



**Grupa Polsat Plus
Sustainability-Linked
Financing Framework**

September 2022

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Introduction



Poland's leading mobile telecommunications network and forerunner of technological changes and innovations in mobile solutions



Leading pay-TV provider in Poland bringing media and entertainment to people through satellite, IPTV and OTT technologies



leading player on the Polish market of new generation media, reaching nearly 60% of Internet users in Poland



Telewizja Polsat is Poland's largest content producer and leading commercial broadcaster in terms of both audience and advertising shares



Poland's leading online video platform and app, offering a wide selection of high quality, attractive content for everyone, everywhere



leading fixed-line telecommunications operator on the Polish market providing high quality connectivity and entertainment, and state-of-the-art ICT solutions

1. Grupa Polsat Plus

Grupa Polsat Plus ("GPP", "Polsat", "Group") is a Polish company that offers high quality commodities for an accessible price to the inhabitants of Poland.

Grupa Polsat Plus is the largest media and telecommunications group in Poland and the leader on the Polish entertainment and telecommunications markets. The Group is the leading pay-TV provider and one of the leading telecommunications operators in the country. GPP is also one of Poland's leading private TV TV producers and broadcasters in terms of both audience and advertising market shares.

GPP is guided by the principle "For everyone. Everywhere." and

aims to satisfy every customer's needs with its products and services accessible at any time and on any device regardless of the method of service provisioning.

Polsat offers a complete integrated range of multimedia services designed for the entire family: pay-TV via satellite, terrestrial and online (IPTV and OTT) broadcasting, mobile and fixed-line telephony, data transmission services and broadband Internet access, mainly in LTE, LTE Advanced and 5G wireless technologies and also through fixed-line networks, including fibre-optic.

Additionally, Polsat provides a wide array of wholesale services to other telecommunications operators, television operators and broadcasters.

Moreover, Polsat is a leading player on the Internet media market through the horizontal portal Interia.pl and also operates on the Polish online advertising market offering modern marketing and promotional solutions.

Polsat wants to create the value of its capital group in a sustainable manner, taking into account and addressing environmental and social issues, and conducting its business responsibly and transparently, to the benefit of local society and all stakeholders. Specifically, Polsat believes that the transition towards clean and affordable energy, in particular energy produced from renewable sources, is what Poland needs and that it creates new development opportunities for the Group.

2. Grupa Polsat Plus' vision and mission

Polsat's mission is to create and deliver high quality commodities: high-speed and reliable connectivity, the most attractive and unique content and entertainment, clean and affordable energy and other services and commodities for the home and for individual and business customers in line with its strategic motto "For everyone. Everywhere."

Polsat wants to use state-of-the-art technologies to provide top quality services that meet the changing needs and expectations of customers, so as to maintain the highest possible level of their satisfaction.

Polsat believes that high-speed and reliable Internet within easy reach means freedom for everyone and everywhere, and believes in locally produced, unique content available wherever, whenever and on whatever device you want.

3. Strategy

In December 2021, the Group adopted the new Strategy 2023+ ("Strategy"), which envisages the expansion of existing operating activities to a new area - clean energy production. The new operational pillar will open the possibility of building an additional revenue stream for Polsat and will bring tangible social benefits in the form of a reduction in greenhouse gas emissions in the broader Polish economy and society.

The overriding goal of the Strategy is the permanent, sustainable and long-term growth of the value of Cyfrowy Polsat S.A., the controlling company of the Group, for its shareholders. Polsat intends to achieve this goal by implementing the key elements of its operating multiplay strategy based on three main pillars and supported by an effective financial policy.

PILLAR I - CONNECTIVITY	PILLAR II – CONTENT	PILLAR III – CLEAN ENERGY
<p>High-speed and reliable connectivity is critical to our work, education and entertainment. Easy communication with friends and family</p>	<p>Attractive content and excellent user experience ensure entertainment wherever, whenever and on whatever device you want</p>	<p>Affordable, clean energy is essential to the daily functioning and further development of the Polish society and economy</p>
<p>growth of revenue from services provided to individual and business customers through the consistent building of our customer base value by maximizing the number of users of our services as well as the number of services offered to each customer and simultaneously increasing average revenue per user (ARPU) and maintaining a high level of customer satisfaction</p>		<p>building a position on the clean, energy market, in particular from the sun, wind, biomass, thermal waste treatment and building a complete value chain of a hydrogen-based economy, which creates opportunities to build a new stream of revenues for Grupa Polsat Plus and will bring tangible social benefits in the form of greenhouse gas emissions reduction</p> <p>analysis of additional development opportunities in other prospective directions</p>
<p>growth of revenue from produced and purchased video content by expanding its distribution, including a search for new channels of exploitation of rights, maintaining the audience shares of channels produced by us</p>		
<p>use of opportunities arising from the advancing technological changes and market opportunities in order to expand the scope of our products and services</p>		
<p>effective management of the cost base of our integrated capital group by exploiting its inherent synergies and economies of scale</p>		
<p>effective management of the Group's finances, including its capital resources</p>		

3.1 Clean Energy: new strategic pillar


Polsat is striving to strengthen its unique offer of bundled services, by expanding its multiplay strategy, to provide affordable and clean energy. Polsat, by introducing the production of clean energy, in particular from sun, wind, biomass and thermal waste treatment plants, as well as to build a complete green hydrogen economy value chain, will open the possibility of building a new revenue stream for Polsat as well as clearly support the decarbonisation of the Polish electricity grid.

