights at the Extraordinary Shareholder Meeting of JSW Szkolenie i Górnictwo Sp. z o.o. as regards granting consent to amend the rules for shaping the compensation of Management Board Members of the aforementioned company</li> <li>✓ Granting consent for the manner of exercise of voting rights at the Extraordinary Shareholder Meeting of Jastrzębska Spółka Kolejowa Sp. z o.o. as regards granting consent to amend the rules for shaping the compensation of Management Board Members of the aforementioned company</li> <li>✓ Giving an opinion on the matters and draft resolutions submitted by the JSW S.A. Management Board for the Extraordinary Shareholder Meeting of JSW convened for 25 October 2024</li> </ul>
31.10.2024	<ul style="list-style-type: none"> <li>✓ Approving the document entitled <i>the Strategic Transformation Plan of Jastrzębska Spółka Węglowa and its subsidiaries</i></li> <li>✓ Granting consent for the acquisition of a fixed asset with a value exceeding PLN 20 million as part of the investment project concerning the delivery of a new PS JZR-850 armoured face conveyor for KWK Pniówek</li> </ul>
05.11.2024	<ul style="list-style-type: none"> <li>✓ Granting consent for launching the process of selecting a restructuring advisor to implement the <i>Strategic Transformation Plan of Jastrzębska Spółka Węglowa and its subsidiaries</i></li> </ul>
18.11.2024	<ul style="list-style-type: none"> <li>✓ Granting consent for the manner of exercise of voting rights at the Extraordinary Shareholder Meeting of JSW Logistics Sp. z o.o. in matters of granting consent to conclude wagon lease agreements with Przedsiębiorstwo Obrotu Surowcami Wtórnymi "DEPOL" Sp. z o.o. and DB Cargo Polska S.A.</li> </ul>



Date	Description of activity
	<ul style="list-style-type: none"> <li>✓ Granting consent for the manner of exercise of voting rights at the Extraordinary Shareholder Meeting of Przedsiębiorstwo Budowy Szybów S.A. as regards amending the content of the company's Articles of Association</li> <li>✓ Granting consent for the manner of exercise of voting rights at the Extraordinary Shareholder Meeting of Jastrzębskie Zakłady Remontowe Sp. z o.o. as regards amending the content of the Articles of Association</li> <li>✓ Granting consent for: <ul style="list-style-type: none"> <li>– taking up by JSW S.A. 1,310 new shares of JSW Logistics Sp. z o.o. of par value of PLN 500.00 per one share in the increased share capital of JSW Logistics Sp. z o.o. in exchange for a contribution-in-kind of PLN 655,000.00, i.e. in the amount exceeding 1/10 of the share in the Company's share capital</li> <li>– the manner of exercise of voting rights at the Shareholder Meeting of JSW Logistics Sp. z o.o. as regards increasing the share capital in exchange for a contribution-in-kind, amending the Formation Deed of the company and acquiring non-current assets whose value exceeds 1/10 of the Company's share capital</li> </ul> </li> <li>✓ Approval of the criteria for selection of the audit firm and the manner of assessment of proposals and the content of the announcement with the invitation to submit proposals for the audit of the financial statements</li> </ul>
20.11.2024	✓ Selecting a law firm to prepare a legal opinion
25.11.2024	✓ Granting consent to the conclusion of a contract with a Contractor to support the JSW S.A. Management Board in implementing the <i>Strategic Transformation Plan of Jastrzębska Spółka Węglowa and its subsidiaries</i>
10.12.2024	<ul style="list-style-type: none"> <li>✓ Granting consent for redemption of JSW Stabilization Closed-end Investment Fund Investment Certificates</li> <li>✓ Granting consent to conclude an agreement with the Historic Ignacy Mine in Rybnik for the donation of decommissioned tangible components constituting scrap metal, fixed assets and material recovered from decommissioned workings unfit for further use, which are in the property records of KWK Borynia-Zofiówka-Bzie</li> </ul>
27.12.2024	<ul style="list-style-type: none"> <li>✓ Change in the Management Objective for the JSW S.A. Management Board Members for 2024 and the deadline for providing the Technical and Economic Plan of JSW S.A. and the JSW Group for 2025</li> <li>✓ Making a decision on the achievement of the Management Objectives and the Variable Compensation for the Management Board Members for 2023</li> <li>✓ Acknowledgement of the assessments, conclusions and recommendations presented in the report on the opening audit consulting service in selected areas of the operations of Jastrzębska Spółka Węglowa S.A.</li> <li>✓ Granting consent to the manner of exercising voting rights by JSW S.A. at the Shareholder Meetings of JSW KOKS S.A. and JSW Nowe Projekty S.A. and at the Shareholder Meetings of the following companies: Jastrzębska Spółka Kolejowa Sp. z o.o., JSW Logistics Sp. z o.o. and Jastrzębskie Zakłady Remontowe Sp. z o.o. as regards amending the Articles of Association/Formation Deeds</li> <li>✓ Granting consent for the manner of exercise by JSW S.A. of voting rights at the Shareholder Meeting of Przedsiębiorstwo Gospodarki Wodnej i Rekultywacji S.A. S.A. as regards amending the Articles of</li> </ul>

Date	Description of activity
27.12.2024	<p>Association</p> <ul style="list-style-type: none"> <li>✓ Granting consent for the manner of exercise of voting rights by JSW S.A. at the Shareholder Meetings of the following companies: Centralne Laboratorium Pomiarowo-Badawcze Sp. z o.o., JSW IT Systems Sp. z o.o., JSU Sp. z o.o. and JSW Szkolenie i Górnictwo Sp. z o.o. as regards amending the Articles of Association/Formation Deeds</li> <li>✓ Granting consent for the manner of exercise of voting rights by JSW S.A. at the Extraordinary Shareholder Meeting of JSW Szkolenie i Górnictwo Sp. z o.o. and Jastrzębska Spółka Kolejowa Sp. z o.o. as regards the shaping the compensation of Supervisory Board Members of the aforementioned companies</li> <li>✓ Granting consent for making changes in the compositions of the Supervisory Boards of JSW Logistics Sp. z o.o. and Jastrzębskie Zakłady Remontowe Dźwigi Sp. z o.o.</li> </ul>

**7. Information on the implementation of resolutions of the Shareholder Meeting related to Supervisory Board activities and on the execution of instructions and tasks entrusted to the Supervisory Board by the Ministry of State Assets as well as fulfillment of reporting duties**

- ✓ The Supervisory Board implemented on an on-going basis the provisions of the Shareholder Meeting relating to the Supervisory Board's activities.
- ✓ The Supervisory Board executed any instructions and tasks entrusted to it by the Ministry of State Assets.
- ✓ The Supervisory Board also performed its reporting duties, including in respect of the filing of quarterly information about the Company.

**8. Information on the suspension of Management Board Members in the performance of their duties and delegation of Supervisory Board members to act as Management Board members**

In the financial year 2024, the Supervisory Board did not suspend any Management Board members in the performance of their duties.

On 23 February 2024, the Supervisory Board adopted a resolution to second Supervisory Board Member Paweł Rostkowski to act temporarily in the capacity of President of the Management Board, simultaneously entrusting him with performing the duties of the Vice-President of the Management Board for Development in the period from 23 February 2024 to 22 May 2024 inclusively, though no longer than until the date of appointing the President of the Management Board, subject to Article 383 § 1 of the Commercial Company Code (*due to the fact that the Supervisory Board appointed the President of the Management Board as of 30 April 2024 and entrusted him with the duties of Vice-President of the Management Board for Development, Paweł Rostkowski discharged the above functions until 30 April 2024*).

**9. Assessment of the Company's standing, including the adequacy and effectiveness of the Company's systems for internal control, risk management, ensuring compliance of operations with standards or applicable practices, and internal audit, covering all significant control mechanisms, in particular relating to reporting and operations with the information on the activities taken by the Supervisory Board to make this assessment**

## **The economic situation in the JSW Group in the 12 months of 2024**

### **Sales revenues**

In 2024, the value of sales revenues was PLN 11,325.8 million and was lower by PLN 4,012.7 million, or 26.2%, compared to 2023. The decline was affected by:

- sales revenues on coal lower by PLN 2,963.0 million, i.e. 33.4% (without taking into account the adjustment of sales revenues on account of executing hedging transactions), as a result of a lower sales volume of coal produced in the Group to external buyers by 1.3 million tons, i.e. 14.8%, as well as lower average sales price of coal produced in the Group in total by 211.79 PLN per ton, or 21.1%;
- coke sales revenues lower by PLN 783.8 million, i.e. 15.7% (without taking into account sales revenues adjustment on account of execution of hedging transactions), which resulted from the lower volume of coke sales which was down by 0.1 million tons, and the lower average sales price of coke which was down by PLN 198.91 per ton, i.e. 13.2%;
- revenues from sales of hydrocarbons lower by PLN 173.6 million, i.e. by 26.9% (including revenues from sales of tar lower by PLN 118.1 million and revenues from sales of coke oven gas lower by PLN 53.2 million);
- revenues from other activities lower by PLN 71.3 million, or 9.0% (including lower revenues on the electricity sold by JSW KOKS outside the Group which were down by PLN 55.0 million).

### **Cost of products, materials and goods sold**

In 2024, cost of products, materials and goods sold rose by PLN 591.9 million, or 5.2%, against 2023. The change is due mainly to the lower value of benefits and property, plant and equipment for own use (including expensable mining pits and outfitting of longwalls) which were down by PLN 392.1 million and an increase by PLN 102.7 million in the cost of external services.

### **Selling and distribution expenses and administrative expenses**

Selling and distribution expenses that consist mostly of the costs of shipping of the Group's main products in 2024 totaled PLN 371.7 million (down by PLN 77.6 million, or 17.3%). Administrative expenses for 2024 amounted to PLN 1,070.4 million and were up by PLN 10.2 million, i.e. 1.0%, compared to 2023.

### **Other revenues and costs**

In 2024, other revenues remained at a similar level as in 2023 and amounted to PLN 170.7 million compared to PLN 171.4 million in 2023.

Other costs in 2024 amounted to PLN 81.4 million, compared to PLN 138.8 million in 2023 (a decline by PLN 57.4 million, or 41.4%). The lower level of other costs is due to, among other things, PLN 26.1 million lower interest expenses and PLN 11.6 million lower donation expenses.

### **Impairment of non-financial non-current assets**

Impairment of non-financial non-current assets (net) in 2024 amounted to PLN (6,449.3) million compared to PLN (226.0) million in 2023. The increase of PLN 6,223.3 million was driven by the recognition of the impairment loss on non-financial non-current assets in the total amount of PLN 6,971.6 million (including: an impairment loss on the assets of JSW mines in the amount of PLN 5,499.2 million and an impairment loss on the assets of JSW KOKS in the amount of PLN 1,471.8 million) and the reversal of an impairment loss on non-financial non-current assets in the total amount of PLN 522.3 million.

### **Other net gains**

Other net gains in 2024 amounted to PLN 360.3 million, compared to PLN 681.8 million in 2023 (a decrease by PLN 321.5 million). The change primarily resulted from a PLN 315.5 million lower gain on the fair value measurement of the FIZ asset portfolio and a PLN 61.8 million lower gain on financial derivatives compared to 2023. At the same time, in 2024 a PLN 44.8 million lower foreign exchange loss on operating activity was recorded, as well as a PLN 10.5 million lower loss on the disposal/liquidation of property, plant and equipment compared to 2023.

### Financial income and costs

Financial income in 2024 totaled PLN 70.0 million and was lower by PLN 204.1 million, which results mainly from interest income on cash and cash equivalents lower by PLN 206.7 million.

