CLIMATE TRANSITION FRAMEWORK PLAN

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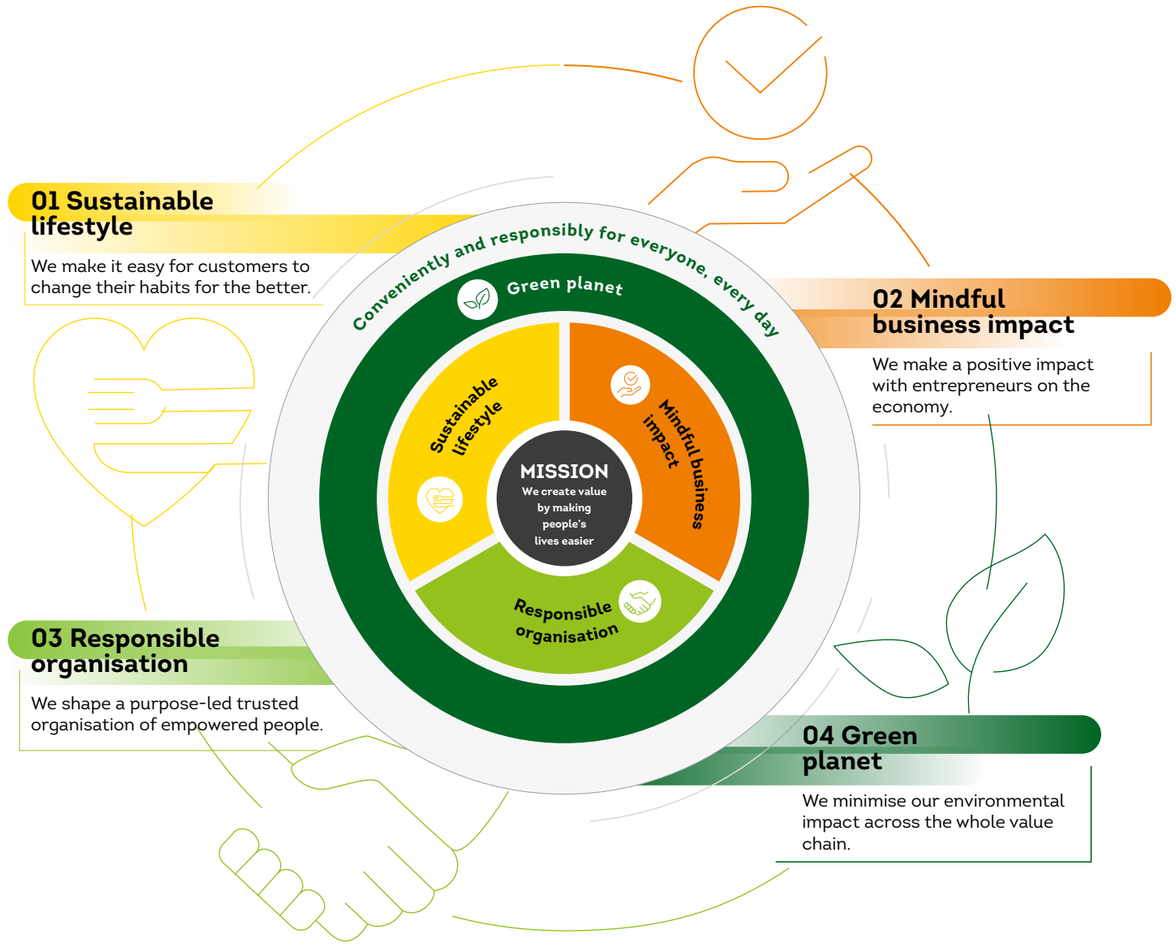
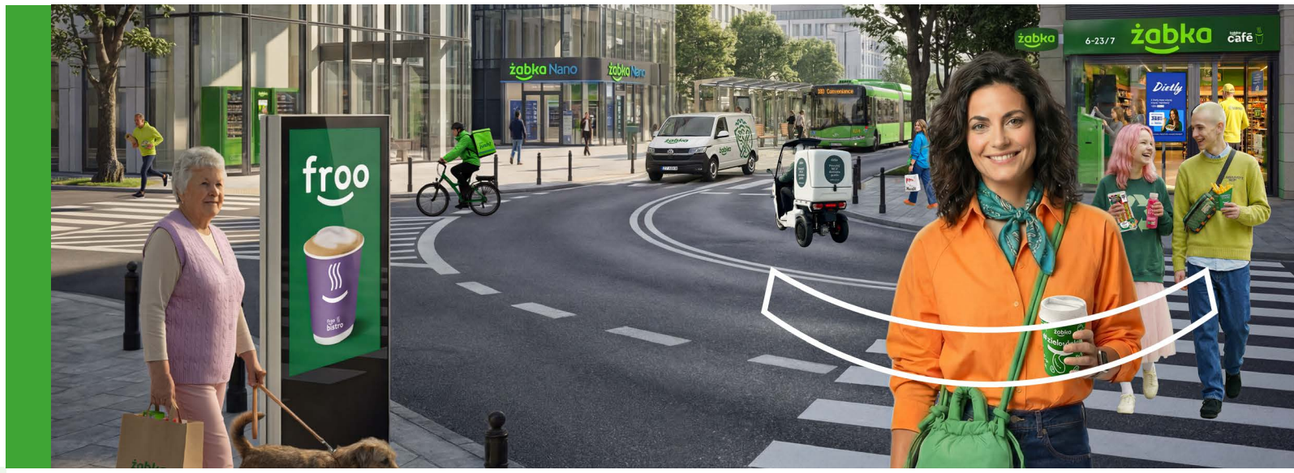
Our Responsibility Strategy 2021-2026



Context

Embedding climate transition into Żabka Group's business development in a changing retail landscape



A global call for climate action

The world is at a critical point in the race to limit global warming. Scientists and policymakers agree that achieving a 1.5°C pathway requires decisive, science-based action by various stakeholders including business. In Europe and across our region, this direction is shaped by long-term regulatory frameworks that remain in force – including Fit for 55[1] measures, sectoral sustainability requirements and emerging product and supply-chain rules (PPWR[2], EUDR[3], CSDDD[4]). These frameworks, together with financial institutions' and investors' expectations, continue to set signals for companies to prepare for a lower-emission and more competitive economy.

Żabka Group adapting to a changing retail and consumer landscape

Żabka Group operates one of the most advanced convenience ecosystems in Europe, combining the largest physical retail network in Poland with expansion in Romania and a rapidly growing portfolio of digital and food-tech brands across the Group operations. With over 11,000 franchisees and agents, millions of daily customer interactions and a growing international presence, the Group's impact spans across the entire value chain – from suppliers and logistics partners to consumers and local communities. In this position, the Group observes how economic and consumer trends evolve across the region and uses these insights to adapt its operating model and support long-term competitiveness. For Żabka Group, transformation is both a responsibility and an opportunity – to shape the future of convenience retail in a way that is efficient, inclusive and sustainable.

Embedding sustainability in Żabka Group's business model

Since 2021, Żabka Polska has been implementing a comprehensive *Responsibility Strategy (2021–2026)*, built on four pillars: Sustainable Lifestyle, Mindful Business Impact, Responsible Organisation and Green Planet. At the Group level, these ambitions are anchored in the *ESG Framework Policy* introduced in 2024, which sets unified principles and expectations for environmental, social and governance performance across all markets and entities. These priorities reflect Żabka's mission to make sustainable living easier every day – by helping customers change their habits, supporting entrepreneurs in responsible growth, empowering employees and managing environmental impact across operations and provision of products and services.

Sustainability is embedded in Żabka's business model and long-term growth strategy – value creation plan. Every year, the Group opens 1,300 + new stores while investing in innovation, efficient transport and logistics, digital platforms and circular solutions, complementing the development of a modern convenience ecosystem. As economic and consumer trends shift across the region, the Group aims to reflect these developments in its growth model – seeking to scale the business efficiently and addressing its environmental footprint across the value chain. In this context, decarbonisation is expected to remain an important component of the Group's broader sustainability efforts.