To facilitate this new strategic pillar, Polsat is in the process of taking control of a new Hold Co., namely PAK Polska Czys-ta Energia sp. z o.o., over which it intends to own 67%; the remaining 33% to be owned by ZEPAK S.A., a Poland-based utility company with energy expertise and experience. This Hold Co. will fully own, control and manage various SPVs created specifically for the construction and operation of the developed renewable energy assets. The Hold Co. and above mentioned SPVs will be fully consolidated into Grupa Polsat Plus. Polsat in fact plans to become a leading producer of afforda-

ble clean, green energy, including biomass, solar, wind on-shore and thermal waste treatment.

To support this ambition, in line with the Group Strategy, Polsat is committed to invest c. PLN 5 billion in 5 years (2022-2026), with the goal of reaching c. 1,000 MW of installed capacity, predominantly solar and wind power (about 850 MW) to produce >2 TWh of clean energy, which would translate into >2 million tons of CO₂ emissions reduction per year¹.

biomass
Goal 100 MW



In operation

solar
Goal 600 MW



In operation

wind-on-shore
Goal 250 MW



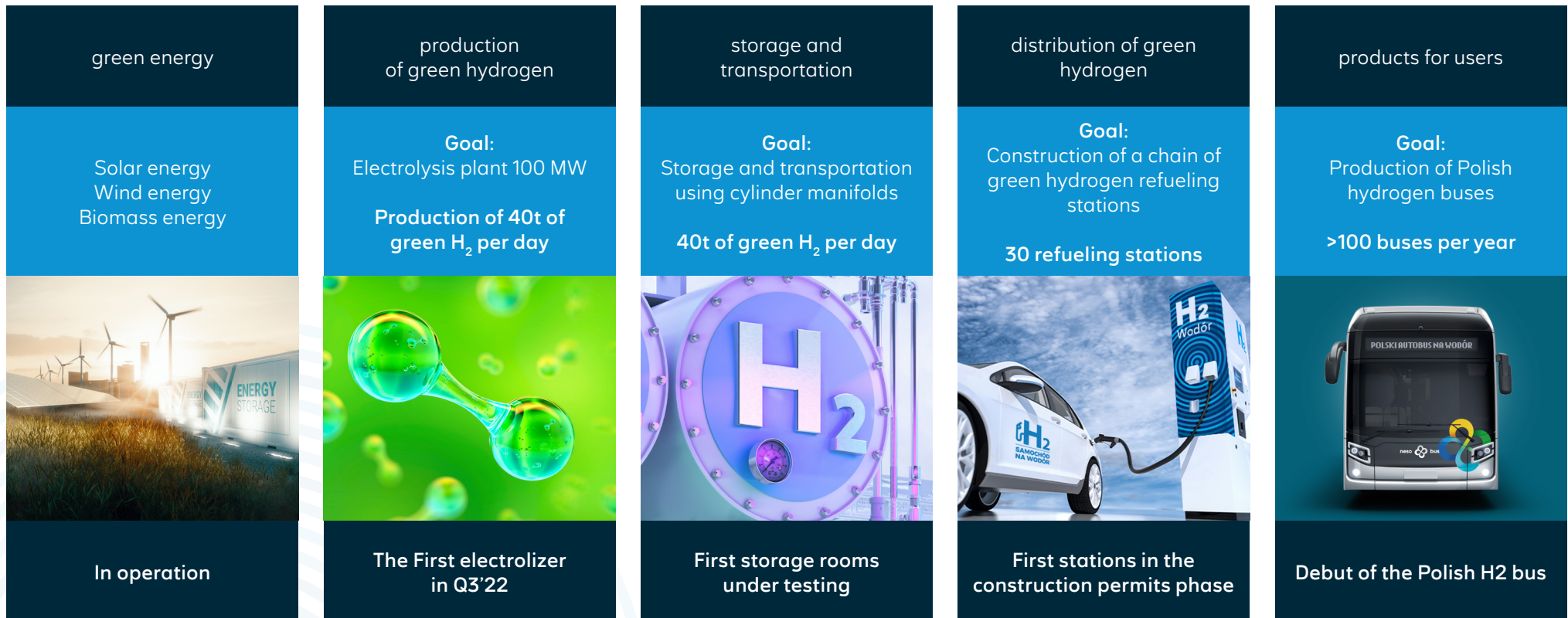
In construction

termal
waste treatment
Goal 2 installations



Initiated

1. Based on benchmarks provided by the National Database on Emissions of Greenhouse Gases and Other Substances, one can estimate that in Poland, where c. 70% of energy is still produced from coal and lignite, 1 MWh of produced clean energy corresponds to a reduction of c. 1 ton of CO₂, Wskazniki_emisyjnosci_grudzien_2020.pdf (kobize.pl).



The planned investments are expected to translate into PLN 500-600 million of annual EBITDA from 2026 onwards.

To further support the Polish decarbonisation strategy, Polsat has recently initiated a project to build a thermal waste treatment facility, which involves the construction of a system of thermal waste processing that will dispose of waste in an

ecological and environmentally safe manner while generating heat, electricity and hydrogen. The project includes building a waste sorting and composting plant, and a system for processing of biodegradable, large-size construction waste.

Additionally, Polsat wants to become a leading producer of green hydrogen and build a complete hydrogen-based econ-

omy value chain, with expected investment of c. PLN 0.5 billion over 5 years (2022-2026), phased in line with the pace of market creation for green hydrogen.

Furthermore, Polsat wants to actively analyse the possibilities of investing in other prospective sources of green energy.

Sustainability strategy

ESG approach is deeply embedded in Polsat's DNA. Polsat has actively supported the Polish society for many years and takes responsibility for important social and environmental matters. Polsat develops its business in a sustainable manner to the benefit of all stakeholders of the Group.

for the environment



Reduction of CO₂, SO₂ and harmful particle emissions
Accelerated transformation of Polish energy sector
Green hydrogen as Poland's and Europe's strategic target

for the society



Cleaner air
Better health
Better quality of life
Less worries

for our business



New, profitable operations
Development of relations with our B2B and B2C customers

3.2. Sustainability strategy

ESG approach is deeply embedded in Polsat's DNA. Polsat has actively supported the Polish society for many years and takes responsibility for important social and environmental matters. Polsat develops its business in a sustainable manner to the benefit of all stakeholders of the Group.