Financial costs for 2024 amounted to PLN 228.2 million and were up by PLN 2.0 million compared to 2023.

### Net result

The Group's net result for 2024 was PLN (7,284.7) million and was lower by PLN 8,281.8 million than the result generated in 2023. Basic and diluted loss per share attributable to shareholders of the Parent Company was PLN (61.68) (in 2023, the basic and diluted profit per share was 8.46 PLN).

### Non-recurring events

• recognition of impairment loss allowance for non-financial non-current assets	6,971.0
• reversal of the impairment loss allowance for non-financial non-current assets	(520.5)
• costs of the one-time award paid at JSW	243.6
• estimate cost of the one-time award in JSW	152.5
• one-time award in Group companies	19.3
• costs of incidents in JSW's mines	50.5
• support from the government's energy-intensive sectors aid program	(27.5)
• unexploited capitalized costs of the longwall areas in JSW Units	6.2
• costs related to the incident at the Przyjaźń Coking Plant	1.6

## The economic situation at Jastrzębska Spółka Węglowa in the 12 months of 2024

### Sales revenues

In 2024, sales revenues were PLN 14,391.2 million and were lower by 27.2% compared to 2023, which follows from:

- sales revenues on coal produced by JSW lower by PLN 4,292.9 million, i.e. 31.2% (without taking into account the adjustment of sales revenues on account of executing hedging transactions), mainly as a result of average sales price of coal obtained by JSW in total lower by 220.79 PLN/t (decrease by 21.3%) as well as coal sales volume lower by 1,667.5 thousand tons, i.e. 12.5%;
- sales revenues on coke lower by PLN 783.5 million, i.e. 15.7% (without taking into account the adjustment of sales revenues on account of executing hedging transactions), mainly due to the average sales price of coke commanded being lower by PLN 198.86 per ton, or by 13.2%, as well as the coke sales volume being lower by 94.8 thousand tons;
- sales revenues from the sale of hydrocarbons lower by PLN 120.3 million, i.e. by 24.1%, mainly due to a decrease in the prices of coke-oven tar by 27.2%.

### Cost of products, materials and goods sold

In 2024, the cost of products, materials and goods sold decreased by PLN 598.6 million, or 3.9%, versus 2023. This was driven by PLN 751.5 million lower costs of coke sold, PLN 118.6 million lower costs of hydrocarbons sold, PLN 107.8 million lower other products, materials and goods sold and PLN 379.3 million lower cost of coal sold by JSW.

### Selling and distribution expenses

Selling and distribution expenses amounted to PLN 449.7 million in 2024 (down by PLN 109.0 million), which results from higher coal and coke sales volumes.

### Administrative expenses

Administrative expenses for 2024 were PLN 875.7 million compared to PLN 867.6 million in the previous year (an increase by PLN 8.1 million, or 0.9%).

#### **Impairment of non-financial non-current assets**

Impairment of non-financial non-current assets (net) in 2024 amounted to PLN (4,978.7) million compared to PLN (210.6) million in 2023. The increase by PLN 4,768.1 million was driven by the recognition of the impairment loss on non-financial non-current assets in the amount of PLN 5,499.2 million and the reversal of an impairment loss on non-financial non-current assets in the total amount of PLN 520.5 million.

#### **Impairment of shares in subsidiaries**

In 2024, as a result of the test, JSW recognized a loss on impairment of financial assets (JSW KOKS shares) of PLN 1,204.2 million.

#### **Other revenues**

In 2024, other revenues amounted to PLN 136.5 million, compared to PLN 155.9 million in the preceding year (a decline by PLN 19.4 million, or 12.4%).

A factor contributing to the lower level of other revenues in 2024 was the recognition of PLN 18.7 million lower revenues from overdue liabilities, along with interest, PLN 9.5 million lower revenues from goods disclosure, PLN 9.1 million lower revenues from energy efficiency certificates (white certificates) awarded and PLN 8.8 million lower revenues from compensation and penalties received. At the same time, in 2024, other revenues included dividend income which was PLN 18.2 million higher and financial aid in the amount of PLN 8.9 million received under the government program: *Aid to Energy-Intensive Sectors Associated with Sudden Increases in Natural Gas and Electricity Prices*.

#### **Other costs**

Other costs in 2024 amounted to PLN 49.5 million, compared to PLN 98.5 million in 2023 (a decline of PLN 49.0 million). The lower level is mainly due to PLN 23.3 million lower interest expenses, PLN 11.6 million lower donation expenses and PLN 10.0 million lower costs on account of recognition of an impairment loss on receivables compared to 2023.

#### **Other net gains**

Other net gains in 2024 amounted to PLN 342.1 million, compared to PLN 679.4 million in 2023 (a decrease by PLN 337.3 million, i.e. by 49.6%). The change results primarily from a PLN 315.5 million lower gain on the valuation of investment certificates and a PLN 62.0 million lower gain on financial derivatives. At the same time, the loss on foreign exchange loss on operating activity recorded in 2024 was lower by PLN 44.2 million compared to 2023.

#### **Financial income and costs**

Financial income for 2024 totaled PLN 63.1 million and was lower by PLN 155.1 million than financial income achieved in 2023, which results primarily from interest income on cash and cash equivalents lower by PLN 157.8 million.

Financial costs for 2024 were PLN 275.2 million. The increase by PLN 32.7 million, or 13.5%, results primarily from interest expenses and costs of commissions on loans and borrowings which were higher by PLN 18.4 million, leasing interest higher by PLN 14.6 million and interest on account of PCP higher by PLN 12.9 million, with a simultaneous decrease in the costs associated with foreign exchange differences on Fx Forward and commodity swap transactions by PLN 12.5 million compared to 2023.

#### **Net result**

The Company's net profit for 2024 was PLN (6,331.4) million and was lower by PLN 7,718.6 million than the net profit generated in 2023. Basic and diluted loss per share was PLN (53.93) (in 2023, the basic and diluted profit per share was 11.81 PLN).

#### **Non-recurring events**

In the period under analysis, certain one-off events occurred whose nature and scope had a significant impact on its financial results, including in particular:

- *creation of impairment loss allowance for non-financial non-current assets of JSW Units* 5,499.2
- *reversal of impairment loss allowance for non-financial non-current assets of JSW Units* (520.5)



• impairment loss for shares of JSW KOKS	1,204.2
• costs of the one-time award paid	243.6
• estimated cost of the one-time award	152.5
• costs of incidents in JSW's mines	50.5
• support from the government's energy-intensive sectors aid program	(27.5)
• unexploited capitalized costs of the longwall areas in JSW Units	6.2

### **Assessment of the Company's systems of internal control, risk management, ensuring compliance of operations with standards or applicable practices, and internal audit**

The Supervisory Board oversees the Company's internal control system, whose purpose is to ensure that the Company's operations are efficient and effective, that financial reporting is accurate and that the Company complies with laws and internal regulations in all aspects of its operations.

Under the internal control system, the Company has established control mechanisms, organization and hierarchical structures, operating procedures and internal instructions and such a division of responsibility and manner of work to facilitate the achievement of JSW S.A.'s objectives. In order to systematize the above area, appropriate Bylaws have been implemented as referred to in § 31 sec. 3 of the JSW S.A. Articles of Association, which defines the principles and scope of the internal control system at JSW S.A., namely: *Internal Control System Operation Bylaws of Jastrzębska Spółka Węglowa S.A.* The principles included in the Internal Control System Bylaws at JSW S.A. were defined based on the assumptions of the internal control model found in the report *Internal Control - Integrated Framework* of the Committee of Sponsoring Organizations of the Treadway Commission - COSO, defining principles and factors necessary for effective risk management through the implementation of an internal control system, including the components of this system, i.e.:

- 1. internal control environment** - integrity and ethical values, competence of employees, supervisory activities exercised by the Supervisory Board, philosophy and operational style of management, organizational structure, method of delegation of authority and responsibility, human resources policies and practices,
- 2. risk assessment** (risk management and risk response) - established and clearly communicated objectives and mechanisms to support the identification, analysis and management of the risk of events that may either positively or negatively affect the Company's operations; including the process carried out to consciously manage threats and opportunities, enabling the protection of earned value and enhancing the Company's ability to build value, as well as management's response to identified risks - avoiding, accepting, mitigating or sharing risks and, consequently, developing a set of actions to link individual risks to an acceptable level,
- 3. control activities** - all activities to ensure compliance with the law and the guidelines of the Company's Management Board, allowing to take the actions necessary to minimize risks at all organizational levels of the Company and in all its units,
- 4. information and communication** - the process of exchanging information to perform, manage and control the Company's activities,
- 5. monitoring** - activities involving continuous assessment of the quality and effectiveness of the internal control system, identification of critical points of key importance for assessing the effectiveness of the Company's internal control and, further, for implementing mechanisms to supervise the implementation of individual elements and activities of internal control.

The internal control system model implemented and used in JSW S.A. includes a three-level system of defense against materialization of the risk identified in the Company. The COSO model assumes that in order to effectively implement the system, the responsibilities imposed on the various participants in the system must be defined so



that everyone understands their role in addressing risk and control, the issues for which they are responsible, and the principles and means of cooperation within the adopted organizational structure. The COSO model using the so-called three lines of defense allows for better risk management and internal control by clearly defining the roles and responsibilities.

The system in operation in the Company include numerous implemented control mechanisms and internal regulations, including, among others, in the area of:

1. **Internal control system** - the Internal Control System Operation Bylaws is a set of regulations and principles underlying the construction, operation and usage of the internal control system at JSW S.A. The Bylaws set forth the detailed principles and scope of the internal control system. The Bylaws establish appropriate control mechanisms, organizational and hierarchical structures, operating procedures and internal instructions, as well as division of responsibilities and working methods. All of these elements have been defined in such a way as to facilitate the achievement of the Company's goals and minimize the possibility, circumstances and conditions for generation of losses. The activities of the Internal Control System serve the purpose of ensuring the organization's effective and efficient operations, credibility and reliability of financial reporting and compliance of the Company's processes with laws and internal regulations. The Audit and Control Department, in the areas of its audit and control tasks, evaluates the functioning of the internal control system at JSW S.A. If irregularities are found, post-audit recommendations and orders are issued.
2. **Risk management** - the Corporate Risk Management Policy and the Corporate Risk Management Procedure at the JSW Group, comprehensively regulate the functioning of the Corporate Risk Management System. Both documents define the assumptions and principles of the corporate risk management process in the JSW Group, identify the participants in the system and assign tasks and roles for them, the proper implementation of which ensures the functioning of the risk management system. They ensure comprehensive identification of risks and controls and their assessment both at the level of individual processes and the entire organization. This JSW S.A. function includes, therefore, the process of making decisions and carrying out tasks that lead to the Company achieving an acceptable level of risk. The risk management system includes risk identification, risk assessment, risk estimation, risk control, and monitoring and reporting. The Audit and Control Department, in the areas of its audit tasks, evaluates the corporate risk management at JSW S.A. If irregularities are found, recommendations are issued.
3. **Compliance** - is a set of measures aimed at ensuring that the actions taken by the organization comply with the norms of law, internal regulations and accepted standards of conduct. The activities of the compliance system include preventive measures and management of irregularities that occur. The actions taken by the JSW Group in its compliance function serve to reduce the possibility of financial and reputational losses and refer to the best practices in this area.

The following regulations are in place as part of compliance:

- JSW Group's Code of Conduct,
- JSW Group's Compliance Policy,
- JSW Group's Anti-Corruption Policy,
- Promotional and Charitable Activity Policy,
- JSW Group's Gift Policy,
- JSW Group's Business Partner Verification Policy,
- JSW Group's Conflict of Interest Management Policy,
- JSW Group's Employment of Family and Acquaintances Policy,
- JSW Group Human Rights Policy,
- JSW Group's Whistleblowing Policy.
- Procedure for reporting internal violations of law and taking follow-up actions.