Building a science-based approach to climate transition

Żabka Group aims to align its approach with internationally recognised climate and sustainability frameworks, ensuring that future developments remain consistent with evolving scientific guidance and regulatory expectations. Existing science-based decarbonisation targets apply to Żabka Polska, which has validated near-term reduction goals through the Science Based Targets initiative (SBTi) and continues to implement them across its operations.

For the wider Group, these frameworks serve as a reference point for potential future target-setting and for strengthening the methodological basis of Żabka Group's *Climate Transition Framework Plan* as consolidated data and systems are developed.

[1] Fit for 55 – the EU legislative package designed to cut net greenhouse gas emissions by at least 55% by 2030 compared to 1990 levels.

[2] PPWR (Packaging and Packaging Waste Regulation) – EU regulation setting requirements for packaging recyclability, reuse and waste reduction.

[3] EUDR (EU Deforestation Regulation) – EU regulation requiring that products placed on the EU market are deforestation-free.

[4] CSDDD (Corporate Sustainability Due Diligence Directive) – EU directive obliging large companies to identify and address human rights and environmental impacts across their value chains.

Our approach

Advancing climate transition on a solid foundation of long-term commitments and policies

Żabka Group's *Climate Transition Framework Plan* is built on a coherent sustainability system that combines long-term strategic commitments, environmental and climate policies and transparent ESG reporting.

Key sustainability documents – including the Group's frameworks, strategies, policies, performance data and governance information – are publicly available and provide a credible, verifiable foundation for investor communication and stakeholder dialogue.

As an integrated set, they guide the Group's ongoing decarbonisation efforts and support the consistent alignment of sustainability principles across all subsidiaries.

ESG Framework Policy

The Żabka Group *ESG Framework Policy* sets the Group's overarching ambitions for environmental, social and governance matters, structured around four pillars that guide responsible business conduct across all subsidiaries. The Framework outlines expectations for compliance, reporting and impact management, and commits the Group to recognised international standards, including the Paris Agreement, UN Guiding Principles and OECD Guidelines for Multinational Enterprises. Żabka Polska delivers these commitments through its *Responsibility Strategy 2021–2026*, which defines measurable objectives across four strategic pillars and is periodically reviewed to reflect regulatory developments, scientific progress and stakeholder expectations.

ESG FRAMEWORK POLICY AND RESPONSIBILITY STRATEGY 2021–2026 ›

Environmental & Climate Policies

Żabka Group operates under a broad set of environmental and resource-management policies that translate the strategic ESG agenda into actionable principles and standards across all Group companies.

These include, among others: *ESG Framework Policy, Environmental & Climate Policy, Decarbonisation Policy, Energy Management Policy, Transport Policy, Mobility Policy, Biodiversity Policy, Paper & Wood Policy, Eco-Design Policy, Plastics Circularity Policy, Waste Management Policy, Food Waste Prevention Policy, Water Policy, and Integrated Management System Policy.* Each policy specifies responsibilities, high-level objectives and oversight mechanisms, providing a consistent foundation for implementation of the Żabka Group's *Climate Transition Framework Plan*.

POLICIES ›

Reporting and disclosure

Żabka has a long-standing practice of transparent sustainability reporting. Since 2018, Żabka Polska has published annual *Responsibility and ESG Reports*, expanding their scope in line with global standards such as TCFD and high-level objectives. In 2024, Żabka Group released its first CSRD/ESRS-aligned Responsibility Report, providing comprehensive disclosures on sustainability performance, risks and opportunities.

In addition to full reports, the Group publishes concise ESG factsheets and strategy summaries to support clear, accessible communication with stakeholders.

2025 ANNUAL REPORT ›

2025 ESG FACTSHEET ›

Delivering the transition

Setting the direction for the Group's climate transition trajectory

Translating climate ambition into a Group-level transition pathway

Żabka Group's *Climate Transition Framework Plan* builds on the strong foundations laid by Żabka Polska – its *Responsibility Strategy (2021–2026)*, SBTi-validated near-term targets and several years of experience in implementing decarbonisation initiatives across operations and the value chain. The Plan outlines an initial pathway for reducing greenhouse gas (GHG) emissions across the Group's direct operations and the areas of the value chain where it can exercise influence, with further development expected in subsequent planning cycles.

The approach draws on the objectives of the Paris Agreement and existing SBTi methodologies, recognising that currently validated targets apply to Żabka Polska and serve as a reference point for future Group-level target-setting.

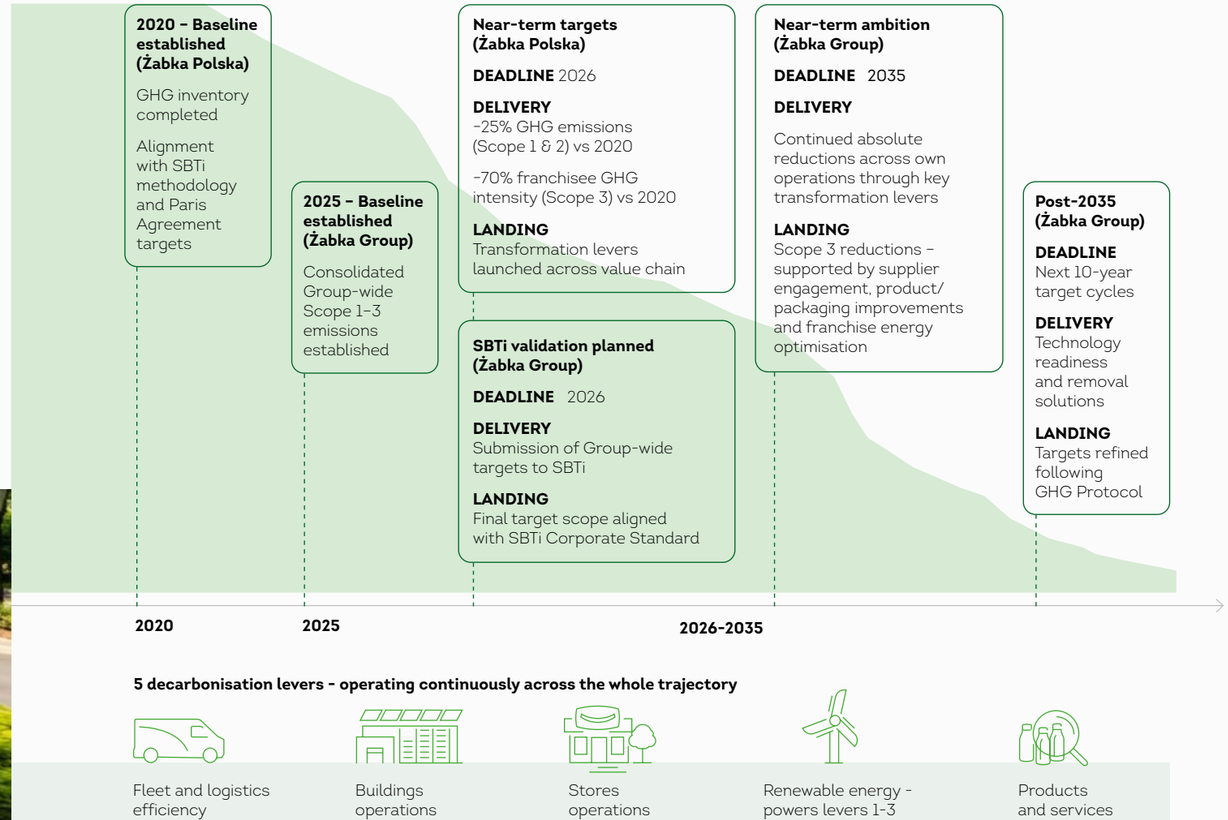
Emission reductions are organised around five decarbonisation levers, ordered to reflect how the transition unfolds – from the Group's own operations to the wider value chain:

1. Fleet and logistics efficiency
2. Buildings operations
3. Stores operations
4. Renewable energy
5. Products and services

Renewable energy acts as the common thread powering the transformation of the operational levers, while products and services extend the transition across the value chain. Together, these levers form the basis for how the Group expects to organise its climate-related actions over time.