Environment

- High focus on care for the natural environment, air, water and nature (key partner of Clean Poland Program Society / Stowarzyszenie Program Czysta Polska²)
- Eco-friendly products and renewable energy sources for internal purposes (green energy for network and premises) as well as for customers (photovoltaic installations for B2C and B2B customers)
- Digital signature introduced in cooperation with Asseco Poland³
- Constant modernization of state-of-the-art technologies with the view to lowering energy consumption
- Zero-emission vehicles introduced to the car fleet (including the first air-purifying hydrogen fleet in Poland), chargers for electric cars installed in the Group's headquarters

Social

- Invested in Counteracting digital divide, dynamically developing the reach of modern, fast 5G Internet
- Committed to safety of children and young people using media (safety of online and TV content)
- Key partner of Polsat Foundation⁴ which has helped fund medical treatment and rehabilitation for >40,000 disabled children over the past 25 years
- Promotion of sports and healthy lifestyle (including >20 years sponsoring of Polish volleyball, broadcasting of sports events and educational programs in Polsat TV', Polsat Biega track team running in all key events)
- Responsible approach in the face of ad-hoc key regional

disruptions (financial and in-kind support to the Ukrainian society and to alleviate the effects of the coronavirus epidemic in Poland)

- 20 years of cooperation with Polish mountain and water rescue units (GOPR / TOPR / WOPR / MOPR) aimed at promoting personal safety of Poles

Governance

- Effective oversight executed by a strong team of highly qualified non-executive directors with diverse expertise and knowledge
- High quality of financial and ESG reporting coupled with regular, transparent direct communication with all stakeholders
- Implemented codes of business conduct and internal systems and procedures ensure the highest level of integrity
- >10-year long cooperation with 2 global rating agencies that monitor, among others, corporate governance and expand into broader ESG angles
- Aware of challenges in the area of cybersecurity, Polsat aims at the best possible data security and protection for its customers and employees (ISO 27001 certificate)

3.3. Sustainability objectives and targets

As part of its Strategy 2023+, the Group is dynamically implementing activities aimed at developing clean energy.

In its efforts towards becoming more sustainable and contributing to a more sustainable economy, Polsat has set the following targets across its business:

- New investments – by producing over 2 TWh of green energy per year GPP will contribute to reducing CO₂ emissions in Poland by more than 2 million tons yearly (as detailed previously)
- Renewable energy sources – by 2023 Polsat aims to use energy solely from low- and zero-emission sources.

In this regard, the Group has already undertaken the following activities:

- Building together with ZEPAK, the largest photovoltaic farm in Poland which started operating at the end of 2021 and produced 42.9 GWh of clean, green energy in H1'22
- Receiving confirmation from contractors building on-shore wind power plants (27MW in 2 plants planned for Q3'23)
- Purchase of 1 tons hydrogen trailer in Q2'22
- Delivery of the first 2.5MW electrolyser confirmed for Q3'22.
- GPP's hydrogen-powered bus has received an EU type-approval and is currently being tested, transporting passengers in Gdańsk, Gdynia, Wrocław and Konin
- Signing of a contract for the construction of a factory in Świdnik manufacturing hydrogen-powered buses. Planned completion date is mid 2023
- Acquiring the Człuchów and Drzeżewo wind farm projects; 33 turbines with total capacity of 72.6MW and 50.6MW, respectively, which will increase the scale of already initiated wind investments to the level of >140MW 190MW (Kazimierz Biskupi, Miłośław, Przylów, and Człuchów and Drzeżewo)
- Submitting applications for co-financing the construction of several hydrogen refuelling stations and the factory of hydrogen-powered buses within the framework of the National Fund for Environmental Protection and Water Management⁵ and the Polish Hydrogen Strategy⁶
- A letter of intent for the construction of its first thermal waste treatment facility has been signed with the municipality of Rybnik.

2. <https://www.programczystapolska.pl/>

3. <https://pl.asseco.com/>

4. <https://www.fundacjaipolsat.pl>

5. National Fund for Environmental Protection and Water Management

6. Polish Hydrogen Strategy

3.4. Contribution and alignment to United Nation's Sustainable Development Goals (SDGs)

Polsat is committed to assessing the ways in which its business supports the UN SDGs.

See below for a summary of this analysis, but refer to the annual Sustainability Report⁷ for further details.

SUSTAINABLE DEVELOPMENT GOALS

Prioritised UN SDGs

Polsat's Contribution to UN SDGs



End poverty in all its forms everywhere

- Involvement in charity actions whose mission is to combat poverty and social exclusion
- Renovated houses and apartments for disadvantaged families on Polsat TV's program "Our new home"
- Supporting selected charity goals under selected programs of Polsat TV



Ensure healthy lives and promote well-being for all at all ages

- 25 years of experience in providing aid to ill and disabled children by Polsat Foundation
- Polsat Foundation's activities
 - » support in building modern medical centres and renovation of hospitals
 - » purchase of medical equipment for hospitals and other institutions providing healthcare to children
- Additional support provided to the society, healthcare system and our employees in the fight against coronavirus



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

- Mission of Stowarzyszenie Program Czysta Polska (Clean Poland Program Society)
- Spreading knowledge about ecology and pro-environmental attitudes, including news programs devoted to natural environment
- Counteracting digital exclusion, among others through the development and promotion of state-of-the-art Internet access technologies
- Long-term cooperation between GPP and the Copernicus Science Centre⁸
- e-Tornister⁹ (e-Schoolbag) – an integrated educational platform, replacing classic workbooks and exercise books at school
- Charity actions with an aim to support the development of disabled children