The Audit and Control Department, in the areas of its audit tasks, evaluates the compliance of its activities with external and internal regulations, including corporate governance. If irregularities are found, recommendations are issued.

- 4. Internal audit** - the JSW S.A. Internal Audit Bylaws define the objectives, powers, responsibilities and location of the internal audit unit in the Company's structure. The bylaws also define precisely its key tasks, how they are accomplished, and the reporting rules. An integral part of the bylaws is the Code of Ethics, which auditors are guided by when performing their tasks. Internal audit functions, which are objective and independent in nature, aim to add value to the Company and improve the operating activities of the entire enterprise. These functions, which consist of a systematic and structured assessment of processes, help to achieve objectives by providing assurances that the processes are working properly. As a result of annual audit tasks, recommendations are issued, indicating the directions for improving the efficiency of processes, improving control mechanisms and minimizing risks.

### **Assessment of the internal audit system**

The bylaws governing the operation of the internal control system, based on the report *Internal Control - Integrated Framework Concept* by COSO, set out the key principles and factors necessary for effective risk management. Under this methodology, special emphasis is placed on elements such as the control environment, risk assessment, control activities, information and communication system, and continuous monitoring. This approach enables a comprehensive analysis of the operation of the system and early detection of areas for improvement.

The internal control system uses a three-stage defense system, which is the foundation for effective risk identification and minimization. The first line of defense is responsible for day-to-day operational activities, where potential threats are identified; in addition, internal control - functional control and self-control is applied. The second line focuses on monitoring and oversight of operational processes, while the third line is independent internal audit and institutional internal control, which regularly evaluate the effectiveness of the entire system.

The internal control system in operation in JSW S.A. covers all the Company's operations contemplated in the Articles of Association and all the levels of organizational structure, and thereby all the processes in JSW S.A., including the areas of internal control, compliance, internal audit and risk management, also those having a direct or indirect impact on the correctness of preparing the financial statements.

Within this system, the Company has a number of implemented control mechanisms and internal regulations which relate to the functioning of the areas of internal control, compliance, internal audit and risk management. In the opinion of the Head of the Audit and Control Department, the internal control system comprises all the regulations, procedures and organizational structures which aim to ensure:

- compliance with strategy,
- efficiency and effectiveness of procedures,
- protection of assets,
- compliance of transactions and activities with the mandatory provisions of law, supervisory regulations and internal policies, plans, provisions and procedures,
- support for the decision-making process.

One of the components of the assessment of the internal control system is the audit and inspection activities performed by the Audit and Control Department. The Audit and Control Department conducts scheduled internal inspections and audits, as well as ad hoc internal inspections and audits. In 2024, the Audit and Control Department initiated 22 audit tasks, including 12 ad hoc audit tasks. As a result of audit and inspection tasks, several post-audit recommendations and instructions were issued to streamline the control mechanisms and mitigate the risks.

The Audit and Control Department conducts monitoring of the implementation of the recommendations and instructions. In addition, monitoring of the internal control system

is achieved through operational activities arising from normal management and supervision activities.

The assessment carried out showed that the implemented internal control system is not only in line with COSO, but also effectively supports the organization's decision-making processes by quickly identifying potential risks. The effectiveness of the three-tier defense system translates into increased operational security and enables continuous improvement of procedures, resulting in stability and transparency in the organization's operations.

### **Assessment of the risk management system**

The assessment of the risk management system is part of the assessment of the effectiveness of internal control confirming that the mechanisms in place enable effective identification and analysis of risks. A key element supporting the process is the semiannual reports, which identify the most important risks and their potential impact on JSW Group's operations on an ongoing basis. The regularity of the reports makes it possible to detect problems early and to give them the appropriate priority.

The risk management system is tightly integrated with operational and strategic processes, enabling a dynamic response to changing conditions. The data contained in the semiannual reports form the basis for decision-making, allowing the situation to be monitored on an ongoing basis and necessary corrective actions to be implemented. This makes it possible to maintain a high level of operational security and minimize the negative impact of risks on the operation of the organization.

Analysis of past reports indicates a high level of involvement of risk owners in the risk management process. This allows not only the identification and assessment of risks, but also their systematic monitoring and updating. Implemented procedures ensure that every change in the internal and external environment is properly analyzed, and the results of this analysis are quickly implemented.

There were no internal audits or inspections of the risk management area during the reporting period. However, the Integrated Management and Risk Management System Department uploads on a shared folder, documents relating to risk, including: quarterly risk cards, risk register, model and semiannually Risk Management System Assessment Reports. The Audit and Control Department, in turn, after the approved Task Completion Report, forwards the relevant information on risk assessment to the risk management unit.

In 2024, 114 risks were identified and assessed in the Company in both H1 and H2. The number of risks with pre-approval increased from 72 to 75 on a six-month basis, while the number of risks requiring monitoring of controls fell from 39 to 36. Risks requiring monitoring of the materiality of the primary risk remained unchanged (3). The JSW Group's risk assessment included the assessment of 147 risks in the first half of the year and 141 risks in the second half of the year. As a result of the assessment, 1 risk required strengthening of controls, 3 risks required monitoring of the materiality of the primary risk, 18 risks required monitoring of controls, and 119 risks required pre-approval.

The risk management system demonstrates effectiveness in identifying and assessing risks in strategic, operational, financial, organizational and environmental areas. The effectiveness of risk management is based on systematic (quarterly) monitoring of risks, taking into account external and internal factors affecting the Company. The Company also identifies risks arising from climate change and the CSRD.

In summary, a risk management system based on regular semiannual reports with information on volumes, assessments, changes and actions taken provides transparency and efficiency in monitoring risks. The risk management system in place enables ongoing monitoring and identification of potential risks, which translates into an effective response to changing market conditions. The high quality of the reports produced and the professional functioning of the dedicated risk management unit

translate into operational stability. The assessment confirms that the solutions adopted correspond to best practices in risk management.

### **Assessment of the compliance system**

The leading organizational unit with responsibility for the compliance system is the Compliance Department. There are compliance coordinators at individual JSW subsidiaries and units.

In January 2020, the Compliance Department was established, which was subsequently dissolved in August 2022, and compliance issues were assigned to the Compliance Team operating within the Legal Department. As of 1 November 2024, the Compliance Department has been reestablished, placed organizationally in the Division of the President of the JSW Management Board, thus fulfilling the best practices for WSE listed companies in terms of maintaining smoothly functioning internal systems and functions as indispensable tools for overseeing the company, and stipulating that those responsible for risk management and compliance report directly to the President of the Management Board or another Management Board Member.

In 2024, 46 reports of potential irregularities were submitted, which were then reviewed and evaluated to determine whether an internal investigation procedure was warranted. The addressee of the results, both of the preliminary assessment and the investigation procedures, is the JSW management body, which remains the sole holder of the report prepared.

The Compliance Department also conducts annual compliance surveys, as a result of which the validity of existing internal regulations is assessed, as well as recommendations are made to improve the effectiveness and transparency of the Company's internal corporate governance.

In addition to the above, the Compliance Department, among other things, prepares opinions for internal regulations, maintains the JSW Clause Book, prepares and issues recommendations, issues opinions on matters ordered by the JSW Management Board, supervises the up-to-dateness of sanction lists, and provides support to compliance coordinators.

In 2024, the Audit and Control Department conducted a scheduled audit No. 3/2024/AP entitled *Audit of the compliance system at the JSW Group*. In the course of the assignment, the Compliance Team, responsible for compliance issues at the time, was analyzed. As a result of the audit, recommendations were made on housekeeping issues (such as updating the Compliance Policy, or the issue of documenting each activity) and the issue of strengthening compliance education. The primary conclusion of the audit is that the JSW Group has an effectively implemented compliance system to counter the occurrence of irregularities, implemented on the basis of a regulated structure and a set of internal regulations implemented throughout the JSW Group.

An objective analysis of the implemented compliance system confirms that the organization's solutions are adequate to the challenges of managing the risk of non-compliance. Regular reporting, monitoring, and active staff education contribute to maintaining a high level of operational security and enhance the company's reputation in the market.

An assessment of the compliance system indicates that the procedures and mechanisms implemented effectively ensure compliance with both applicable legal regulations and internal ethical standards. The system is based on clearly defined rules that are in line with best market practices, enabling the systematic identification, analysis and elimination of potential cases of non-compliance.

In conclusion, the compliance system fulfills its role. The internal compliance regulations implemented in the JSW Group, as well as the raised awareness of non-compliance risks among employees, allow to effectively identify, assess and make the right decisions.

### **Assessment of the internal audit function**

An assessment of the internal audit function indicates that the system is a key tool to support the JSW Group's risk management and operational efficiency. Operating on the principles of independence and objectivity, internal audit enables systematic monitoring of processes and identification of potential non-compliance. Its role is particularly important in ensuring that operations comply with accepted standards and regulations, both internal and external.

The structure of the audit function is based on a clearly defined division of roles and responsibilities, which ensures that auditors can conduct independent analyses of individual business areas. Regular reviews of processes and verification of compliance of procedures with applicable standards allow early detection of possible irregularities. The use of international standards and industry best practices contributes to improving the quality and efficiency of audits conducted.

The analysis of audit reports, which are prepared in a systematic manner, makes it possible to monitor progress on an ongoing basis and implement recommended corrective actions. Transparent reporting and communication of internal audit results optimize management processes and strengthen internal control mechanisms. This gives the JSW Group not only a tool for identifying risks, but also a mechanism for continuous improvement and raising operational standards.

The assessment of the internal audit function confirms that the implemented system is an effective support for managing risks and maintaining high quality operational activities. The regularity of the audits and the implementation of their recommendations contribute to the transparency and credibility of the operation of the entire organization. Compliance is ensured by the mechanism of follow-up audits, verifying the implemented recommendations in the audited units. This system is an invaluable part of building trust among employees and stakeholders, ensuring that all business units operate in accordance with established standards and procedures.

The above indicates that the Company separates within its structure units responsible for the execution of tasks in individual systems or functions. There is a clear division of roles, duties, and responsibilities among participants of individual systems or functions.

The Supervisory Board, noting the potential for further development, positively evaluates the compliance, risk management and internal audit functions implemented within the Company, as well as the internal control system in operation in JSW. The Supervisory Board assesses these systems collectively as adequate and effective, taking into account the Company's organizational structure, the number of employees and capitalization. During the financial year, the Supervisory Board took steps to make this assessment, inter alia:

- ✓ the Supervisory Board cooperated with the statutory auditor on an ongoing basis and through the Audit Committee, monitored the process of auditing the financial statements, the effectiveness of the internal control, internal audit, compliance and risk management systems,
- ✓ in accordance with the Work Plan adopted by the Supervisory Board, on the basis of periodic information submitted by the Management Board, the Supervisory Board monitored the Company's situation in all material areas of its operation, including, among others: implementation of the Audit Plan, assessment of the internal control system, risks associated with the conducted operations and ways to manage those risks, compliance and internal audit function at JSW,
- ✓ the Supervisory Board evaluated the Company's activity and results on the basis of periodical reports submitted by the Management Board on the production, economic and financial and social situation of the Company, including, among others, information on the degree of achievement of the economic parameters presented by the Company in the Technical and Economic Plan, target economic and financial results, financial indicators and the liquidity situation of the Company.

The Supervisory Board assesses that the actions taken by the Management Board are appropriate to the nature of the business, the size of the Company's workforce, the scale

of expenses incurred, and are in line with the Company's business model.