Żabka Group's preliminary climate transition trajectory

This indicative transition trajectory reflects Żabka Polska's SBTi-validated near-term targets and the Group's anticipated direction of transition, with Group-wide targets expected to be developed and communicated following the 2025 baseline.



2020 serves as the established baseline for Żabka Polska, the Group's largest subsidiary, responsible for about 90% of total GHG emissions of the Group.

2025 is expected to serve as the consolidated baseline year for Żabka Group, reflecting the most complete and consistent GHG data for Group entities.

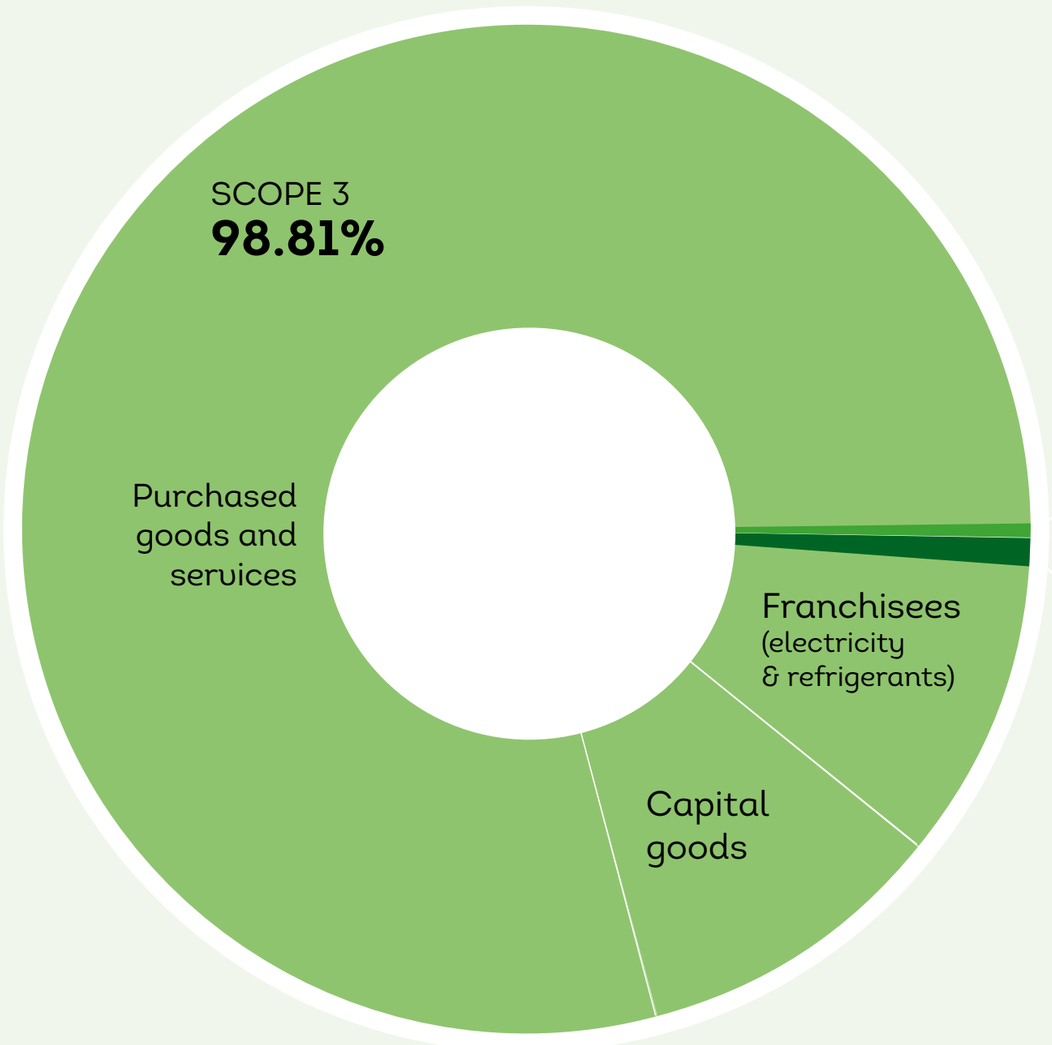
Group-wide GHG reduction targets will be announced after 2026.

The Group-level trajectory shown is indicative and may evolve as technologies, market conditions and regulatory requirements change.

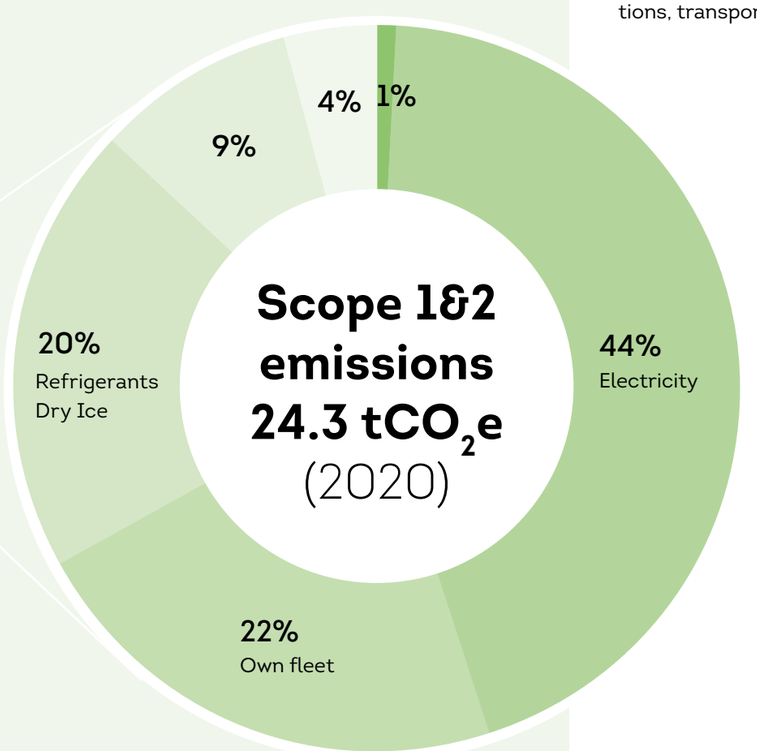
BREAKDOWN OF ŻABKA POLSKA'S TOTAL GHG EMISSIONS ACROSS SCOPES IN 2020

SCOPE 1 **0.65%**

SCOPE 2 **0.54%**



BREAKDOWN OF EMISSION SOURCES IN SCOPE 1&2 (IN %)



From Żabka Polska's baseline to a consolidated Group perspective

Żabka Polska established 2020 as its baseline year for GHG emissions, providing a reference point for analysing the sources and drivers of its climate impact. The assessment covered all three scopes of emissions across the value chain and shows that Scope 3 represents nearly 99% of Żabka Polska's total GHG footprint. These indirect emissions arise primarily upstream – from activities of suppliers, production of packaging and raw materials and logistics – while downstream emissions mainly reflect the energy use associated with franchise operations. Direct emissions (Scopes 1 and 2) are largely linked to electricity consumption, buildings operations, transport and refrigeration.

Looking ahead, Żabka Group intends to establish a consolidated GHG baseline for 2025, which is expected to provide the most complete and consistent representation of Group-wide operations. This baseline will form the starting point for developing Group-level GHG reduction targets, covering next period.