Ensure access to affordable, reliable, sustainable and modern energy for all

- Announcement of Strategy 2023+ expanding GPP's business by a new pillar – Clean Energy generation from sun, wind and biomass
- Development of green hydrogen technologies - playing an important role in global energy transformation, building a full green hydrogen value chain
- Photovoltaic installations in the Group's offer for B2B and B2C customers
- Polsat pioneers the use of a zero-emission and air-purifying fleet of 100 hydrogen cars in Poland



Promote economic growth, and decent work for all

- Constant development of offered services and technologies
 - » investments in the latest technologies and innovations (e.g. 5G and green hydrogen)
 - » entering new market areas (e.g. the production of clean, green energy)
- Company Social Benefits Fund (ZFŚS), fringe benefits, promotion of healthy lifestyle



Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

- Investments in new technologies, most recently to develop the new strategic pillar - clean energy business – specifically green hydrogen given the nascent market state
- Regular development of the Internet with the use of state-of-the-art technologies – Plus network is a leader of 5G technology and Netia as a leading fibre-optic operator
- Internet of Things (IoT) solutions and advanced Information and Communications Technology (ICT) services offered by Netia,
- High technology in Polsat TV studios and new Polsat broadcasting vehicles



Reduce inequality within and among countries

- Adjusting most of the programming in Super Polsat channel to allow people with visual and/or hearing impairment to watch content
- Facilities for people with disabilities in customer service in Polsat Box and Plus and as part of Polsat TV channels
- Organizational culture in Grupa Polsat Plus companies based on the diversity policy and respect for human rights



Ensure sustainable consumption and production patterns

- Environment-friendly products, including minimal use of raw materials during production, elimination of unnecessary packaging, efficient distribution and effective recycling of products once their lifecycle ends
- Polsat undertakes several certifications, such as ISO 9001:2015, ISO 14001:2015, ISO 14001:2018, PN-N18001:2004



Take urgent action to combat climate change and its impacts

- Building a new strategic pillar: Clean Energy
- Target for Polsat Plus Group companies to use c. 90% renewable energy by 2023, with wind & solar accounting for 50% by 2030
- Waste management and delivery of waste materials to specialized recycling firm

4. Rationale for establishing a Sustainability-Linked Financing Framework

By establishing this Sustainability-Linked Financing Framework (the “Framework”), Grupa Polsat Plus aims to communicate to investors and all its stakeholders its sustainability strategy plan and especially the environmental focal points of its business plan, in particular around its ambition to fight against climate change and improve air quality in Poland by taking action and making investments to help accelerate Poland’s transition towards green energy. Moreover, by incorporating sustainability-linked instruments its funding policy, GPP aims at broadening its commitment to drive the effort to fight global warming. To showcase the central role in the transition towards a sustainable economy, Polsat has the ambition and commitment to use this Framework at the funding teams discretion to issue future debt instruments in sustainability-linked format across both loans and bonds going forward as funding is required.

This Framework has been established in accordance with the Sustainability-Linked Bond Principles 2020 (“SLBP”)¹⁰ as administered by the International Capital Market Association (ICMA) and the Sustainability-Linked Loan Principles 2021 (“SLLP”)¹¹, as organised by Loan Market Association (LMA) (altogether referred to as the “Principles”), and follows the five core components below:

- I. Selection of Key Performance Indicators (KPIs)
- II. Calibration of Sustainability Performance Targets (SPTs)
- III. Financial Characteristics
- IV. Reporting
- V. Verification

Polsat’s Framework aims at covering any upcoming sustainability-linked financing instruments, whether through sustainability-linked bonds, sustainability-linked loans, or any other capital market instruments whose characteristics are linked with sustainability performance targets (the “Sustainability-Linked Instruments”).

Polsat will review this Framework from time to time, including its alignment to updated versions of the relevant Principles as and when available to the market. Any major update will be subject to the prior approval of a qualified Second Party Opinion provider.

In this Framework, Polsat presents Key Performance Indicators (KPIs) that are core, relevant and material to its business and industry. Polsat reserves the right to select the KPI(s) that will be used in each of the Sustainability-Linked Instruments to be issued under this Framework. The specific KPIs to be used in any particular financing will be disclosed in the Sustainability-Linked Instrument documentation at the time of the instrument launch, alongside the respective Sustainability Performance Targets (SPTs) and pricing mechanism.



10. CMA SLBP 2020: <https://www.icmagroup.org/assets/documents/Regulatory/Green-Bonds/June2020/Sustainability-Linked-Bond-Principles-June-2020-171120.Pdf>
11. LMA SLLP 2021: <https://www.lsta.org/content/sustainability-linked-loan-principles-sllp/>

Grupa Polsat Plus' Sustainability-Linked Financing Framework

5. Selection of Key Performance Indicators (KPIs)

Grupa Polsat Plus has selected four KPIs which are core, relevant and material to its business and industry.

Key Performance Indicators

- KPI 1** Reduction of absolute Scope 1 and 2 Greenhouse Gas (GHG) emissions (CO₂ equiv. tons/year)
- KPI 2** Energy production from Renewable Energy Sources (RES) (GWh/year)
- KPI 3** Production of green hydrogen (tons/year)
- KPI 4** Share of zero-emission energy in the energy mix used by GPP (%)

Key Performance Indicator 1:

Reduction of absolute Scope 1 and 2 Greenhouse Gas (GHG) emissions (CO₂ equiv. tons/year)



Scope:

The Main operating companies of the TMT business of Grupa Polsat Plus (i.e. Cyfrowy Polsat S.A., Telewizja Polsat sp. z o.o., Polkomtel sp. z o.o. and Netia S.A.) which at the time of creating this Framework represent more than 90% of total energy

consumption of GPP and therefore account for the vast majority of emissions of the Group, pro forma for the disposal of Polkomtel Infrastruktura sp. z o.o. concluded in 2021.