## 10. Summary of the activity of Supervisory Board Committees

In 2024, the following Committees operated within the Supervisory Board:

- ✓ Audit Committee
- ✓ Nomination and Compensation Committee
- ✓ Strategy and Development Committee

The committees are advisory and opinion-making bodies supporting the Supervisory Board.

### **Audit Committee**

It is appointed to support the Supervisory Board in exercising financial oversight and to provide the Board with reliable information and opinions that allow it to efficiently make correct decisions in the area of financial reporting, internal control and risk management. It plays a special role among the Committees because of its nature and tasks.

The organizational framework and the scope of the Committee's work are governed by the *Bylaws of the Supervisory Board's Audit Committee of Jastrzębska Spółka Węglowa S.A.* adopted by the Supervisory Board on 30 June 2023.

The Audit Committee's basic tasks include in particular the following:

- ✓ monitoring of the:
  - financial reporting process,
  - effectiveness of internal control systems, risk management systems and internal audit, including in the area of financial reporting,
  - performance of financial audit activities, in particular audits conducted by the audit firm, taking into account all conclusions and findings of the Polish Agency for Audit Oversight resulting from inspections performed in the audit firm,
- ✓ inspection and monitoring of the independence of the statutory auditor and the audit firm, in particular in cases where the audit firm renders other services in favor of the Company than the audit services,
- ✓ provision of information to the Company's Supervisory Board or supervisory or control body about the outcome of the audit and explanation of how the audit contributed to the integrity of financial reporting in the Company and what the role of the Audit Committee was in that process,
- ✓ assessment of the independence of the statutory auditor and expressing consent to the auditor's provision of permitted non-audit services (at the Company's justified request),
- ✓ preparing a policy governing the selection of an audit firm to perform the audit,
- ✓ preparation of a policy governing the provision of permitted non-audit services by the audit firm performing the audit, by its related parties and by a member of the audit firm's chain,
- ✓ development of the procedure for selecting an audit firm by the Company,
- ✓ presentation to the Supervisory Board or another supervisory or control body or the body referred to in Article 66 Section 4 of the Accounting Act of 29 September 1994 of recommendations on the appointment of statutory auditors or audit firms, in accordance with the said policies,
- ✓ submission of recommendations intended to ensure the reliability of the financial reporting process in the Company.

During the financial year, the Audit Committee monitored the reliability of reporting information and the effectiveness of the internal control, internal audit, and risk management systems. It also oversaw activities related to the auditing process and auditor independence.

On the basis of the Supervisory Board's decision, implementing the *Prime Minister's Guidelines on the procedure for selecting and cooperating with an audit firm auditing the*



annual financial statements of companies with State Treasury participation, the Audit Committee established the criteria for selecting an audit firm and the method of evaluating bids, as well as the content of the announcement containing the invitation to submit bids in the procedure for selecting an audit firm to audit and review the standalone financial statements of Jastrzębska Spółka Węglowa S.A. and consolidated financial statements of the Jastrzębska Spółka Węglowa S.A. Group, as well as to audit the standalone financial statements of key companies of the JSW S.A. Group - for a period of 3 years, i.e. for the years 2025-2027. The Committee submitted drafts of the above documents to the Supervisory Board for approval.

In addition, implementing, among other things, the provisions of *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, and the Act of 11 May 2017 on Statutory Auditors, Auditing Firms and Public Supervision*, by Resolution No. 61/XI/2024 of 18 November 2024, the Audit Committee amended and adopted the consolidated text of the document entitled *Policy and procedure for selection of the audit firm and policy governing the provision of permitted non-audit services by the audit firm, by its related parties and by a member of the audit firm's chain*.

The Audit Committee provided information to the other members of the Supervisory Board on an ongoing basis on issues relating to the Committee's areas of activity.

The members of the Audit Committee, in performing the tasks entrusted to them, acted in the interest of the Company, maintained independence of action and judgment. They demonstrated efficiency, reliability and competence. The members of the Audit Committee understand the Company's operations, including its business model and the strategy it pursues, including the activities of the entities in its group that have a significant impact on its operations. In carrying out its tasks, the Audit Committee relied on its own findings and those made by the Company's employees responsible for carrying out its tasks, particularly in the financial and reporting areas and the various internal functions and systems.

*Table 6: Composition of the Audit Committee and functions discharged in 2024*

First and last name	Position	Term in position
Artur Kisielewski	Chairperson	23.02.2024 – 31.12.2024 <sup>2)</sup>
Robert Kudelski	Member	01.01.2024 – 31.12.2024
Paweł Nieradzik	Member	01.01.2024 – 22.04.2024 <sup>4)</sup>
Krzysztof Szlaga	Member	23.02.2024 – 31.12.2024 <sup>3)</sup>
Krzysztof Wrona	Member	23.02.2024 – 31.12.2024 <sup>3)</sup>
Paweł Bieszczad	Member	22.04.2024 – 31.12.2024 <sup>5)</sup>
Jolanta Górka	Chairperson	01.01.2024 – 12.02.2024 <sup>1)</sup>
Halina Buk	Member	01.01.2024 – 12.02.2024 <sup>1)</sup>
Stanisław Prusek	Member	01.01.2024 – 12.02.2024 <sup>1)</sup>

<sup>1)</sup> on 12.02.2024, the Minister of State Assets, by way of statements made to the Company, pursuant to § 15 sec. 13 of the Articles of Association of JSW S.A., dismissed Jolanta Górka, Halina Buk and Stanisław Prusek from the Supervisory Board

<sup>2)</sup> on 23.02.2024, the Supervisory Board appointed Artur Kisielewski as Chairman of the Committee

<sup>3)</sup> on 23.02.2024, the Supervisory Board appointed Krzysztof Szlaga and Krzysztof Wrona to the Committee

- 4) on 22.04.2024, *Paweł Nieradzik tendered his resignation from the function of Committee Member*
- 5) on 22.04.2024, *the Supervisory Board appointed Paweł Bieszczad to the Committee*

The composition of the Audit Committee satisfies the requirements set forth in Article 129 of the Act of 11 May 2017 on Statutory Auditors, Auditing Firms and Public Supervision. Most Audit Committee members, including the Chairperson, are independent of JSW within the meaning of the aforementioned act. Two Audit Committee Members hold expertise and skills in accounting or audit of financial statements. Most Audit Committee members have expertise and skills in the industry in which JSW operates.

The members of the Audit Committee made declarations regarding meeting the statutory independence criteria, as well as declarations regarding having/not having knowledge and skills in accounting or audit of financial statements and in the industry in which the issuer operates. The competencies and experience of the Audit Committee Members, as well as how they acquired their knowledge and skills in financial reporting and the industry, are set forth in the biographical notes of individual Committee Members.

As of the date of the report, the statutory criteria for independence are met by the following members of the Audit Committee: Artur Kisielewski, Krzysztof Szlaga and Krzysztof Wrona.

The Audit Committee Members who hold expertise and skills in accounting or audit of financial statements are Artur Kisielewski and Krzysztof Szlaga.

The Audit Committee Members who had expertise and skills in the industry in which the issuer operates are: Artur Kisielewski, Paweł Bieszczad, Robert Kudelski and Krzysztof Szlaga.

The Committee held 7 meetings throughout financial year 2024. Five meetings were attended by all Members of the Audit Committee, while the meeting held on 21.05.2024 was not attended by Krzysztof Wrona, and the meeting held on 20.09.2024 was not attended by Robert Kudelski. The Committee did not pass any resolution regarding unexcused absences. Regardless of where and how the meetings were held, the Committee had free access to the Company's personnel and documents. It had its own calendar of meetings, which means that it did not meet only on the occasion of Supervisory Board meetings. The following persons participated in the meetings as required: other Supervisory Board Members who are not Members of the Committee, the Management Board Members, the statutory auditors auditing the Company's financial statements, the Company's Chief Accountant, the Director of the Audit and Control Department, the Management Board Representative for the Integrated Management System and Risk Management, Representative of the Compliance Office, and other employees of the Company.

In total, in 2024 the Committee adopted 30 resolutions (including 1 resolution through the use of means of direct remote communication).

#### Description of the most important activities and issues with which the Committee dealt in 2024

- ✓ reviewing the financial results of JSW and the JSW Group for 2023,
- ✓ meetings with the statutory auditor to discuss the results and key findings of the audit of the financial statements of JSW and the JSW Group for 2023, supplementary report to the Audit Committee,
- ✓ reviewing the results of JSW and the JSW Group for H1 2024,
- ✓ meeting with the statutory auditor to discuss the results of the review of the financial statements of JSW and the JSW Group for H1 2024,
- ✓ assessing the auditor's / audit firm's independence,
- ✓ monitoring the financial reporting process,
- ✓ introducing amendments and adopting a consolidated version of the document entitled *Policy and procedure for selection of the audit firm and policy governing the provision of permitted non-audit services by the audit firm, by its related parties and by a member of the audit firm's chain*,

- ✓ carrying out activities in the proceedings for selecting an audit firm to audit the financial statements for 2025-2027,
- ✓ giving consent to commission PricewaterhouseCoopers Polska Sp. z o.o. Audyt Sp. k. to provide the service involving the conduct of agreed procedures to verify that the Financial Ratios defined in the documentation of the Financing Agreement dated 12 April 2023 were calculated correctly as at 31 December 2023,
- ✓ giving consent to contract PricewaterhouseCoopers Polska Sp. z o.o Audyt Sp. k. to provide assurance services consisting in the assessment of the annual report on compensations of the JSW Management Board and Supervisory Board prepared as at 31 December 2023 as regards the inclusion therein of the information required under Article 90g of the Act of 29 July 2005 *on Public Offerings and the Conditions for Floating Financial Instruments in an Organized Trading System and on Public Companies*,
- ✓ discussing and recommending that the Supervisory Board issue a positive assessment of the standalone financial statements, the Management Board's report on the Company's and the JSW Group's activity, the Management Board's motions as regards the distribution of net profit, accounting for the profit carried forward, as well as issue a positive assessment of the consolidated financial statements of the JSW Group and adopt reports on the results of the assessment,
- ✓ discussing and recommending that the Supervisory Board adopt and submit to the JSW Ordinary Shareholder Meeting the *Report on of the Jastrzębska Spółka Węglowa S.A. Supervisory Board for the financial year 2023*,
- ✓ discussing and recommending that the Supervisory Board approve the *Report on entertainment expenses, expenditures on legal, marketing, public relations and social media communication services as well as management consulting services of Jastrzębska Spółka Węglowa S.A. for the financial year ended 31 December 2023*,
- ✓ recommending that the Supervisory Board approve the conclusion of a contract with PricewaterhouseCoopers Polska Sp. z o.o. Audyt Sp. k. to provide assurance on the JSW Group's 2024 sustainability report,
- ✓ discussing sustainability reporting issues and related responsibilities,
- ✓ meeting with representatives of the auditing firm performing the sustainability reporting assurance service,
- ✓ monitoring issues in the area of internal audit and internal control,
- ✓ giving a positive opinion on the *Report on the performance of the Audit Plan, assessment of internal control system, risk management system, compliance and internal audit function at Jastrzębska Spółka Węglowa S.A. for 2023* and recommending that the Supervisory Board approve the said report,
- ✓ giving positive opinion on the *Report on the implementation of audit tasks in H1 2024*,
- ✓ giving an opinion on the final reports on the completed audit tasks,
- ✓ reviewing information on results of conducted audit tasks,
- ✓ discussing and monitoring the enterprise risk management system at JSW,
- ✓ discussing and monitoring the compliance system,
- ✓ discussing the investment policy and management of the JSW stabilization closed-end investment fund,
- ✓ discussing planned changes to internal regulations,
- ✓ taking steps to develop a procedure for selecting an external auditor to conduct an assessment of the overall internal audit activity,
- ✓ adopting and presenting to the Supervisory Board for approval of the *Report of the JSW S.A. Supervisory Board Audit Committee for the financial year 2023*.