Our performance

Delivering climate commitments through operational levers

Scaling Żabka Polska's operational experience into Group-level levers

Over the past few years, Żabka Polska has implemented a structured decarbonisation programme, delivering measurable emission reductions and developing solutions that lower the climate impact of its operations and parts of the value chain. This experience forms the basis for the Żabka Group's *Climate Transition Framework Plan*, which adapts and extends these practices to additional business units and markets.

As the Group grows and its business model evolves, climate-related actions are expected to expand in scope and scale. Building on Żabka Polska's decarbonisation plan, the Group intends to develop a broader transition plan that reflects the diversity of its operations, supply chain and market environments.

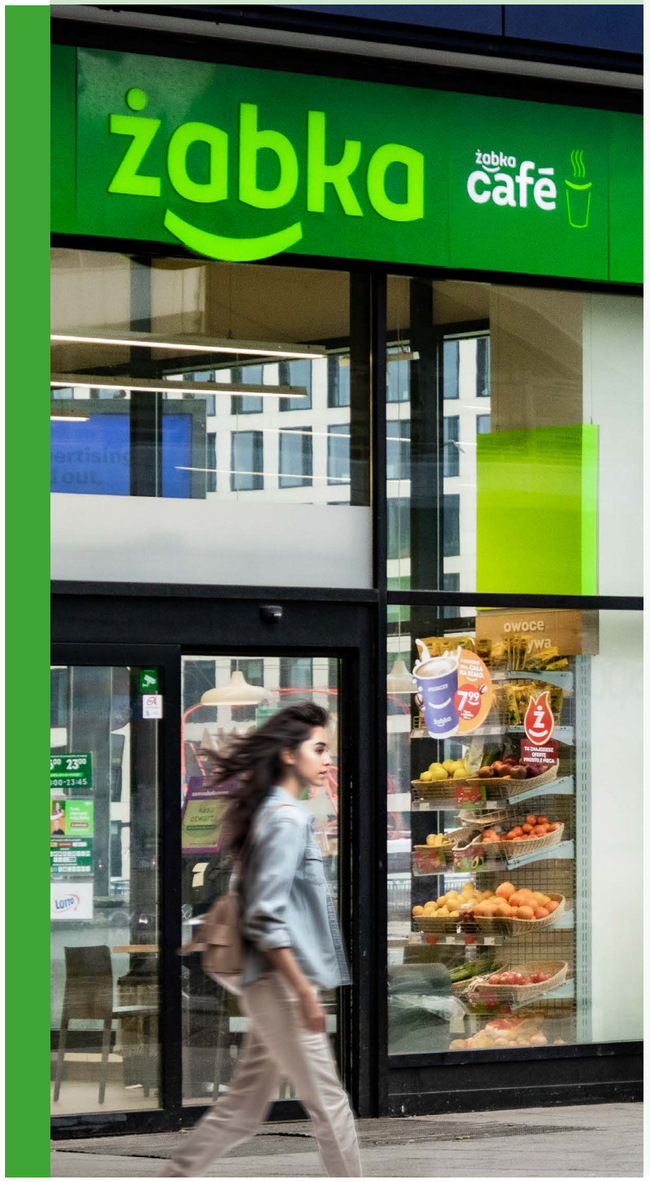
The Group's transition approach is organised around five transformation levers – fleet and logistics efficiency, buildings operations, stores operations, renewable energy, products and services. These levers outline where the Group can focus its efforts to reduce emissions over time, while continuing to grow its convenience ecosystem in Poland and new European markets.

Żabka Polska's progress to date provides a reference point for the next stages of the Group's decarbonisation. Further development of actions and capabilities is expected as the Group expands and its operations become more diverse.

READ MORE ABOUT OUR RESULTS >

External conditions shaping the transition pathway

The effectiveness and pace of implementing these decarbonisation levers are subject to uncertainties related to regulatory developments, access to renewable energy, the expansion of charging and electrification infrastructure, technology readiness, market and macro-economic conditions as well as the level of engagement across suppliers, franchisees and other partners. As these conditions evolve, the Group intends to monitor external developments on an ongoing basis, adjust its assumptions and levers where needed, and communicate material changes transparently to maintain the credibility and relevance of the transition plan over time.



Integrating climate considerations into investment decisions

Żabka Group is exploring ways to integrate climate-related considerations into financial decision-making, in order to support a more informed approach to planning and funding transition-related activities.

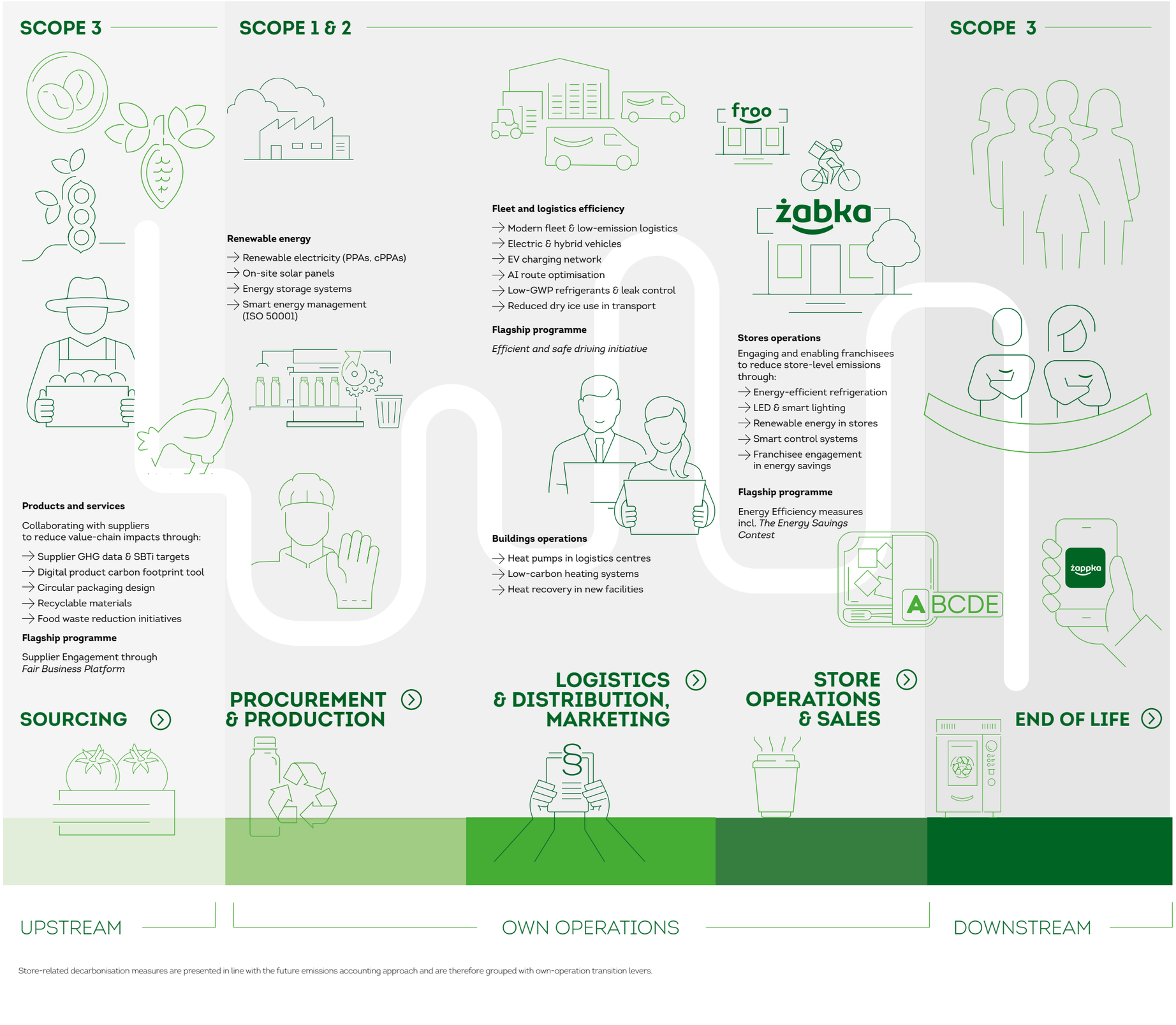
Embedding climate goals in business and capital planning. The Group intends to integrate climate goals into strategic and investment planning, assessing projects for their expected emission-reduction potential and resilience.