Any new acquisitions, including new business segments (clean energy and real estate), are excluded from the calculation unless GPP decides to include them, based on GHG calculations to be concluded in the future.

Definition and methodology of KPI:

GHG emissions (Scopes 1 and 2) are reported in line with the GHG Protocol¹². The calculation methodology for Scopes 1 and 2 (and Scope 3) emissions is disclosed in GPP's annual sustainability reporting.

Rationale and materiality of KPI:

GPP is committed to constantly reducing its emissions and impact on the environment. Over time, GPP has implemented and will continue to implement actions to limit and reduce its environmental footprint. The substantial reduction in emissions achieved in the past few years is mainly the result of the rapid improvement of the energy mix used by GPP and changes in the Group structure. Continued emissions reductions will remain to be achieved by increased use of clean energy across the GPP business.

With the growth in demand for digital communications in the past years, also as a result of the COVID-19 pandemic, and a related increase in the industry carbon footprint, telcos have experienced increasing pressure to tackle environmental and

sustainability priorities. In particular, as the TMT industry is highly energy intensive, increase in use of renewable energy and energy efficiency are key priorities for telcos to reduce their GHG emissions, and particularly their Scope 2.

Therefore, measuring GHG Scope 1 and 2 emissions is key to address GPP's path towards full decarbonisation. In particular, GPP is committed to address Scope 2 emissions and the share of renewables in the Group energy mix as they are a critical component of GPP's carbon intensity.

Key Performance Indicator 2:

Energy production from RES (GWh/year)



Scope:

The indicator measures all energy production from Renewable Energy Sources (RES) by entities in which GPP either (i) holds a controlling stake and therefore is fully consolidated, or (ii) intends to hold a controlling stake and therefore will be fully consolidated at the time of any transaction contemplated under this Framework.

Acquisitions are taken into account as of January 1st of the given year (on a pro forma basis) to the extent possible or as of the following year.

Definition and methodology of KPI:

Energy production from RES measures the production of renewable energy generation from solar, wind and biomass assets or projects owned and managed by GPP per calendar year.

The biomass taken into consideration for for the purpose of energy production will meet the current requirements included in the Directive (EU) 2018/2001. Any potential future amendments or change to the content of such Directive will not be taken into account in the KPI calculation methodology.

The biomass feedstock will only be of 'second generation' sources including but not limited to lignocellulosic biomass or woody crops (including wood residues), agricultural residues or waste and dedicated non-food energy crops.

Feedstock from primary generation sources (i.e. edible food crops such as sugar based, starch based) or vegetable oils will be excluded from operational use in GPP biomass plants and consequently from this Framework.

Rationale and materiality of KPI:

Relevant, core and material to GPP's overall business and of high strategic significance to decarbonising GPP's current and future operations; this KPI reflects GPP's strategic move towards building a renewable energy generation activities business.

Additionally, given the high dependency on coal in the Polish grid mix, investments from private companies into RES are not only important for individual businesses decarbonisation objectives, but also have potential to contributing towards the country's decarbonisation targets in line with the Paris Climate Agreement and presented Nationally Determined Contributions (NDC)¹³.

Key Performance Indicator 3:

Production of green hydrogen (tons/year)



Scope:

The indicator covers full production of green hydrogen by entities in which GPP either (i) holds a controlling stake and are therefore fully consolidated, or (ii) intends to hold a controlling stake and therefore be fully consolidated at the time of any transaction contemplated under this Framework.

Acquisitions are taken into account as of January 1st of the given year (on a pro forma basis) to the extent possible or as of the following year.

Definition and methodology of KPI:

Production of green hydrogen from renewable sources, specifically: solar, wind, bioenergy (biomass and biogas), geothermal, hydropower and tidal (subject to EU taxonomy thresholds) owned and managed by GPP per calendar year.

Rationale and materiality of KPI:

The Group aims to build a complete value chain for a green hydrogen-based economy and aims to be a leading producer of green hydrogen in Poland by 2026 to support the anticipated annual demand for hydrogen in Poland, which is expected to exceed 100 TWh by 2040¹⁴.

Currently, Poland is the world's third-largest producer of hydrogen with production of approximately 1.3m tons per year¹⁵. However, the majority is produced by refineries and chemical plants, and does not use the process of water electrolysis. As such, the development of green hydrogen within the new strategic pillar not only expands GPP's business model, but also aligns and supports the Polish Hydrogen Strategy's vision and overarching goal of building the Polish hydrogen

industry to achieve climate neutrality and maintain the competitiveness of the Polish economy¹⁶. In particular, this requires the construction of new RES power generation capacity, installations for the production of hydrogen and its derivatives from low-carbon sources, processes and technologies for the needs of the energy sector, heating, transport and other sectors of the economy.

Key Performance Indicator 4:

Share of zero-emission energy in the energy mix used by GPP (%)



Scope:

Main operating companies of Grupa Polsat Plus (i.e. Cyfrowy Polsat S.A., Telewizja Polsat sp. z o.o., Polkomtel sp. z o.o. and Netia S.A.), which at the time of creating this Framework consume more than 90% of total energy consumption of GPP, pro forma for the disposal of Polkomtel Infrastruktura concluded in 2021.

Definition and methodology of KPI:

Measurement of the share (%) of energy from zero-emission sources (in GWh) in the total energy mix used by GPP for any given year.