In accordance with the provisions of Article 390<sup>1</sup> § 4 of the Commercial Company Code, the Chairperson of each Committee presented information to the Supervisory Board on the supervisory activities undertaken by the Committee and their results. All materials from the work of the Committee were immediately made available to the Supervisory Board and the Supervisory Board had the opportunity to review them, on an ongoing basis.

Members of the Audit Committee, between meetings, as part of the Committee's work, on 15 November 2024 held a working meeting on the topics of audit tasks to be included in

the draft Annual Audit Plan for 2025 and the proposed amendments to the JSW S.A. Internal Audit Bylaws.

### ***Nomination and Compensation Committee***

It has been formed for the purpose of presenting opinions and proposals to the Supervisory Board on how to shape the governance structure of the Company, including issues related to organizational solutions, compensation system and the selection of managers with the qualifications needed to build the success of the Group.

The organizational framework and the scope of the Committee's work are governed by the *Bylaws of the Supervisory Board's Nomination and Compensation Committee of Jastrzębska Spółka Węglowa S.A.* adopted by the Supervisory Board on 1 December 2021.

The Committee's basic powers and obligations include the following in particular:

- ✓ handling matters connected with the appointment procedure for the positions of JSW S.A. Management Board members, including the performance of tasks following from the Regulations for conducting the appointment procedure for the positions of Management Board Members; preparing and presenting to the Supervisory Board draft versions of advertisements in the appointment procedure and questions/problems for candidates during interviews,
- ✓ handling matters related to the election and dismissal of JSW S.A. Management Board members by employees,
- ✓ issuing opinions on the Bylaws for election and dismissal of JSW S.A. Management Board members by employees and submitting recommendations to the Supervisory Board in this respect,
- ✓ handling matters connected with the appointment and dismissal of JSW S.A. Supervisory Board members by the employees, including issuing an opinion on the Regulations and presenting the Supervisory Board with relevant recommendations,
- ✓ preparing draft versions of contracts and other model documents in connection with appointments of JSW S.A. Management Board members for discharging their functions and overseeing the performance of the contractual obligations taken by the parties,
- ✓ monitoring and performing periodical analyses of the compensation system, providing an opinion on the compensation policy for JSW S.A. and the Management Boards and Supervisory Boards of other companies of the Group and presenting recommendations for the Supervisory Board,
- ✓ overseeing the implementation of the Management Board's compensation system, recommending a list of Management Objectives for the Management Board members (KPI), analyzing the Management Board Report on the performance of Management Objectives and presenting the Supervisory Board with relevant recommendations,
- ✓ overseeing the proper implementation of additional benefits for the Management Board stemming from their management contracts.

*Table 7: Composition of the Nomination and Compensation Committee and functions discharged in 2024*

First and last name	Position	Term in position
Michał Rospędek	Chairperson	23.02.2024 – 31.12.2024 <sup>2)</sup>
	Member	01.01.2024 – 23.02.2024
Robert Kudelski	Member	01.01.2024 – 31.12.2024
Arkadiusz Wypych	Member	01.01.2024 – 31.12.2024
Katarzyna Bilińska	Member	23.02.2024 – 31.12.2024 <sup>3)</sup>
Artur Kisielewski	Member	23.02.2024 – 31.12.2024 <sup>3)</sup>
Krzysztof Wrona	Member	23.02.2024 – 31.12.2024 <sup>3)</sup>
Alojzy Nowak	Chairperson	01.01.2024 – 12.02.2024 <sup>1)</sup>

Jolanta Górską	Member	01.01.2024 – 12.02.2024 <sup>1)</sup>
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- <sup>1)</sup> on 12.02.2024, the Minister of State Assets, by way of statements made to the Company, pursuant to § 15 sec. 13 of the Articles of Association of JSW S.A., dismissed Alojzy Nowak and Jolanta Górską from the Supervisory Board
- <sup>2)</sup> on 23.02.2024, the Supervisory Board appointed Michał Rospędek as Chairman of the Committee
- <sup>3)</sup> on 23.02.2024, the Supervisory Board appointed Katarzyna Bilińska, Artur Kisielewski and Krzysztof Wrona to the Committee

In accordance with the provisions of § 3 sec. 3 of the *Bylaws of the Jastrzębska Spółka Węglowa S.A. Supervisory Board Nomination and Compensation Committee*, at least one member of the Committee should meet the criteria provided for an independent member of the Supervisory Board referred to in § 16 sec. 2 of the Company's Articles of Association.

Under Standard 2.3. of the Code of Best Practice for WSE Listed Companies 2021 each Committee Member made a statement to the Company that they satisfy the requirements of independence specified in this principle (an independent Supervisory Board Member is deemed to be a Member satisfying the requirements set out in the *Act of 11 May 2017 on Statutory Auditors, Auditing Firms and Public Supervision*, as well as having no actual and significant affiliations with the shareholder holding at least 5% of the overall number of votes in the company).

As of the date of the report, the independence criteria set forth in Standard 2.3. of the Code of Best Practice for WSE Listed Companies 2021 are met by the following Committee Members: Katarzyna Bilińska, Artur Kisielewski, Krzysztof Wrona and Arkadiusz Wypych.

The Committee performed the tasks assigned to it on an ongoing basis and took actions to support the Supervisory Board in the performance of its statutory duties. The current tasks included, among others, systematic exchange of opinions, views and information between Committee Members and Supervisory Board Members both during and outside Supervisory Board meetings.

The Committee held 8 meetings throughout financial year 2024. Five meetings were attended by all Members of the Nomination and Compensation Committee, while the meetings held on 26.02.2024 and 29.07.2024 was not attended by Katarzyna Bilińska and the meeting held on 10.12.2024 was not attended by Robert Kudelski.

The Committee, during its meetings, among other things:

- ✓ discussed matters pertaining to the recruitment procedures for the positions of JSW Management Board Members; inter alia it determined and submitted to the Supervisory Board draft announcements on the recruitment procedures, opened and reviewed candidate applications, and submitted to the Supervisory Board proposals for the content of issues/questions asked to candidates during interviews,
- ✓ analyzed matters related to contracts with Management Board Members, including issues related to the compensation of Management Board Members, and made recommendations to the Supervisory Board in this regard,
- ✓ analyzed issues regarding supplemental (variable) compensation for Management Board Members, held discussions regarding the catalog of management objectives and the criteria for their implementation and accountability, estimated the amount of variable compensation, analyzed and evaluated the implementation of management objectives, and made recommendations to the Supervisory Board in the area in question,
- ✓ recommended that the Supervisory Board give a positive opinion on the updated document entitled *Compensation Policy for the Management Board and Supervisory Board of Jastrzębska Spółka Węglowa S.A.*,
- ✓ reviewed the results and key conclusions of the statutory auditor's assurance work on the assessment of the Report on compensations of Jastrzębska Spółka Węglowa S.A. Management Board and Supervisory Board Members for the financial year



ended 31 December 2023 as regards inclusion of the information required pursuant to Article 90g sec. 1-5 and 8 of the Act of 29 July 2005 on Public Offerings and the Conditions for Floating Financial Instruments in an Organized Trading System and on Public Companies,

- ✓ reviewed the written *Report of the independent statutory auditor on the assurance service pertaining to assessment of the Compensation Report*,
- ✓ recommended that the Supervisory Board approve the *Report on compensations of Jastrzębska Spółka Węglowa S.A. Management Board and Supervisory Board Members for the financial year ended 31 December 2023* and submit it to the JSW S.A. Ordinary Shareholder Meeting,
- ✓ recommended that the Supervisory Board accept a statement for the audit firm PricewaterhouseCoopers Polska Sp. z o.o. Audyt Sp. k. in connection with the verification of the *Report on compensations of Jastrzębska Spółka Węglowa S.A. Management Board and Supervisory Board Members for the financial year ended 31 December 2023*,
- ✓ adopted and presented to the Supervisory Board for approval of the *Report of the JSW S.A. Supervisory Board Nomination and Compensation Committee for the financial year 2023*.

In accordance with the provisions of Article 390<sup>1</sup> § 4 of the Commercial Company Code, the Chairperson of each Committee presented information to the Supervisory Board on the supervisory activities undertaken by the Committee and their results. All materials from the work of the Committee were immediately made available to the Supervisory Board and the Supervisory Board had the opportunity to review them, on an ongoing basis.

Regardless of where and how the meetings were held, the Committee had free access to the Company's personnel and documents. It had its own calendar of meetings, which means that it did not meet only on the occasion of Supervisory Board meetings. The following persons participated in the meetings as required: other Supervisory Board Members who are not Committee Members, the statutory auditors auditing the report on compensations of JSW Management and Supervisory Board Members, as well as the Company's employees. The members of the Nomination and Compensation Committee, in performing the tasks entrusted to them, acted in the interest of the Company, maintained independence of action and judgment, and demonstrated efficiency, reliability and competence. In performing its tasks, the Committee relied on its own determinations and those made by the Company's employees responsible for the execution of individual tasks.

In total, in 2024 the Committee adopted 14 resolutions (including 2 resolutions through the use of means of direct remote communication).

### ***Strategy and Development Committee***

The Committee is an advisory and opinion-making body for the Supervisory Board and is formed with the purpose of presenting the Supervisory Board with motions, recommendations, opinions and reports on the tasks in the scope of the Committee's duties.

The organizational framework and the scope of the Committee's work are governed by the Bylaws of the Committee adopted by the Supervisory Board on 17 October 2019.

The Audit Committee's basic tasks include the following:

- ✓ assessment of the Company's business strategy and presentation of the assessment results to the Supervisory Board,
- ✓ recommendation of the scope and dates for the Company's Management Board to submit technical and economic annual and long-term strategic plans to the Supervisory Board,
- ✓ assessment of the impact of strategic investments, planned and undertaken, on the Company's assets,
- ✓ monitoring of the fulfillment of strategic investment tasks,

- ✓ assessment of actions related to the management of the Company's material assets,
- ✓ issuing opinions on strategic documents submitted to the Supervisory Board by the Company's Management Board.

*Table 8: Composition of the Committee and functions discharged in 2024*

First and last name	Position	Term in position
Arkadiusz Mężyk	Chairperson	23.02.2024 – 31.12.2024 <sup>2)</sup>
Michał Rospędek	Member	01.01.2024 – 31.12.2024
Arkadiusz Wypych	Member	01.01.2024 – 31.12.2024
Paweł Nieradzik	Member	23.02.2024 – 31.12.2024 <sup>3)</sup>
Krzysztof Szlaga	Member	23.02.2024 – 31.12.2024 <sup>3)</sup>
Paweł Rostkowski	Member	21.05.2024 – 31.12.2024 <sup>4)</sup>
Stanisław Prusek	Chairperson	01.01.2024 – 12.02.2024 <sup>1)</sup>
Alojzy Nowak	Member	01.01.2024 – 12.02.2024 <sup>1)</sup>

<sup>1)</sup> on 12.02.2024, the Minister of State Assets, by way of statements made to the Company, pursuant to § 15 sec. 13 of the Articles of Association of JSW S.A., dismissed Stanisław Prusek and Alojzy Nowak from the Supervisory Board

<sup>2)</sup> on 23.02.2024, the Supervisory Board appointed Arkadiusz Mężyk as Chairman of the Committee

<sup>3)</sup> on 23.02.2024, the Supervisory Board appointed Paweł Nieradzik and Krzysztof Szlaga to the Committee

<sup>4)</sup> on 21.05.2024, the Supervisory Board appointed Paweł Rostkowski to the Committee

*Table 9: Changes in the composition of the Strategy and Development Committee after 31 December 2024*

Date	Description of the change
16.01.2025	Paweł Rostkowski was dismissed from the Supervisory Board, according to a statement by the Ministry of State Assets, pursuant to § 15 Section 13 of JSW S.A.'s Articles of Association.