Investment priorities and internal allocation. Investment decisions are expected to consider initiatives that deliver emission reductions together with operational or economic benefits, with a focus on energy efficiency, renewable energy, fleet electrification, circular packaging and technology modernisation.

Funding sources and sustainable finance instruments. The transition is expected to be supported by a diversified mix of financing sources –including sustainable finance instruments – while efficiencies generated through decarbonisation initiatives may be reinvested to support further low-emission actions.

Financial performance monitoring and value creation. The Group aims to monitor financial performance by tracking costs, benefits and energy-related savings in its financial systems, supported by periodic ESG Committee reviews and reporting aligned with CSRD requirements.

Żabka Group's decarbonisation levers, across own operations and the value chain



Store-related decarbonisation measures are presented in line with the future emissions accounting approach and are therefore grouped with own-operation transition levers.

The Group's five key decarbonisation levers

Scope	Lever	Main emission sources	Priorities and transition actions*
SCOPE 1	**FLEET AND LOGISTICS EFFICIENCY**	Company fleet, delivery vehicles, fuel use in transport, refrigerants and dry ice	• Modernising and electrifying the own car fleet under the *Efficient and safe driving initiative.* • Expanding use of hybrid, plug-in hybrid and fully electric vehicles. • Installing EV chargers across logistics centres, at users' homes and HQs. • Implementing driver training and behaviour analytics under the Efficient and safe driving initiative. • AI-based route optimisation and dynamic load planning. • Reducing refrigerant-related emissions by replacing high-GWP gases and improving leakage controls. • Limiting dry-ice use and emissions from temperature-controlled transport through operational improvements.
SCOPE 1	**BUILDINGS OPERATIONS**	Heating in logistics centres, fuel combustion in equipment	• Installing heat pumps and low-carbon heating systems in logistics centres. • Implementing heat-recovery systems in new facilities.
	STORES OPERATIONS	Energy use and refrigeration in stores, waste generation	• Rolling out energy-efficient technologies (closed-door refrigeration, LED lighting, zero-heating doors). • Increasing renewable-energy sourcing by franchisees through collective contracts. • Introducing automated control systems for air conditioning, air curtains and lighting. • Engaging and incentivising franchisees to improve energy efficiency and reduce consumption.
SCOPE 2	**RENEWABLE ENERGY**	Purchased electricity for logistics centres, headquarters and corporate sites	• Securing renewable electricity through available instruments such us for example long-term PPAs, cPPAs and guarantees of origin. • Expanding on-site renewable generation and storage capacity through photovoltaic installations. • Implementing ISO 50001-aligned Energy Management System.
SCOPE 3 (UPSTREAM)*	**PRODUCTS AND SERVICES**	Purchased goods and services, packaging materials	• Engaging suppliers in GHG data collection and SBTi-aligned target setting. • Developing a digital tool for calculating the product carbon footprint in stores to guide future reductions. • Advancing circular design to cut virgin plastic and boost packaging recyclability. • Scaling food-waste prevention and redistribution initiatives.

* The prioritised actions reflect the direction set out in the Group's ESG Framework and ESG-related policies, which guide how climate considerations are embedded into operational and sourcing decisions. These actions may evolve as the Group updates its strategic frameworks and policies in response to changing market, regulatory and technological conditions.

** Many upstream and downstream decarbonisation levers depend on external factors and actions outside the Group's direct control – including technological developments, regulatory changes, market availability of low-emission solutions, supplier and franchisee decisions and consumer behaviour. The Group intends to monitor these conditions closely and adjust its assumptions and transition levers where needed, seeking feasible pathways to progress even as external circumstances evolve.

Scope 1
Fleet and logistics efficiency

Although Scope 1 represents a relatively small share of the Group's total value-chain emissions, it includes areas where Żabka has full operational control and can achieve the most direct and immediate impact.

Żabka Group's logistics network supplies 13,000+ stores across Poland and is gradually expanding its reach in Romania. As the Group scales, its own transport operations remain the dominant source of direct (Scope 1) greenhouse gas emissions.

The decarbonisation plan therefore sets out areas where the Group intends to reduce emissions – including fleet electrification, optimisation of routes and loads and exploration of lower-emission fuel and refrigerant options.

These efforts aim to support a more efficient, low-emission transport and distribution system over time, while maintaining operational efficiency and service reliability.

Priorities and transition actions

Fleet electrification and hybrydisation: Systematic modernisation and electrification of the logistics fleet under the Efficient and safe driving initiative, including the expansion of hybrid, plug-in hybrid and fully electric vehicles across delivery and corporate operations. The Group aims to expand the use of low- and zero-emission vehicles over time, subject to technology availability, market adoption rates and the pace of charging-infrastructure development.

Smart logistics: Deployment of AI-based route optimisation, dynamic load planning and telematics-driven efficiency tools to minimise mileage, idle time and fuel consumption. These solutions will be complemented by driver training and behaviour analytics under the Efficient and safe driving initiative.

Infrastructure and enablers: Installation of EV chargers across logistics centres, regional hubs and employee locations to ensure full operational readiness for zero-emission vehicles. New logistics facilities are intended to be developed in line with low-carbon standards, integrating renewable energy and energy-efficient systems.

Refrigerants and dry ice: The Group aims to lower emissions by adopting lower-GWP refrigerants and strengthening leak-control measures, where feasible. Operational practices are also expected to evolve to reduce the use of dry ice in temperature-controlled transport.

Our policies

- TRANSPORT POLICY
- ENVIRONMENTAL & CLIMATE POLICY
- MOBILITY POLICY
- DECARBONISATION POLICY

Drive the future

The Efficient and safe driving initiative is a key lever of the Group's decarbonisation plan – focused on transforming transport operations through low-emission technologies and data-driven efficiency. The initiative integrates vehicle electrification, advanced telematics and smart route planning to optimise logistics performance and cut direct (Scope 1) emissions. With more than 1,200 low - and zero-emission vehicles already deployed across delivery and corporate fleets, the initiative delivers tangible results – reducing fuel use and operating costs. Its next phase will focus on scaling electrification and hybrydisation and charging infrastructure, integrating AI-based fleet-management tools, and ensuring that logistics operations remain both efficient and aligned with decarbonisation goals.

Communication and engagement

Żabka Group recognises that achieving low-emission logistics depends as much on people as on technology. The Group engages employees, logistics contractors and suppliers in shaping everyday behaviours and operational practices that support the transition, from driving patterns to decision-making in logistics processes.

Internal campaigns, training and recognition programmes help build awareness of how individual and collective actions contribute to achieving climate goals.

Going forward, Żabka aims to strengthen this culture of shared responsibility through *Electromobility Ambassadors*, collaborative learning with logistics partners, as well as joint operational pilots and incentive schemes that support the adoption of low- and zero-emission solutions across the logistics network.

Scope 1
Buildings operations

Buildings operations systems in logistics centres and production facilities are another significant source of Żabka Group's direct (Scope 1) emissions. The Group aims to implement a long-term programme to decarbonise building energy systems – improving efficiency, reducing combustion-related emissions and increasing the share of renewable energy used for heat generation.

The transition is expected to cover both the modernisation of existing logistics centres and design standards for new facilities, ensuring that all future developments are intended to be built with low-carbon heating as a core design principle.

Priorities and transition actions

Energy-efficiency upgrades (thermomodernisation): The Group aims to enhance the thermal performance of logistics centres through measures such as improved insulation, airtight construction, upgraded loading-dock systems and other passive-design features that could help reduce buildings operations demand and overall energy use.