The KPI is calculated as the ratio of zero-emission energy usage and total energy usage, where:

- "Zero-emission energy usage" means the usage of electric energy per calendar year (expressed in GWh) which is renewable as sourced from zero-emission sources including, but not limited to, solar, geothermal, water and wind; and
- "Total energy usage" means the usage of electric energy from all sources per calendar year (expressed in GWh)

13. Poland NDC

14. Poland Green Hydrogen (trade.gov)

15. Polish hydrogen strategy - Allen & Overy (allenoverly.com)

16. Polish Hydrogen Strategy until 2030 with an Outlook until 2040

17. Regulation (EU) 2020/852 of the European Parliament and Council of 18 June 2020.



Rationale and materiality of KPI:

The share of renewables in the mix is a critical component of GPP carbon intensity as estimated GPP's Scope 2 emissions in the base year (2019) represented more than 95% of the estimated total emissions (direct and indirect).

This KPI has been set to focus on the zero-emissions component of total energy mix as the group already has an established 90% target for low- and zero-emissions energy usage by 2023 and therefore longer term targets covering the broader energy sources (including Bbiomass) would be hard to develop.

Notably, the Bbiomass element of this corporate 90% target by 2023 include the requirement for:

The biomass used by GPP to meet the current requirements included in the Directive (EU) 2018/2001.

The biomass feedstock will only be of 'second generation' sources including but not limited to lignocellulosic biomass or woody crops (including wood residues), agricultural residues or waste, and dedicated non-food energy crops.

Feedstock from primary generation sources (i.e. edible food crops such as sugar based, starch based) or vegetable oils will be excluded from operational use in GPP biomass plants and consequently from this Framework.

Estimated GHG Emissions in tCO₂e

	2019	2020	2021
Stationary combustion sources	580	761	949
Mobile sources	7 061	5 706	5 928
Cooling	677	1 182	1 178
Direct emissions (Scope 1)	8 319	7 649	8 055
Expressed as % of Scope 1 + Scope 2	2.9%	6.3%	10.4%
Expressed as % of total emissions	2.8%	6.1%	6.7%
Electric power	273 676	110 156	65 307
Heating	4 244	4 300	4 177
Indirect emissions (Scope 2)	277 920	114 457	69 484
Expressed as % of Scope 1 + Scope 2	97.1%	93.7%	89.6%
Expressed as % of total emissions	95.1%	91.9%	57.7%
Total emissions: Scope 1 + Scope 2	286 240	122 106	77 538
Expressed as % of total emissions	97.9%	98.0%	64.4%
Indirect emissions (Scope 3)	6 153	2 465	42 814
Expressed as % of total emissions	2.1%	2.0%	35.6%
Total emissions: Scope 1 + Scope 2 + Scope 3	292 393	124 571	120 352

6. Calibration of Sustainability Performance Targets (SPTs)

Grupa Polsat Plus has selected four KPIs, which are core, relevant and material to its business and industry.

Sustainability Performance Targets (SPT)

	2025	2030
SPT1	Reduction by 75%	Reduction by 80%
SPT2	800 GWh/year	1,600 GWh/year
SPT3	1,500 tons/year	3,000 tons/year
SPT4	25%	50%

Sustainability Performance Target 1: Reduction of GHG emissions by 75% by 2025 and 80% by 2030

Rationale and ambition of SPT:

In recent years, GPP has achieved substantial absolute reduction of Scope 1 + 2 GHG emissions. More specifically, emissions were reduced by 73% and 57% in 2021 and 2020, respectively, compared to 2019. Emission reductions have been driven by GPP's commitment to increase the share of renewable energy used, energy efficiency initiatives, green fleet transition and changes in the Group structure (impacting Scopes 1, 2 and 3). In particular, the Group has adopted the following strategies:

by 2023, c. 90% of energy used by GPP will be sourced from renewable sources, with wind and solar accounting for 50% by 2030. As of 2021, c. 60% of GPP's overall energy consumption is covered by renewable energy, specifically solar, wind and biomass;

investments include, but are not limited to: (i) energy efficient technologies, replacement of old energy intensive technologies, retrofitting and replacing outdated fixed network infrastructure

(e.g. replacing copper-based technology with fibre optic technology) and (ii) reduction in energy consumption in GPP's operations (e.g. technologies which support free cooling systems, intelligent lighting and optimizing power storage);

increase the share of low-emissions cars in its fleet. The Group has already started promoting hydrogen technology and is the first user of a hydrogen-powered car fleet in Poland, with 100 hydrogen cars as of 2021. GPP is expecting to further invest in low or zero-emissions vehicles and install chargers for electric cars at all its facilities.

The Group is now targeting to further reduce GHG Scope 1 + 2 emissions by 75% and 80% by 2025 and 2030, respectively. Further emissions reductions will be achieved by continued implementation of the above initiatives and by increasing the use of clean energy across GPP operations