The main task of the Committee is to analyze and verify the Company's strategic documents prepared by the Management Board, as well as to monitor and give opinions on the implementation by the Management Board of the tasks arising from these documents and to provide the Supervisory Board with full and reliable information in this respect.

The Committee's current tasks included, among others, systematic exchange of opinions, views and information between Committee Members and Supervisory Board Members both during and outside Supervisory Board meetings. Supervisory Board members were kept informed of the Committee's activities on an ongoing basis.

The members of the Committee, in performing the tasks entrusted to them, acted in the interest of the Company, maintained independence of action and judgment. They demonstrated efficiency, reliability and competence. They understand the Company's operations, including its business model and the strategy it pursues, including the activities of the entities in its group that have a material impact on its operations. In performing its tasks, the Committee relied on its own determinations and on information provided by the Company's employees responsible for the execution of individual tasks, in particular in the area of the Company's strategy and development.

Regardless of where the meetings were held, the Committee had free access to the Company's personnel and documents. It had its own calendar of meetings, which means that it did not meet only on the occasion of Supervisory Board meetings. The following persons participated in the Committee meetings as required: other Supervisory Board Members who are not Committee Members, Management Board Members, as well as the Company's employees.

In total, in 2024 the Committee adopted 4 resolutions (including 1 resolution through the

use of means of direct remote communication).

The Committee, in carrying out the tasks assigned to it, held 4 meetings. Three meetings were attended by all members of the Strategy and Development Committee, while one meeting held on 31 October 2024 was not attended by Arkadiusz Mężyk and Paweł Rostkowski. The Committee did not pass any resolution regarding unexcused absences.

The Committee, during its meetings, among other things:

- ✓ analyzed the situation of JSW and the JSW Group,
- ✓ analyzed and evaluated the following documents:
  - *Technical and Economic Plan of Jastrzębska Spółka Węglowa S.A. for 2024,*
  - *Technical and Economic Plan of the JSW Group for 2024,*
- ✓ made recommendations to the Supervisory Board regarding the aforementioned documents,
- ✓ recommending to the Supervisory Board a recommendation to the Management Board to present a remedy plan for JSW and the JSW Group for 2024-2027,
- ✓ discussed issues related to JSW's and the JSW Group's remedy plan for 2024-2027,
- ✓ analyzed and evaluated the documents entitled *Strategic Transformation Plan of Jastrzębska Spółka Węglowa and its Subsidiaries*, and recommended to the Supervisory Board the approval of the document,
- ✓ monitored the implementation of JSW's and JSW Group's strategic investment tasks,
- ✓ monitored the implementation of the Technical and Economic Plans of JSW and the JSW Group in 2024,
- ✓ demanded from the Company's Management Board and employees any and all information and explanations required to perform its duties,
- ✓ reviewed the information provided by the Management Board on the most important business directions and assumptions of the individual areas of JSW and the JSW Group,
- ✓ adopted and presented to the Supervisory Board for approval of the *Report of the JSW S.A. Supervisory Board Strategy and Development Committee for the financial year 2023.*

In accordance with the provisions of Article 390<sup>1</sup> § 4 of the Commercial Company Code, the Chairperson of each Committee presented information to the Supervisory Board on the supervisory activities undertaken by the Committee and their results. All materials from the work of the Committee were immediately made available to the Supervisory Board and the Supervisory Board had the opportunity to review them, on an ongoing basis.

In addition, between meetings, members of the Strategy and Development Committee, as part of the Committee's work, reviewed the Management Board's written information on the implementation of the JSW S.A. Strategy for 2022-2030, taking into consideration the JSW Group's Subsidiaries (2023 Report).

**11. An assessment of application of the corporate governance rules by the Company and the manner of complying with the reporting duties in this regard, specified in the Bylaws of the Warsaw Stock Exchange and the provisions on current and periodic information provided by the securities issuers with information on the activities of the Supervisory Board taken to make this assessment**

On 8 April 2025, the Company published its standalone and consolidated annual report for the financial year ended 31 December 2024, including the Management Board report on the activities of Jastrzębska Spółka Węglowa S.A. and the Jastrzębska Spółka Węglowa S.A. Group for the financial year ended 31 December 2024. This document contains a separate part, which is the Declaration on the application of corporate governance principles containing all information required by law, including information on the Company's application of the principles in the document *Code of Best Practice for*

WSE Listed Companies 2021. These documents are also available on the Company's corporate website: [www.jsw.pl](http://www.jsw.pl).

JSW S.A. aims to apply the principles contained in the Code of Best Practice for WSE Listed Companies 2021 as widely as possible. The Company verifies on an ongoing basis the manner and extent of compliance with the principles set forth in the aforementioned code.

In July 2024, in accordance with § 29 section 3 of the Stock Exchange Regulations, JSW S.A. provided to the public one current report including information on incidental breaches of the Code of Best Practice for WSE Listed Companies 2021.

The incidental breach of the Code of Best Practice for WSE Listed Companies 2021 consisted of a failure, not attributable to the Company, to meet the deadline set forth in Standard 4.8, i.e. *Draft resolutions of the shareholder meeting for matters introduced to the agenda of the shareholder meeting should be submitted by shareholders no later than 3 days before the shareholder meeting.* JSW S.A., in the notice convening the Ordinary Shareholder Meeting for 24 June 2024, recommended that shareholders submit draft resolutions no later than 3 days prior to the holding of the Shareholder Meeting, however, after resumption of the Ordinary Shareholder Meeting on 23 July 2024, three shareholders, exercising their right under Article 401 § 5 of the Commercial Company Code, submitted draft resolutions on a matter on the agenda of the Shareholder Meeting. *In addition, an incidental violation of the Code of Best Practice for WSE Listed Companies 2021 related to Standard 4.11, i.e., members of the management board and supervisory board participate in the shareholder meeting, either at the venue or by means of two-way electronic communication in real time, in a composition that allows them to speak on the matters on the agenda of the shareholder meeting and to provide substantive answers to the questions asked at the shareholder meeting. The management board presents to the participants of the ordinary shareholder meeting the company's financial results and other relevant information, including non-financial information contained in the financial statements subject to approval by the shareholder meeting. The management board discusses relevant events relating to the past financial year, compares the data presented with previous years, and indicates the extent to which the past year's plans were implemented.* Members of the Supervisory Board were unable to attend the Ordinary Shareholder Meeting due to other, previously scheduled commitments. The Supervisory Board will make every effort to ensure that a similar situation does not occur in the future.

The Company is in the process of revising the applicable standards of the Code of Best Practice for WSE Listed Companies 2021. According to the latest information on the status of the Company's application of the rules contained in the Code of Best Practice for WSE Listed Companies 2021 Collection, the Company's overall COMPLY ratio is 92%. JSW S.A. applies 58 standards defined in the Code of Best Practice for WSE Listed Companies 2021 while 5 standards are not applied

The Company's COMPLY ratio relating to the standards contained in individual chapters is as follows:

1. Disclosure Policy and Communications – 90%
2. Management Board and Supervisory Board – 81%
3. Internal Systems and Functions – 100%
4. Shareholder Meeting and Investor Relations – 93%
5. Conflict of Interest and Transactions with Related Parties – 100%
6. Payroll – 100%

According to the content of the most recent current report published via the Electronic Information Database dated 22 July 2022, JSW has not applied the following Standards of the Code of Best Practice for WSE Listed Companies 2021: 1.4.2, 2.1., 2.2., 2.11.6 and 4.1. The information on the status of application of the standards in the Code of Best Practice for WSE Listed Companies 2021 is available at <https://www.jsw.pl/relacje-inwestorskie/lad-korporacyjny/dobre-praktyki>.

In the opinion of the Supervisory Board, the Company fulfilled its reporting duties regarding the application of corporate governance principles, and the explanations regarding the scope of their application by the Company were presented in a transparent and exhaustive manner.

With respect to the principles described in the Code of Best Practice for WSE Listed Companies 2021, the Supervisory Board positively evaluates the manner in which Jastrzębska Spółka Węglowa S.A. fulfills its reporting duties regarding the application of corporate governance principles set forth in the Bylaws of the Warsaw Stock Exchange and in the regulations concerning current and periodic information transferred by securities issuers in 2024. The assessment was prepared by the Supervisory Board in accordance with Standard 2.11.4. of the Code of Best Practice for WSE Listed Companies 2021. The Supervisory Board reviewed the corporate governance statement included in the *Management Board Report on the activity of Jastrzębska Spółka Węglowa S.A. and the Jastrzębska Spółka Węglowa S.A. Group for the financial year ended 31 December 2024*.

This statement describes in detail the corporate governance issues and includes the information detailed in the Regulation issued by the Minister of Finance on 29 March 2018 on the Current and Periodic Information Transmitted by Securities Issuers and the Conditions for Recognizing the Information Required by the Regulations of a Non-Member State as Equivalent. In the above statement, the Management Board informed that it complies with the applicable corporate governance principles mentioned above.

In accordance with Standard 1.1. of the Code of Best Practice for WSE Listed Companies 2021, the Company maintains a website on which it posts all documents and information prescribed by law and good practices. In the opinion of the Supervisory Board, the information disclosed by the Company is consistent with the requirements and the facts and presents fairly the state of application of the corporate governance principles, and the Company properly meets the reporting duties regarding the application of the corporate governance principles set forth in the Bylaws of the Warsaw Stock Exchange and the regulations on current and periodic information.

## **12. Assessment of the reasonableness of expenditures incurred by JSW and JSW Group**

In accordance with Standard 1.5. of the Code of Best Practice for WSE Listed Companies 2021, the Company discloses, at least annually, the expenses incurred by it and its Group to support culture, sports, charitable institutions, the media, social welfare organizations, trade unions, etc.

Information regarding the expenses incurred by the Company and its Group in 2024 for the aforementioned purposes was published on the Company's corporate website on 4 April 2025 and is available at: <https://www.jsw.pl/relacje-inwestorskie/lad-korporacyjny/dobre-praktyki>.

*Table 10: Statement of expenses incurred in 2024 by Jastrzębska Spółka Węglowa S.A. and the companies comprising the JSW Group to support culture, sports, charitable institutions, the media, social welfare organizations, trade unions, etc. - in accordance with Standard 1.5 of the Code of Best Practice for WSE Listed Companies 2021*

No.	Support area	Support amount (thousand PLN)
1	Culture	51.00
2	Sports	21,396.47
3	Charitable institutions	72.30
4	Media	0.00
5	Social welfare organizations	3,517.26



6	Trade unions	118.74
7	Other:	
	Health	175.58
	JSW Foundation	13.63
	Science	5.50
	Religious communities	20.00
<b>TOTAL</b>		<b>25,370.48</b>

In the opinion of the Supervisory Board, spending on the aforementioned activities focused on supporting specific, selected areas. In 2024, the expenses in question decreased by about 51% compared to 2023.

### **13. Information regarding the degree of implementation of the Diversity Policy applicable to the Management Board and the Supervisory Board**

In order to achieve the highest standards in the performance of the Company's Management Board and Supervisory Board in carrying out their duties and discharging them in an effective manner, only persons with the appropriate competence, skills and experience are appointed to the Management Board and Supervisory Board.