Heat recovery and system optimisation: The Group intends to expand the installation of heat-recovery units in new and refurbished logistics facilities, capturing waste heat from refrigeration and ventilation systems to be reused in space buildings operations and water preheating. These measures may help further reduce energy demand and emissions over time.

Electrification of heating systems: The Group plans to progressively replace fossil-fuel boilers and heaters with electric and heat-pump systems powered by renewable electricity. This shift is expected to reduce direct GHG emissions from heating and increase energy efficiency.

Our policies

- ENERGY MANAGEMENT POLICY
- ENVIRONMENTAL & CLIMATE POLICY
- DECARBONISATION POLICY

Advancing low-carbon heating and energy performance in Żabka's logistics network

Żabka Group's flagship logistics centre in Kąty Wrocławskie covers around 35,000 m² and integrates advanced energy-efficient technologies into its design and operation. The facility combines low-carbon heating with smart refrigeration management, using waste heat from cooling systems to warm the freezer floor and pre-heat water for office areas. This solution significantly reduces the need for conventional heating fuels and lowers direct (Scope 1) emissions associated with logistics operations.

The site also operates on renewable electricity from rooftop photovoltaic panels and supports electric-vehicle charging infrastructure, further enhancing energy autonomy and resilience. As the Group continues to expand its logistics footprint, the Kąty Wrocławskie centre serves as a model for future low-carbon facility design – demonstrating how integrated heating and energy systems can simultaneously reduce emissions and improve operational performance.

Beyond Kąty Wrocławskie, the Group is progressing with broader warehouse -efficiency upgrades – including heat-pump installations tested in the Pruszcz Gdański centre, heat-recovery systems introduced in Radzymin and Łódź, and the application of BREEAM-aligned design principles to guide higher energy-performance standards across future logistics developments.

Scope 2
Renewable energy

Żabka Polska has already achieved full transition to renewable electricity in its own operations, setting the foundation for the Group's broader energy transformation. As the Group expands its activities across markets, it aims to apply elements of this approach wherever feasible, supporting the long--term shift toward clean energy and higher operational efficiency.

The Group's decarbonisation plan focuses on eliminating Scope 2 emissions through renewable energy sourcing, on-site generation and advanced energy management systems. These actions will support the Group's long-term climate goals and strengthen energy resilience across Żabka's growing network.

Priorities and transition actions

Renewable electricity sourcing: Long -term Power Purchase Agreements (PPAs and cPPAs) with wind and solar producers secure renewable energy supply for Żabka Polska's operations through to 2038. The contracts guarantee stability of green-energy sourcing and cover over 22% of total electricity demand in 2026

On-site generation and energy efficiency: The installation of photovoltaic systems at logistics centres, stores, facilities and offices – including the large PV plant at Kąty Wrocławskie logistics centre – supports on-site generation where feasible and may help lower reliance on grid electricity over time. New buildings are integrating measures such as low-carbon standards, renewable supply, smart metering and efficient lighting and cooling systems.

Energy management and digitalisation: An ISO 50001-aligned energy management system is expected to enable more effective monitoring of consumption and earlier detection of inefficiencies. AI-based analytics may support optimisation of energy use across logistics, refrigeration and HVAC systems.

Scaling across markets: The energy transition model developed in Poland provides a basis for considering similar solutions in other Group markets – combining renewable energy sourcing, rooftop and groundmounted PV installations, on-site generation, battery storage and energy-efficient facility design. This is subject to local regulatory, infrastructural and energy-market conditions.

Our policies

- ENERGY MANAGEMENT POLICY
- ENVIRONMENTAL & CLIMATE POLICY
- DECARBONISATION POLICY

Renewable power for Żabka Polska

2.2 TWh renewable electricity has been contracted through PPAs and cPPAs (2023–2038). It is estimated that share of the vPPAs will be of about 15-20% of electricy demand of Żabka Polska in years 2027-2030.

1.1 GWh solar generation is being achieved by the PV installation at the Kąty Wrocławskie logistics centre, one of the largest on-site solar energy systems in the retail logistics sector in Poland.

These actions position Żabka Polska as one of the first retail companies in Poland to combine large-scale renewable contracts with distributed on-site generation – strengthening the resilience and decarbonisation of its Polish operations.

Communication and engagement

Żabka Group is strengthening its internal capabilities to achieve the transition to renewable energy. Energy managers, facility teams and procurement specialists are actively involved through workshops and targeted communication on renewable sourcing, PPAs and on-site generation.

Operational teams at logistics centres and offices are trained to monitor, analyse and optimise electricity use, supported by digital dashboards showing the share of renewables and total consumption. By building technical competence and encouraging shared responsibility, Żabka aims to embed renewable-energy considerations into everyday decision-making.

Scope 3
Products and services

Żabka Group has expanded its Scope 3 analysis beyond the perspective previously applied by Żabka Polska, mapping all major upstream emission sources in line with SBTi methodology. This includes FLAG-related emissions (Forest, Land and Agriculture), product-origin impacts, waste-related emissions and risks linked to deforestation and land-use change.

As the Group's footprint is driven by purchased goods, the transition pathway will prioritise supplier engagement and improvements across own-brand value chains. Supplier engagement will remain a central pillar of the Group's Scope 3 decarbonisation approach, reflecting the need for co-ordinated action to strengthen data quality, reduce valuechain emissions and prepare for future sciencebased commitments.

Priorities and transition actions

Żabka Group systematically engages suppliers to strengthen the quality and consistency of upstream GHG data and to build capability for science-based decarbonisation.[1] Engagement is delivered through dedicated workshops, knowledge-exchange sessions and bilateral consultations, including activities organised under the *Fair Business Platform*. Suppliers receive clear methodological guidance and data templates to support consistent carbon accounting across categories. As the Group expands and refines its Scope 3 baseline, these practices are being scaled to ensure a unified, transparent and SBTi--aligned approach to valuechain decarbonisation.

Product footprint and data digitalisation: Development of a digital tool to calculate product-level carbon footprints in stores – supporting informed procurement and future reduction planning. This tool will integrate supplier data, life-cycle emission factors and product category benchmarks.

Circularity and food-system initiatives (indirect contributors): The Group pursues actions that support broader environmental objectives – such as improving packaging circularity and scaling food--waste reduction – which may indirectly contribute to lowering value-chain emissions over time. These initiatives remain complementary to the core Scope 3 decarbonisation levers and focus on reducing material use, supporting recyclability and strengthening resource efficiency across own-brand products and store operations.

Our policies

- BIODIVERSITY POLICY
- PLASTICS CIRCULARITY POLICY
- WATER POLICY
- PAPER & WOOD POLICY
- WASTE MANAGEMENT POLICY
- DECARBONISATION POLICY
- ECO-DESIGN POLICY
- FOOD WASTE PREVENTION POLICY

GHG emissions calculator

Żabka Group began with pilot carbonfootprint assessments of selected own-brand products and now developing a fully fledged digital platform that integrates supplier data, life-cycle emission factors and category benchmarks to calculate product--level emissions and inform future reduction decisions. The solution is being developed in collaboration with an external specialist provider and is intended to support the broader, more consistent assessment of productrelated emissions.

Supporting suppliers in transition

Żabka Group will continue to build on *the Fair Business Platform* developed in Żabka Polska, using it as a model for open dialogue and practical collaboration with suppliers on sustainability topics. Originally launched in 2022, the platform serves as an online hub for sharing guidance, inspiration and action plans.

The Group intends to expand this approach by maintaining structured engagement with suppliers – including bilateral meetings, thematic workshops and dedicated events. This approach will help partners address shared decarbonisation challenges, including data collection for product carbon footprints.

Going forward, this collaborative model will support joint work in areas such as ethical business, sustainable food systems and circularity, enabling partners to exchange solutions that can be applied in day-to--day practice.