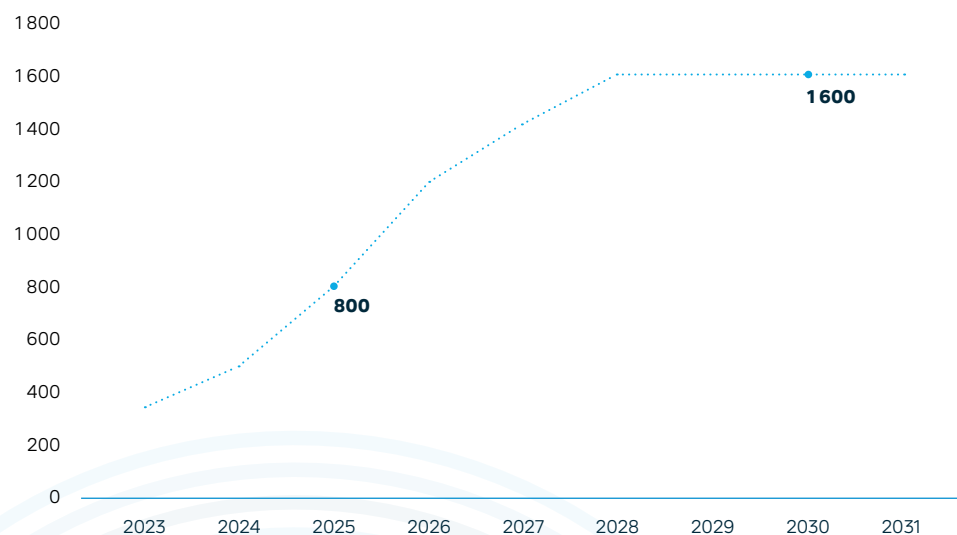
Baseline: 2019

Historical data:

Estimated GHG emissions in tCO ₂ e	2019	2020	2021
Scope 1	8 319	7 649	8 055
% Scope 1 in Scope 1 + Scope 2	2.9%	6.3%	10.4%
% Scope 1 of total Scope 1, 2 & 3	2.8%	6.1%	6.7%
Scope 2	277 920	114 457	69 484
% Scope 2 in Scope 1 + Scope 2	97.1%	93.7%	89.6%
% Scope 2 of total Scope 1, 2 & 3	95.1%	91.9%	57.7%
Scope 1 + Scope 2	286 240	122 106	77 538
% Scope 1+2 in total Scope 1, 2 & 3	97.9%	98.0%	64.4%
Scope 1 + Scope 2 % reduction vs 2019	-	-57%	-73%

Further data can be found in the 2021 Sustainability Report, see here: [Sustainability Report 2021](#).

Sustainability Performance Target 2: 800GWh in 2025 and 1,600GWh in 2030



Rationale and ambition of SPT:

The Strategy 2023+ assumes investing PLN 5.0bn in clean energy, in particular in wind farms, photovoltaic farms and biomass, and PLN 0.5bn in green hydrogen production in the next five years (2022-2026). The Group aims to have a capacity of c. 1,000MWp installed and c. 2TWh production capacities, which should reduce CO₂ emissions in the Polish economy and society by 2 million tons annually.

With a rapid growth over the past few years, Poland has increased the amount of energy from RES, with current estimated RES total installed capacity between 18¹⁸ and 20GW¹⁹. As such, with its currently planned investments, GPP is therefore expecting to contribute to expand Poland's RES capacity by c. 5-6% on a national scale once at intended capacity.

Moreover, as capacity of energy from renewable sources is expected to increase to 28GW by 2025 and to 50GW by 2030²⁰, in line with Poland's National Plan for Energy and Climate for 2021-2030, further support is needed for the country to reach these targets. If GPP were to achieve its production target of 1,000MWp, this would still mean a contribution of 3.6% to Poland's 2025 target.

Baseline: 0 GWh in 2020

Historical data: Energy production from RES is a new business for GPP, so there is no historic performance in this regard

18. International Trade Administration – Poland, Energy Sector
19. Rynek Elektryczny - Installed RES capacity: 99 percent of new installations are photovoltaics
20. International Trade Administration – Poland, Energy Sector
21. Polish Hydrogen Strategy until 2030 with an Outlook until 2040

Sustainability Performance Target 3: 1,500tons/year in 2025 and 3,000tons/year in 2030

Rationale and ambition of SPT:

The target of the Group is to produce 1,500 tons of green hydrogen per year in 2025 and 3,000 tons/year in 2030.

The broader target for the Group is to have electrolyzers with total capacity of 100MW installed and ultimately to produce and transport 40tons of green hydrogen daily, to achieve the aim of being the leading producer of green hydrogen in Poland.

Poland has set public targets to launch installations from low- and zero-emission sources with a total power of minimum 50MW by 2025 and to achieve an installed production capacity of 2GW by 2030²¹.

Baseline: 0 tons/year in 2021

Historical data: Green hydrogen production is a new business for GPP, so there is no historic performance in this regard.





Sustainability Performance Target 4: Share of zero-emission energy in GPP's energy mix
 - 25% in 2025, 30% by 2026 and 50% in 2030

Rationale and ambition of SPT:

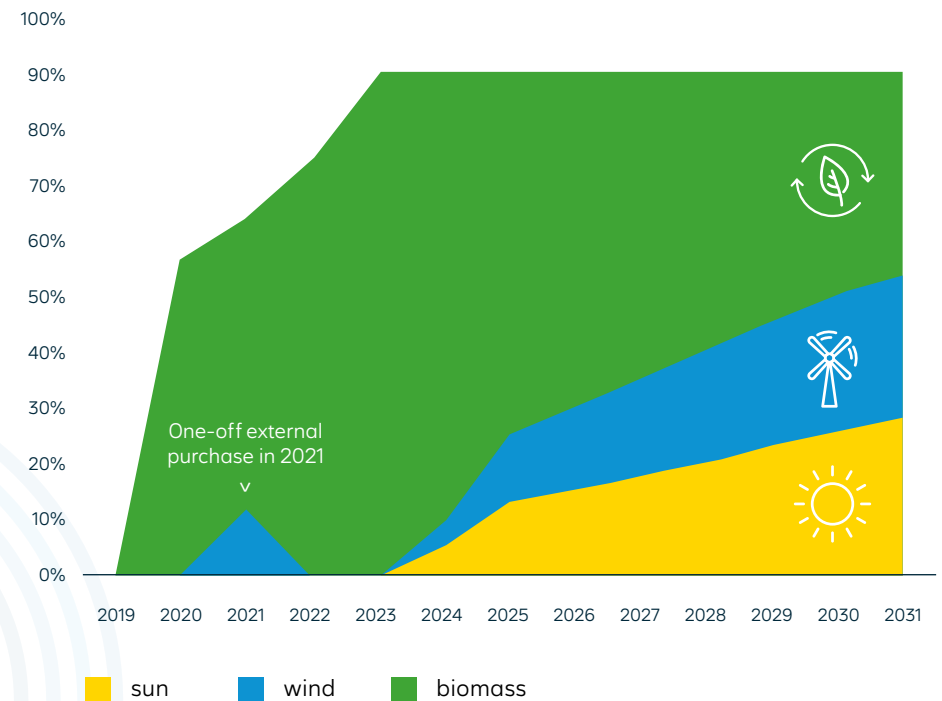
Polsat has set two ambitious objectives with respect to the zero-emission energy Polsat uses internally and its sources, which are in addition to the Strategy 2023+ target to use 90% of energy from low- and zero-emission sources from 2023 onwards.