Jastrzębska Spółka Węglowa S.A. applies good practices to promote diversity among employees. To this effect, among other things, the following have been implemented:

- *Jastrzębska Spółka Węglowa S.A. diversity management policy* according to which the Parent Company applies in its activities clear employment rules and strives to ensure diversity of genders, educational backgrounds, age and professional experience for all its employees, except for Management Board and Supervisory Board Members,
- *Jastrzębska Spółka Węglowa S.A. anti-mobbing policy*, which ensures the support of activities conducive to building positive relations between employees and their protection against the occurrence of mobbing in the workplace, as well as building a sense of responsibility for correct communication and good cooperation, and establishes the principles for handling reports and conducting internal investigations,
- *Policy on the hiring of persons closely associated and relatives in the JSW Group*, which is part of the JSW Group's compliance system aimed at preventing irregularities, including, in particular, irregularities of a criminal and corrupt nature,
- *JSW Group Code of Ethics*, which reflects the ethical values that the JSW Group follows and complies with, and sets the standards of conduct in the JSW Group with regard to employees, collaborators, managers as well as customers, partners and local communities, both in business and business-related relations. It also lays down the most important principles and standards of behavior acceptable and approved by the JSW Group, and provides information on how to behave in circumstances where a particular decision or situation may raise ethical dilemmas.
- *JSW Group's Human Rights Policy*, which is based on key values aimed at respecting human rights and preventing the JSW Group's actions from directly or indirectly violating human rights. The JSW Group declares that it respects human rights and has systematized principles to ensure respect for human rights, in particular, respect for the dignity of every employee, regardless of any differences that exist between people.

Jastrzębska Spółka Węglowa S.A. also applies the principles of diversity management and equal treatment to Management Board and Supervisory Board Members. The aforementioned bodies are composed of people of different gender, age and experience. Management Board Members are appointed after the qualification / election procedure which is open to candidates satisfying the criteria defined by the Supervisory Board and

following, among others, from the Articles of Association and the Act on the Rules for Managing State Property of 16 December 2016. The criteria allow the Supervisory Board to assess the candidate impartially and in no way do they disqualify any of them with respect to diversity policy elements such as: gender, educational background, expertise, age and professional experience. The notices of the qualification / election procedure is published in accordance with the applicable rules.

Supervisory Board Members are appointed according to the rules set forth in the Company's Articles of Association, and the bodies and persons authorized to appoint the Management Board and Supervisory Board have the opportunity to ensure diversity in the selection of the composition of these bodies. Candidates are not discriminated against by the criteria in the competition / election notices.

The selection process for members of the JSW corporate bodies does not in any way disqualify candidates on account of any of the diversity policy elements specified in this principle.

*Table 11: Diversity structure of the Management Board and Supervisory Board in 2024*

<b>Corporate body / age</b>	<b>as at 01.01.2024</b>			<b>as at 12.31.2024</b>		
	Female	Male	Total	Female	Male	Total
<b>Management Board</b>	<b>0</b>	<b>6</b>	<b>6</b>	<b>1</b>	<b>5</b>	<b>6</b>
<i>age under 30</i>	-	-	-	-	-	-
<i>age 30-50</i>	-	2	2	-	4	4
<i>age over 50</i>	-	4	4	1	1	2
<i>of which foreigners</i>	-	-	-	-	-	-
<b>Supervisory Board</b>	<b>2</b>	<b>7</b>	<b>9</b>	<b>1</b>	<b>10</b>	<b>11</b>
<i>age under 30</i>	-	-	-	-	-	-
<i>age 30-50</i>	-	4	4	-	6	6
<i>age over 50</i>	2	3	5	1	4	5
<i>of which foreigners</i>	-	-	-	-	-	-

Diversity of areas overseen by individual Management Board Members as at 31 December 2024:

- The President of the Management Board oversees in particular the following areas: organization and management, legal, compliance, security, media relations, audit and control, corporate governance, document circulation management, and personal data protection,
- Vice-President of the Management Board for Sales oversees in particular the following areas: trading, sales projection and analyses, and forwarding,
- Vice-President of the Management Board for Development oversees in particular the following areas: development, innovation and computerization, strategy, energy and external funds,
- Vice-President of the Management Board for Financial Matters oversees in particular the following areas: finance, accounting, stock exchange relations and controlling,
- Vice-President of the Management Board for Technical and Operational Matters oversees in particular the following areas: production (including OHS), production security, coal preparation, investments, methane drainage, methane management, process optimization and quality,
- Vice-President of the Management Board for Employment and Social Policy oversees in particular the following areas: labor, payroll, property management, HR management, integrated management and risk management system, and corporate social responsibility and promotion.

#### **14. Supervisory Board's cooperation with the Company's Management Board**

In order to enable the Supervisory Board to carry out its tasks, the Company's Management Board has provided the Supervisory Board with access to information on matters relating to the Company, including among others:

- ✓ provided the Supervisory Board with monthly information on the current production, economic, financial and social situation of the Company, including reports on the actual levels of key financial ratios and the Company's liquidity situation,
- ✓ provided answers and explanations to questions posed by Supervisory Board Members.

In addition, the Management Board provided the Supervisory Board with the necessary technical and organizational resources to enable the Supervisory Board to properly perform its duties.

In addition, the Company provides the Supervisory Board with the possibility of using professional, independent advisory services that the Supervisory Board believes are necessary for it to exercise effective oversight of the Company. Throughout the financial year, the Supervisory Board utilized legal assistance services provided under a concluded agreement.

#### **15. Results of the assessments referred to in Article 382 § 3 items 1 and 2 of the Commercial Company Code**

Acting pursuant to Article 382 § 3<sup>1</sup> (1) of the Commercial Company Code, the Supervisory Board evaluated the following documents for the reporting period covered by the report:

- The standalone financial statements of Jastrzębska Spółka Węglowa S.A. for the financial year ended 31 December 2024,
- The consolidated financial statements of the Jastrzębska Spółka Węglowa S.A. Group for the financial year ended 31 December 2024,
- Of the Management Board Report on the activity of Jastrzębska Spółka Węglowa S.A. and the Jastrzębska Spółka Węglowa S.A. Group for the financial year ended 31 December 2024,
- the Management Board's motion to cover the net loss of Jastrzębska Spółka Węglowa S.A. for the financial year ended 31 December 2024,
- Management Board's motion on accounting for *Other comprehensive income* in Jastrzębska Spółka Węglowa S.A. in the financial year ended 31 December 2024.

##### **15.1. Assessment by the Supervisory Board concerning the Standalone Financial Statements of Jastrzębska Spółka Węglowa S.A., the Consolidated Financial Statements of the Jastrzębska Spółka Węglowa S.A. Group and the Management Board's Report on the Activity of Jastrzębska Spółka Węglowa S.A. and the Jastrzębska Spółka Węglowa S.A. Group for the financial year ended 31 December 2024 with regard to their conformity with the ledgers, documents and facts**

Acting in accordance with the requirements of Article 382 §3 Item 1 of the Commercial Company Code and § 70 Section 1 Item 14 and § 71 Section 1 Item 12 of the Regulation by the Minister of Finance of 29 March 2018 on the Current and Periodic Information Transmitted by Securities Issuers and the Conditions for Recognizing the Information Required by the Regulations of a Non-Member State as Equivalent and § 20 Section 2 Items 7 and 8 of the Articles of Association of Jastrzębska Spółka Węglowa S.A., on the basis of:

- the content of the documents submitted by the JSW Management Board, in particular:
  - *The standalone financial statements of Jastrzębska Spółka Węglowa S.A. for the financial year ended 31 December 2024,*
  - *the consolidated financial statements of the Jastrzębska Spółka Węglowa S.A. Group for the financial year ended 31 December 2024,*

- *The Management Board Report on the activity of Jastrzębska Spółka Węglowa S.A. and the Jastrzębska Spółka Węglowa S.A. Group for the financial year ended 31 December 2024 (comprising a sustainability report),*
- report of the independent statutory auditor on the audit of the standalone financial statements of Jastrzębska Spółka Węglowa S.A. for the financial year ended 31 December 2024,
- report of the independent statutory auditor on the audit of the consolidated financial statements of the Jastrzębska Spółka Węglowa S.A. Group for the financial year ended 31 December 2024,
- report of the independent statutory auditor on the sustainability reporting assurance providing limited assurance of the Jastrzębska Spółka Węglowa S.A. Group for the financial year ended 31 December 2024,
- report of the audit firm to the JSW S.A. Audit Committee in connection with the audit of the standalone and consolidated financial statements of Jastrzębska Spółka Węglowa S.A. for the financial year ended 31 December 2024, and after having familiarized ourselves:
- with the position of the independent statutory auditor and the recommendation of the JSW Supervisory Board Audit Committee on the positive assessment of the standalone and consolidated financial statements and the Management Board's activity report,

**On 7 April 2025 the Supervisory Board of Jastrzębska Spółka Węglowa S.A. made a positive assessment of the following reports and statements in respect to their conformity with the ledgers, documents and facts:**

1. *The standalone financial statements of Jastrzębska Spółka Węglowa S.A. for the financial year ended 31 December 2024,*
2. *the consolidated financial statements of the Jastrzębska Spółka Węglowa S.A. Group for the financial year ended 31 December 2024,*
3. *The Management Board Report on the activity of Jastrzębska Spółka Węglowa S.A. and the Jastrzębska Spółka Węglowa S.A. Group for the financial year ended 31 December 2024 (comprising a sustainability report).*

The audit of the financial statements (standalone and consolidated) indicated in items 1 and 2, and the sustainability report assurance indicated in item.3, was conducted by PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt Sp. k. with its registered office in Warsaw.

The results of the assessment, along with the justification, are presented below.

### **Assessment of the standalone financial statements of Jastrzębska Spółka Węglowa S.A. for the financial year ended 31 December 2024**

The Supervisory Board of JSW has reviewed, analyzed and evaluated *Standalone Financial Statements of Jastrzębska Spółka Węglowa S.A. for the financial year ended 31 December 2024, comprising:*

- Standalone statement of profit or loss and other comprehensive income for the financial year ended 31 December 2024 showing a net loss of PLN 6,331.4 million and total comprehensive income showing a loss of PLN 6,273.5 million;
- Standalone statement of financial position as at 31 December 2024 showing total assets and liabilities and equity of PLN 17,921.1 million;
- Standalone statement of changes in equity for the financial year ended 31 December 2024 showing a decrease of equity of PLN 6,273.5 million;
- Standalone statement of cash flows for the financial year ended 31 December 2024 showing a decrease of cash and cash equivalents by PLN 1,033.7 million;
- Notes comprising information about the adopted accounting standards (policy) and other explanatory information;

and reviewed the results of the audit performed by the auditor as presented in the Independent Statutory Auditor's Audit Report.

*The standalone financial statements of Jastrzębska Spółka Węglowa S.A. for the financial year ended 31 December 2024 according to the opinion expressed in the Independent Statutory Auditor's Audit Report:*

- give a true and fair view of the standalone economic and financial position of Jastrzębska Spółka Węglowa S.A. as at 31 December 2024 and of its standalone financial result and its standalone cash flows for the financial year then ended in accordance with the applicable International Financial Reporting Standards endorsed by the European Union and the adopted accounting policy,
- are consistent with regard to form and content with the provisions of law binding JSW and its articles of association,
- have been prepared on the basis of accounting ledgers duly kept in compliance with the provisions of Chapter 2 of the Accounting Act of 29 September 1994 ("Accounting Act").