Scope 1
Stores operations

Żabka Group's decarbonisation efforts extend beyond its own assets, reaching the thousands of franchise-operated stores that form the backbone of its retail model. Although emissions from store operations are currently classified as Scope 3, they are operationally intertwined with the Group's core business, reflecting common processes, technologies and standards that shape the store environment. As the Group refines its data and methodologies, these interdependencies may become even more relevant for future reporting.

Because of this close operational connection, improving energy performance in stores is treated as a strategic priority. Real progress depends on co-ordinated action across the franchise network, supported by Group-led programmes, technologies and incentives that can influence store-level performance and reduce emissions over time.

The effectiveness and pace of these efforts will depend on market conditions, access to low-carbon technologies, regulatory developments and the level of franchisee engagement – factors that may require ongoing adjustments to the Group's approach.

Priorities and transition actions

Rolling out energy-efficient technologies: The Group aims to continue rolling out energy-efficient technologies, including closed-door refrigeration, LED lighting and zero-heating doors across the store network. Advanced control systems for air conditioning and air curtains have been introduced in more than 2,300 stores, while automatic lighting control operates in over 900 locations, reducing energy use during low-traffic hours.

Renewable energy sourcing by franchisees: The Group intends to support franchisees in switching to renewable electricity through collective purchasing contracts and supplier partnerships, ensuring access to green tariffs and lowering operational emissions.

Reducing emissions from refrigeration systems: Żabka Group intends to develop a system-wide approach to reducing emissions from refrigerants, focused on improving the efficiency and environmental performance of cooling technologies. The initiative includes a gradual transition to low-GWP refrigerants, the planned modernisation of refrigeration equipment and optimisation of maintenance processes to minimise leakage. Pilot projects using glycol-based and alternative natural refrigerants are expected to generate insights that may inform future large-scale roll-outs across the store network.

Franchisee engagement for low-carbon operations (Żabka Polska)

The *Energy Savings Contest* invites franchisees to identify and share innovative ways to improve store-energy efficiency. The most efficient stores are publicly recognised, demonstrating how data-driven decision-making and everyday behavioural changes translate into measurable reductions in energy use and emissions.

In 2025 alone, more than 3,300 franchisees participated in the full program cycle, while approximately 4,000 franchisees met the monthly targets. In total, the initiative generated nearly 2 GWh of energy savings, equivalent to the annual electricity consumption of almost 800 households*.

Complementing this effort, the *Naturally Together programme* supports franchisees in collecting cardboard and plastic packaging generated in store operations and returning these materials to recycling streams, reinforcing circular practices in day-to-day retail activities.

Together, these initiatives highlight how Żabka Polska's franchise network can operationalise low-carbon solutions at scale. Over time, the lessons learned in Poland may provide a basis for considering similar approaches in other Group markets, subject to local regulatory and market conditions.

* Source: Statistics Poland (GUS), Energy consumption in households in 2024, published 9 January 2026.

Risk and opportunities

Climate-related risks and opportunities shaping Żabka Group's transition and operational decisions

Żabka Group identifies and manages climate-related risks and opportunities as an integral part of its Enterprise Risk Management (ERM) framework and strategic planning process. The Group applies a structured approach aligned with ESRS and IFRS (building on methodologies formerly consistent with TCFD), combining scenario analysis, risk mapping and regular management reviews. Climate risks are assessed in terms of likelihood and impact, with clear ownership assigned across business functions and mitigation progress monitored quarterly.

To evaluate physical risks, Żabka conducted a comprehensive assessment of logistics centres, stores and supply-chain sites, analysing 28 climate hazards under two IPCC scenarios – SSP2-4.5 (moderate) and SSP5-8.5 (high-emission). A 1.5°C aligned scenario was also considered on the general level. The study confirmed that the most material exposures relate to business interruptions caused by storms, floods or heatwaves, while direct asset damage remains low. Results of the analysis are now guiding infrastructure design, location planning and adaptation measures across the Group's operations.

In parallel, transition risks – such as regulatory changes, volatility in energy and fuel markets, shifts in low-carbon technologies, carbon-pricing mechanisms and evolving customer and investor expectations – are reviewed regularly within the ERM process.

The Group also monitors system-level uncertainties that may influence the feasibility and pace of the Żabka Group's *Climate Transition Framework Plan*, including the readiness of EV-charging and transport infrastructure in Poland and Romania, the future availability and affordability of zero-emission energy (with an operating assumption that 100% clean electricity may need to be secured at close-to-grid parity), and the direction of national and EU-level policy frameworks.

These insights support the Group's *Climate Transition Framework Plan* and its efforts to enhance business resilience – ensuring that climate considerations are embedded in investment decisions, supplier engagement and franchise operations. At the same time, Żabka identifies opportunities to strengthen competitiveness through resource efficiency, renewable energy sourcing and circular product innovation.

Material climate-related risks and opportunities identified for Żabka Group

Strengthening operational resilience to climate-related risks

Żabka Group addresses climate-related risks through a combination of business-continuity planning, adaptive operational measures and regulatory preparedness. Actions focus on maintaining supply-chain stability, managing potential disruptions related to energy and logistics constraints, and ensuring the resilience of operations under changing climate conditions. In parallel, the Group monitors evolving climate and ESG regulations, strengthening governance, data availability and internal controls to support compliance and informed decision-making over the medium and long terms. Existing biodiversity and sustainable-sourcing policies continue to be implemented and monitored to manage nature-related transition risks within the value chain.

Leveraging climate-related opportunities across operations and the value chain

Żabka Group captures climate-related opportunities by scaling effective energy-saving initiatives, strengthening partner engagement and supporting access to renewable energy. Successful low-carbon solutions are piloted and rolled out across operations, complemented by training and knowledge-sharing platforms for employees, franchisees and business partners. The Group explores cost-efficient renewable-energy options, and carries out research into low-emission products and customer insights to enhance market positioning and value-chain resilience.

READ MORE ABOUT CLIMATE RISKS AND OPPORTUNITIES >

Material aspect	Risk category	Risk	Short-term assessment	Opportunity	Short-term assessment
Changing climate and extreme weather events	Physical / Acute	Threats to operations caused by the occurrence of sudden weather phenomena	Medium	Strengthening climate resilience through infrastructure developments and upgrades, emergency response protocols, and insurance optimisation.	Medium
	Physical / Chronic	Threats to operations caused by chronic climate change	Medium	Long-term adaptation planning, including site diversification climate scenario modelling, and investment in resilient technologies	Medium
		Limitations and disruptions in water availability especially in the supply chain	Medium	Implementing water-efficient technologies and engagement with water stewardship programmes	Medium
Energy use	Transition / Market	Instability of the energy and fuel markets including price volatility and infrastructure reliability	Medium	Enhancing energy sourcing and management systems, negotiating long-term energy contracts, and accelerating the shift to lowcarbon energy alternatives	High
GHG emissions in own operations (Scope 1 & 2)	Transition / Policy and Legal	Restrictions on deliveries made by combustion engine vehicles in city centres and limited availability of low-emission logistics solutions	Medium	Expanding the use of electric or low-emission delivery fleet, optimising logistics in highly urbanised areas	Medium
GHG emission in value chain (Scope 3)		Stricter regulations in sustainable agriculture and the impact of the origin of raw materials on natural biodiversity and deforestation.	Medium	Strengthening and enhacing collaboration with suppliers by implementing sourcing policies and procedures and encouraging the adoption of more responsible and sustainable practices across the supply chain	Low
All of the above		Adapting to fast--evolving ESG regulatory requirements, including obtaining necessary data from other entities within the value chain	Medium	Building robust ESG data management systems, fostering cross-functional collaboration, and positioning the company as a leader in ESG compliance and transparency	Medium

Governance

Integrated climate governance across the Group

Żabka Group's climate governance framework ensures that accountability for the Żabka Group's *Climate Transition Framework Plan* is clearly defined across all levels of the organisation – from strategic oversight by the Board of Directors to day-to-day implementation within business functions across the Group entities. Responsibilities are embedded in existing governance structures, supported by dedicated ESG-related forums, cross-functional co-ordination and transparent reporting processes that enable effective monitoring of progress towards climate-related objectives.