Polsat has committed to source use 25% of its energy mix from zero-emission energy sources by 2025, 30% by 2026, with this rising to 50% by 2030. Thereafter, the expectations are for this target to further increase in the following years.

Baseline: 0% sourced from zero-emission sources in 2019

Historical data:

Energy usage [MWh]	2019	2020	2021
Non-renewable	319 972	152 373	91 542
Non-renewable %	96.0%	44.2%	36.8%
Biomass	13 290	192 158	127 403
Biomass %	4.0%	55.8%	51.2%
Solar	29	33	31
Solar %	0.0%	0.0%	0.0%
Wind	80	-	29 659
Wind %	0.0%	0.0%	11.9%
Total	333 370	344 564	248 635²³



23. The substantial drop in GPP's energy usage in 2021 was caused by changes in the Group structure.

7. KPI and SPT recalculation considerations

Polsat reserves the right to recalculate in good faith any of the KPIs at the occurrence of any of the following events:

- any structural change in the Group and/or in the event of a change in the Group's perimeter further to an acquisition, disposal or merger;
- any external assessment (e.g. SBTi) to be conducted by Polsat that would provide more credible and/or science based targets.

In case of executing the right described above, Polsat will thereafter appropriately and consequently adjust the respective SPT and seek an updated Second Party Opinion by a qualified, external reviewer, to ensure the updated Framework remains fully aligned to the Principles and no less material or ambitious than this original document.

Any such amendments will be made public in relevant Polsat disclosures.

8. Financial characteristics

The proceeds of Polsat's Sustainability-Linked Instruments will be used for general corporate purposes. Any financing issued under this Framework will have a sustainability-linked feature that will result in a coupon or margin adjustment, or a premium payment.

Targets will be tested at the Sustainability Performance Target Observation Date (the 'Observation Date'), which will be defined in the relevant Sustainability-Linked Instruments documentation.

The failure by Polsat to satisfy the chosen SPT(s) as of the relevant Observation Date will trigger a step-up margin or margin adjustment, as applicable, payable as per the relevant transaction documentation. The achievement by Polsat of the chosen SPT(s) as of the relevant Observation Date might trigger a margin adjustment applicable to interest periods following such reference date.

However, for the avoidance of doubt, in the case of sustainability-linked bonds, if the KPI(s) has achieved its SPT(s) and reporting and verification for the SPT have been provided and made public in accordance with the reporting and verification sections of this Framework, the financial characteristics of the relevant security issued by Polsat under this Framework shall remain unchanged.

The selected KPIs, SPTs, margin adjustment amount or premium payment amount, as applicable, will be specified in the relevant documentation of the specific transaction (e.g. Final Terms of the relevant SLB).

9. Reporting

In order to provide investors and other stakeholders with adequate information about the progress made on the KPIs and the achievement or not of the SPTs set out in this Framework and in the relevant security specific documentation, Polsat will provide reporting in line with the Principles of the respective funding instrument used; in practice this means regularly, at least annually, and specifically after an Observation Date of the Sustainability-Linked Loan or Bond as soon as the relevant information is available and no later than 4 months.

The reporting will contain all the relevant information needed to assess if any changes to the security characteristics are to be made, including but not limited to:

- up-to-date information on the performance of the selected KPI, including the baseline where relevant;
- up-to-date information on the KPI outlining the performance against the SPT and the related impact, and timing of such impact, on a financial instrument performance;
- any relevant information enabling investors to monitor the progress of the SPT.

Where feasible and possible the reporting will also include:

- qualitative and/or quantitative explanations of the contribution of the main factors behind the evolution of the performance on the KPIs on an annual basis, including M&A activities;
- illustration of the positive sustainability impacts of the performance improvement;
- updates on new or proposed regulations from regulatory bodies relevant to the KPIs and the SPTs, and potential impact on the KPIs/ SPTs/ or baselines.

10. External verification

10.1. Pre-issuance and annual verification Contribution

A Second Party Opinion has been provided by Sustainalytics to ensure that this Framework is fully aligned with the Principles.

The Second Party Opinion will be made publicly available on Polsat's website: <https://grupapolsatplus.pl>

10.1. Post-issuance verification

The annual performance of each selected KPI will be included in Polsat's disclosure as specified in the reporting section (section 9) of this Framework.

For any selected KPI where annual performance is calculated by an independent qualified external party, such independent calculation will be relied upon for the purpose of post issuance verification after each Observation Date, as specified in the respective documentation.

For any selected KPI where annual performance is calculated internally by GPP, independent verification of performance will be conducted after each Observation Date, as specified in the respective documentation, as soon as the relevant information is available and no later than 4 months, and at "Limited Assurance" standard.

11. Disclaimer

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