The JSW Supervisory Board states that the Standalone Financial Statements of Jastrzębska Spółka Węglowa S.A. for the financial year ended 31 December 2024 have been prepared in accordance with the International Financial Reporting Standards as approved by the European Union and are consistent with the ledgers, documents and facts.

#### **Assessment of the Consolidated financial statements of the Jastrzębska Spółka Węglowa S.A. Group for the financial year ended 31 December 2024**

The Supervisory Board of JSW has reviewed, analyzed and evaluated *Consolidated Financial Statements of the Jastrzębska Spółka Węglowa S.A. Group for the financial year ended 31 December 2024, comprising:*

- Consolidated statement of profit or loss and other comprehensive income for the financial year ended 31 December 2024 showing a net loss of PLN 7,284.7 million and total comprehensive income showing a loss of PLN 7,224.9 million;
- Consolidated statement of financial position as at 31 December 2024 showing total assets and liabilities and equity of PLN 22,873.0 million;
- Consolidated statement of changes in equity for the financial year ended 31 December 2024 showing a decrease of equity of PLN 7,224.9 million;
- Consolidated statement of cash flows for the financial year ended 31 December 2024 showing a decrease of cash and cash equivalents by PLN 1,805.8 million;
- Notes comprising information about the adopted accounting standards (policy) and other explanatory information;

and reviewed the results of the audit performed by the auditor as presented in the Independent Statutory Auditor's Audit Report.

*The consolidated financial statements of the Jastrzębska Spółka Węglowa S.A. Group for the financial year ended 31 December 2024 according to the opinion expressed in the Independent Statutory Auditor's Audit Report:*

- give a true and fair view of the consolidated economic and financial position of Jastrzębska Spółka Węglowa S.A. and its subsidiaries (the "Group") as at 31 December 2024 and of the Group's consolidated financial result and its consolidated cash flows for the financial year ended on that date in accordance with the applicable International Financial Reporting Standards endorsed by the European Union and the adopted accounting policy;
- are consistent as to the form and content with the legal regulations applicable to the Group and the provisions of JSW's articles of association.

The JSW Supervisory Board states that the Consolidated Financial Statements of the Jastrzębska Spółka Węglowa S.A. Group for the financial year ended 31 December 2024 have been prepared in accordance with the International Financial Reporting Standards



as approved by the European Union and are consistent with the ledgers, documents and facts.

**Assessment of the Management Board Report on the activity of Jastrzębska Spółka Węglowa S.A. and the Jastrzębska Spółka Węglowa S.A. Group for the financial year ended 31 December 2024**

The JSW Supervisory Board assessed the Management Report on the activity of Jastrzębska Spółka Węglowa S.A. and the Jastrzębska Spółka Węglowa S.A. Group for the financial year ended 31 December 2024, and reviewed the independent statutory auditor's position presented in the Independent Statutory Auditor's Audit Report.

According to the *Independent Statutory Auditor's Audit Report*, the Management Board Report on the Activity:

- has been prepared in accordance with the requirements of Article 49 of the Accounting Act and §§ 70 and 71 of the Finance Minister's Regulation of 29 March 2018 on the Current and Periodic Information Transmitted by Securities Issuers and the Conditions for Recognizing the Information Required by the Regulations of a Non-Member State as Equivalent,
- is consistent with the information contained in JSW's standalone financial statements and the Group's consolidated financial statements.

Furthermore, in light of our knowledge of the Company and Group and their environment gained during the audit, the statutory auditor has found no material misstatements in the activity report.

Presented in the Management Board's Activity Report under item 6. The sustainability report, in accordance with the requirements of Directive 2022/2464 of the European Parliament of the EU, was subject to assurance by a statutory auditor. The JSW Supervisory Board reviewed the results of the assurance as presented in the *Independent statutory auditor's report on assurance providing limited assurance on sustainability reporting*.

As a result of the assurance procedures performed regarding the finding of material misstatements in sustainability reporting, the statutory auditor did not communicate matters in this regard.

In view of the above, the JSW Supervisory Board positively evaluates the Management Board's Report on the Activity of Jastrzębska Spółka Węglowa S.A. and the Jastrzębska Spółka Węglowa S.A. Group for the financial year ended 31 December 2024, with respect to its consistence with accounting ledgers, documents and the facts.

**15.2. Supervisory Board's assessment of the Management Board's motion on coverage of net loss and accounting for other comprehensive income in Jastrzębska Spółka Węglowa S.A. in the financial year ended 31 December 2024**

Pursuant to Article 382 § 3 item 2 and Article 382 § 3<sup>1</sup> of the Commercial Company Code and § 20 sec. 2 items 8 and 9 of the Company's Articles of Association, the JSW Supervisory Board hereby submits to the Shareholder Meeting of Jastrzębska Spółka Węglowa S.A. the results of its assessment regarding:

1. the Management Board's motion to the Shareholder Meeting of Jastrzębska Spółka Węglowa S.A. on covering the net loss of Jastrzębska Spółka Węglowa S.A. for the financial year ended 31 December 2024,
2. Management Board's motion to the Shareholder Meeting of Jastrzębska Spółka Węglowa S.A. on accounting for *Other comprehensive income* in Jastrzębska Spółka Węglowa S.A. in the financial year ended 31 December 2024.

**Assessment of the Management Board's motion to the Shareholder Meeting of Jastrzębska Spółka Węglowa S.A. on covering the net loss of Jastrzębska Spółka Węglowa S.A. for the financial year ended 31 December 2024,**

The Supervisory Board has reviewed, analyzed and assessed the Management Board's motion to the Shareholder Meeting expressed in Management Board Resolution No. 124/XI/2025 of 7 April 2025 as to covering the net loss of Jastrzębska Spółka Węglowa S.A. for the financial year ended 31 December 2024 in the amount of **PLN 6,331,423,905.24** (six billion three hundred and thirty-one million four hundred and twenty-three thousand nine hundred and five Polish zloty and 24/100) in full from the Company's supplementary capital.

*Having analyzed the Management Board's motion to the Shareholder Meeting incorporating the justification given by the Company's Management Board, on 7 April 2025 the Supervisory Board endorsed the proposed manner of covering the net loss of Jastrzębska Spółka Węglowa S.A. for the financial year ended 31 December 2024.*

**Assessment of the Management Board's motion to the Shareholder Meeting of Jastrzębska Spółka Węglowa S.A. on accounting for other comprehensive income in Jastrzębska Spółka Węglowa S.A. in the financial year ended 31 December 2024**

The Supervisory Board has reviewed, analyzed and evaluated the Management Board's motion to the Shareholder Meeting as expressed in Management Board resolution no. 125/XI/2025 of 7 April 2025 on accounting for other comprehensive income of Jastrzębska Spółka Węglowa S.A. for the financial year ended 31 December 2024 by distributing the earnings shown in "Other comprehensive income", arising from the valuation of post-employment defined benefit plans, in the amount of PLN 64,250,233.00 (sixty-four million two hundred and fifty thousand two hundred and thirty-three Polish zloty 00/100) to the Company's supplementary capital.

*Having analyzed the Management Board's motion to the Shareholder Meeting incorporating the justification given by the Company's Management Board, on 7 April 2025 the Supervisory Board endorsed the proposed manner of accounting for other comprehensive income of Jastrzębska Spółka Węglowa S.A. for the financial year ended 31 December 2024.*

***In connection with its endorsement the Supervisory Board hereby recommends to the Shareholder Meeting that it cover the net loss and account for other comprehensive income in Jastrzębska Spółka Węglowa S.A. in the financial year ended 31 December 2024 in the manner specified in the Company's Management Board's motions.***

**16. Assessment of the Management Board' execution of the duties referred to in Article 380<sup>1</sup> of the Commercial Company Code**

The Supervisory Board, in accordance with the Work Plan adopted by the Supervisory Board, received regular information submitted by the Management Board on all relevant areas of operation, including but not limited to:

- Resolutions adopted by the Management Board and their subject matter (the list of Management Board Resolutions made available to the Supervisory Board was updated on an ongoing basis),
- the Company's standing, including its assets, as well as important circumstances in the conduct of the Company's affairs, in particular in the operational, investment and HR areas (written information on the subject matter was submitted by the Management Board on a monthly basis, the agendas of Supervisory Board meetings included items entitled "Discussion of Matters Arising from the Supervisory Board Work Plan" and "Management Board Information on Current Company Matters", at

Supervisory Board meetings, the Management Board reported on the financial, economic, commercial and production situation of JSW and the JSW Group, as well as any significant circumstances in the conduct of the Company's affairs, and presented information on the subsidiaries and affiliated companies),

- progress in the implementation of the Company's designated business development directions (written information on the matter in question was submitted by the Management Board on a monthly basis; at Supervisory Board meetings, the Management Board provided information on the progress in the implementation of the designated business development directions of JSW and the JSW Group, in particular those indicated in the *Technical and Economic Plans of JSW and the JSW Group* and *JSW S.A. Strategy including the JSW Group's subsidiaries for 2022-2030*,
- transactions and other events or circumstances that materially affect or may affect the Company's economic position, including its profitability or liquidity (the Management Board provided the Supervisory Board with information on an ongoing basis on transactions and other events or circumstances that materially affect or may affect the economic position of JSW and the JSW Group),
- changes to information previously provided to the Supervisory Board, if such changes materially affect or may affect the Company's standing (the Management Board provided information to the Supervisory Board on an ongoing basis on changes, updating information previously provided).

The Supervisory Board positively evaluates the Management Board's performance of all disclosure obligations set forth in Article 380<sup>1</sup> of the Commercial Company Code. The information submitted was complete and fairly presented the actual picture of JSW and the JSW Group.

**17. Assessment of the manner in which the Management Board prepares or submits to the Supervisory Board information, documents, reports or explanations requested in accordance with the procedure set forth in Article 382 § 4 of the Commercial Company Code**

The Management Board implemented the recommendations of the Supervisory Board and its Committees, provided explanations and submitted information, documents and reports requested by the Supervisory Board and the Committees. In the opinion of the Supervisory Board, the information and explanations of the Management Board were presented in a transparent, reliable and comprehensive manner, so the Supervisory Board positively evaluates the manner in which the Management Board prepared and submitted to the Supervisory Board information, documents, reports and explanations requested by the Supervisory Board, in accordance with Article 382 § 4 of the Commercial Company Code.

**18. Information on the total compensation payable by the Company for all studies commissioned by the Supervisory Board during the financial year 2024 in accordance with Article 382<sup>1</sup> of the Commercial Company Code**

In Article 382<sup>1</sup> of the Commercial Company Code, the legislator granted the Supervisory Board the authority to adopt a resolution to have certain matters relating to the Company's operations or assets examined by a selected advisor (Supervisory Board Advisor) at the Company's expense. A Supervisory Board Advisor may also be selected to prepare specific analyses and opinions.

In 2024, the Supervisory Board took advantage of the option of appointing an advisor to the Supervisory Board, i.e. the Supervisory Board adopted a resolution to select a law firm to prepare a legal opinion. The costs for this amounted to PLN 16,000.00 net (PLN 19,680.00 gross).

***The Supervisory Board hereby moves to the Shareholder Meeting to approve this Report and discharge the Supervisory Board Members on the performance of their duties in 2024.***

.....  
Katarzyna Bilińska

.....  
Michał Rospędek

.....  
Robert Kudelski

.....  
Paweł Bieszczad

.....  
Artur Kisielewski

.....  
Arkadiusz Mężyk

.....  
Paweł Nieradzik

.....  
Krzysztof Szlaga

.....  
Marek Szczęch

.....  
Krzysztof Wrona

.....  
Arkadiusz Wypych

*proper signatures on the original*