Strategic oversight

The Board of Directors has ultimate oversight of climate strategy and risk management. It reviews progress against SBTi-validated targets, approves strategies and key policies, and receives regular updates on risk exposure and mitigation status from the Management Committee.

Executive leadership

The Management Committee is accountable for delivery of the plan. An ESG Committee & ESG Business Forum chaired by the CEO, with engagement of key Group Directors, steers the Climate Transition Plan, sets annual priorities and resolves trade-offs across functions.

Climate risk integration in ERM

The Risk & Compliance Committee integrates climate risks into the Group ERM cycle (identification, assessment, controls, monitoring). Scenario-analysis results and risk heatmaps inform capex standards for new facilities, supplier engagement plans and operational resilience actions.

ESG Centre of Excellence

As part of this governance framework, the ESG Centre of Excellence provides Group-wide guidance on ESG standards, supports the implementation of key sustainability initiatives and offers expert input for reporting, assurance and the continuous improvement of ESG practices.

Cross-functional co-ordination of transition levers

Żabka co-ordinates its *Climate Transition Framework Plan* through cross-functional teams representing the five transformation levers – fleet and logistics efficiency, buildings operations, stores operations, rnewable energy, products and services. Each lever is led by a responsible business function with defined milestones and indicators.

Transparent data, controls and reporting

ESG and Finance teams co-ordinate Group-wide GHG data collection and verification across operations, logistics, energy and procurement. Climate and ESG performance are reviewed regularly by the ESG Committee & ESG Business Forum and disclosed annually to the external public.

* The same individuals sit on the Management Committee of Zabka Group SA and on the Management Board of Żabka Polska sp. z o.o. The Group's sustainability-governance processes outlined in the ESG Framework are modelled on Żabka Polska's governance framework, with key responsibilities for strategy, reporting and management assigned to the same individuals. ESG Committee meetings are attended by Żabka Polska's Management Board members and the ESG Centre of Excellence.

Linking climate objectives with risk management, incentives and decision making

Żabka Group integrates sustainability and climate performance into its remuneration system to ensure that management incentives are directly linked to progress on strategic ESG objectives. The variable component of executive and managerial remuneration includes measurable targets related among other factors to decarbonisation, good nutrition, suppliers' acknowledgment of the Code of Conduct provisions, and circularity. These indicators are reviewed annually by the Board of Directors, Audit Committee, Management Committee and ESG Committee and ESG Business Forum, ensuring transparency and alignment with the Group's long-term sustainability framework and ambitions.

Beyond formal KPIs, members of the Management Board, including the Audit Committee, are actively involved in steering the Group's ESG agenda – providing strategic oversight of ESG and climate risks within the ERM framework and shaping Groupwide sustainability priorities and policies. Their participation in governance bodies and reporting processes ensures that ESG considerations remain integrated into strategic decision-making and organisational direction.

By embedding ESG performance into annual evaluations of employee performance, Żabka reinforces accountability for delivering its *Climate Transition Framework Plan* across all business functions.

Management and recognition

Delivering measurable progress and market credibility at Group level

Performance tracking embedded in management processes

Żabka Polska applies a transparent and data-driven approach to track progress on its climate and sustainability goals. Performance is monitored through a consistent set of key indicators aligned with the CSRD and the Group's *Climate Transition Framework Plan*. Progress across Scopes 1–3 – including emission reductions, renewable-energy use, circular packaging and supplier engagement – is tracked on an ongoing monthly basis at operational level and quarterly at Group level. Results are reviewed by the ESG Committee & ESG Business Forum and reported at least annually to the Board of Directors. This continuous monitoring ensures that climate targets remain on track and supports evidence-based decision-making across business functions.

Robust data governance and independent assurance

To ensure the quality and reliability of ESG data, Żabka operates a central data management and validation process with defined controls. ESG and Finance teams jointly verify the completeness of greenhouse-gas inventories, energy metrics and supplier data inputs. Selected indicators undergo internal audits, while third-party assurance is applied to material disclosures in the CSRD-aligned sustainability disclosure. The Group's data governance approach follows the principles of transparency, traceability and continuous improvement.

Top-tier ESG ratings and external recognition

Żabka Group's sustainability performance is independently verified and benchmarked through leading international frameworks and ESG ratings. The Group holds the highest AAA ESG rating from MSCI and the Platinum Medal from EcoVadis, ranking the Company among the top performers globally for sustainability management.

Żabka Group also maintains a Fitch ESG Relevance Score, confirming the integration of material ESG factors into its risk profile.

Żabka's *2024 Sustainability Statement* being part of the *2024 Annual Report* received distinction for its sustainability statement in the *Best Annual Report* competition organised by the Institute of Accounting and Taxes (IRiP). It also earned acclaim in the 14th edition of the prestigious *Corporate & Financial Awards*, organised by the British magazine *Communicate*. And it received the ESG *Transparency Award* from EUPD Group for its Annual Report, including ESG content: its result of 94.13% placed it in the *excellence class*.

These external verifications confirm the credibility of Żabka Group's *Climate Transition Framework Plan* and provide investors and stakeholders with confidence in the Group's long-term sustainability performance.

PLATINUM Top 1%
ecovadis
Sustainability Rating
JAN 2026

MSCI ESG RATINGS AAA
CCC B BB BBB A AA AAA

READ MORE ABOUT AWARDS

Document overview

In 2025, Żabka Group published its *Climate Transition Framework Plan*, building on the foundations set by the Group's *ESG Framework Policy* and on Żabka Polska's climate ambitions, which are aligned with the objectives of the Paris Agreement to limit any global temperature rise to 1.5°C. The Plan sets out Żabka Group's intended strategic direction for managing climate impacts across its expanding multi-business ecosystem, indicating a pathway for progressively reducing absolute GHG emissions across Scopes 1–3 and defining interim milestones to guide near-term action.

These pathways are indicative and will evolve in line with scientific developments, regulatory requirements, market conditions and the Group's business growth, ensuring that future updates reflect both external context and operational feasibility realities across all markets of operations.

As Żabka evolves into a more diversified multi-business ecosystem and expands into new markets, this document provides a foundation for future updates that will further align climate objectives with the Group's broader transformation. It links the most material environmental levers with governance, risk management and investment processes, ensuring that climate action supports innovation, resilience and long-term value creation while remaining sensitive to external dependencies.

Methodologies and frameworks

Our transition plan is informed by internationally recognised standards and frameworks, including:

- *TCFD: Guidance on Metrics, Targets and Transition Plans,*
- *GHG Protocol Corporate Accounting and Reporting Standard,*
- *SBTi Net-Zero Standard,*
- *CDP Technical Note: Reporting on Transition Plans,*
- *Transform to Net Zero: Climate Transition Action Plans,*
- *EU frameworks including CSRD/ESRS, EU Taxonomy, and SFDR,*
- *European Climate Law-aligned transition pathways.*

Revision

The Plan is intended to be reviewed regularly as part of each business cycle to ensure continued alignment with emerging science, evolving regulation and the Group's strategic growth priorities. Revisions may also occur if updates to international frameworks – including the SBTi Net-Zero Standard or other regulatory and methodological guidelines – require recalibration of the Group's climate-related methodologies, or if structural changes in the Group's portfolio or geographic footprint necessitate adjustments to its indicative emission-reduction trajectory.

Legal disclaimer

This document contains forward-looking statements concerning Żabka Group's ESG goals and ambitions, including its climate transition targets. These ambitions reflect our current intentions and expectations, based on data available to date, historical operating trends and third-party information. They are inherently subject to risks, uncertainties and factors beyond our control, including regulatory changes, market developments and physical climate risks. Currently, Żabka Group has no obligation to update or revise these statements unless required by law to do so.

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